



# Presentation of Q1 2005 results

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**Copenhagen, May 31, 2005**

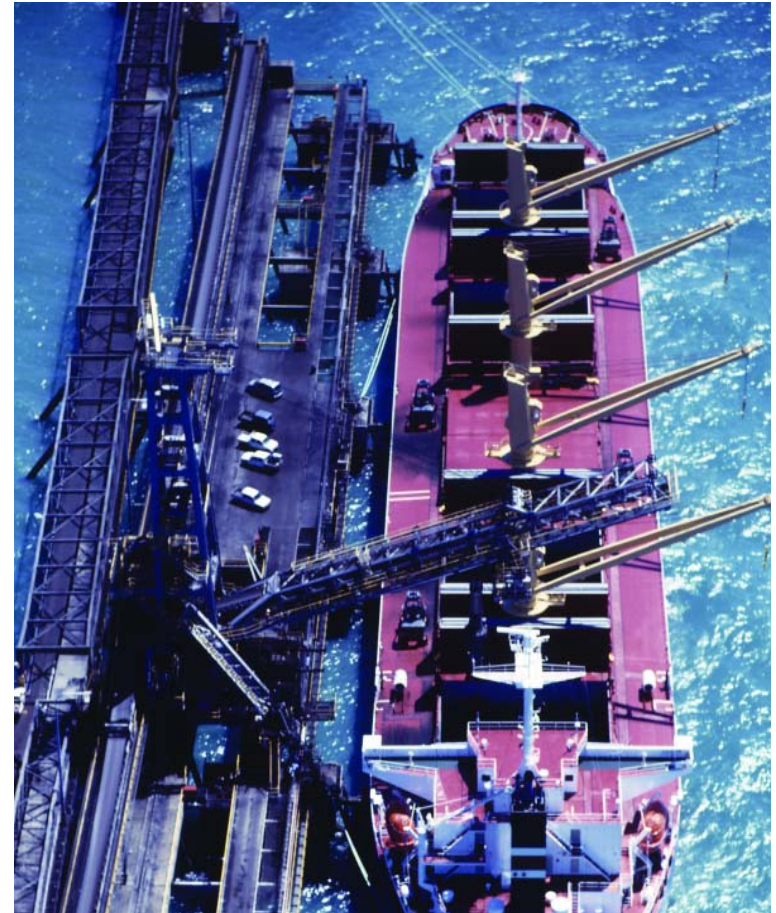
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## TODAY'S AGENDA

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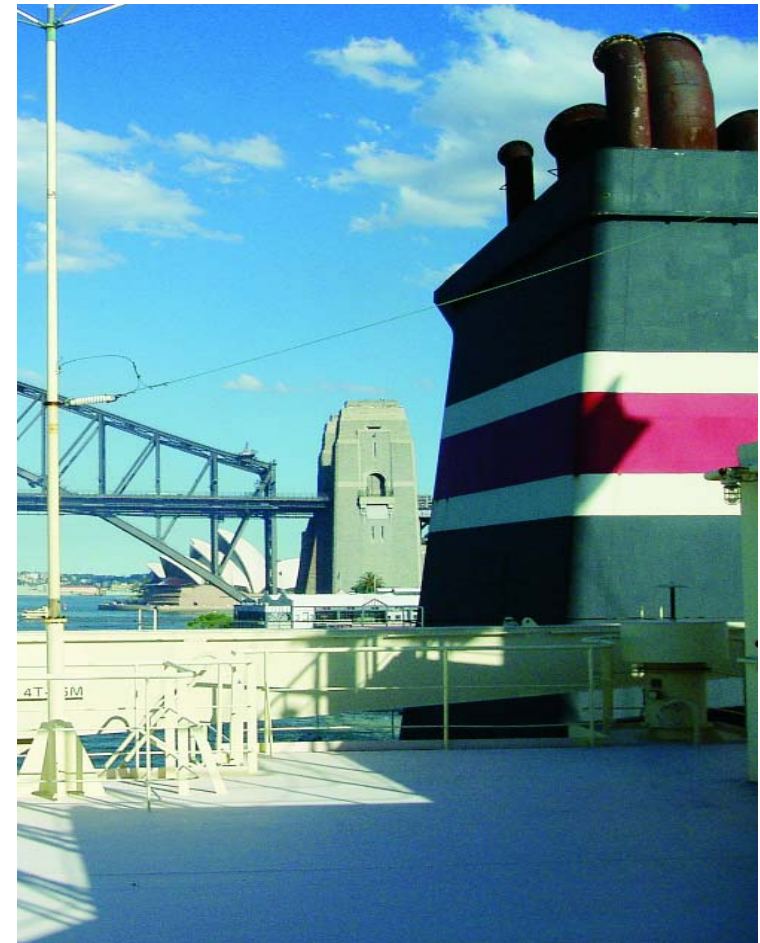
- Q1 in brief
- Dry Cargo
- Tanker
- Key figures and expectations
- Questions and answers



