

## PRESENTATION OF NORDEN

### Handelsbanken's 5<sup>th</sup> Transport Seminar 2010

Michael Tønnes Jørgensen  
Executive Vice President & CFO

October 2010



**THE PREFERRED PARTNER IN GLOBAL TRAMP  
SHIPPING. UNIQUE PEOPLE. OPEN MINDED TEAM  
SPIRIT. NUMBER ONE.**

# TODAY'S AGENDA

---



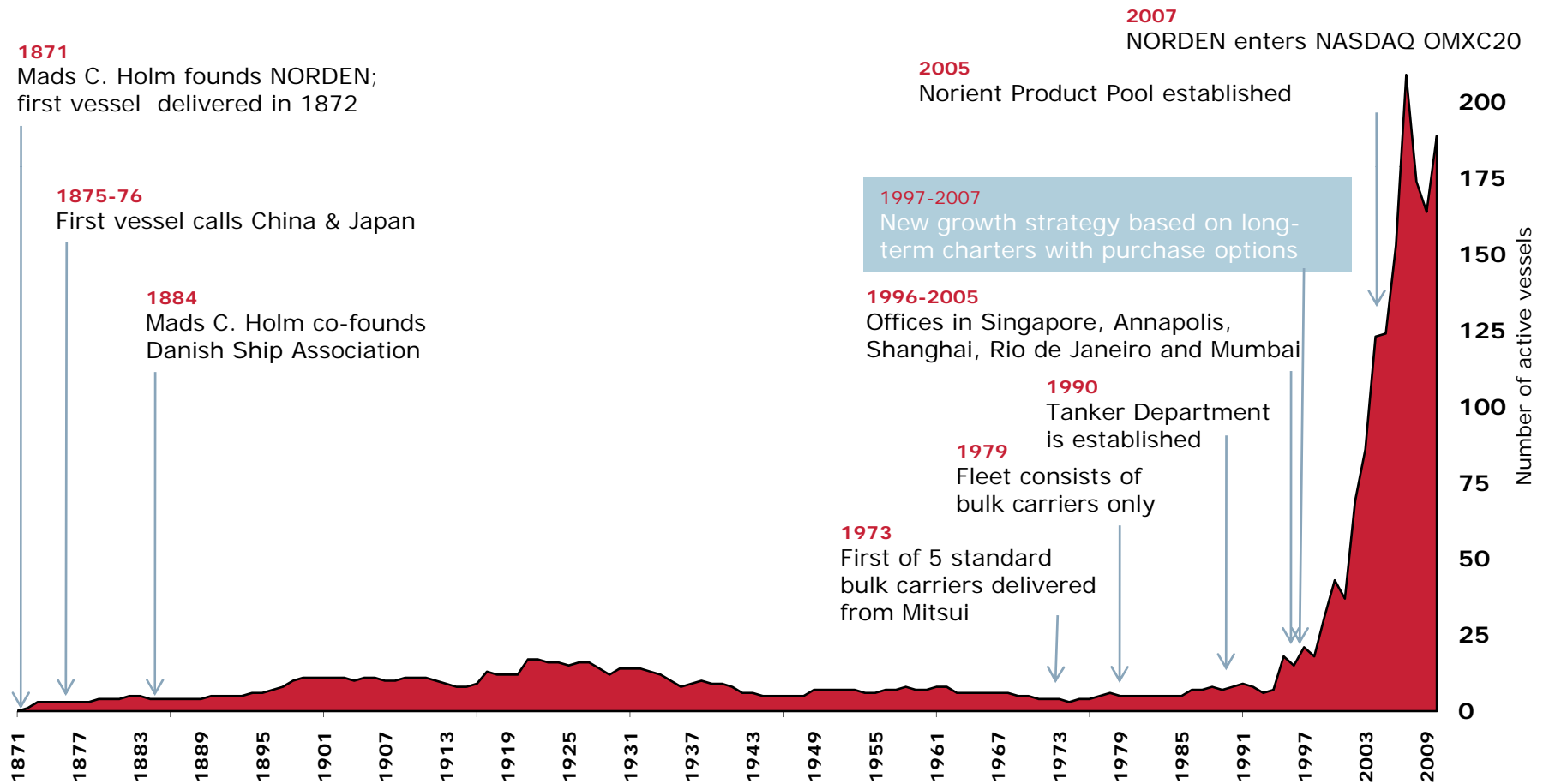
- Introduction to NORDEN
- Performance and business model
- Past performance
- Financial position
- Markets
- Guidance





# SNAPSHOT OF 139 YEARS' OF HISTORY

- One of the oldest listed shipping companies worldwide
- Listed on NASDAQ OMX Copenhagen A/S – market value of DKK 10 billion
- Entered dry cargo in the 1970s and tanker in 1980s



# A LEADING GLOBAL TRAMP OPERATOR



Dry Cargo (70% of committed capital)

Product tanker (30% of committed capital)



Capesize



Post-Panamax



Panamax



Handymax



Handysize



- One of the most modern fleets in our industry
- Global network of offices and port captains
- Very strong balance sheet
- 250 employees ashore and 400 at sea



LR1



MR



Handysize



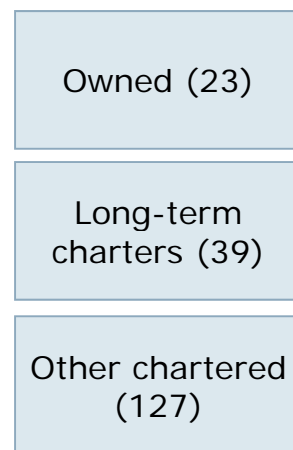
# ASSET LIGHT BUSINESS MODEL

- Active fleet can quickly be adjusted to demand and market conditions
- Fleet employment based on a portfolio and risk assessment

## Flexible fleet

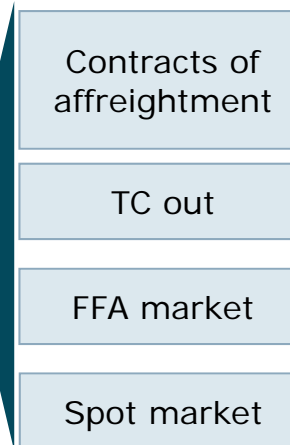
- Sale and purchase
- Technical competencies in-house
- Off balance sheet financing
- Option-based flexibility
- 5-7 year firm periods
- Flexibility and scale advantages
- Arbitrage possibilities
- Single-trip vessels

