



# Presentation of H1 2005 results

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**Copenhagen, August 23, 2005**

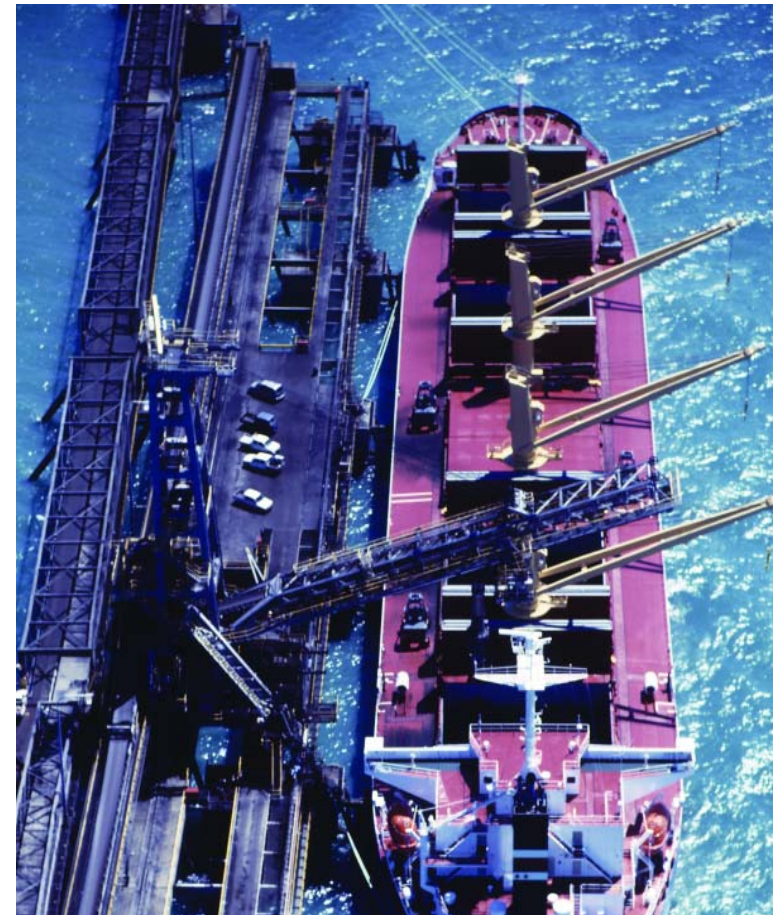
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## TODAY'S AGENDA

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- H1 in brief
- Dry Cargo
- Tanker
- Key figures and expectations
- Questions and answers



