

## Full-Year Results 2006 and 2007 outlook

Carsten Mortensen, CEO  
Jens Fehrn-Christensen, CFO

Copenhagen, March 27, 2007



# TODAY'S AGENDA

- 2006 in highlights
- Dry Cargo
- Tanker
- Guidance for 2007
- Q&A Session

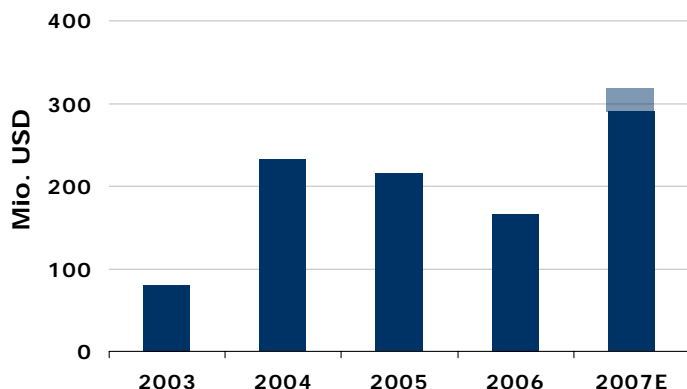


***THE PREFERRED PARTNER IN GLOBAL TRAMP SHIPPING  
UNIQUE PEOPLE. OPEN MINDED TEAM SPIRIT. NUMBER ONE.***

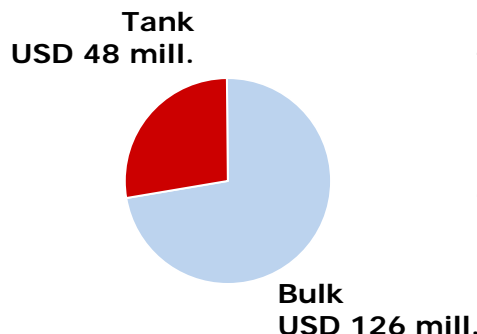
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# 3rd best result in the history of the Company

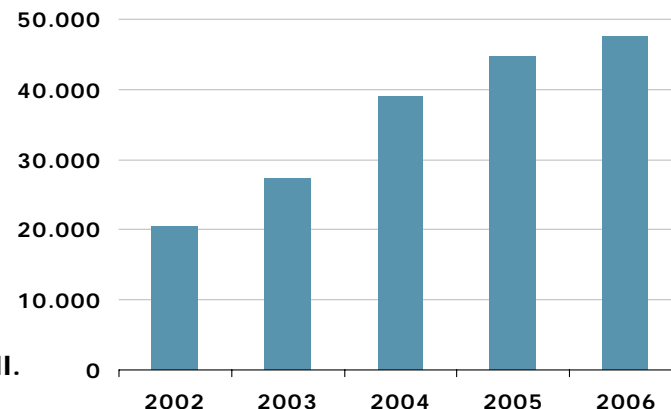
**EBITDA development**



**EBITDA split, 2006**



**Development in vessel days**



- Integrated global operator and owner within dry cargo and tanker
- Gross fleet of 220 units
  - 153 active vessels
  - 67 on order
- Strong growth in both earnings and capacity since 2000

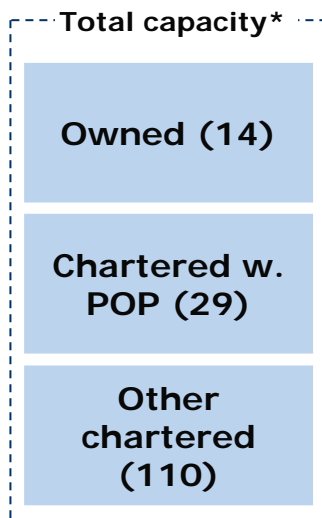
## Outlook for 2007

- Dry cargo markets ended the year very strongly
- NORDEN positioned to benefit
- EBITDA USDm 290-320  
Net result USDm 380-410

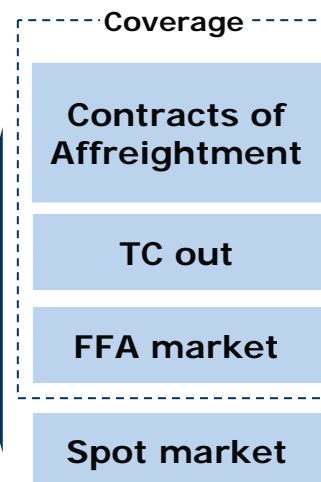
# Operating model – retain upside, sell downside

## Flexible fleet

- Asset play
- Technical competences in-house
- Option based flexibility
- 5-7 year firm periods
- Flexibility
- Adds scale
- Arbitrage opportunities