### Capacity



## Coverage and customer focus

### Employment



- Customer relations
- Logistical efficiencies
- 2-5 year firm periods
- Quick and easy cover

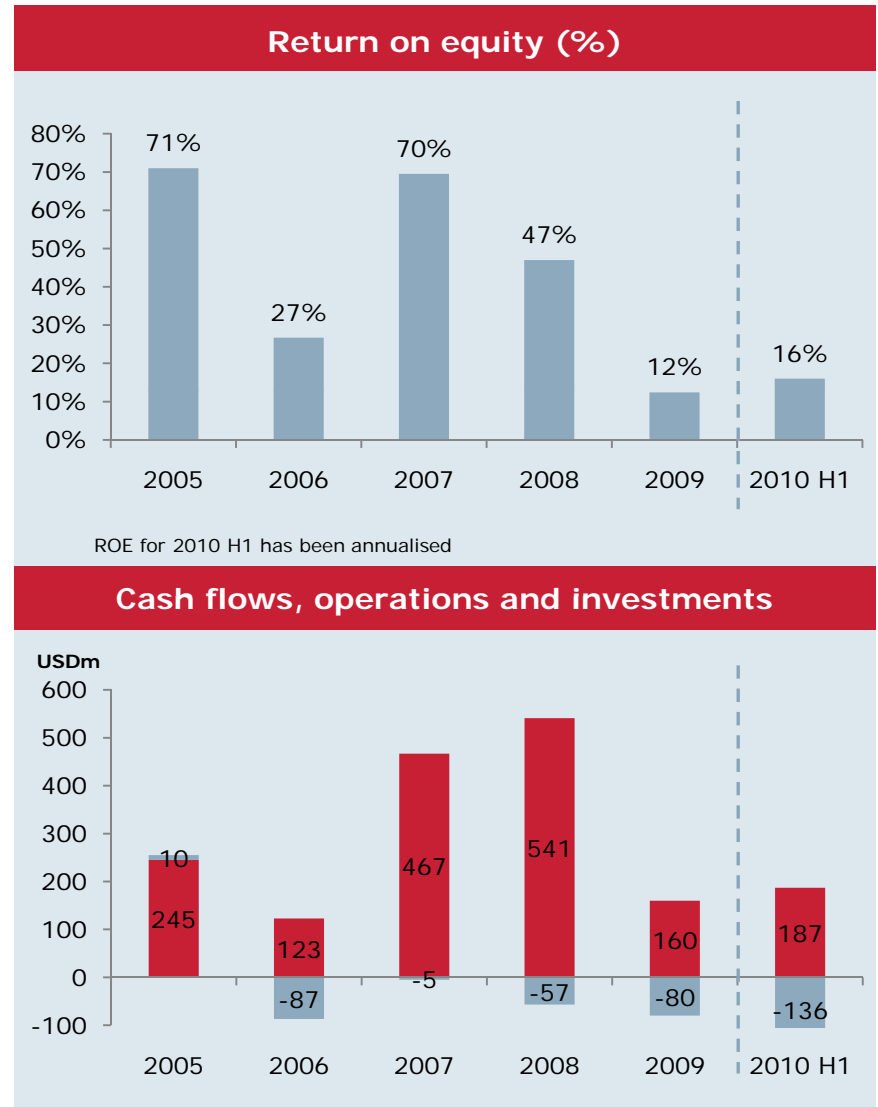
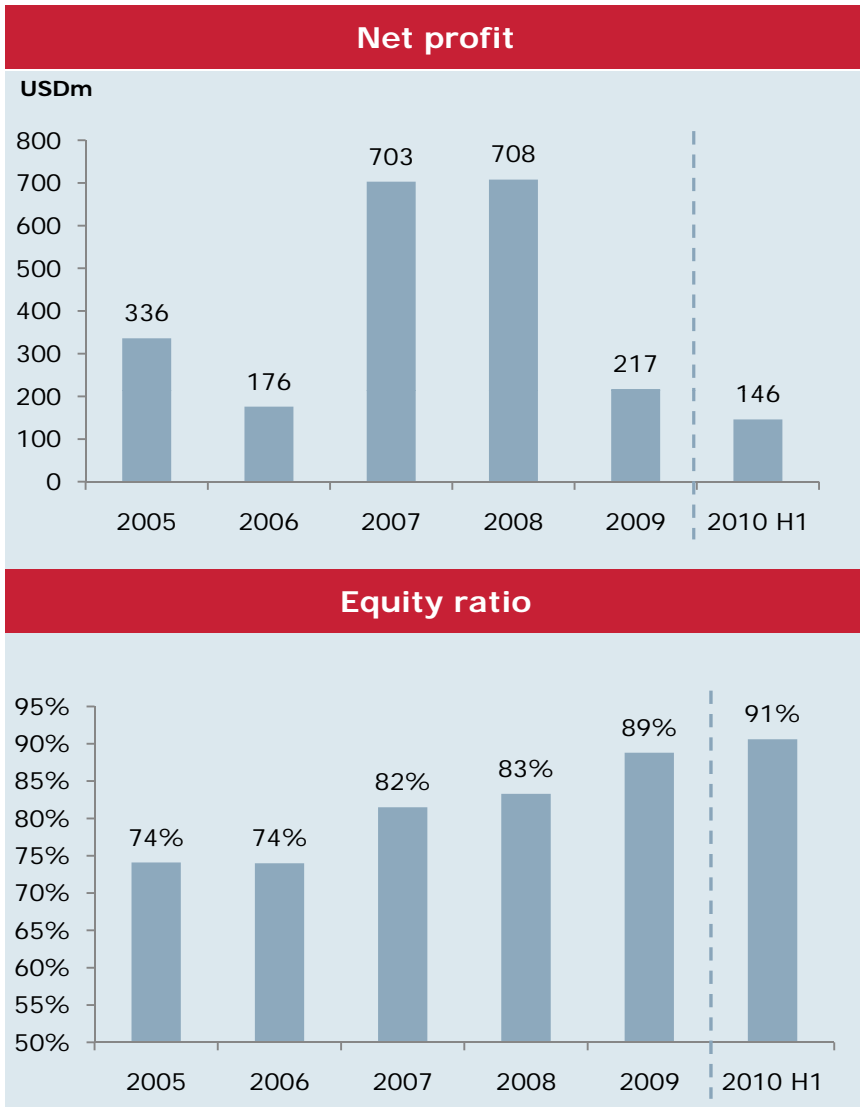
People