## H1 in brief: Satisfactory performance

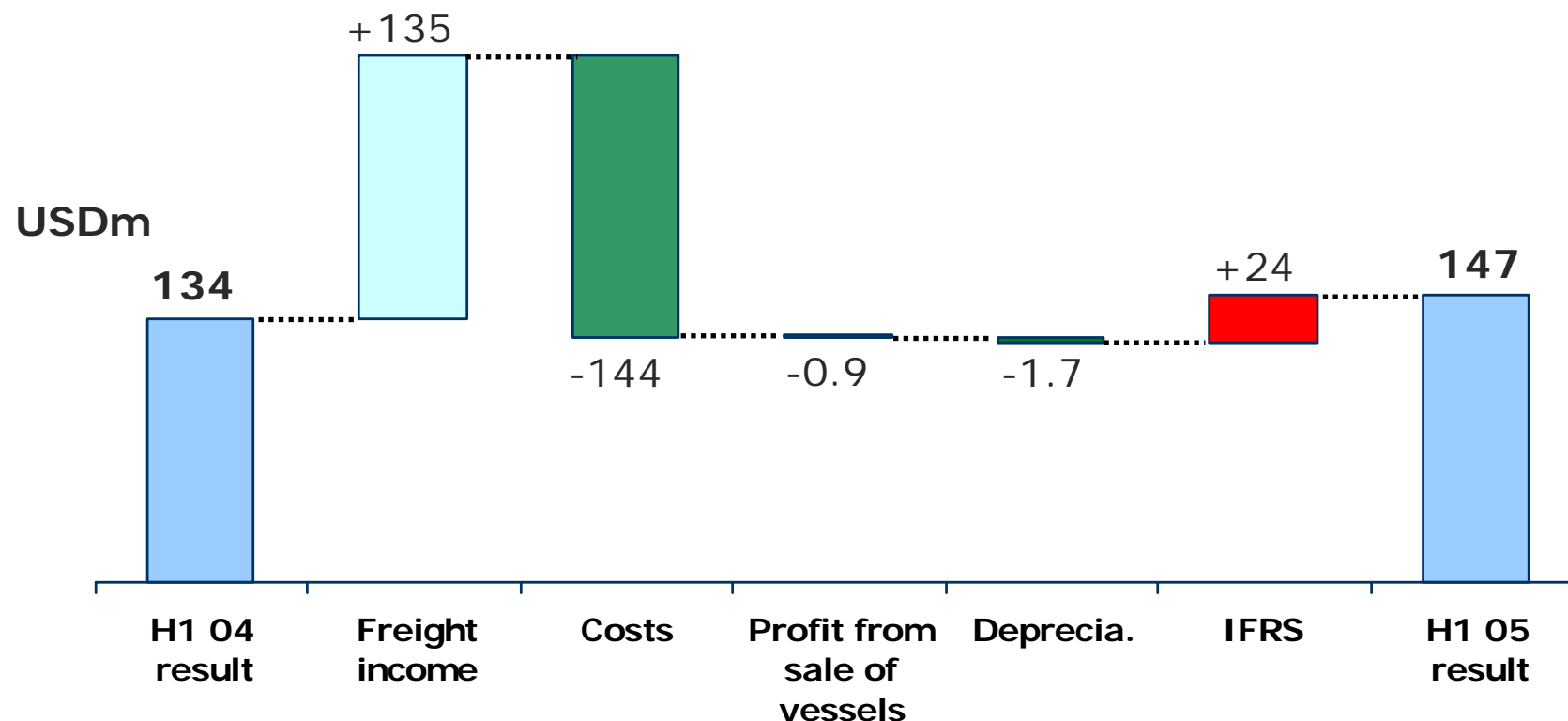
- Revenue up 30% to USD 692m
- 21,760 ship days; 23% increase
- EBITDA better than anticipated despite weakening of bulk market
  - Offset by stronger tanker results
- Net profit rose by 10% to USD 167m
- CFFO: USD 156m (+38%)
- Fleet expansion continues; gross investments of USD 120m
- Net asset value of USD 339 (+60%)

**FY guidance adjusted upwards**



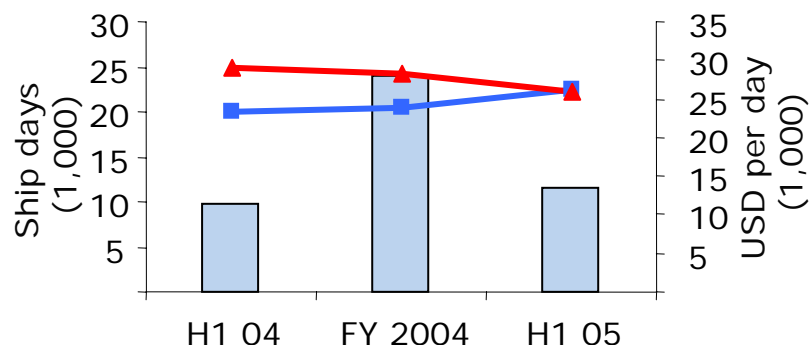
## Dry Cargo: Net profit up 9% to USD 147m