## Coverage & customer focus



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

People

Brand

Systems

\*Note: Figures indicate fleet as of end 2006. POP= Purchase option

# Customer Focused Organisation



**Core Values: Reliability, Flexibility, Empathy and Ambition**

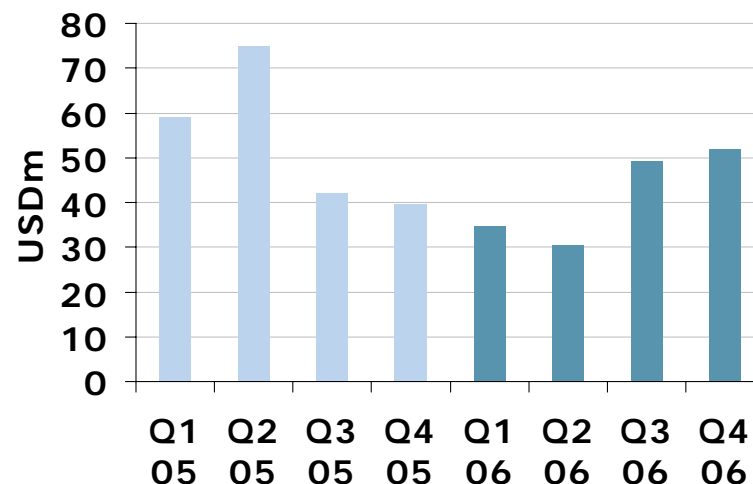
# Strong Q4 as expected

Key Figures (USDm)	2006	2005	Group
Vessel days	47,425	44,738	6%
Freight income (revenues)	1,234	1,296	-5%
<b>EBITDA</b>	<b>166</b>	<b>216</b>	<b>-23%</b>
Profits from sales of vessels, etc.	55	120	-54%
<b>Profit from operations (EBIT)</b>	<b>203</b>	<b>328</b>	<b>-38%</b>
Fair value adjustment of certain hedging instruments (IAS 39)	-27	26	-204%
<b>Profit for the period</b>	<b>177</b>	<b>336</b>	<b>-48%</b>

## Net profit down due to

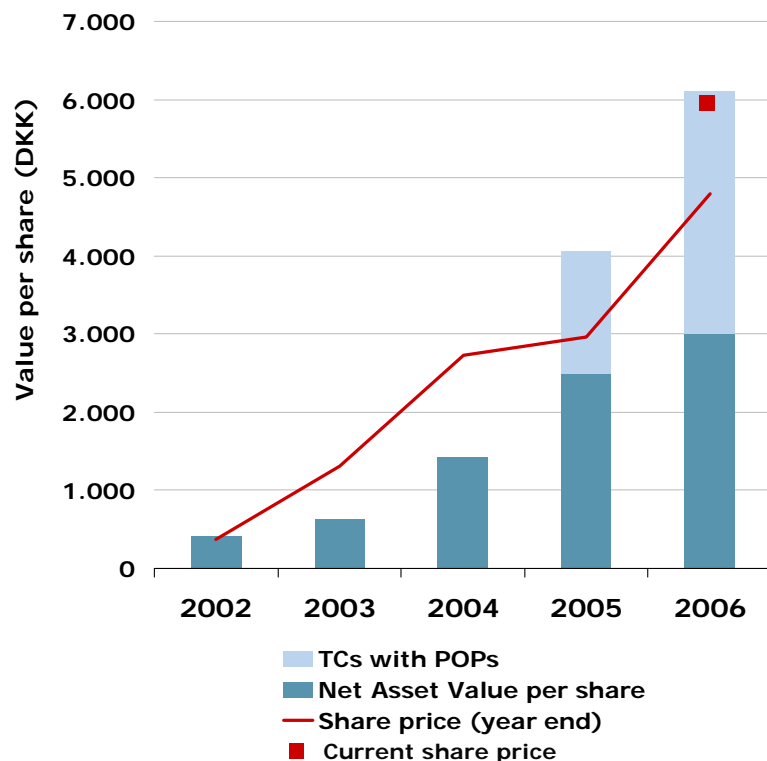
- **EBITDA – down 23%**
  - Dry Cargo: -40 mio./-24%
  - Tank: -9 mio./-16%
- Fewer vessel sales
- Fair value adjustments

## Quarterly EBITDA - Group

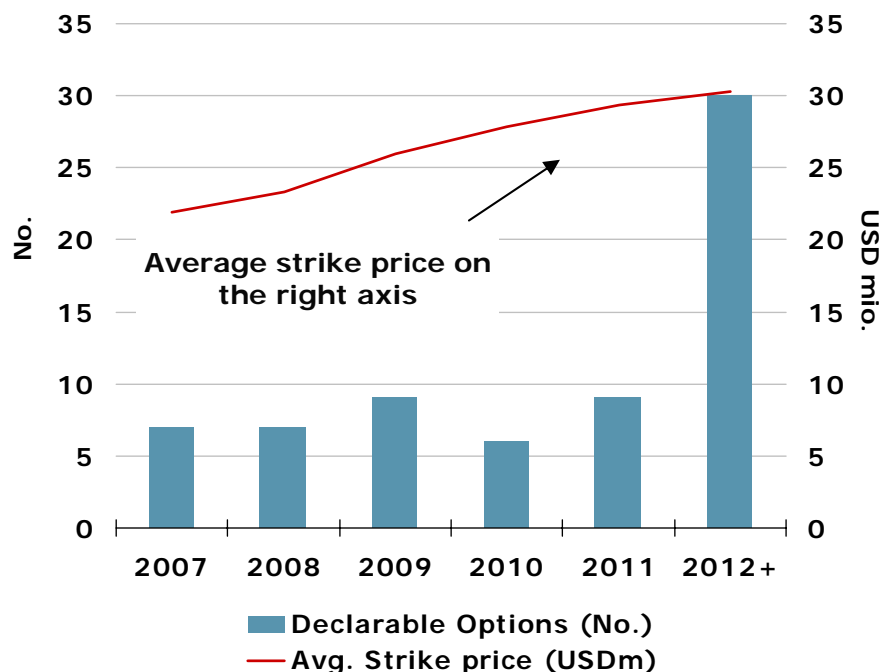


# Theoretical NAV at all-time-high

**Total theoretical NAV  
DKK 6,098 per share**



**60% of the purchase options are  
declarable within 5 years**



# Business development strengthened

## Long term core fleet expansion

- 8 owned vessels delivered and 4 vessels sold
- High contracting activity
  - 9 own new-buildings
  - 19 new long-term charter
- 22 additions to core fleet in 2007

