Copenhagen Stock Exchange
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Announcement No. 21
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Interim report - first half 2005

First half 2005 - highlights

- In the first half-year, the profit for the period was USD 167 million, including profit from the sale of vessels of USD 27 million, against USD 151 million in the same period last year when the profit from the sale of vessels amounted to USD 33 million. The result for the second quarter was USD 87 million, including profit from the sale of vessels of USD 8 million. The result has been achieved in spite of a declining dry cargo market in the second quarter, partly due to the Company's coverage strategy, and partly as a consequence of considerably greater activity on the strong tanker market.

- The profit before depreciation and before profit from the sale of vessels (EBITDA) increased in the first half-year by 2% to USD 134 million.

- The Company's operations generated a positive cash flow of USD 156 million in the first half-year. Available funds were increased by USD 4 million after gross investments of USD 120 million in expansion of the fleet (including prepayments).

- The Dry Cargo Department's profit amounted to USD 147 million, including profit of USD 19 million from the sale of 2 Handymax bulkcarriers, whereas the Tanker Department's profit amounted to USD 34 million, including profit of USD 8 million from the sale of 2 partly-owned product tankers. The Dry Cargo Department's EBITDA is 8% below the historically favourable first half of 2004 whereas the Tanker Department's EBITDA increased by 67% compared to the same period last year.

- The Company's fleet, including the value of eight newbuildings, has an estimated additional value of USD 295 million as at 30 June.

- This year, the Dry Cargo Department has declared 8 purchase options, 2 of which have been delivered in the second quarter. The remaining vessels are expected to be delivered in the third and fourth quarters of 2005.

- Coverage of the total known capacity measured in ship days is today 90% for the Dry Cargo Department and 57% for the Tanker Department for the rest of 2005.

- The result for the whole year, which was previously expected to be in the range of USD 250 million, including profit from the sale of vessels of USD 75 million, is now expected to be in the range of USD 285 million, including profit from the sale of vessels of USD 92 million. This upward adjustment is primarily due to the profit of USD 18 million from the sale of the product tanker Nordafrika, better profit from operations (EBITDA), and a positive value adjustment of hedging instruments of USD 10 million.

Mogens Hugo Jørgensen Chairman of the Board	Carsten Mortensen President

Today at 14.00 hours (CET) "NORDEN" will hold a telephone conference where CEO Carsten Mortensen and CFO Jens Fehrn-Christensen will comment on the first half of 2005 and the expectations for the whole year. By 13.55 (CET) at the latest, Danish participants should dial +45 70265040 while participants from abroad should dial +44 20 7769 6433. The telephone conference as well as the accompanying presentation can also be followed live at www.ds-norden.com.

Further information: President Carsten Mortensen, tel. +45 33 15 04 51.

Contents

Financial highlights and key ratios

The Company's accounting policies have been changed as at 1 January 2005 in compliance with the new standards approved by the European Union, the International Financial Reporting Standards (IFRS), and other such financial reporting requirements that apply to listed companies. The comparative figures for 2004 have been adjusted accordingly.

USD 1,000	2005 1/1-30/6	2004 1/1-30/6	Change first half 2004-2005	2004 1/1-31/12
INCOME STATEMENT				
Freight income (net revenues)	692,334	534,039	30%	1,166,593
Costs	-558,131	-402,507	39%	-933,669
Profit before depreciation (EBITDA)	**134,203**	**131,532**	**2%**	**232,924**
Profit from the sale of vessels etc.	19,447	32,774	-41%	49,757
Depreciation	-8,077	-6,374	27%	-13,328
Income from joint ventures	7,853	179	4,287%	195
Operating profit (EBIT)	**153,426**	**158,111**	**-3%**	**269,548**
Fair value adjustment of certain hedging instruments	23,577	-	-	-
Net finance	-7,528	-4,895	54%	-2,425
Profit before tax	**169,475**	**153,216**	**11%**	**267,123**
Profit for the period	**166,924**	**151,580**	**10%**	**264,159**
Profit for the period (share for "NORDEN")	**166,647**	**151,356**	**10%**	**263,912**
Profit for the period (Minorities' share)	**277**	**224**	**24%**	**247**
CASH FLOWS				
From operating activities	155,888	112,732	38%	190,100
From investment activities, including vessels	-60,654	33,160	-283%	20,193
From financing activities	-91,135	-55,804	63%	-135,007
Change in cash equivalents for the period	**4,099**	**90,088**	**-95%**	**75,286**
KEY FIGURES FOR THE BALANCE SHEET				
Long-term assets	343,419	251,093	37%	268,778
Total assets	583,531	498,265	17%	521,937
Equity (including minority interests)	440,835	325,313	36%	340,077
Long-term liabilities	86,352	111,864	-23%	91,751
Short-term liabilities	56,344	61,088	-8%	90,109
FINANCIAL AND ACCOUNTING RATIOS				
Number of shares (excl. own shares)	2,162,826	2,210,250	-2%	2,200,890
Earnings per share (EPS)	75.98	67.75	12%	118.17
Diluted earnings per share (diluted EPS)	75.42	66.36	14%	115.80
Intrinsic value per share (excl. own shares), USD (DKK[1])	203 (1,252)	143 (876)	42%	154 (840)
Equity ratio	75.2%	63.6%	18%	64.8%
Share price at year-end, DKK	3,102	2,064	50%	2,726
Share price/intrinsic value [2]	2.48	2.36	5%	3.24
Net Asset Value per share excl. purchase options for vessels, USD (DKK[1])	339 (2,096)	212 (1,294)	60%	260 (1,424)
Net interest-bearing debt, USD	-39,371	-26,203	50%	-17,670
Invested capital, USD	401,464	299,110	34%	322,407
USD rate at year-end	617.49	611.48	1%	546.76

[1] Translated to the USD/DKK rate at end-period.
[2] Intrinsic value is calculated as equity (excl. minority interests) in USD translated to the USD/DKK rate at end-period.