## Q1 in brief: Positive development continued

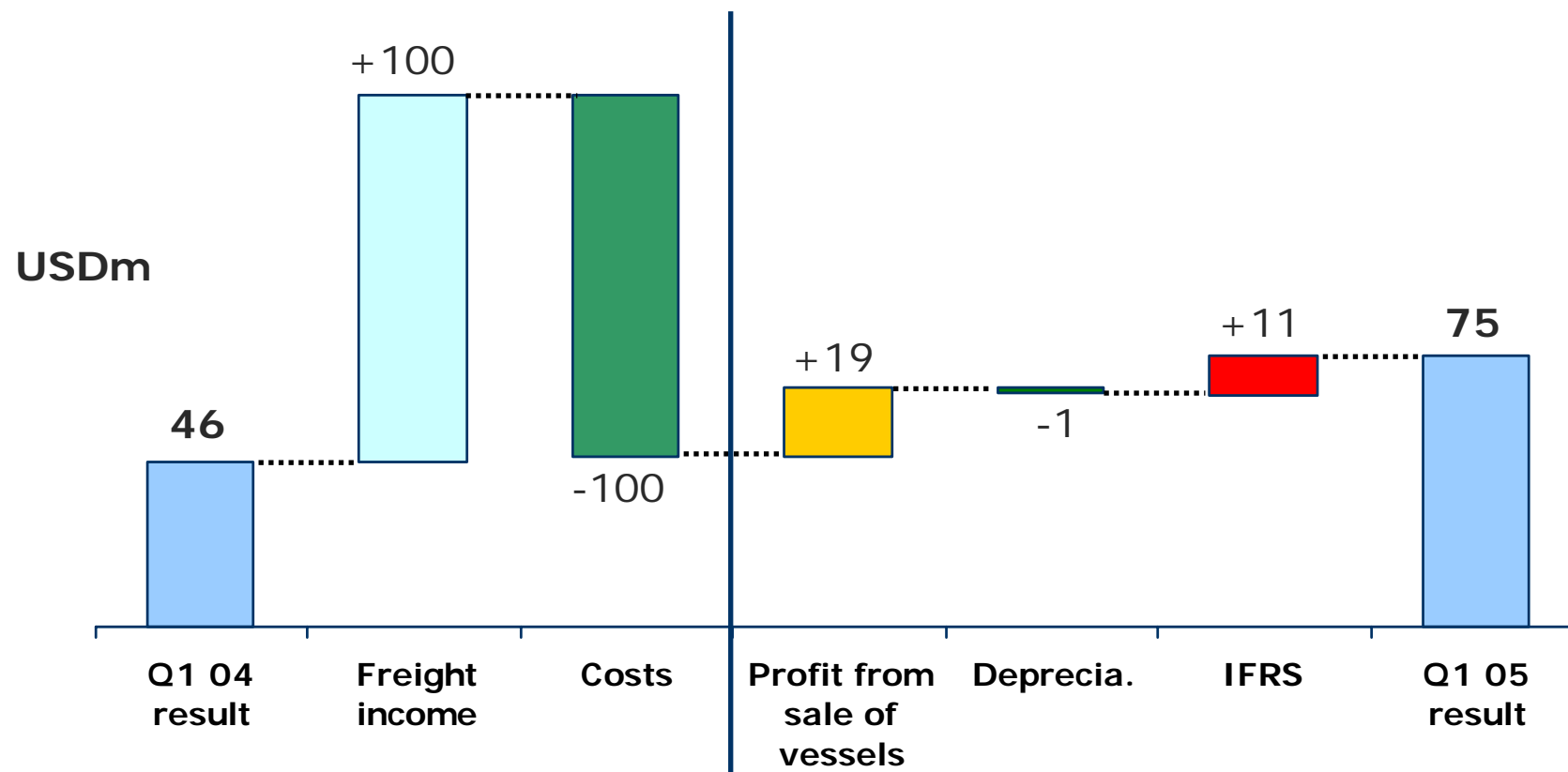
- 11,106 ship days; 35% increase
- Stronger tanker market, bulk market somewhat below Q1 2004
- Revenue up 50% to USD 344m
- Net profit rose by 64% to USD 80m
  - USD 30m from sales of vessels and IFRS
- Fleet expansion continues
- CFFO: USD 108m (+87%)