## Adjustments to segments

- Handysize activity
- Post-Panamax ordering
- Operator activity in Aframax

## Strengthened organisation

- FFA Desk
- Project section

Fleet	2006	2005	% Change
<b>Active fleet:</b>			
Owned vessels	14	10	
Chartered vessels with POP <sup>1</sup>	29	20	
Chartered vessels (3+ years)	20	10	
<b>Total active core fleet</b>	<b>63</b>	<b>40</b>	<b>+58%</b>
Other chartered vessels	90	84	
<b>Total active fleet</b>	<b>153</b>	<b>124</b>	
<b>Vessel to be delivered:</b>			
New-buildings (own)	14 <sup>2</sup>	9	
Chartered vessels with POP	42	36	
Chartered vessels (3+ years)	11	5	
<b>Total deliveries to core fleet</b>	<b>67</b>	<b>50</b>	<b>+34%</b>
<b>Gross fleet</b>	<b>220</b>	<b>174</b>	<b>+26%</b>

<sup>1</sup> POP = Purchase option

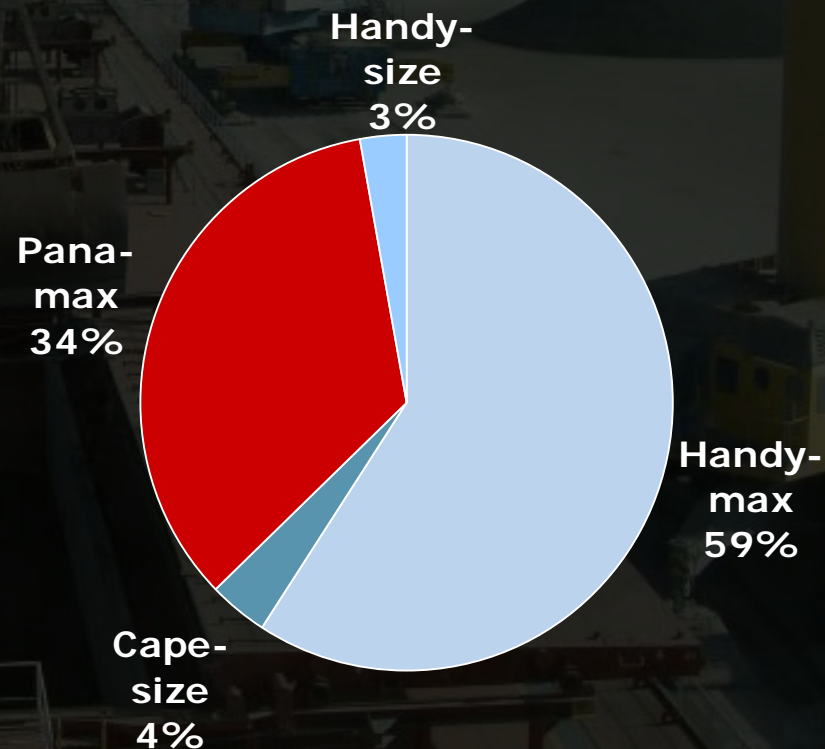
<sup>2</sup> Of which 5 units 50% owned



# DRY CARGO DEPARTMENT

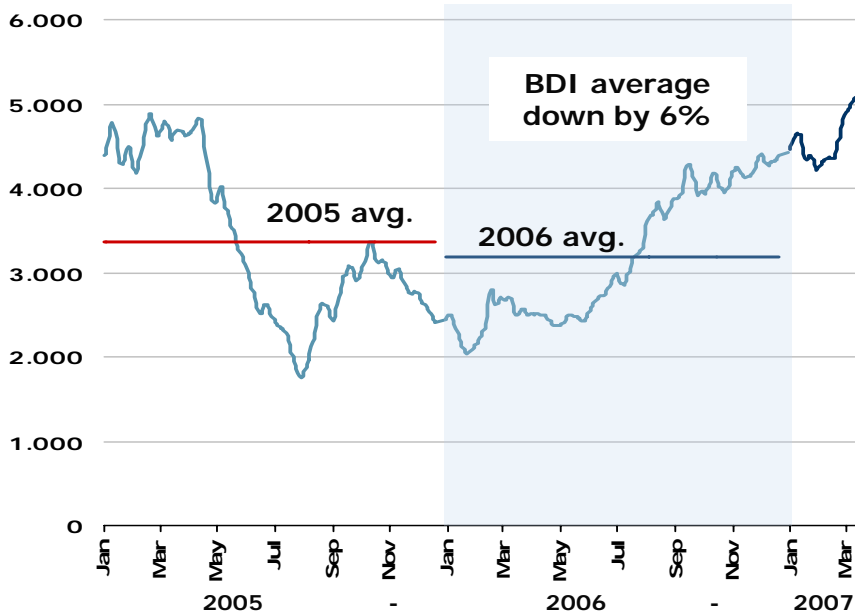


Dry Cargo vessel days in 2006  
(100% = 41,724)