The key figures and ratios are calculated in accordance with guidelines issued by the Danish Association of Financial Analysts 2005 (Anbefalinger og Nøgletal 2005).

Comments on the development of the period for the group

Activity and earnings

The Company's freight income in the first half of 2005 amounted to USD 692 million against USD 534 million in the same period last year, corresponding to an increase of 30%. The high level of activity is the result of the continued expansion of the fleet in both the Tanker and the Dry Cargo Departments.

The number of ship days in the first half-year increased by 23% to 21,760 compared to the same period last year. Of this increase, 47% was in the Tanker Department and 20% was in the Dry Cargo Department and was achieved through the chartering of vessels.

The profit before depreciation and profit from sales (EBITDA) amounted to USD 134 million against USD 132 million in the first half of 2004. In the light of the fact that the bulk market is lower than in the same period last year, this must be considered satisfactory. "NORDEN" has primarily maintained the high earnings due to a stronger tanker market and increased activity in both segments.

The operating profit (EBIT) amounted to USD 153 million in the first half-year, including a USD 27 million profit from the sale of 2 Handymax bulkcarriers and 2 partly-owned product tankers, against USD 158 million in the same period last year when the profit from the sale of vessels amounted to USD 33 million.

In the second quarter of 2005, the operating profit was USD 79 million, including profit from the sale of vessels of USD 8 million, against USD 106 million in the second quarter of 2004 which included profit from the sale of vessels of USD 33 million.

In connection with the Company's transition to the IFRS standard, it is no longer an option to postpone the effect of value adjustments on the bunker hedging contracts and the Forward Freight Agreements (FFAs) to the point in time when the covered transaction takes place. The profit effect of this is recognised in a special item called "Fair value adjustment of certain hedging instruments" and amounts to USD 24 million in the first half of 2005, of which USD 16 million relate to bunker hedging contracts regarding bunker purchases during 2005 -2009 and USD 8 million to FFAs for open ship days during 2005-2006.

Net financial items amounted to USD -8 million against USD -5 million last year. This is mainly due to negative value adjustments on the foreign exchange rate forward contracts due to the rising USD/DKK exchange rate.

The Company's interest rate risk on its long-term debt is covered for a period of 3.1 years at an interest rate of 4.8% including lenders' margin.

Profit for the period after tax amounted to USD 167 million in the first half-year against USD 151 million in the same period last year. The result yields a rate of return on equity of 86% (p.a.).

Expansion of the fleet

The Company continues its planned expansion of the fleet and has this year declared purchase options on a further 8 dry cargo vessels - 6 Handymax bulkcarriers, 1 Panamax as well as 1 Capesize - of which 2 Handymax bulkcarriers have been delivered in the second quarter. The remaining vessels are expected to be delivered in the third and fourth quarters of 2005. Furthermore, the Company has taken delivery of 1 Handymax bulkcarrier, acquired by exercising a purchase option declared in 2004.

In the second quarter, agreements were entered into regarding the long-term charter of another 2 Handymax bulkcarriers and 1 Panamax bulkcarrier, all with purchase options. Thus, "NORDEN" has altogether in 2005 long-term chartered 5 vessels with purchase options - consisting of 1 product tanker, 2 Panamax bulkcarriers and 2 Handymax bulkcarriers - expected for delivery in 2006-2008. At present, the Company thus holds 51 long-term chartered vessels with purchase options, 23 of which have been delivered. All purchase options are in-the-money.

In the second quarter, the Company has also entered into an agreement concerning the purchase of 2 Handymax bulkcarriers from Chinese shipyard for delivery in 2008.

In parallel with this expansion of the fleet, "NORDEN" continuously considers the optimal time for making profit through the sale of vessels. In the first quarter, the Company took delivery from shipyard of 2 new Handymax bulkcarriers which were both sold on delivery with a profit of USD 19 million. Furthermore, in the second quarter, the Tanker Department delivered 2 partly-owned newbuildings from Chinese shipyard with a profit to "NORDEN" of USD 8 million, recognised in "Profit from joint ventures". Finally, the Dry Cargo Department sold 1 newly built Handymax bulkcarrier to Indian interests in July with a profit of USD 19 million which will be recognised in the third quarter. "NORDEN" has now realised 5 of the 6 vessel sales for which agreements had been entered into at the beginning of the year. The last of the 6 vessels – 1 Handymax bulkcarrier under construction – will be delivered to the new owners in the fourth quarter.