EBITDA decline of 8% satisfactory in light of weak markets in Q2

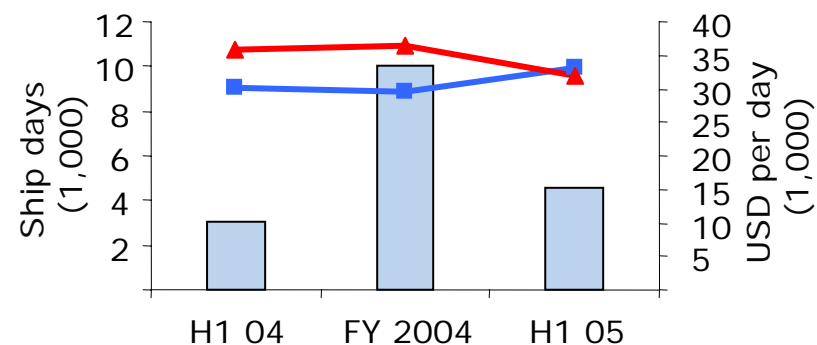


## Dry Cargo: 18,850 ship days (+20%)

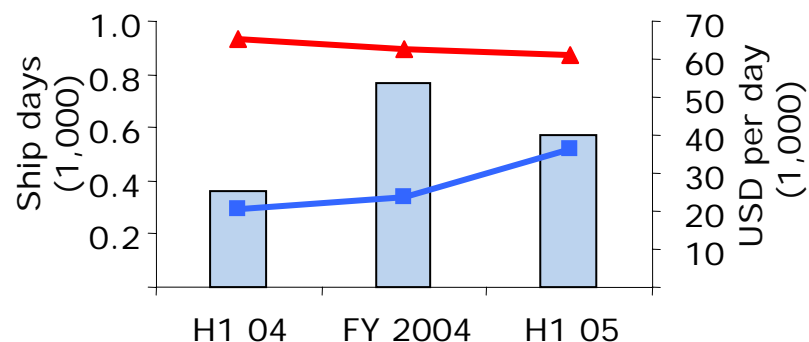
### Handymax



### Panamax



### Capesize

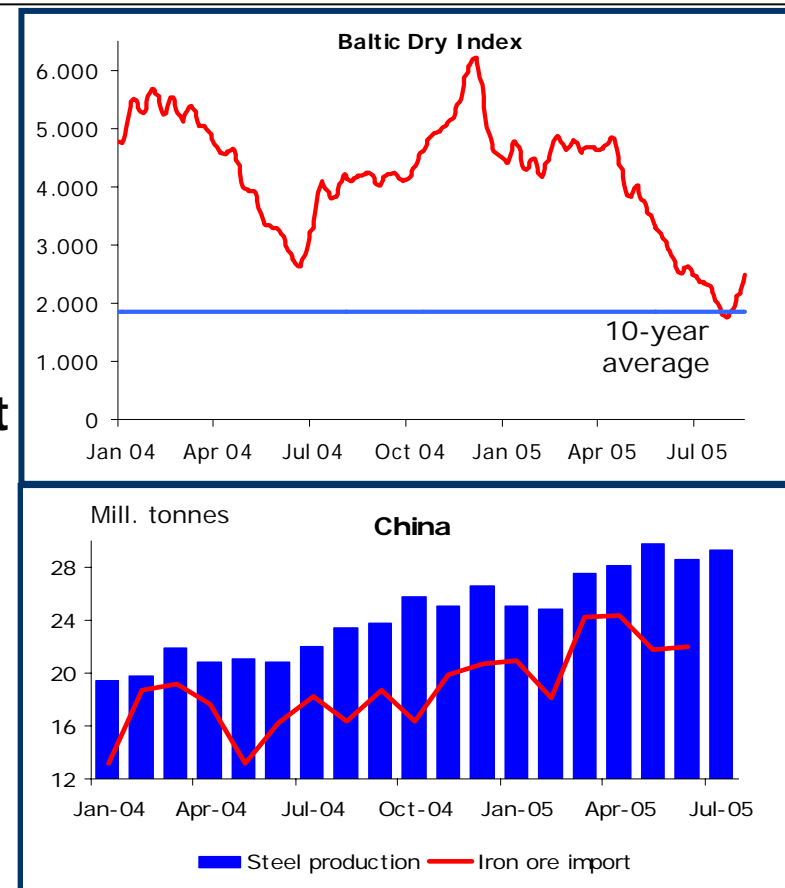


- Anticipated activity level in H2 same as in H1
- 90% of known ship days covered in remainder of 2005
- 2006 coverage: 40% in Handymax; 50% in Panamax; 100% in Capesize

Shipdays
  "NORDEN" T/C equivalent
  Market spot T/C equivalent

## Dry Cargo market trends

- BDI currently at 2,567;  
Up from 2005-low at 1,747
- Markets influenced by lower Chinese import of iron ore
- Port congestions reduced;  
H1, 3.3% net growth to world fleet
- Markets expected to pick up
  - Seasonal increase in demand
  - Increase in Chinese import of iron ore as inventories need to be replenished
- Futures market shows basic trust in improving freight rates
- Steady new-buildings prices
- 2<sup>nd</sup> hand prices back to January levels



Source: RS Platou

## Ongoing expansion of Dry Cargo core fleet

- **9 vessel deliveries expected during 2005 from declared purchase options**
  - 3 Handymax already delivered
  - 6 expected in H2 (4 Hmx, 1 Pmx and 1 Cape)
- **Increase in chartered vessels**
  - 2 long-term charters with options delivered
  - 3 more expected during H2 2005
  - 4 new long-term charters with options (delivery after 2005)
  - Total of 45 charters with purchase options
- **2 new-buildings ordered in China (delivery in 2008)**
- **Full-year sale of 5 owned vessels and new-buildings, of which 2 in H1**

| Dry Cargo fleet<br>(at June 30, 2005) |            |
|---------------------------------------|------------|
| <b>Active fleet:</b>                  |            |
| Owned vessels                         | 5          |
| Chartered vessels<br>(with pops*)     | 20         |
| Chartered vessels<br>(without pops*)  | 83         |
| <b>Total active vessels</b>           | <b>108</b> |
| <b>Vessels to be delivered:</b>       |            |
| New-buildings (own)                   | 4**        |
| Chartered vessels<br>(with pops*)     | 25         |
| <b>Total to be delivered</b>          | <b>29</b>  |
| <b>Total gross fleet</b>              | <b>137</b> |
| <b>Hereof vessels with pops*</b>      | <b>45</b>  |