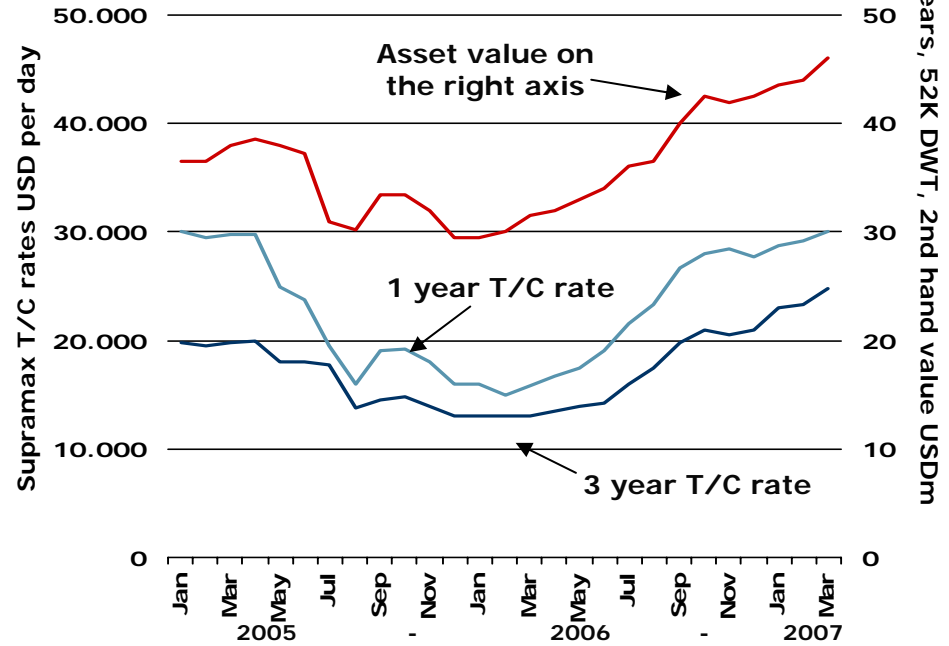


# Dry cargo market soared in second half of 2006

BDI up by 83% during year ...

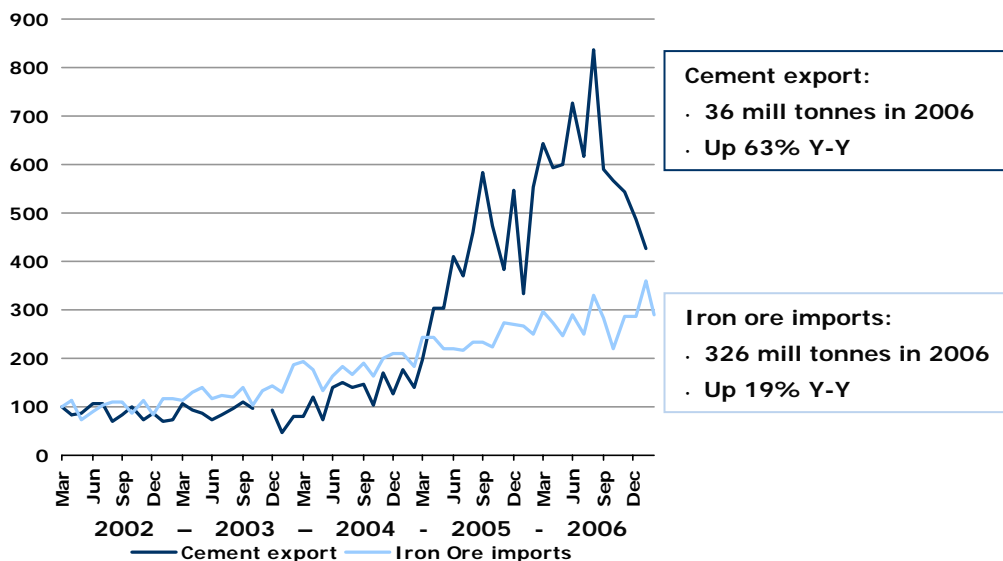


... and expectations are very strong



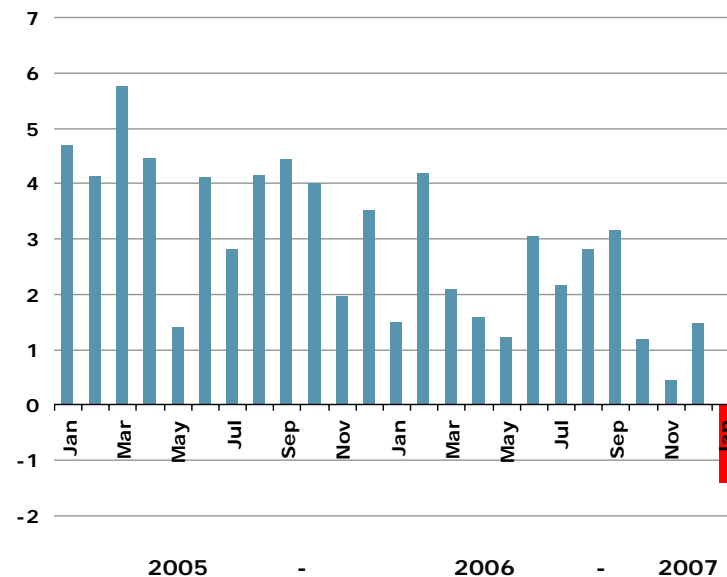
# Dry cargo - A China story

China trades, index  
March 2002=100



Source: Bloomberg

China - Net Coal Export, mill tonnes per month



Source: Bloomberg

- Strong demand in H2

- China becoming the World's no. 1 cement supplier – meaning growing tonnes-mile
- Iron ore imports still strong

- Changing coal trading in Asia

- China: Net importer for the first time in January
- Chinese cabotage

## Market trends in 2007

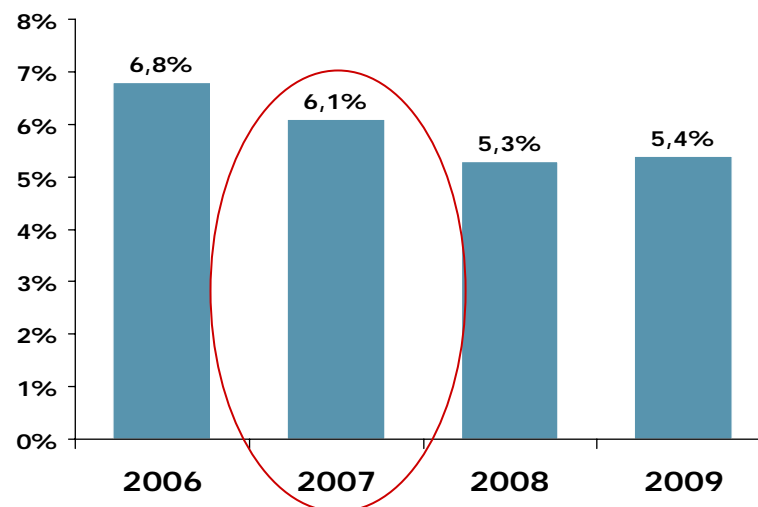
### Demand stays strong ...