Besides this, the Company entered into an agreement in July regarding the sale of the product tanker Nordafrika to Vietnamese interests at a profit of USD 18 million. The vessel is expected to be delivered in August and the profit will therefore be recognised in the third quarter of 2005.

Furthermore, the Company has fixed the Aframax vessel Nordatlantic for a 5-year period on attractive terms. The vessel is expected to be delivered to the new charterers in the first quarter of 2007.

At the end of the quarter, the Company had 10 own vessels and 8 newbuildings as follows:

Own vessels as at 30 June 2005	
Aframax	3
Handysize	2
Tanker Department total	**5**
Handymax	5
Dry Cargo Department total	**5**
Total	**10**

Newbuilding programme as at 30 June 2005		
Tanker Department	Delivery	Ownership share (%)
Product tanker - SR	2nd quarter 2006	100
Product tanker - SR	3rd quarter 2006	100
Product tanker - SR	1st quarter 2007	100
Product tanker - SR	2nd quarter 2007	100
Dry Cargo Department		
Handymax (sold)	3rd quarter 2005	100
Handymax (sold)	4th quarter 2005	100
Handymax	1st quarter 2008	100
Handymax	2nd quarter 2008	100

Cash flows

The Company's available funds increased during the first half-year by USD 4 million and amounted to USD 136 million as at 30 June 2005. The Company's operations generated a positive cash flow of USD 156 million whereas investments and financing activities contributed by USD -61 million and USD -91 million, respectively.

The investments mainly relate to the purchase and sale of vessels whereas the financing primarily relates to the purchase of own shares for USD -32 million, dividend paid of USD -38 million, and repayment/instalment on long-term debt of USD -21 million. In the first half-year, "NORDEN" invested USD 120 million gross in expansion of the fleet (including prepayments), while the net proceeds from the sale of vessels amounted to USD 60 million.

Equity

The Company's equity amounted to USD 441 million as at 30 June 2005 and has thus been increased by USD 101 million since 31 December 2004, corresponding to an increase of 30%.

The equity development comprises profit for the period of USD 167 million, write-down in connection with the purchase of own shares for USD -32 million, dividend paid of USD -38 million as well as other adjustments of USD 4 million which mainly relate to the value adjustment of hedging instruments.

Compared to accounting values, the Company's fleet and the orders for 8 newbuildings are estimated to represent an added value of USD 295 million as at 30 June. This corresponds to USD 136 (DKK 842) per share excluding the Company's stock of own shares. Net asset value per share is hereafter USD 339 (DKK 2,096) per share. In addition, the Company's purchase options on long-term chartered vessels have a non-entered, positive book value.

Equity development, 1 January - 30 June

USD 1,000	2005	2004
Equity 1 January (old policies)	-	184,908
IFRS adjustment	-	9,755
Equity 1 January (new policies)	340,077	194,663
Adjustment of hedging instruments	4,266	13,425
Profit for the period	166,924	151,580
Dividend paid	-38,073	-35,667
Purchase/sale of own shares	-32,421	1,250
Share-based incentive programme	62	62
Equity at year-end	**440,835**	**325,313**

Highlights by segments

USD 1,000	First half 2005 - 1/1-30/6 2005				First half 2004 - 1/1-30/6 2004			
	Dry Cargo	Tanker	Not allocated	Total	Dry Cargo	Tanker	Not allocated	Total
Freight income	627,838	64,496	0	692,334	492,841	41,198	0	534,039
Costs	-522,054	-33,326	-2,751	-558,131	-378,444	-22,525	-1,538	-402,507
Profit before depreciation (EBITDA)	**105,784**	**31,170**	**-2,751**	**134,203**	**114,397**	**18,673**	**-1,538**	**131,532**
Profit from sale of vessels etc.	19,444	0	3	19,447	20,323	12,451	0	32,774
Depreciation	-2,006	-5,391	-680	-8,077	-328	-5,651	-395	-6,374
Income from joint ventures	0	7,853	0	7,853	0	179	0	179
Operating profit (EBIT)	**123,222**	**33,632**	**-3,428**	**153,426**	**134,392**	**25,652**	**-1,933**	**158,111**
Fair value adjustment of certain hedging instruments	23,577	0	0	23,577	-	-	-	-
Net finance	0	0	-7,528	-7,528	0	0	-4,895	-4,895
Profit before tax	**146,799**	**33,632**	**-10,956**	**169,475**	**134,392**	**25,652**	**-6,828**	**153,216**
Profit for the year	**146,799**	**33,632**	**-13,507**	**166,924**	**134,392**	**25,652**	**-8,464**	**151,580**

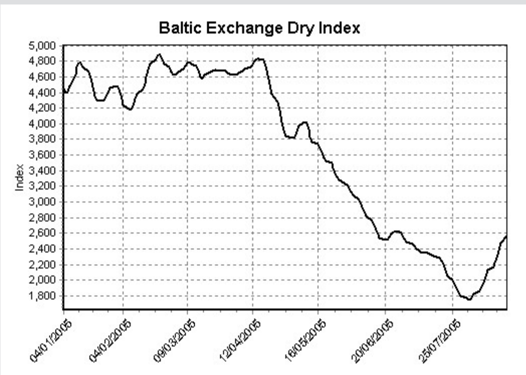
Dry Cargo

Financial highlights

In the first half-year, the Dry Cargo Department achieved a profit before tax of USD 147 million, including profit from the sale of vessels of USD 19 million, against USD 134 million in the same period last year which included profit from the sale of vessels of USD 20 million. Furthermore, a positive fair value adjustment of certain hedging instruments of USD 24 million is included in the profit for the first half of 2005 as a consequence of the Company's transition to new accounting policies.