\*Purchase options

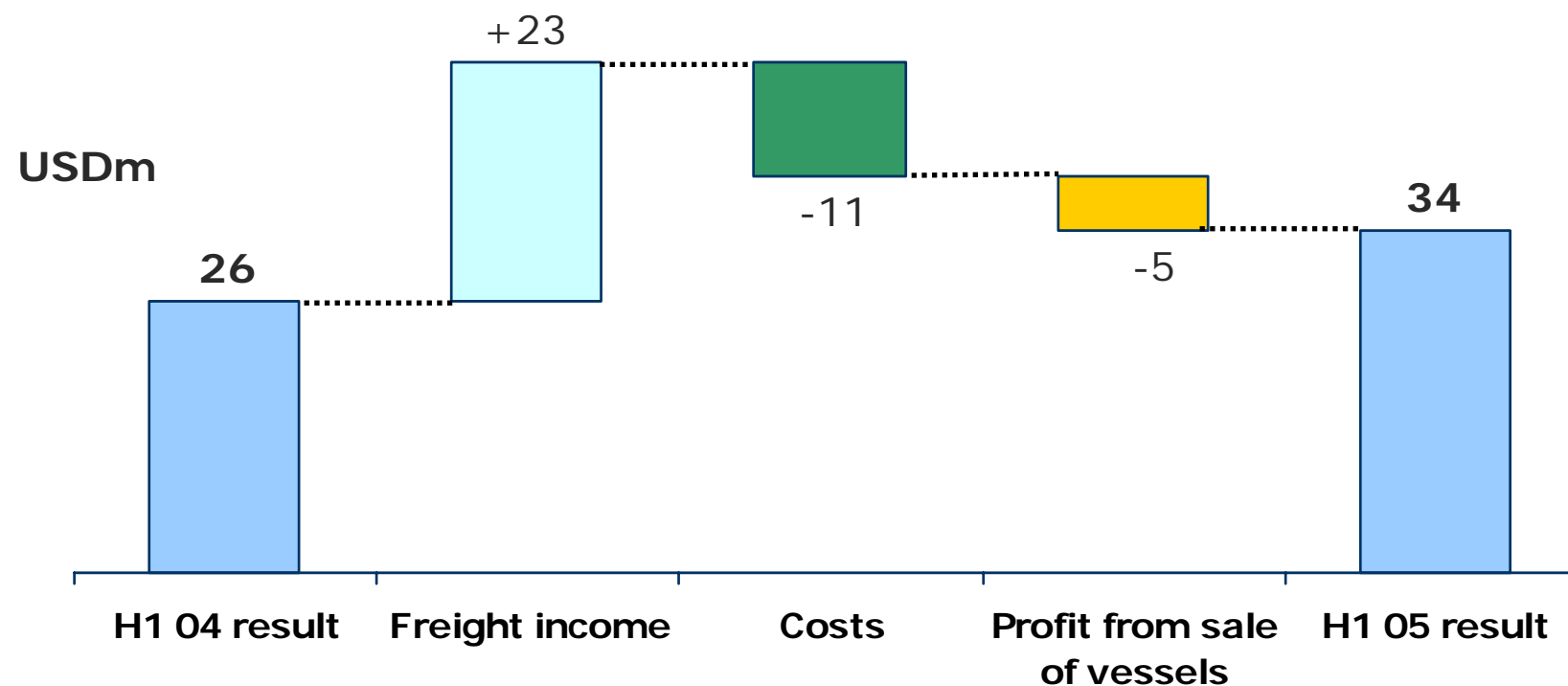
\*\*2 newbuildings have been sold at delivery in H2



Core fleet: Own ships and long-term TCs with purchase options

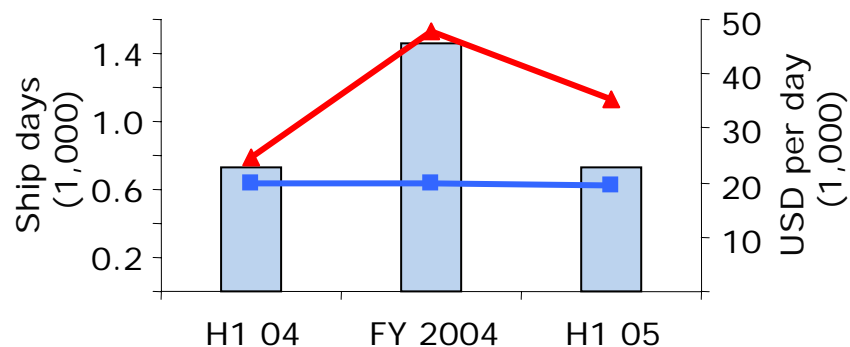
# Tanker: Net profit increased 31% to USD 34m