- **Continued strong demand at 5-6% growth**
- **Increasing transportation distances**
  - IO from Brazil to China
  - Cement from China to US
  - Increasing coal demand from energy-hungry nations e.g. China and India
- **Port Congestion – swing factor**
  - Currently **147** ships in Australian coal ports

### Outlook for 2007

- Average rates above 2006 but sliding from the present heights

### ... and fleet supply to slow down



Source: R.S. Platou

- Scrapping potential is constantly increasing
- Tonnage supply set to slow down from 2006-peak
- Very active bulk new-building activity for 2010 and onwards

# Ongoing expansion of core fleet

## NORDEN active core fleet +57%

- 5 own new-buildings delivered and 4 own vessels sold
- A record of 9 own new-buildings and 15 T/C with POP were contracted

## Ambitious entry to new segment

- Handysize: 15 units for delivery to core fleet in 2007-2011
- Post-Panamax: 4 units for delivery to core fleet in 2010-2012

Dry Cargo Fleet	2006	2005
<b>Active fleet:</b>		
Owned vessels	8	7
Chartered vessels with POP <sup>1</sup>	26	17
Chartered vessels (3+ years)	10	4
<b>Total active core fleet</b>	<b>44</b>	<b>28</b>
Other chartered vessels	89	82
<b>Total active fleet</b>	<b>133</b>	<b>110</b>
<b>Vessel to be delivered:</b>		
New-buildings (own)	11 <sup>2</sup>	3
Chartered vessels with POP	32	30
Chartered vessels (3+ years)	6	2
<b>Total deliveries to core fleet</b>	<b>49</b>	<b>35</b>
<b>Gross fleet</b>	<b>182</b>	<b>145</b>

+57%

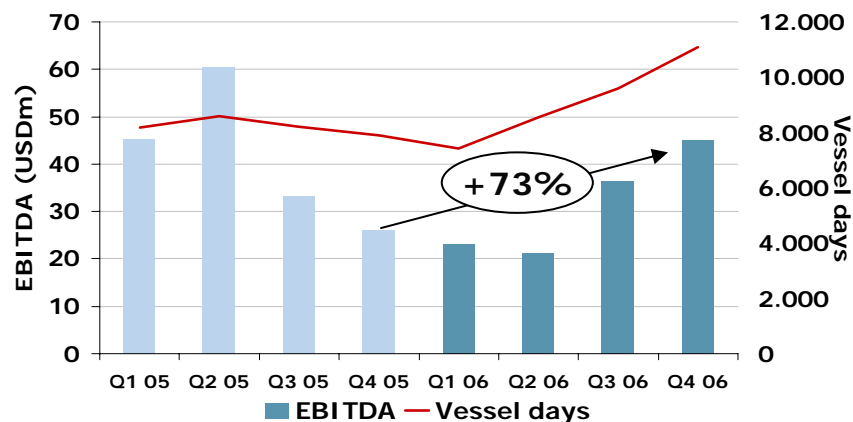
+40%

+26%

<sup>1</sup> POP = Purchase option

<sup>2</sup> Of which 5 units 50% owned

# EBITDA on upward quarterly trend



- Attractive EBITDA margin at 11%
- EBIT down 29%
  - fewer vessel sales
  - poor market conditions in H1-2006

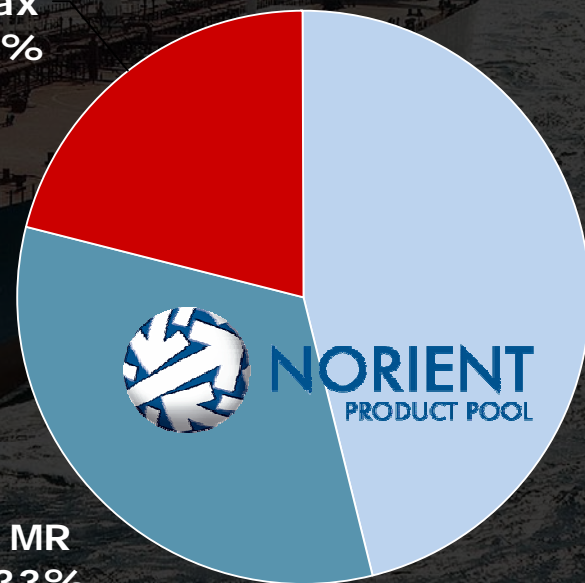
USDm	2006	2005	Change in % 05-06
Vessel days	41,724	39,180	6%
Revenue	1,102	1,172	-6%
Costs	976	1,007	-3%
<b>EBITDA</b>	<b>126</b>	165	<b>-24%</b>
Depreciations	11	6	93%
Profit from sales of vessels	55	80	-31%
<b>EBIT</b>	<b>170</b>	239	<b>-29%</b>
<b>EBITDA margin</b>	<b>11%</b>	14%	<b>-3pp</b>
<b>EBIT margin</b>	<b>15%</b>	20%	<b>-5pp</b>