**Very satisfactory results**



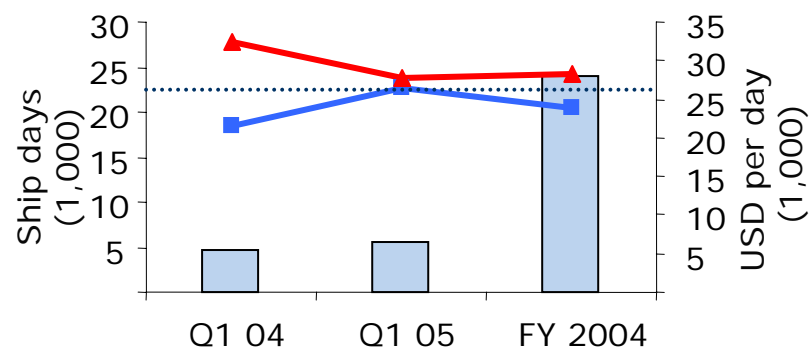
## Dry Cargo: Net profit increased 64%

EBITD in line with Q1 2004, when freight rates hit record highs

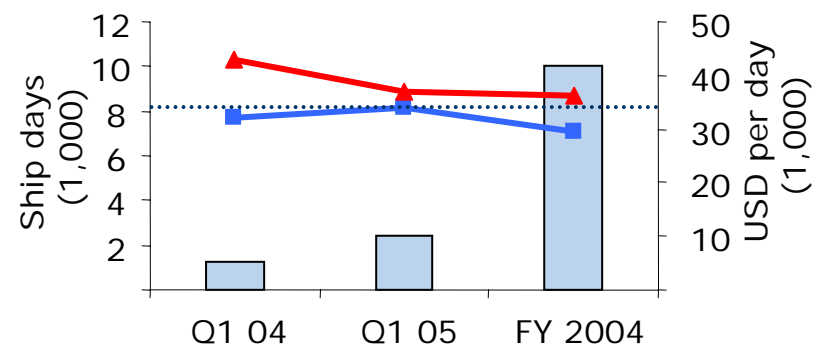


## Dry Cargo operated 9.628 ship days (+33%)

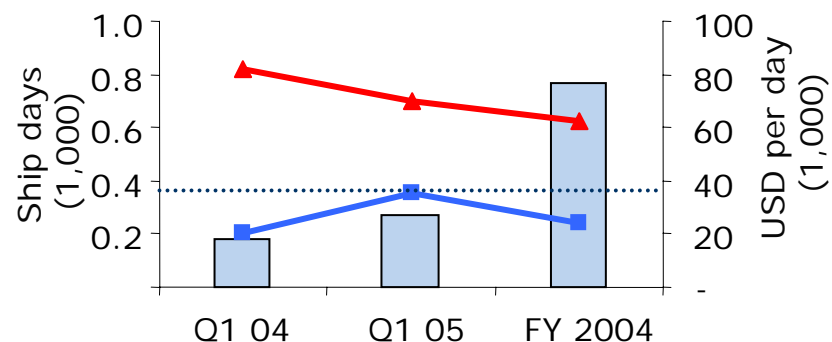
### Handymax



### Panamax



### Capesize

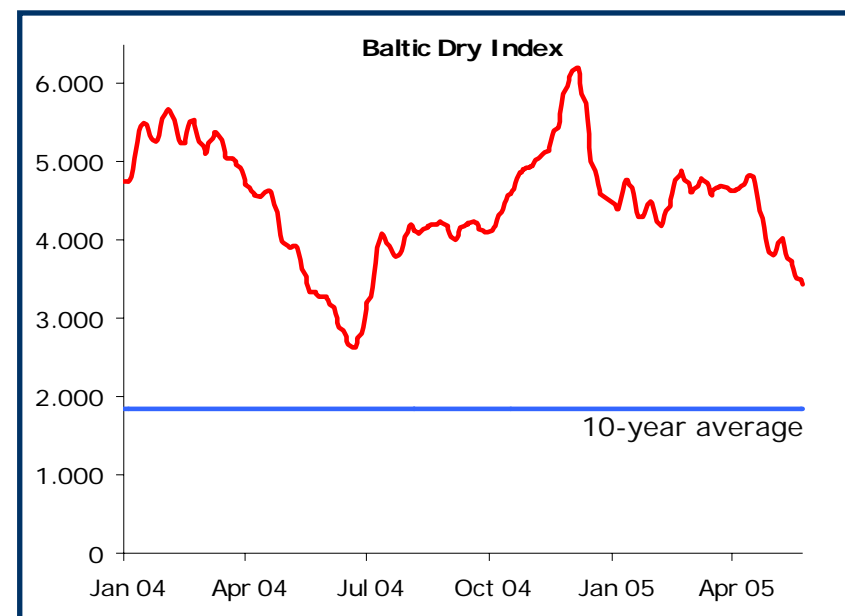


- "NORDEN"s overall activity at Q4 2004 level
- 78% of known ship days covered in the remainder of 2005

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

## Dry Cargo market trends

- **Baltic Dry at 4,880 in February;**  
**stands at approx. 3,500 late May**
  - Still above 10-year average of 1,855
- **Q2 market weaker, as foreseen in 2004; higher volatility**
- **Any RMB revaluation may dampen import of raw materials**
- **Strong, but volatile markets in the remainder of the year**
- **No surprises in market development so far**
- **5.9% addition to global dry cargo fleet in 2005**
- **5-10% price increases on new-buildings from year-end;**  
**15-20% increases on 2<sup>nd</sup> hand tonnage.**
  - Standstill in prices of 2<sup>nd</sup> hand tonnage as result of Q2 developments



## Dry Cargo business model

- Focus on long-term customer relations and employment
- Risks controlled through TC, FFA and COA agreements
- Ongoing core fleet expansion
  - 1 vessel acquired in Q1 2005
  - 4 purchase options exercised YTD (2 in Q2) with deliveries in Q2+Q3 2005
  - 5 more options may be exercised in '05
  - 1 long-term TC with purchase option for delivery in 2008
  - 2 new buildings ordered at attractive conditions in China for delivery in 2008

Dry Cargo fleet (at March 31, 2005)	
<u>Active fleet:</u>	
Owned vessels	3
Chartered vessels (without pops*)	77
Chartered vessels (with pops*)	21
<b>Total active vessels</b>	<b>101</b>
<u>Vessels to be delivered:</u>	
New-buildings (own)	2
Chartered vessels (with pops*)	23
<b>Total to be delivered</b>	<b>25</b>
<b>Total gross fleet</b>	<b>126</b>
<b>Hereof vessels with pops*</b>	<b>44</b>