+67% EBITDA growth due to better market and added capacity

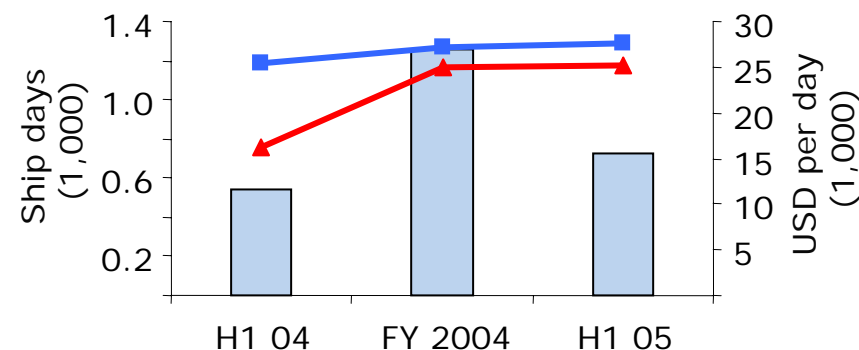


# Tanker operated 2,910 ship days (+47%)

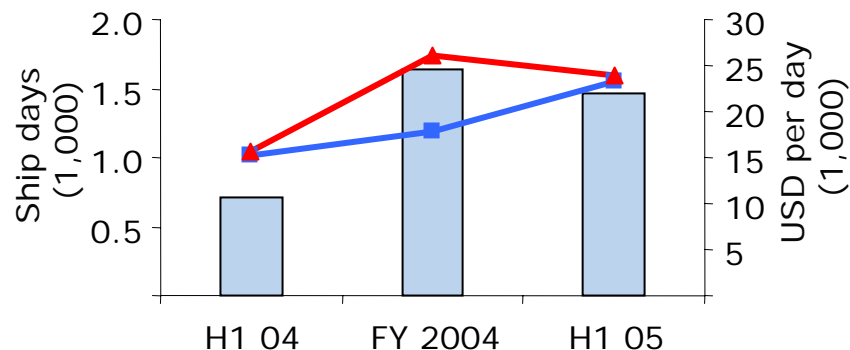
## Aframax



## MR product tankers



## SR product tankers



- 57% of known ship days have been covered for the remainder of 2005
- 2006 coverage: 44%

Shipdays
  "NORDEN" T/C equivalent
  Market spot T/C equivalent

## Tanker market trends

- H1, global demand for oil rose 1.4% to 82.9 mbd
- July, IEA revised FY oil demand to 83.9 mbd (+1.9% from 2004)
- Record-high oil prices driven by demand for refined oil products
- Attractive freight rates in product tank likely to continue
  - Supply/demand pattern may cause bottlenecks in tanker market
  - Bottlenecks to benefit tanker operators
- “NORDEN” is well-positioned in product tank via the Norient Product Pool



## Tanker fleet activity

- Main focus on MR and SR product tankers; partly Aframax (crude oil)
- Aframax fixed on long-term TCs
- MR and SR product tank primarily operate spot via Norient Product Pool
- Pool has 16 vessels at the end of H1
  - 19 vessels expected at year-end
  - Partners have 22 vessels on order until 2008
- Aim to become one of the 3 largest product tanker pools by 2007

| Tanker fleet<br>(at June 30, 2005)     |           |
|--|-----------|
| <b><u>Active fleet:</u></b>            |           |
| Own vessels                            | 5         |
| Chartered vessels<br>(with pops*)      | 3         |
| Chartered vessels<br>(without pops*)   | 7         |
| <b>Total active vessels</b>            | <b>15</b> |
| <b><u>Vessels to be delivered:</u></b> |           |
| New-buildings (own)                    | 4         |
| Chartered vessels<br>(with pops*)      | 3         |
| Chartered vessels<br>(without pops*)   | 2         |
| <b>Total to be delivered</b>           | <b>9</b>  |
| <b>Total gross fleet</b>               | <b>24</b> |
| <b>Hereof vessels with pops*</b>       | <b>6</b>  |