# TANKER DEPARTMENT



Tanker vessel days in 2006  
(100% = 5,701 days)

Afra-  
max  
21%

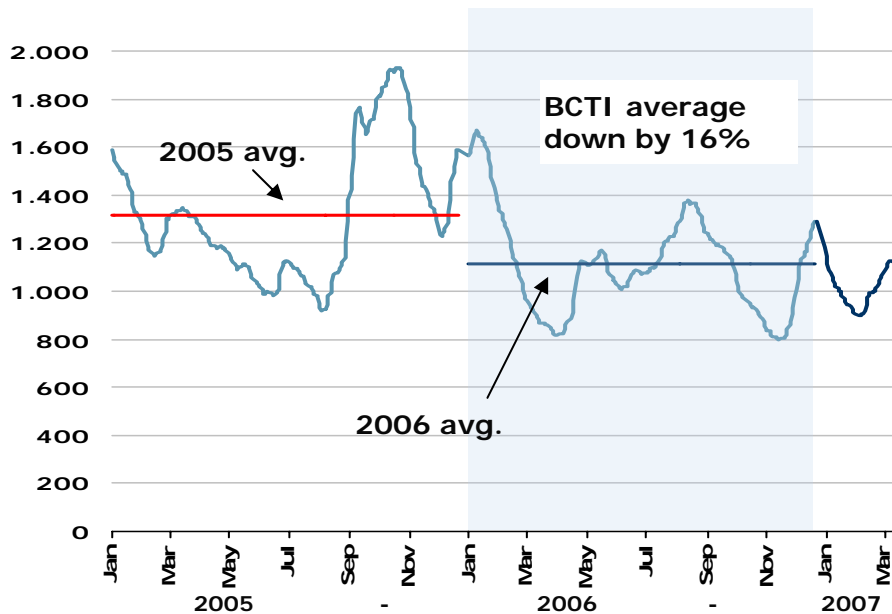


Handy-  
size  
46%

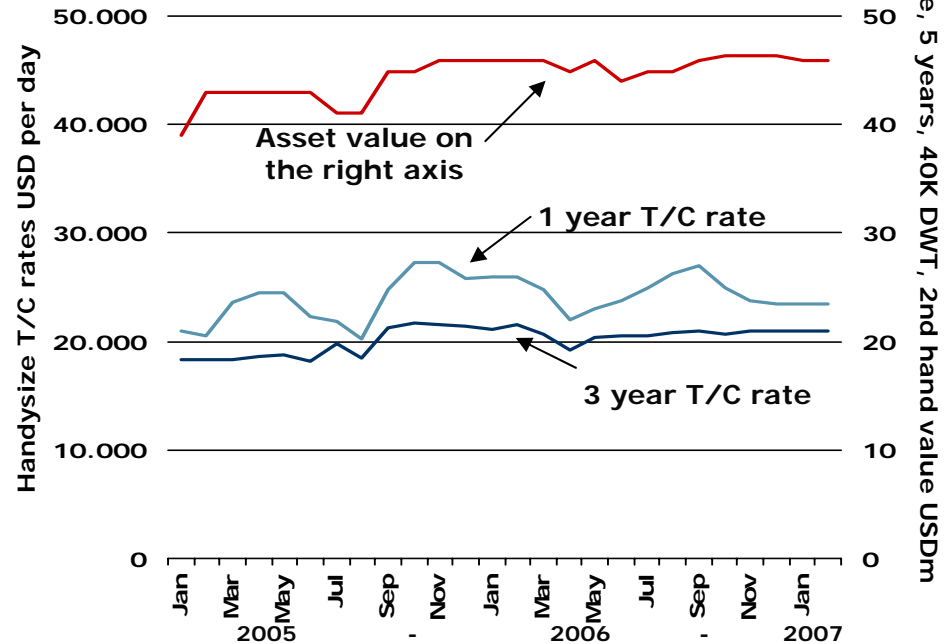
MR  
33%

# Volatile and tightly balanced market

BCTI 16% lower during in 2006 ...



... but firm T/C rates and S/H prices reflect strong expectations

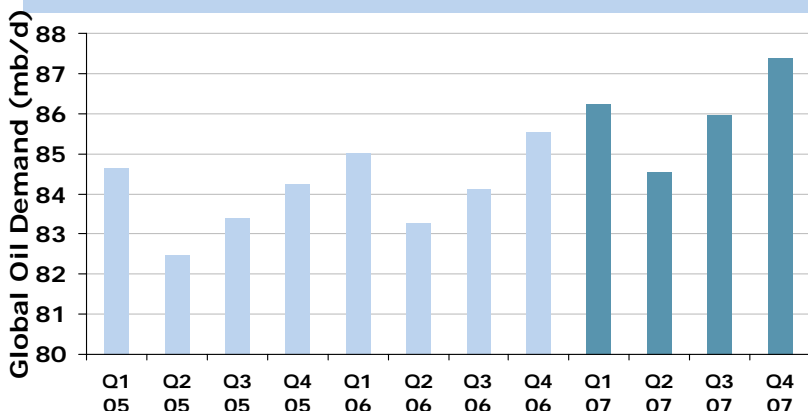


- Average product rates on high level
- Weak Q4 due to absence of anticipated hurricane season and mild winter
- Asset values have remained at high levels