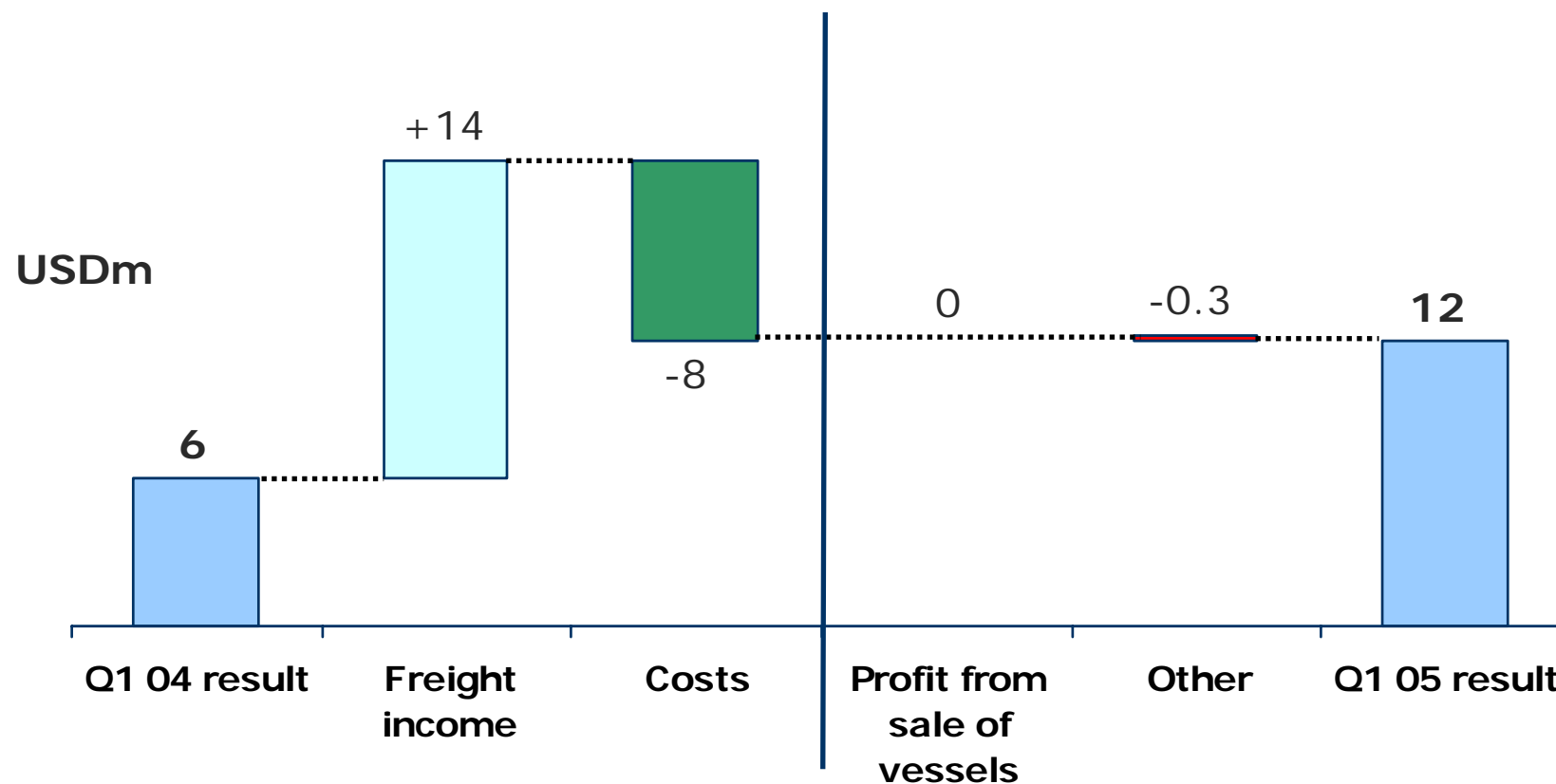
\*Purchase options



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

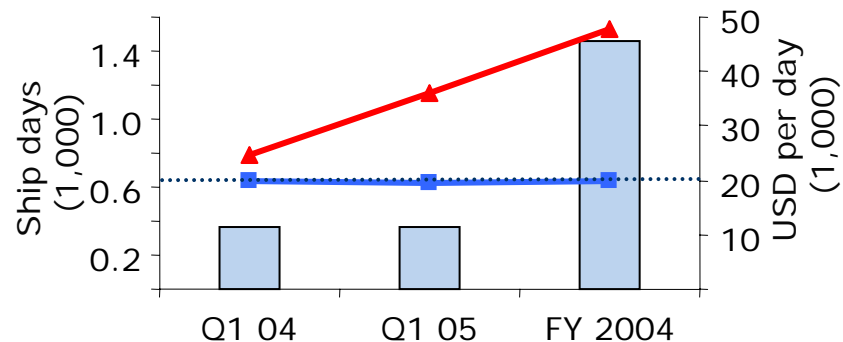
## Tanker: Net profit increased 92%

Strong EBITD growth due to market conditions and extra capacity

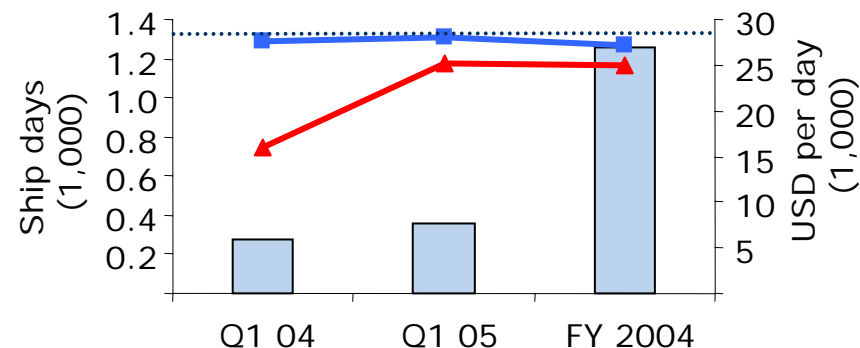


# Tanker operated 1,478 ship days (+48%)

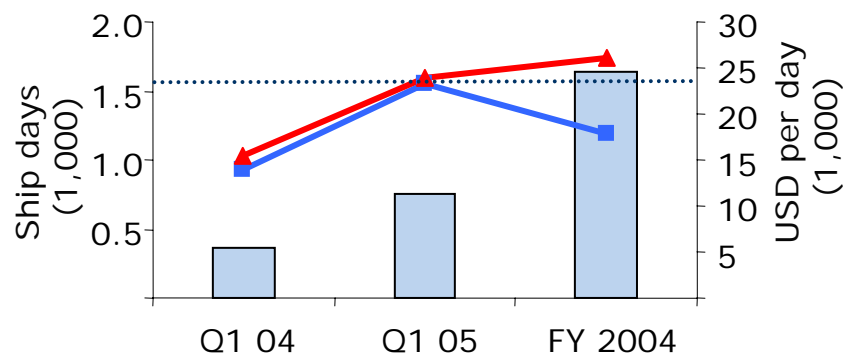
### Aframamax



### MR Product tankers



### SR product tankers



- **49% of known ship days have been covered for the remainder of 2005**

Note: TC equivalent for "NORDEN"s MR and SR vessels based on a preliminary pool allocation

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

## Tanker market trends

- In Q1 2005 global demand for oil rose 2.5% to 84.6 mbd
- IEA predicts full-year oil demand of 84.3 mbd (+2.1% from 2004)
- In March, OPEC increased production by 0.5 mbd
- Increased transportation demand offsets addition to world fleet
- Freight rates are expected to remain at Q1 levels for remainder of 2005
- "NORDEN" is well-positioned in the spot market via Norient Pool



## Tanker business model

- Focus on MR and SR product tankers and Aframax (crude oil)
- Aframax vessels fixed on TC; MR and SR primarily operate in spot market via Norient Pool
- 21 vessels in Pool at year-end
  - Pool offers access to new trades
- Target unchanged: To become one of the 3 largest product tanker pools by 2007
- Core fleet expansion ongoing
  - 2 long-term charters for delivery in 2007-08



Tanker fleet (at March 31, 2005)	
<u>Active fleet:</u>	
Own vessels	5