In the second quarter, the profit before tax was USD 72 million (no profit from the sale of vessels) against USD 89 million in the same period last year, including profit from the sale of vessels of USD 20 million. In the second quarter of 2005, the fair value adjustment of certain hedging instruments was USD 12 million against USD 0 in the same period last year.

For the first half-year as a whole, the department's profit before depreciation, profit from sales and fair value adjustments (EBITDA) was 8% lower than in the same period last year. This has to be seen in the light of the fact that freight rates, especially in the second quarter of 2005, have decreased significantly and that the dry cargo market in the first half of 2005, taking all aspects into account, was lower than in the same period last year. For instance, the average spot T/C equivalent in the Company's two major segments - Panamax and Handymax



Source: The Baltic Exchange

Employment and rates - first quarter

(excluding single voyages)

	Number of ship days "NORDEN"	T/C equivalents "NORDEN" (USD per day)	Spot T/C avg. market * (USD per day)
Capesize	574	36,353	61,264
Panamax	4,602	33,008	31,852
Handymax	11,595	26,311	26,038

*Source: The Baltic Exchange

- was 11% below the first half of 2004. In light of this, the profit is satisfactory and underlines the value of "NORDEN"s strategy of incorporating long-term coverage of the fleet.

Earnings have been maintained, partly by an expansion of capacity by 8%, and partly by increasing the average earnings per ship day (T/C equivalent). "NORDEN" was able to obtain a higher T/C equivalent for all segments in the first half of 2005 compared to the same period last year.

For the 2 main segments - Handymax and Panamax - the Company obtained higher T/C equivalents in the first half-year than the corresponding T/C equivalents on the spot market. However, in the Capesize segment, all 4 units were employed at lower T/C equivalent rates than in the spot market as the vessels were employed on long-term charters.

"NORDEN"s high T/C equivalents are, however, to some extent countered by the fact that the Company has chartered vessels for short periods at higher rates.

Market trends

According to the Baltic Dry Index, the dry cargo market decreased by more than 60% in the period from February to August 2005. The market has thus decreased to a level around the historical average for the last 10 years after having been above this average since the first quarter of 2003.

The negative market trend is mainly due to a decrease in the growth rates in Chinese imports of iron ore, caused by stock building in the Chinese iron industry during the first quarter of 2005. In spite of an import increase of 34% in the first half of 2005 compared to the first half of 2004, it has been declining in the period May-July. This has caused a lower demand for transport in the second quarter compared to the first quarter of 2005.

The decrease in the transport volume to China has contributed to overcoming the congestion problems in the loading and discharging ports, thus improving the capacity utilization of the global fleet.

The net growth of the global fleet was 3.3% in the first half-year, which is a little higher than expected. The total net growth in 2005 is now expected to be 6-7% as only very few vessels are being scrapped.

The Chinese government revaluated the Renminbi (CNY) by 2.1% against the USD on 21 July 2005, which is expected to have marginal effect on the demand for raw materials in China and thus is only of minor importance for the future development of the freight market.

Due to seasonal increases in demand and continued high growth in e.g. the American and Chinese economies, "NORDEN" expects the dry cargo market on average to be somewhat higher than today's spot market for the rest of the year. However, the market will still be volatile. There has been some improvement in the market rates in August, and at the same time, the prices of futures indicate a certain optimism regarding the rates.

The prices for secondhand dry cargo vessels for immediate delivery have decreased to the level for the prices at the beginning of 2005, having peaked in March/April at a 15-20% higher level. The prices for newbuildings with delivery in 2007-2009 have been stable through the first half of 2005. The prices for newbuildings as well as secondhand tonnage are still at a historically high level.

The Dry Cargo Department's newbuilding programme

	Delivery	Ownership %
Handymax (sold)	3rd quarter 2005	100
Handymax (sold)	4th quarter 2005	100
Handymax	1st quarter 2008	100
Handymax	2nd quarter 2008	100

Employment of the fleet

"NORDEN"s fleet as at 30 June 2005	
Dry Cargo Department	
Active fleet	
Owned vessels	5
Chartered vessels without purchase options	83
Chartered vessels with purchase options	20
Active total	108
Vessels for delivery	
Newbuildings (of which 2 are sold)	4
Chartered vessels with purchase options	25
For delivery total	29
Gross fleet total incl. newbuildings	137
Vessels with purchase options total	45

At the end of the second quarter, the Company had covered 79% of the known capacity measured in ship days for the rest of the year at attractive rates, and this coverage has in the period July-August increased to 90%. The Company expects the activity level of the second half of 2005 to be at the same level as the first half-year, i.e. approximately 38,000 ship days per year against 34,753 last year.