Brand

Systems

\* Active fleet per 30 June 2010

# LAST 5½ YEARS PERFORMANCE



# H1 2010 KEY FINANCIALS



## Continued EBITDA improvement

- Dry Cargo EBITDA increased for the sixth consecutive quarter
- Earnings positively affected by booking T/C cancellation
- Positive EBITDA in Tankers

USDm	Q2 2010	Q1 2010		Q2 2009
<b>EBITDA</b>	100	79	27%	29
Dry Cargo	101	81	25%	32
Tankers	1	1	0%	-1
<b>Net profit</b>	83	63	32%	60

- Theoretical NAV: DKK 346 per share of which DKK 67 relates to purchase and extension options
- No impairment of fleet values

## Gearing reduced further

- Strong cash position – USDm 623 in net interest bearing assets
- Almost 60% of T/C obligations now covered
- Outstanding newbuilding installments significantly reduced
- Gearing reduced to 25%

USDm	Q2 2010	Q2 2009
Adj Net Interest Bearing Assets*	620	676
T/C obligations**	-2,015	-2,570
New building installments less proceeds from vessel sales**	-260	-603
Revenue from coverage**	1,187	1,318
<b>Net commitments</b>	<b>-468</b>	<b>-1,179</b>

\* Adjusted for prepayments on vessel sales and currency swaps. \*\* Present values

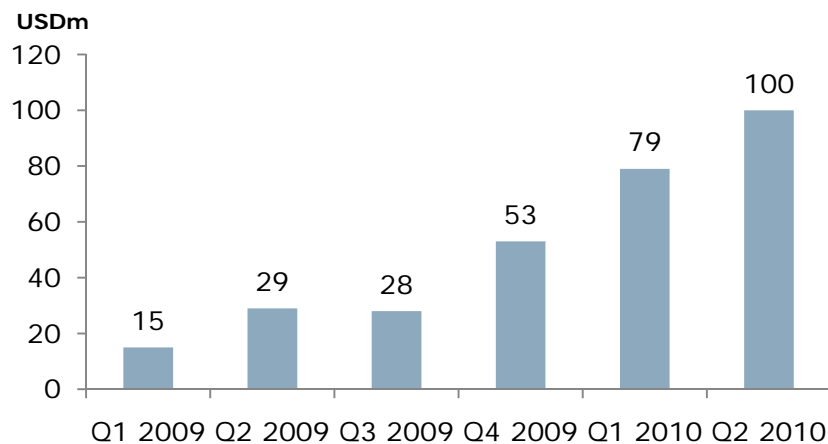
# RESULTS AND FINANCIAL POSITION



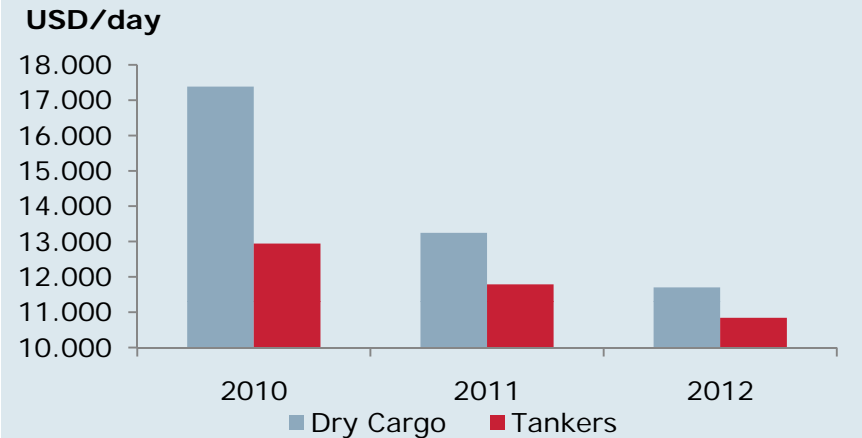
## Operating profit steadily increasing

- Growth in business volume
- Higher margins
- Strict cost control and efficiency improvements
- Solvency ratio of 91%
- Secures financial independence