# Market trends in 2007

## Strong underlying demand potential



Source: Oil Market Report, IEA, Feb 2007

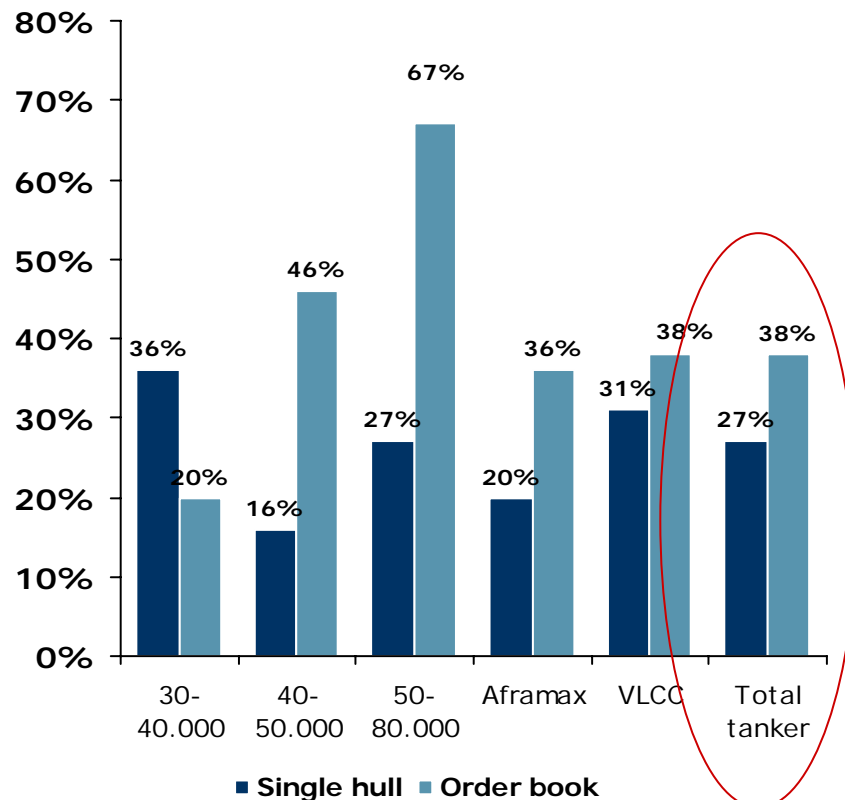
### Short term

- 2007: Expects marginally lower rates on average
- China and USA continue as main consumers and a "thirsty" China increase tonnes-mile
- Low global crude inventories indicate demand pick-up

### Long term

- New refinery capacity constructed in Asia and Middle-East
- Strategic reserve built-up in both USA and China
- IMO phase-outs from 2010

## High order book will eventually be counterbalanced by IMO phase outs



Source: Clarkson Oil & Tanker Trades Outlook, Feb 2007

## Ongoing expansion of core fleet

### NORDEN active core fleet +58%

- Delivery of 3 own new-buildings
- 8 product tankers to be delivered in 2007
- Shift to operator activity in Aframax

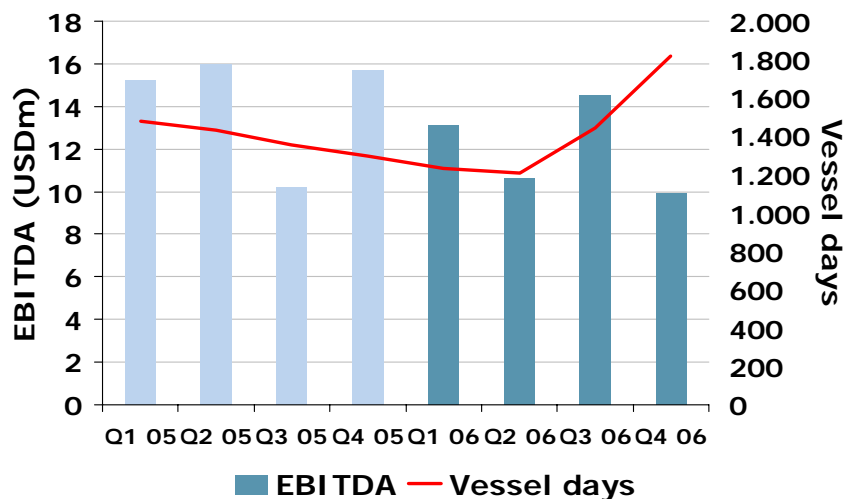
### Norient Product Pool

- Active fleet doubled during the year - now 35 vessels
- Partners have order book of 33 vessels; 11 to be delivered in 2007
- The Pool has 23 ice-class tankers

Tanker Fleet	2006	2005	
<b>Active fleet:</b>			
Owned vessels	6	3	
Chartered vessels with POP <sup>1</sup>	3	3	
Chartered vessels (3+ years)	10	6	
<b>Total active core fleet</b>	<b>19</b>	<b>12</b>	<b>+58%</b>
Other chartered vessels	1	2	
<b>Total active fleet</b>	<b>20</b>	<b>14</b>	
<b>Vessel to be delivered:</b>			
New-buildings (own)	3	6	
Chartered vessels with POP	10	6	
Chartered vessels (3+ years)	5	3	
<b>Total deliveries to core fleet</b>	<b>18</b>	<b>15</b>	<b>+20%</b>
<b>Gross fleet</b>	<b>38</b>	<b>29</b>	<b>+31%</b>