In line with the long-term coverage strategy for Capesize, the coverage of the tonnage in this segment is 100% in 2006. For the Company's second largest segment - Panamax - the coverage is approximately 50%, while the coverage of the Company's largest and least volatile segment - Handymax - is 40%. The coverage is considered carefully and continuously adjusted to the market conditions and expectations.

The employment of the fleet was in the second quarter mainly secured by entering into COAs. The Company's 5 overseas offices played a major role in this connection and could altogether take credit for 44% of the total activity measured in ship days.

In the second quarter, the Dry Cargo Department's own fleet was expanded from 3 to 5 units through the delivery of 2 Handymax bulkcarriers acquired by exercising purchase options. The Dry Cargo Department has furthermore declared purchase options on additionally 1 Capesize bulkcarrier, 1 Panamax bulkcarrier and 4 Handymax bulkcarriers, all for takeover during the second quarter of 2005. One of these Handymax bulkcarriers will be resold at delivery as the vessel was originally fixed with purchase option.

After the end of the second quarter, the Dry Cargo Department has entered into an agreement regarding the chartering of another 3 dry cargo vessels on long-term charter with purchase options.

In the second quarter, the Dry Cargo Department contracted 2 Handymax bulkcarriers from Chinese shipyard for delivery in 2008.

The Dry Cargo Department has taken delivery of 1 Handymax bulkcarrier from Japanese shipyard in July, which has subsequently been delivered to Indian interests with a profit from the sale of USD 20 million.

Tanker

Financial highlights

In the first half-year, the Company's Tanker Department achieved a profit before tax of USD 34 million, including profit from the sale of vessels of USD 8 million, against USD 26 million in the same period last year which included profit from the sale of vessels of USD 12 million.

In the second quarter, the profit before tax was USD 21 million, including profit from the sale of vessels of USD 8 million, against USD 19 million in the same period last year which included profit from the sale of vessels of USD 12 million.

The improved results for the second quarter as well as the first half-year can primarily be attributed to a stronger product tanker market and an activity increase measured in number of ship days of 47%.

The freight earnings in the first half of 2005 amounted to USD 64 million against USD 41 million last year, corresponding to an increase of 56%. Compared to last year, the direct voyage costs for the product tanker tonnage are now deducted from the freight earnings in the pool's accounts before the achieved net result is distributed to the partners. Thus, participation in the pool means that the Company's own revenues in future will be reduced as the freight earnings are now recognised in the revenue on a time charter basis. For the first half-year, this resulted in a reduction in the level of USD 17 million.

The mentioned T/C equivalents for the MR and Handysize vessels are based on a preliminary pool distribution. The final pool distribution will result in higher earnings, in particular on the MR vessels.

Market trends

In the first half-year, global oil demand was 82.9 mbd against 81.8 mbd in the same period last year.

According to the International Energy Agency's (IEA) latest report from July, oil demand for 2005 is expected to reach 83.9 mbd, an increase of 1.9% (82.3 mbd) compared to 2004.

The increase for 2006 is expected to be 2.1%, corresponding to 1.8 mbd.

The high oil price, caused by high demand for refined oil products, can amongst other things be attributed to the fact that refining capacity is inadequate.

The lack of refining capacity combined with an increased oil consumption in the USA and China may, looking ahead, risk causing "bottleneck problems". The effect of such "bottleneck problems" will be that the refined oil products have to be transported over longer distances, improving the rate level for the product tanker segment. The rates for the product tanker segment are already above the level for the same period in 2004, while the freight rates for the crude oil tonnage are noticeably below the level for the same period in 2004.

Due to this development, the Company expects the product tanker segment - where the Company is active on the spot market - to perform considerably better this year than the crude oil tanker segment, where the Company's vessels are employed on long-term charter parties.

Employment and rates - first half 2005

(excluding single voyages)

		USD per day	
	Number of ship days "NORDEN"	T/C equivalents "NORDEN"	Spot T/C avg. market*
Aframax (95,000 – 115,000 dwt)	724	19,663	35,442
MR product tanker (45,000 dwt)	724	27,556	25,135
Handysize product tanker (35,000 – 37,000 dwt)	1,462	23,310	23,962

*Source: ACM Shipbroker Ltd.

Employment of the fleet

"NORDEN" fleet as at 30 June 2005	
Tanker Department	
Active fleet	
Owned vessels	5
Chartered vessels without purchase options	7
Chartered vessels with purchase options	3
Active total	15
Vessels for delivery	
Newbuildings	4
Chartered vessels without purchase options	2
Chartered vessels with purchase options	3
For delivery total	9
Gross fleet total incl. newbuildings	24
Vessels with purchase options total	6

The major part of the product tanker tonnage has since 1 January 2005 been employed through the new Norient Product Pool, established by "NORDEN" and Interorient. The pool has been well received by the Company's customers and has met the objective of reliable and effective transport. The pool's objective is to achieve the best possible combination of employment in the spot market and some coverage of earnings through long-term charter agreements.

At the end of the first half-year, the pool operated 16 units while the 2 pool partners have a total order book of 22 units for delivery up to 2008. At the end of 2005, the pool is expected to employ 19 units.