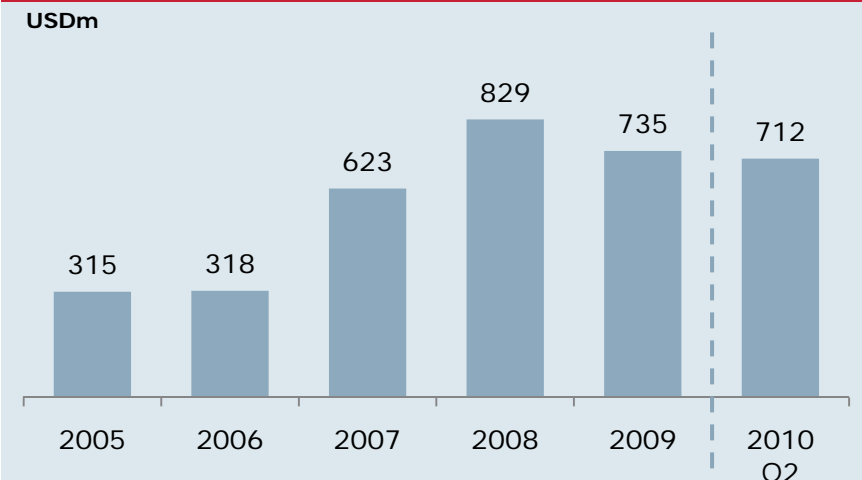
## EBITDA



## Competitive costs



## Cash and securities



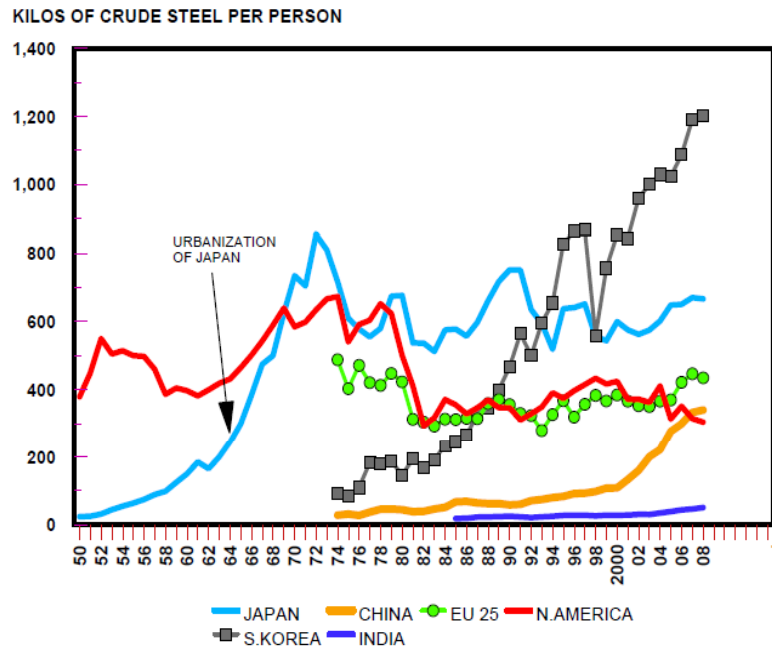


# MARKET OUTLOOK - DRY CARGO

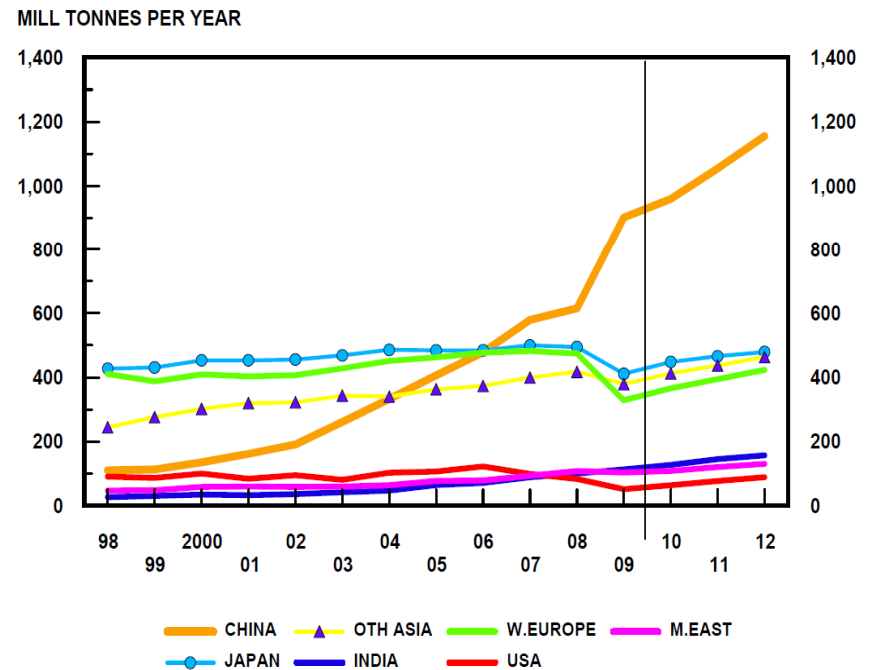


- Global demand is expected to increase by approximately 12.5% in 2010
- In 2010, positive contribution from especially coal and grain trading
- Continued growth in China's and India's import of raw material for construction and infrastructure

## Steel consumption per capita



## Imported quantities of dry cargo

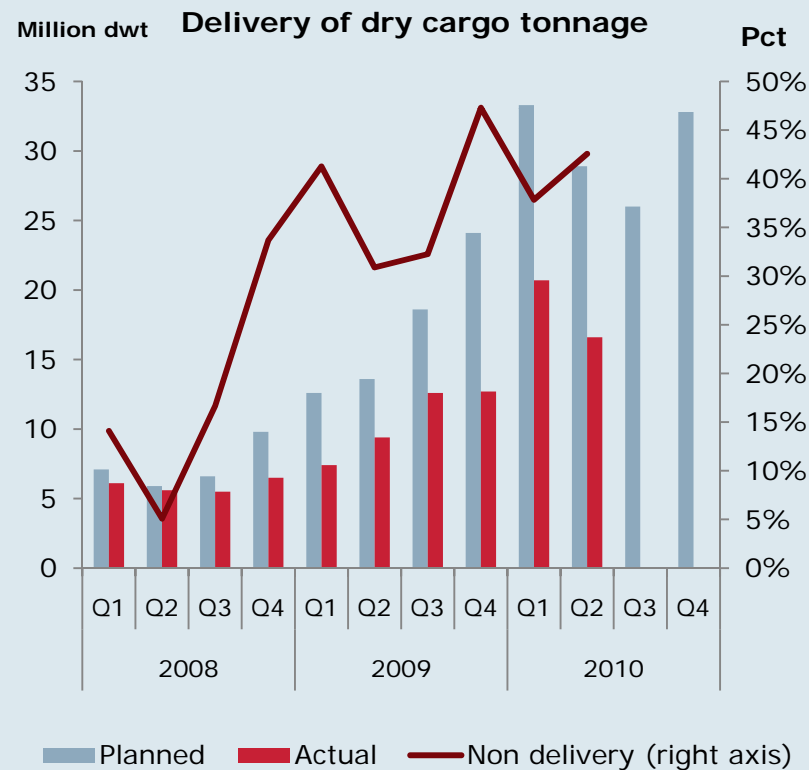


Source: R.S. Platou September 2010

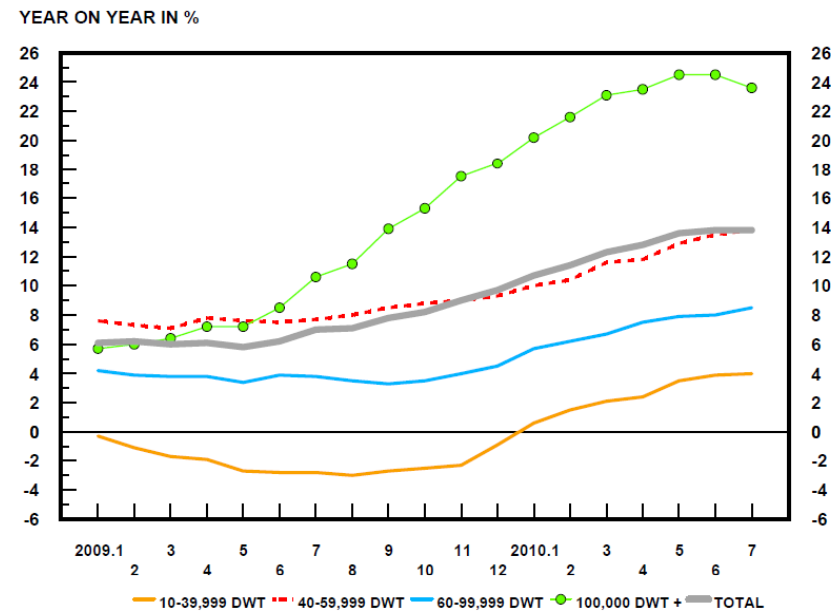


# MARKET OUTLOOK – DRY CARGO

- Order book currently on 50% of the global fleet
- 42% of known order book was not delivered in 2009
- Less fleet growth in the small vessel types where NORDEN invests the most