<sup>1</sup> POP = Purchase option

## Weak Q4 due to mild winter



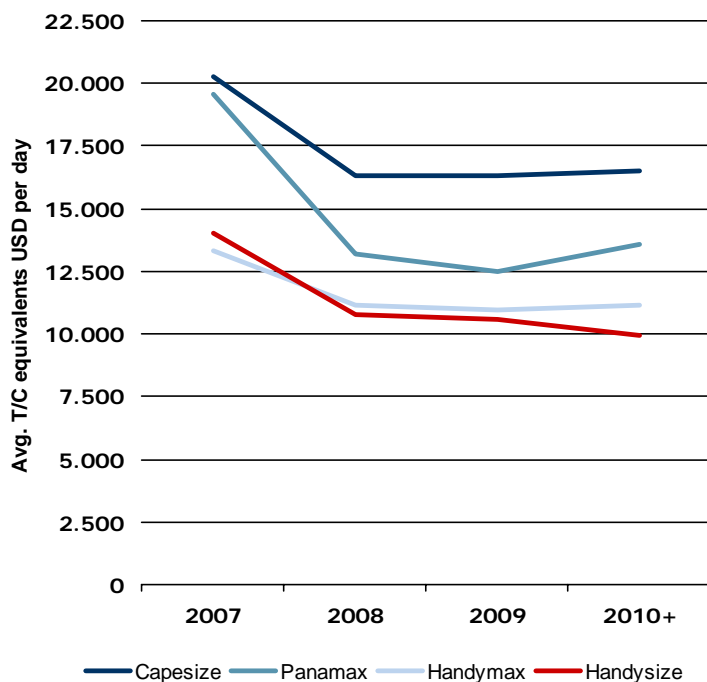
- Lower EBITDA due to higher cost from T/C vessels
- Still attractive EBITDA-margin at 36%

USDm	2006	2005	Change in % 05-06
Vessel days	5,701	5,558	3%
Revenue	132	125	6%
Costs	84	67	25%
<b>EBITDA</b>	<b>48</b>	57	<b>-16%</b>
Depreciations	8	9	-10%
Profit from sales of vessels	0	48*	-100%
<b>EBIT</b>	<b>41</b>	97	<b>-57%</b>
<b>EBITDA margin</b>	<b>36%</b>	46%	<b>-10pp</b>
<b>EBIT margin</b>	<b>31%</b>	78%	<b>-47pp</b>

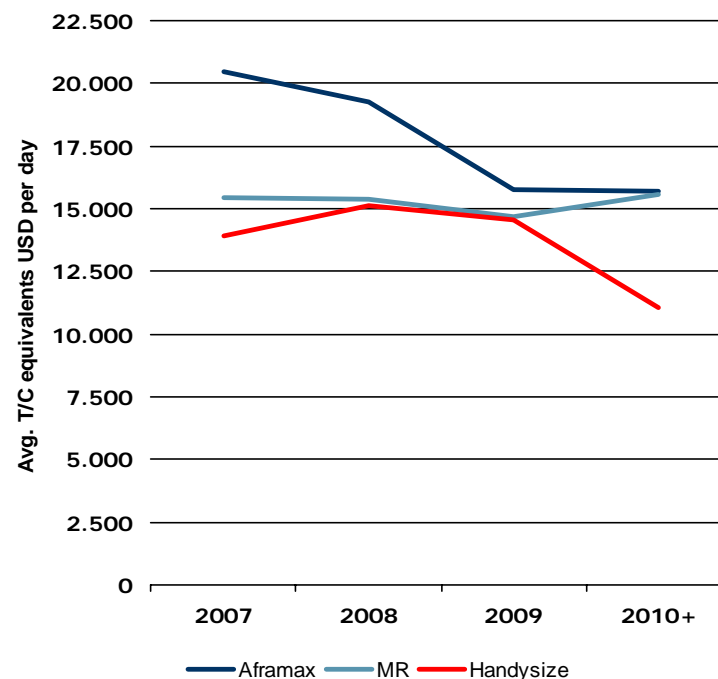
\* Of which 8 in J/V

# Very competitive cost base going forward

Dry cargo: Avg. cost per day



Tanker: : Avg. cost per day



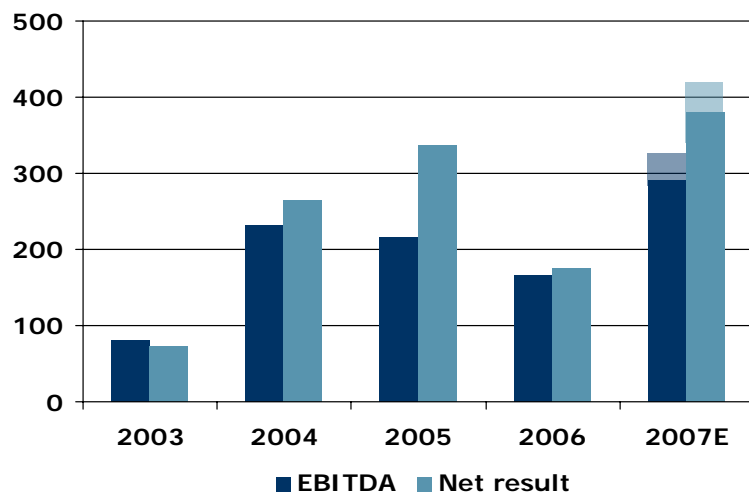
Vessel days	28,676	22,241	20,046	173,494
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Vessel days	7,105	8,629	7,679	69,500
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# NET PROFIT OF USD 380-410m

USDm	Dry cargo	Tanker	Group	2006A
<b>EBITDA</b>	<b>250-270</b>	<b>40-50</b>	<b>290-320</b>	<b>166</b>
Vessel sales*	42	53	95	55
<b>EBIT</b>	<b>280-300</b>	<b>90-100</b>	<b>385-405</b>	<b>203</b>
IAS 39			2	-27
<b>Net result</b>			<b>380-410</b>	<b>177</b>

\*Any additional vessel sales will change the guidance



- **Dry cargo**

- EBITDA expected to double
- Coverage for 2007 now at 86%

- **Tanker**

- EBITDA on same level as 2006
- Coverage for 2007 now at 38%

## 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 2007 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

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