The Company's Aframax tonnage is still employed on long-term charter agreements. The Company is thereby maintaining the objective of securing stable and good earnings by combining the employment of the tonnage in the spot and period market.

The first 2 newbuildings from Chinese shipyard, contracted with a partner and since resold, were delivered to the new owners directly from the shipyard in the second quarter. The Company's share of the profit is USD 8 million, which is recognised in the "Profit from joint ventures".

The Company entered into an agreement in July regarding the sale of the product tanker Nordafrika to Vietnamese interests with a profit of USD 18 million. The vessel is expected to be delivered in August and the profit will thus be recognised in the third quarter of 2005.

The Company has furthermore fixed the Aframax vessel Nordatlantic for a 5-year period at attractive terms. The vessel is expected to be delivered to the new charterers in the first quarter of 2007.

For the rest of the year, 57% of the known capacity, measured in ship days, has been covered. The corresponding figure for 2006 is 44%.

The department has 6 chartered units with purchase options, 3 of which have been delivered.

The Tanker Department's newbuilding programme

	Delivery	Ownership %
Product tanker – SR	2nd quarter 2006	100
Product tanker – SR	3rd quarter 2006	100
Product tanker – SR	1st quarter 2007	100
Product tanker – SR	2nd quarter 2007	100

Expectations for the rest of 2005

Dry Cargo

The Dry Cargo Department's earnings in the second half of 2005 are expected to be lower than in the first half of 2005, in spite of the considerable coverage of the Dry Cargo Department's known capacity. The total result for 2005 is expected to be satisfactory, although at a slightly lower level than for 2004.

Tanker

At the beginning of the second half-year, the tanker market is characterised by the traditional seasonal pattern showing a certain dampening of rate levels.

The Company, however, still expects a solid and balanced market for the whole year.

In the light of more ship days being at disposal in the favourable market and profit from the sale of vessels, a satisfactory profit is expected for 2005, and higher than the profit for 2004.

The Group

The result for the whole year, which was previously expected to be in the range of USD 250 million, including profit from the sale of vessels of USD 75 million, is now expected to be in the range of USD 285 million, including profit from the sale of vessels of USD 92 million. This upward adjustment is primarily due to the profit of USD 18 million from the sale of the product tanker Nordafrika, better profit from operations (EBITDA), and a positive value adjustment of hedging instruments of USD 10 million.

Forward-looking statement

The report includes forward-looking statements reflecting the board of management's current perception of future trends and financial performance. The statements for 2005 and the years to come naturally carry some uncertainty and "NORDEN"s actual results may therefore differ from the expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively so, changes in the macro-economic and political conditions – especially in the Company's key markets, changes in "NORDEN"s assumptions of rate development, operating costs, volatility in rates and ship prices, changes in legislation, possible interruptions in traffic and operations as a result of external events, etc. The interim report is not intended to be a solicitation to purchase or trade in shares in Dampskibsselskabet "NORDEN" A/S.

Half-year accounts - the Group

Accounting policies

The Company's accounting policies have been changed as at 1 January 2005 in compliance with the new standards approved by the European Union, the International Financial Reporting Standards (IFRS), and such other financial reporting requirements as apply to listed companies.

Furthermore, the Company will present its interim reports for 2005 in accordance with requirements in the IFRS and the Danish financial reporting requirements for interim reports as apply to listed companies.

The interim report has been presented in accordance with the IAS 34.

The effect, on a quarterly basis, of the transition to the IFRS as well as the presentation of applied accounting policies have been announced to the Copenhagen Stock Exchange on 25 May 2005. The most important changes for the Group are as follows:

- Scrap values of vessels
- Recognition of share-based incentive payment
- Minority interests
- Fair value adjustment of certain hedging instruments

In accordance with the IFRS 1, the provisions of the IAS 39 regarding the recognition and measurement of financial instruments are only introduced from 1 January 2005 without restatement of comparative figures.

The effects on profit, balance and equity of the policy changes made as well as the changes in presentation of the report for the first half of 2004 for the Group, are as follows:

USD 1,000	
Profit for the period	219
Equity	10,037
Balance sum	1,429

The changes applied in the accounting policies have no effect on tax on the profit for the period or on the tax liabilities recognised in the balance sheet as at 30 June 2004.

The comparative figures for 2004 have been adjusted to the new accounting policies and to the presentation of accounts.

A detailed specification of the quarterly effect on the comparative figures in 2004 can be seen in the stock exchange announcement of 25 May 2005.

Statement

The Board of Directors and Management today reviewed and approved the interim report for the first half of 2005 of Dampskibs-selskabet "NORDEN" A/S.

The interim report is prepared in accordance with the International Financial Reporting Standards (IFRS) and the general Danish financial requirements. In line with previous policies, the interim report is not audited.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the interim report to present a true and fair view.

In our opinion, the interim report therefore gives a true and fair view of the assets and liabilities of the Group, the financial position as well as the result of the Group's activities and cash flows for the interim period.