**Net fleet growth per vessel type**  
Monthly from 2009

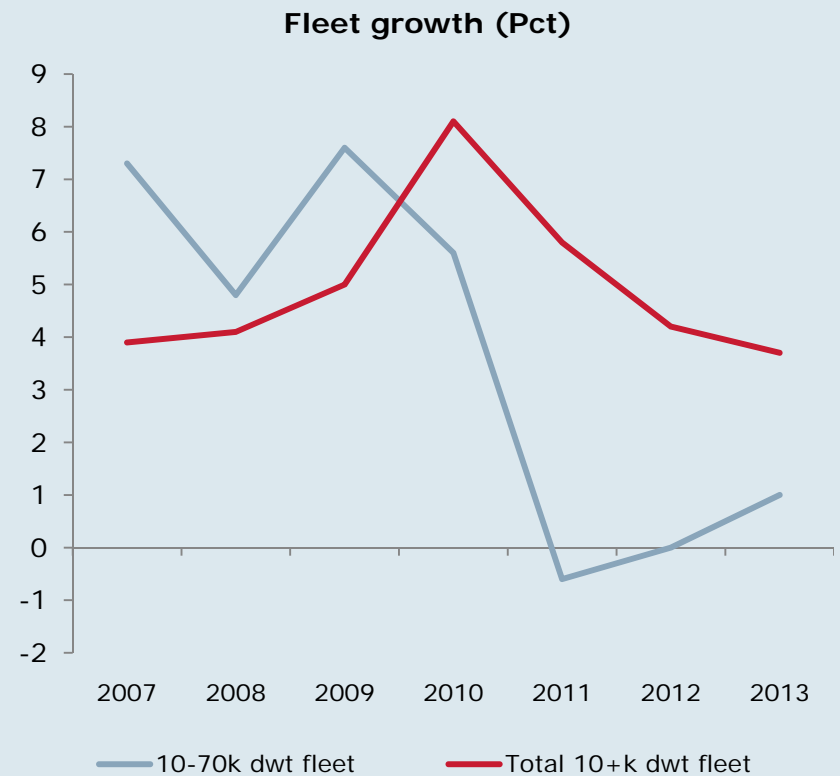
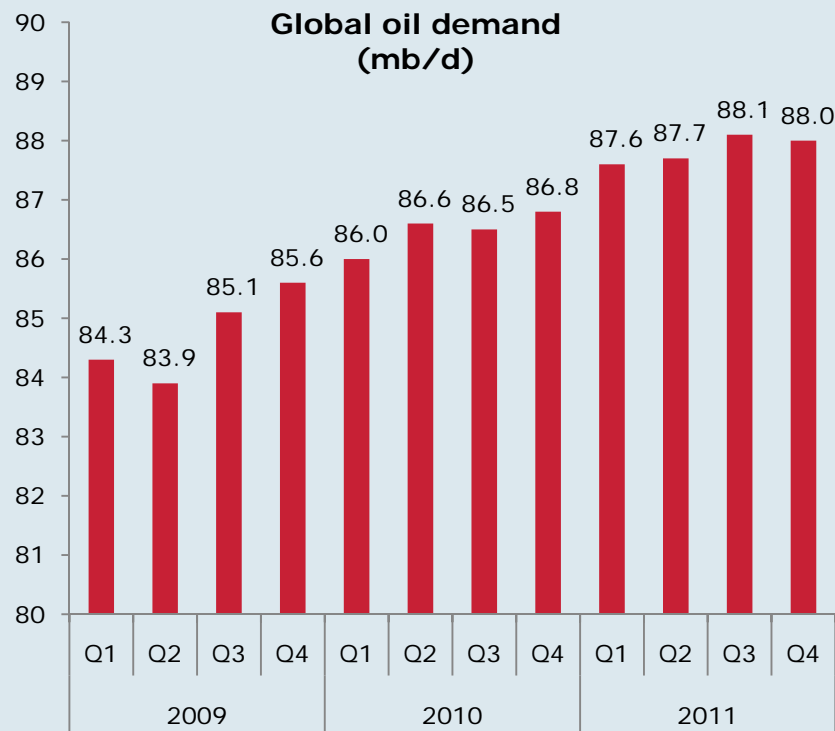


Sources: Clarksons, R.S. Platou September 2010



# MARKET OUTLOOK – TANKERS

- Expected oil demand is driven by non-OECD countries, primarily China
- Fleet growth seems to have peaked
- High demands on quality and longer transport distances



Sources: IEA Oil Market Report July 2010, EIA, MSI

# OUTLOOK 2010



## Dry Cargo – organic growth

- Large addition of owned newbuildings and long-term chartered vessels
- Increased activity as operator
- Increase coverage in 2010-2011

## Tankers – acquisition

- Low prices create opportunities: purchase of 5 product tankers so far
- 5 long-term chartered MR vessels will also be delivered in 2010
- Increase coverage concurrently with rates and demand

## Key figures

- Coverage for 2010: 85% in Dry Cargo and 51% in Tankers mid-August 2010

USD million	Dry Cargo	Tankers	2010E	2009
EBITDA	255-275	-5-5	<b>240-270</b>	126
Proceeds from vessel sales	29	-	<b>29</b>	70
EBIT	-	-	<b>225-255</b>	157
CAPEX, net	-	-	<b>270-300</b>	

# SUMMARY

---



Flexible business model

Conservative, long-term approach to the market and good customer relations

Financial strength

People and systems

Strong focus on risk management

Efficient operations

Exposure to the growth regions of the world

# FORWARD LOOKING STATEMENTS



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

Statements relating to the remainder of 2010 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.