\*Purchase options

## Increasing NAV through fleet expansion

- “NORDEN”s own fleet increased by 3 vessels during H1;  
+3 vessels more expected in H2
- Market value of own fleet and new-buildings exceeds book value by USD 295m
- During H1, Net Asset Value (NAV) per share increased 30% to USD 339 (DKK 2.096)
  - + USD 101 mill. on equity
  - + USD 60 mill. on increased value of fleet
- NAV does not include value of purchase options

|  | Ult. '04   | Ult. Jun.  | Ult. '05  |
|--|------------|------------|-----------|
| <b>Own active fleet</b>                |            |            |           |
| Capesize                               | 0          | 0          | 1         |
| Panamax                                | 0          | 0          | 1         |
| Handymax                               | 2          | 5          | 8         |
| <b>Dry Cargo</b>                       | <b>2</b>   | <b>5</b>   | <b>10</b> |
| Aframax                                | 3          | 3          | 3         |
| MR Product tankers                     | 0          | 0          | 0         |
| Handysize (SR)                         | 2          | 2          | 0         |
| <b>Tanker</b>                          | <b>5</b>   | <b>5</b>   | <b>3</b>  |
| <b>Own fleet - total</b>               | <b>7</b>   | <b>10</b>  | <b>13</b> |
| <b>Newbuildings</b>                    |            |            |           |
| Handymax                               | 4          | 4          | 2         |
| <b>Dry Cargo – total</b>               | <b>4</b>   | <b>4</b>   | <b>2</b>  |
| Handysize (SR)                         | 6          | 4          | 4         |
| <b>Tanker – total</b>                  | <b>6</b>   | <b>4</b>   | <b>4</b>  |
| <b>For delivery - total</b>            | <b>10</b>  | <b>8</b>   | <b>6</b>  |
| <b>Net Asset Value per share (USD)</b> | <b>260</b> | <b>339</b> | <b>NA</b> |

## Key figures for the Group

| USDm                            | H1 05 | Change<br>vs. H1 '04 | 2004  |
|---------------------------------|-------|----------------------|-------|
| Net revenue                     | 692   | +30%                 | 1,167 |
| Operating profit (EBITDA)       | 134   | 2%                   | 233   |
| Operating profit (EBIT)         | 153   | -3%                  | 270   |
| Net profit for the period       | 167   | +10%                 | 264   |
| Cash flows from operations      | 156   | +38%                 | 190   |
| Change in cash/cash equivalents | 4     | -95%                 | 75    |
| Equity                          | 441   | +36%                 | 340   |
| Net Asset Value per share*      | 339   | +60%                 | 260   |
| ROIC                            | 85%   | -25%                 | 90%   |

\* Includes market value of own ships and new-buildings. Excludes value of 51 purchase options.

## Net result expectations adjusted (+14%)

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### OVERALL OUTLOOK ADJUSTED

- Net result “in the range of USD 285m” vs. previous outlook of approx. USD 250m
  - USD 18m from sale of NORDAFRIKA
  - USD 10m from IFRS
  - Better operating results

### DRY CARGO

- Improving markets in H2 due to seasonal demand increase; albeit continued high volatility
- 90% of known ship days employed, capacity expansion continuously assessed
- Satisfactory results, albeit lower than in 2004

### TANKER

- Strong and balanced market conditions
- 57% of known ship days employed, capacity expansion continuously assessed
- Improved earnings compared with 2004



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## Forward-looking statements

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**This presentation contains certain forward-looking statements reflecting the management's present judgment of future events and financial results.**

**Statements relating to 2005 and subsequent years are subject to uncertainty, and "NORDEN"s actual results may therefore differ from the projections. Factors that may cause such variance include, but are not limited to, changes in macro-economic and political conditions, particularly in the Company's principal markets; changes to the Company's rate assumptions and operating costs; volatility in rates and tonnage prices; regulatory changes; any disruptions to traffic and operations as a result of external events, etc.**

**The presentation should not be interpreted as a recommendation to trade shares in Dampskibsselskabet "NORDEN" A/S.**



# Questions and answers