Chartered vessels (without pops*)	8
Chartered vessels (with pops*)	3
<b>Total active vessels</b>	<b>16</b>
<u>Vessels to be delivered:</u>	
New-buildings (own)	6
Chartered vessels (with pops*)	4
Chartered vessels (without pops*)	1
<b>Total to be delivered</b>	<b>11</b>
<b>Total gross fleet</b>	<b>27</b>
<b>Hereof vessels with pops*</b>	<b>7</b>

\*Purchase options

## Key figures for the Group

USDm	Q1 05	Change vs. Q1 '04	2004
Net revenue	344	+50%	1,167
Operating profit (EBIT)	75	+42%	270
Net profit for the period	80	+64%	264
Cash flows from operations	108	+87%	190
Change in cash/cash equivalents	65	+63%	75
Equity	394	+54%	340
Net Asset Value per share*	301	+62%	260
ROIC	24%	+33%	90%
Number of employees, ultimo	102	+24%	102

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

## Expectations for 2005 remain unchanged

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### DRY CARGO

- Strong markets, although weaker than FY 2004 and Q1 2005; higher volatility
- 78% of known ship days employed, capacity expansion continuously assessed
- “NORDEN” expects very satisfactory result, albeit lower than in 2004

### TANKER

- Strong and balanced market conditions
- Freight rates at level with Q1 2005
- 49% of known ship days employed, capacity expansion continuously assessed
- Improved earnings compared with 2004

### OVERALL OUTLOOK

- Net result in the range of USD 250m
  - Includes USD 75m profit from sale of 6 ships; Two sales realised in Q1



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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