THANK YOU FOR YOUR ATTENTION





**BACK UP**



# FLEET OVERVIEW AND VALUE – DRY CARGO



## NORDEN's Dry Cargo fleet and values at 30 June 2010

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	3 A	3	2	1	2 C	11
Long-term chartered vessels	2	0	11	15	4	32
<b>Total active core fleet</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>16</b>	<b>6</b>	<b>43</b>
Short-term chartered vessels	0	0	52	47	15	114
<b>Total active fleet</b>	<b>5</b>	<b>3</b>	<b>65</b>	<b>63</b>	<b>21</b>	<b>157</b>
<b>Vessels to be delivered</b>						
Newbuildings (owned)	0	1	2	6 B	14 D	23
Long-term chartered vessels	0	4	1	7	5	17
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>19</b>	<b>40</b>
Chartered vessels over 3 years without purchase option	0	0	0	3	6	9
<b>Total to be delivered</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>16</b>	<b>25</b>	<b>49</b>
<b>Total gross fleet</b>	<b>5</b>	<b>8</b>	<b>68</b>	<b>79</b>	<b>46</b>	<b>206</b>

A) Of which 1 unit sold, B) Of which 3 units sold; 3 units in 50%-owned joint venture, of this 1 unit sold

C) Of which 2 units sold, D) Of which 1 unit sold

### Dry Cargo fleet values at 30 June 2010 (USD million)

Market value owned vessels and newbuildings*	186	187	151	225	441	1,190
Added value owned vessels and newbuildings	101	-28	0	43	-64	52

\* Active vessels and newbuildings including joint ventures, assets held for sale and charterparties, if any

# FLEET OVERVIEW AND VALUE – TANKER



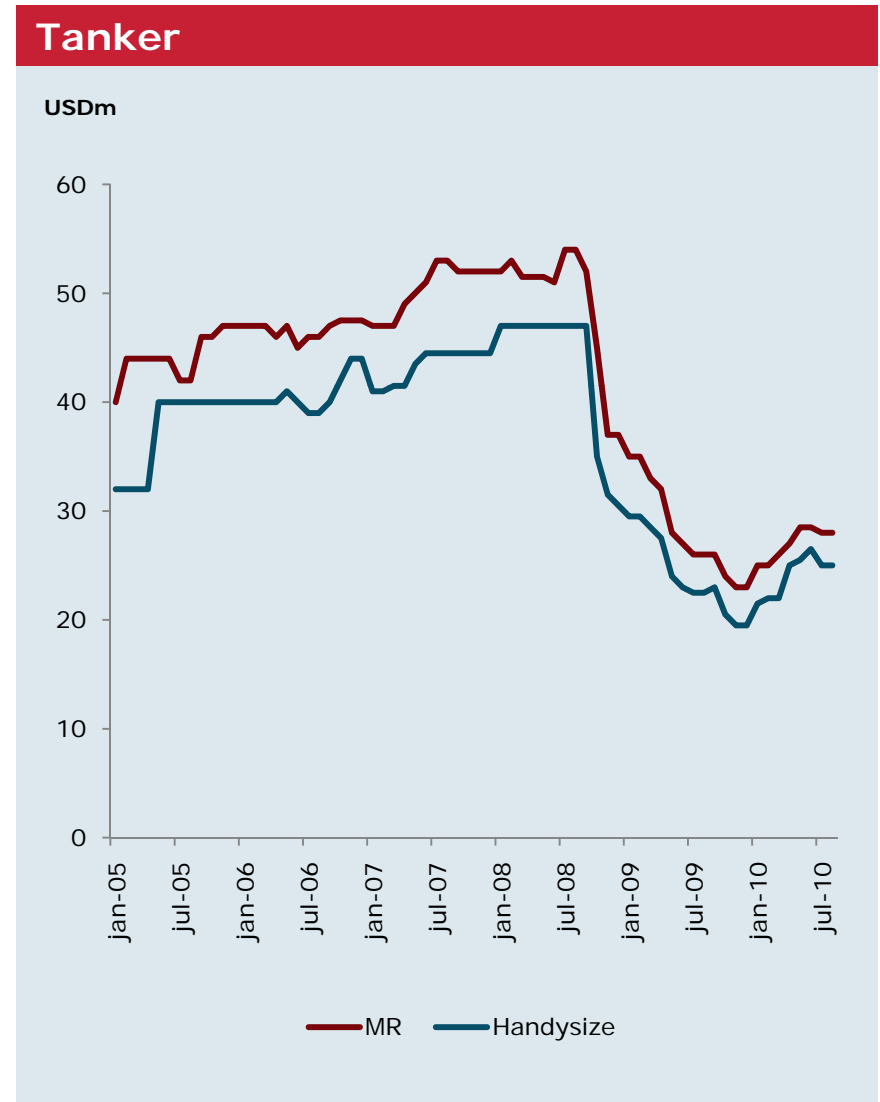
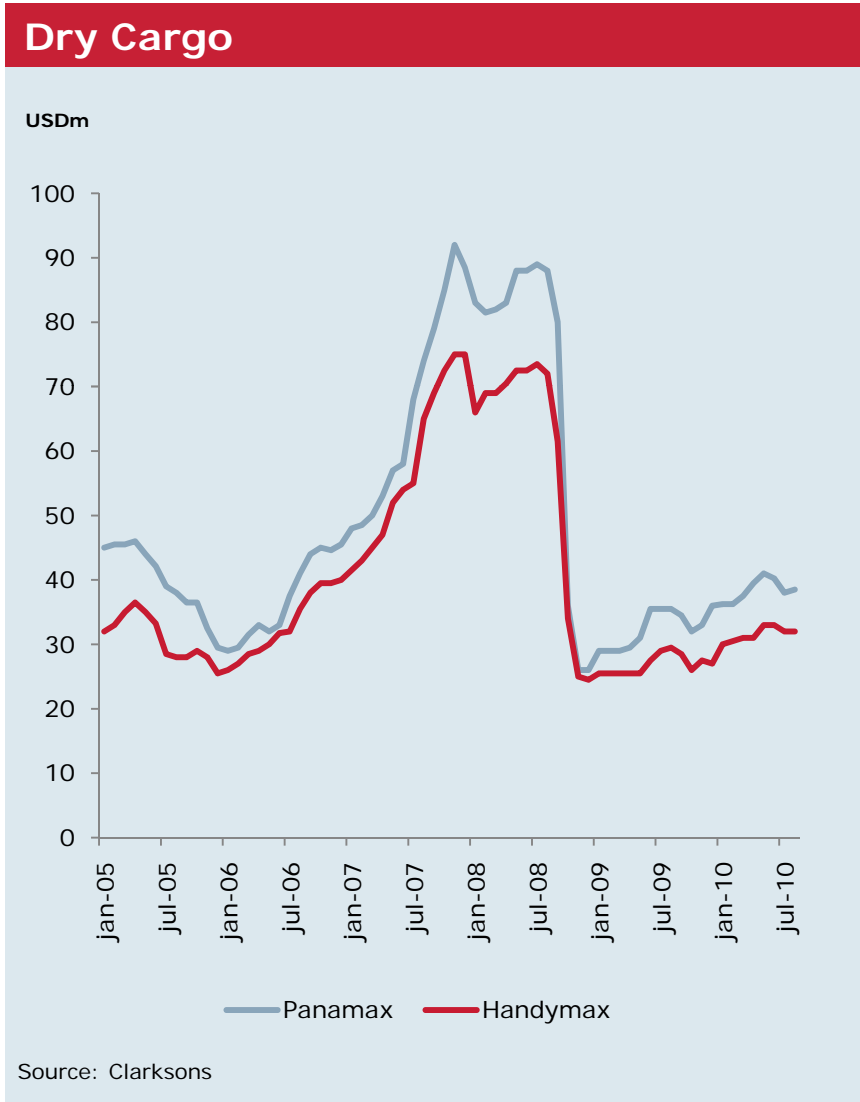
## NORDEN's Tanker fleet and values at 30 June 2010