Copenhagen, 23 August 2005

Management

Carsten Mortensen
President

Jens Fehrn-Christensen
Executive Vice President

Board of Directors

Mogens Hugo Jørgensen
Chairman

Alison J. F. Riegels
Vice Chairman

Erik Gregers Hansen

Einar Fredvik

Kirsten Hansen

Ole Clausen

Erling Højsgaard

Egon Christensen

Income statement

USD 1,000	2005	2004	2005	2004
	1/1-30/6	1/1-30/6	1/4-30/6	1/4-30/6
Freight income (net revenues)	692,334	534,039	348,833	304,302
Costs	-558,131	-402,507	-273,886	-228,338
Profit before depreciation (EBITDA)	**134,203**	**131,532**	**74,947**	**75,964**
Profit from the sale of vessels etc.	19,447	32,774	-18	32,774
Depreciation	-8,077	-6,374	-4,120	-3,313
Profit from joint ventures	7,853	179	7,883	80
Operating profit (EBIT)	**153,426**	**158,111**	**78,692**	**105,505**
Fair value adjustment of certain hedging instruments [1)]	23,577	-	12,471	-
Net finance	-7,528	-4,895	-3,590	-1,728
Profit before tax	**169,475**	**153,216**	**87,573**	**103,777**
Tax on the profit for the period	-2,551	-1,636	-1,010	-1,293
Profit for the period	**166,924**	**151,580**	**86,563**	**102,484**
Distributed as follows:				
Shareholders in D/S "NORDEN" A/S	166,647	151,356	86,549	102,364
Minority share	277	224	14	120
Total	**166,924**	**151,580**	**86,563**	**102,484**
Earnings per share	**75.98**	**67.75**	**39.97**	**45.80**
Diluted earnings per share	**75.42**	**66.36**	**39.67**	**44.86**

[1)] Specification of "Fair value adjustment of certain hedging instruments"

Bunker hedging:	
2005	6,326
2006	5,089
2007	3,765
2008	148
2009	437
Total	**15,765**
FFA:	
2005	6,444
2006	1,368
Total	**7,812**
Total	**23,577**

The specification shows unrealised fair value adjustments of financial instruments covering future periods used for hedging according to the Company's risk management policy, but as a number of restrictive conditions under IAS 39 are not met, the fair value adjustments cannot be regarded as hedging under IFRS regulations. As the fair value adjustments are realised, the profit/loss is reclassified to the same item as the hedged transaction.

Balance sheet

USD 1,000	2005	2004	2004
	30/6	30/6	31/12
ASSETS			
Leasehold improvements	476	0	522
Land and buildings	4,108	4,056	4,154
Vessels	227,275	166,552	179,343
Vessels acquired under finance leases	27,166	28,543	27,793
Prepayments for newbuildings	61,979	38,027	42,477
Fixtures, fittings and equipment	4,510	4,016	4,530
Income from joint ventures	17,905	9,899	9,959
Non-current assets	**343,419**	**251,093**	**268,778**
Inventories	12,997	11,383	14,888
Receivables	74,813	83,559	93,831
Current account from joint ventures	3,188	0	1,715
Prepayments for newbuildings sold	12,412	1,736	7,083
Securities	660	594	660
Cash and bank balances	136,042	149,900	134,982
Current assets	**240,112**	**247,172**	**253,159**
Total assets	**583,531**	**498,265**	**521,937**
LIABILITIES			
Share capital	7,321	7,321	7,321
Retained earnings	431,276	309,384	288,679
Proposed dividend	0	0	42,116
Equity ("NORDEN" shareholders)	**438,597**	**316,705**	**338,116**
Minority interests	2,238	8,608	1,961
Equity	**440,835**	**325,313**	**340,077**
Provisions for docking costs (Bareboat)	260	593	104
Bank debt	37,099	51,183	39,378
Danish Ship Finance	25,233	34,129	27,523
Lease obligations	23,760	25,959	24,746
Non-current liabilities	**86,352**	**111,864**	**91,751**
Provisions for docking costs (Bareboat)	0	0	0
Short-term portion of long-term debt	11,239	13,020	26,325
Trade payables	19,126	38,942	24,952
Prepayments received on newbuildings for resale	0	0	5,409
Other payables and accruals	25,979	9,126	33,423
Current liabilities	**56,344**	**61,088**	**90,109**
Total liabilities	**142,696**	**172,952**	**181,860**
Total equity and liabilities	**583,531**	**498,265**	**521,937**

Consolidated cash flow statement - the Group

USD 1,000	2005	2004	2004
	First half	First half	1/1-31/12
Net profit	**166,924**	**151,580**	**264,159**
Reversal of items with no effect on available funds	-38,939	-26,348	-33,825
Cash flows before change in operating capital	**127,985**	**125,232**	**230,334**
Change in operating capital	27,903	-12,500	-40,234
Cash flows from operating activities	**155,888**	**112,732**	**190,100**
Investments in newbuildings	-64,990	3,357	-6,442
Investments in vessels etc.	-55,220	-41,040	-61,087
Net proceeds from the sale of vessels etc.	59,556	70,843	87,722
Cash flows from investing activities	**-60,654**	**33,160**	**20,193**
Loan financing	-20,641	-21,386	-24,100
Dividend paid to shareholders	-38,073	-35,666	-100,049
Takeover of minority holdings in Nordholm Pte. Ltd. and Nordafrika Pte. Ltd.	-	-	-6,670
Purchase of own shares	-33,666	-	-5,598
Sale of own shares	1,245	1,248	1,410
Cash flows from financing activities	**-91,135**	**-55,804**	**-135,007**
Change in cash and cash equivalents for the period	**4,099**	**90,088**	**75,286**
Cash and cash equivalents at begin-period	**134,982**	**59,845**	**59,845**
Currency rate adjustments	**-3,039**	**-33**	**-149**
Change in cash and cash equivalents for the period	**4,099**	**90,088**	**75,286**
Cash and cash equivalents at end-period	**136,042**	**149,900**	**134,982**