Vessel type	LR1	MR	Handysize	Total
<b>Vessels in operation</b>				
Owned vessels	0	4	8	12
Long-term chartered vessels	0	7	0	7
<b>Total active core fleet</b>	<b>0</b>	<b>11</b>	<b>8</b>	<b>19</b>
Short-term chartered vessels	1	1	11	13
<b>Total active fleet</b>	<b>1</b>	<b>12</b>	<b>19</b>	<b>32</b>
<b>Vessels to be delivered</b>				
Newbuildings (owned)	0	2	2	4
Long-term chartered vessels	0	4	0	4
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>8</b>
Chartered vessels over 3 years without purchase option	0	1	0	1
<b>Total to be delivered</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>9</b>
<b>Total gross fleet</b>	<b>1</b>	<b>19</b>	<b>21</b>	<b>41</b>
<b>Tanker fleet values at 30 June 2010 (USD million)</b>				
Market value owned vessels and newbuildings*		211	231 <sup>A</sup>	442
Added value own vessels and newbuildings		-10	-7	-17

\* Active vessels and newbuildings including joint ventures, assets held for sale and charterparties, if any

A) Excluding the value of NORD FARER and NORD FAST, on which NORDEN has purchase agreement, but which are not delivered until the third quarter of 2010

# 5 YEAR OLD SECONDHAND TONNAGE VALUES



# COVERAGE AND CAPACITY – DRY CARGO



## Capacity and coverage, Dry Cargo, at 30 June 2010

	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>	<b>Ship days</b>				<b>Costs for gross capacity (USD per day)</b>			
Capesize	811	1,460	1,371	9,108	11,865	12,263	12,016	9,302
Post-Panamax	663	2,192	2,914	37,792	6,231	10,378	12,410	10,316
Panamax	6,737	7,290	5,410	27,378	20,154	14,034	11,588	8,007
Handymax	7,723	12,077	11,844	54,007	17,655	14,516	12,890	8,912
Handysize	2,416	6,117	9,142	105,681	13,720	11,063	9,951	6,342
<b>Total</b>	<b>18,350</b>	<b>29,136</b>	<b>30,681</b>	<b>233,966</b>	<b>17,386</b>	<b>13,246</b>	<b>11,700</b>	<b>7,887</b>

	<b>Ship days</b>				<b>Revenue from coverage (USD per day)</b>			
Capesize	464	1,095	366	272	50,543	41,266	67,922	67,922
Post-Panamax	477	1,090	0	0	23,648	21,617	0	0
Panamax	6,648	5,505	2,378	10,600	24,152	23,311	21,477	19,669
Handymax	5,678	6,210	4,293	4,489	20,843	20,277	22,787	16,245
Handysize	1,534	1,263	918	3,203	13,762	12,619	12,162	11,878
<b>Total</b>	<b>14,801</b>	<b>15,163</b>	<b>7,955</b>	<b>18,564</b>	<b>22,617</b>	<b>22,353</b>	<b>23,246</b>	<b>18,204</b>

<b>Coverage in %</b>				
Capesize	57%	75%	27%	3%
Post-Panamax	72%	50%	0%	0%
Panamax	99%	76%	44%	39%
Handymax	74%	51%	36%	8%
Handysize	63%	21%	10%	3%
<b>Total</b>	<b>81%</b>	<b>52%</b>	<b>26%</b>	<b>8%</b>

As of 1 January 2010, NORDEN operates its Post-Panamax and Handysize vessels in new pools. NORDEN's revenue and coverage in these vessel types are affected hereof because the figures show NORDEN's share of the pools' total revenue and coverage.

# COVERAGE AND CAPACITY – TANKER



## Capacity and coverage, Tanker, at 30 June 2010

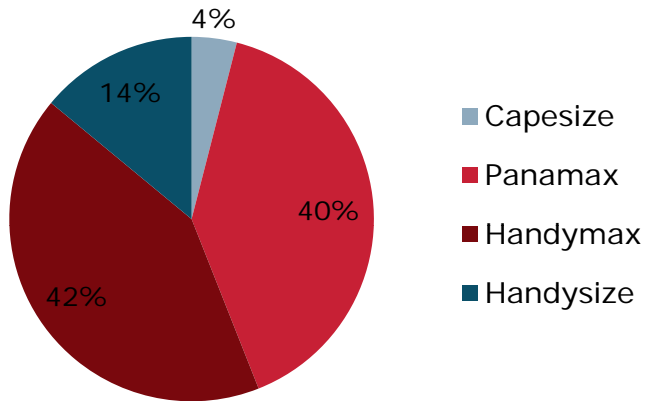
	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>	<b>Ship days</b>				<b>Costs for gross capacity (USD per day)</b>			
LR1	180	365	12	0	27,950	16,967	15,500	0
MR	2,512	6,299	5,709	48,760	13,706	13,480	12,665	10,264
Handysize	3,266	5,137	3,785	53,056	11,525	9,346	8,073	7,954
<b>Total</b>	<b>5,958</b>	<b>11,801</b>	<b>9,506</b>	<b>101,816</b>	<b>12,941</b>	<b>11,788</b>	<b>10,840</b>	<b>9,060</b>
<b>Coverage</b>	<b>Ship days</b>				<b>Revenue from coverage (USD per day)</b>			
LR1	11	0	0	0	11,754	0	0	0
MR	1,385	2,044	656	283	15,087	15,421	13,437	13,208
Handysize	1,833	1,551	346	0	14,230	13,270	12,404	0
<b>Total</b>	<b>3,229</b>	<b>3,595</b>	<b>1,002</b>	<b>283</b>	<b>14,589</b>	<b>14,493</b>	<b>13,080</b>	<b>13,208</b>
<b>Coverage in %</b>								
LR1	6%	0%	0%	0%				
MR	55%	32%	11%	1%				
Handysize	56%	30%	9%	0%				
<b>Total</b>	<b>54%</b>	<b>30%</b>	<b>11%</b>	<b>0%</b>				

# 2009 CAPACITIES

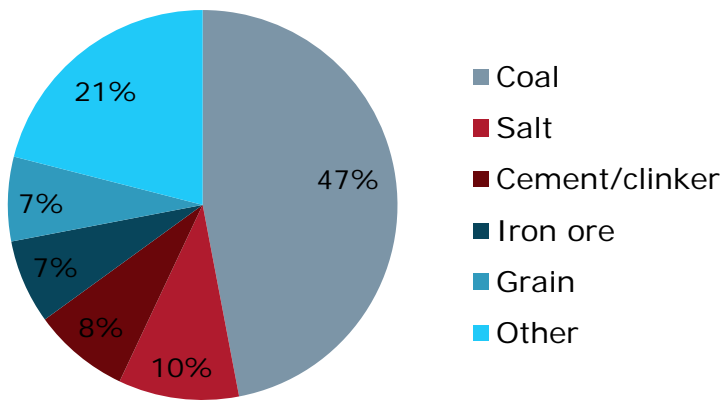


## Dry cargo

Ship Days  
100% = 45,945

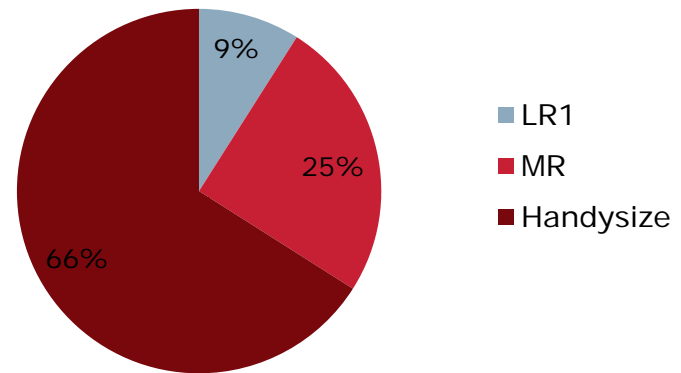


Cargo volumes  
100% = 42.1 million tons

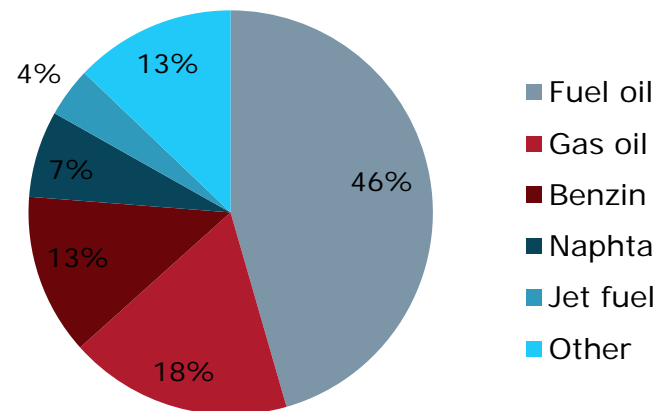


## Tanker

Ship Days  
100% = 10,006








Cargo volumes  
100% = 19 million tons



# DRY CARGO FLEET

- NORDEN is active within 5 dry cargo segments, offering the highest possible flexibility to cargo clients
- Future fleet expansion mainly in Handysize and Handymax






Vessel type	Size (DWT)	Typical length	Main cargoes	
Capesize	> 150,000	289 metres	Iron ore	
Post-Panamax	90-120,000	245 metres	Iron ore and coal	
Panamax	65-90,000	225 metres	Iron ore, coal grain and bauxite	
Handymax	40-65,000	190 metres	Iron ore, coal, bauxite, cement clinker, grain, steel and fertilizer	
Handysize	25-40,000	170 metres	Cement clinker, grain, steel, petcoke, fertilizer, salt, alumina, scrap, concentrates	

# TANKER FLEET



- Active within 3 tanker vessel types - Exited crude oil in 2007, now purely focused on products
- In a joint venture with INTERORIENT, NORDEN operates approx. 60 vessels

Vessel type	Size (DWT)	Typical length	Main cargoes	
LR1	60-80,000	230 metres	Fuel oil, heating oil, gasoline, diesel, naphtha, jetfuel	
MR	42-60,000	180 metres	Fuel oil, heating oil, gasoline, diesel, naphtha, jetfuel, vegoil	
Handysize	27-42,000	170 metres	Fuel oil, heating oil, gasoline, diesel, naphtha, jetfuel, vegoil	





# THE SHARE (DNORD)

## Master data

Shareholder capital	DKK 44,600,000
Number of shares and denomination	44,600,000 shares of DKK 1
Classes of shares	1
Voting and ownership restrictions	None
Stock exchange	NASDAQ OMX Copenhagen
Ticker symbol	DNORD
ISIN code	DK0060083210
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

## Composition of shareholders

- 17,655 registered shareholders
- Approx. 45% international ownership
- Approx. 57% effective free float

Per August 2010