Statement of changes in equity - the Group

USD 1,000	Share capital	Retained earnings	Dividend	Equity ("NORDEN" shareholders)	Minority interests	The Group's equity
Equity at 1 January 2004 (old policies)	**7,321**	**138,918**	**38,669**	**184,908**	**0**	**184,908**
IFRS adjustment (depreciation)	-	1,371	-	1,371	-	1,371
IFRS adjustment (minorities)	-	-	-	-	8,384	8,384
Equity at 1 January 2004 (new policies)	**7,321**	**140,289**	**38,669**	**186,279**	**8,384**	**194,663**
Share-based incentive programme	-	62	-	62	-	62
Value adjustment of hedging instruments	-	13,425	-	13,425	-	13,425
Net income recognised directly in equity	**0**	**13,487**	**0**	**13,487**	**0**	**13,487**
Profit for the period	-	151,356	-	151,356	224	151,580
Total income for the period	**0**	**164,843**	**0**	**164,843**	**224**	**165,067**
Purchase/sale of own shares	-	1,250	-	1,250	-	1,250
Distributed dividend	-	-	-35,667	-35,667	-	-35,667
Dividend own shares	-	1,322	-1,322	0	-	0
Exchange rate adjustments on proposed dividend	-	1,680	-1,680	0	-	0
Total equity changes	**0**	**169,095**	**-38,669**	**130,426**	**224**	**130,650**
Equity at 30 June 2004	**7,321**	**309,384**	**0**	**316,705**	**8,608**	**325,313**
Equity at 1 January 2005 (old policies)	**7,321**	**286,959**	**42,116**	**336,396**	**-**	**336,396**
IFRS adjustment (depreciation)	-	1,720	-	1,720	-	1,720
IFRS adjustment (minorities)	-	-	-	0	1,961	1,961
Equity 1 January 2005 (new policies)	**7,321**	**288,679**	**42,116**	**338,116**	**1,961**	**340,077**
Share-based incentive programme	-	62	-	62	-	62
Value adjustment of hedging instruments	-	4,266	-	4,266	-	4,266
Net income recognised directly in equity	**0**	**4,328**	**0**	**4,328**	**-**	**4,328**
Profit for the period	-	166,647	-	166,647	277	166,924
Total income for the period	**0**	**170,975**	**0**	**170,975**	**277**	**171,252**
Purchase/sale of own shares	-	-32,421	-	-32,421	-	-32,421
Distributed dividend	-	-	-38,073	-38,073	-	-38,073
Dividend own shares	-	1,964	-1,964	0	-	0
Exchange rate adjustments on proposed dividend	-	2,079	-2,079	0	-	0
Total equity changes	**0**	**142,597**	**-42,116**	**100,481**	**277**	**100,758**
Equity at 30 June 2005	**7,321**	**431,276**	**0**	**438,597**	**2,238**	**440,835**

Statement of changes in equity - the Group (continued)

USD 1,000	Share capital	Retained earnings	Dividend	Equity ("NORDEN" shareholders)	Minority interests	The Group's equity
Equity at 1 January 2004 (old policies)	**7,321**	**138,918**	**38,669**	**184,908**	**0**	**184,908**
IFRS adjustment (depreciation)	-	1,371	-	1,371	-	1,371
IFRS adjustment (minorities)	-	-	-	0	8,384	8,384
Equity at 1 January 2004 (new policies)	**7,321**	**140,289**	**38,669**	**186,279**	**8,384**	**194,663**
Share-based incentive programme	-	124	-	124	-	124
Value adjustment of hedging instruments	-	-6,987	-	-6,987	-	-6,987
Net income recognised directly in equity	**0**	**-6,863**	**0**	**-6,863**	**0**	**-6,863**
Profit for the period	-	263,912	-	263,912	247	264,159
Takeover of minority shares	-	-	-	0	-6,670	-6,670
Total income for the period	**0**	**257,049**	**0**	**257,049**	**-6,423**	**250,626**
Purchase/sale of own shares	-	-4,188	-	-4,188	-	-4,188
Tax of equity changes	-	-975	-	-975	-	-975
Extraordinary dividend	-	-66,589	66,589	0	-	0
Dividend own shares	-	3,529	-3,529	0	-	0
Exchange rate adjustment on proposed dividend	-	1,680	-1,680	0	-	0
Dividend paid	-	-	-100,049	-100,049	-	-100,049
Proposed dividend	-	-42,116	42,116	0	-	0
Total equity changes	**0**	**148,390**	**3,447**	**151,837**	**-6,423**	**145,414**
Equity at 31 December 2004	**7,321**	**288,679**	**42,116**	**338,116**	**1,961**	**340,077**