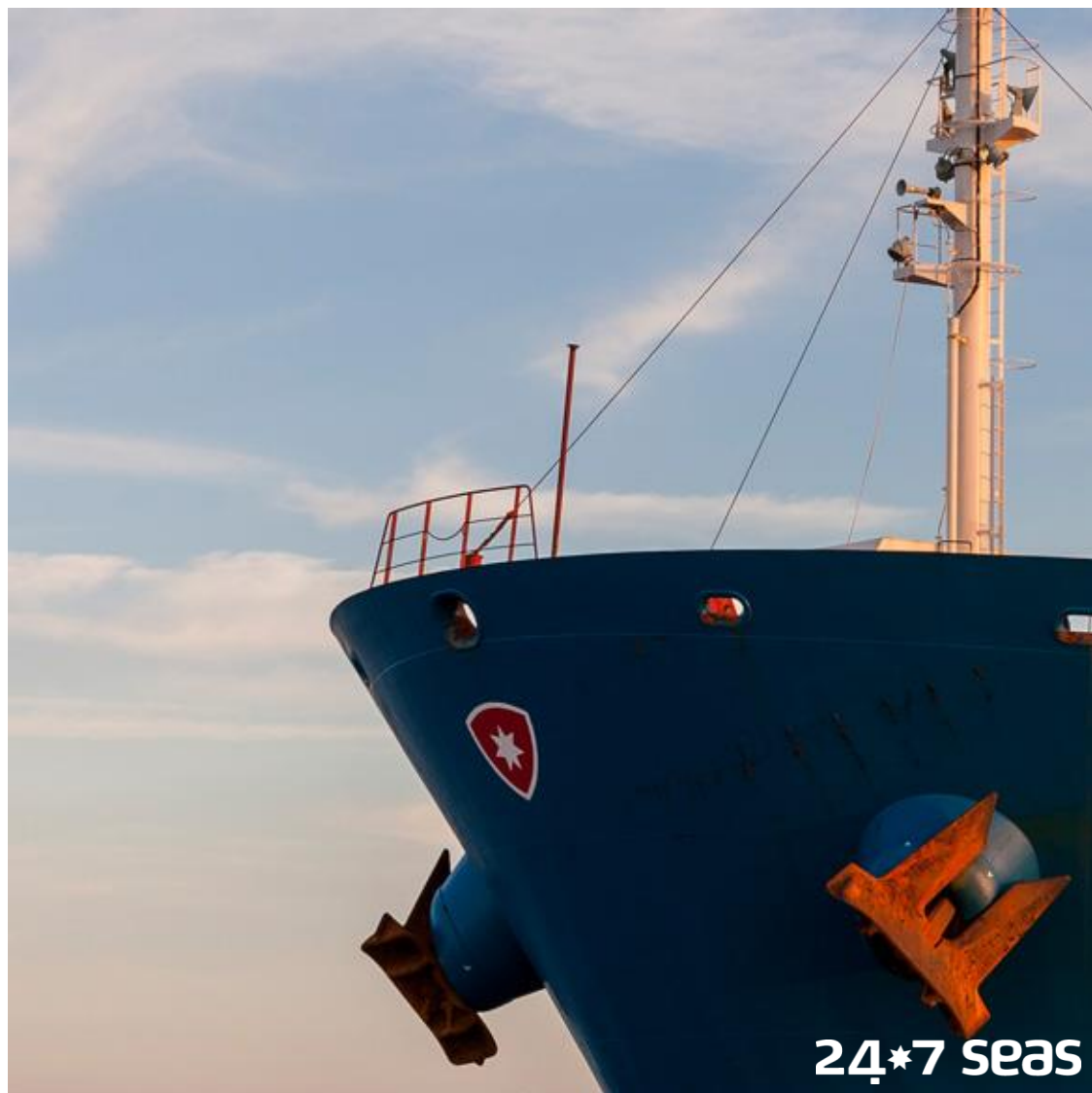


# PRESENTATION OF NORDEN

EVP Martin Badsted  
SEB Nordic Seminar  
8 January 2014  
Copenhagen



# A LEADING GLOBAL TRAMP OPERATOR

## Dry cargo



Capesize



Post-Panamax



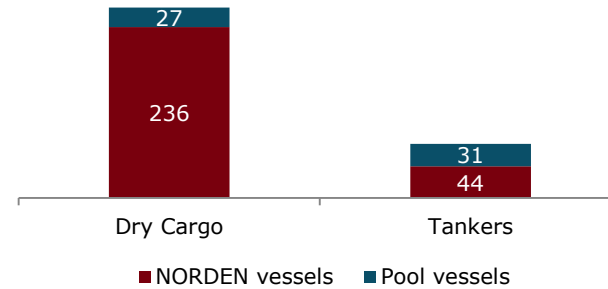
Panamax



Handymax



Handysize



## Tanker



MR



Handysize



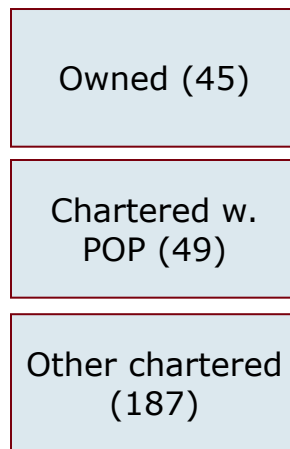
- ▶ Long history of strong performance
- ▶ World class fuel efficient fleet
- ▶ Significant upside through timecharter fleet and options

- ▶ Active fleet can quickly be adjusted to demand and market conditions
- ▶ Fleet employment based on portfolio view
- ▶ Operator profit on top of asset exposure

## Flexible fleet

- ▶ Sale and purchase
- ▶ Technical competencies in-house
- ▶ Option-based flexibility
- ▶ 5-7 year firm periods
- ▶ Flexibility and scale
- ▶ Arbitrage
- ▶ Single-trip charters

### Capacity



## Coverage and customer focus

### Employment



- ▶ Customer relations
- ▶ Logistical efficiencies
- ▶ 2-10 year firm periods
- ▶ Quick and easy cover
- ▶ Leverage of scale
- ▶ Operator profit

## People



## Brand

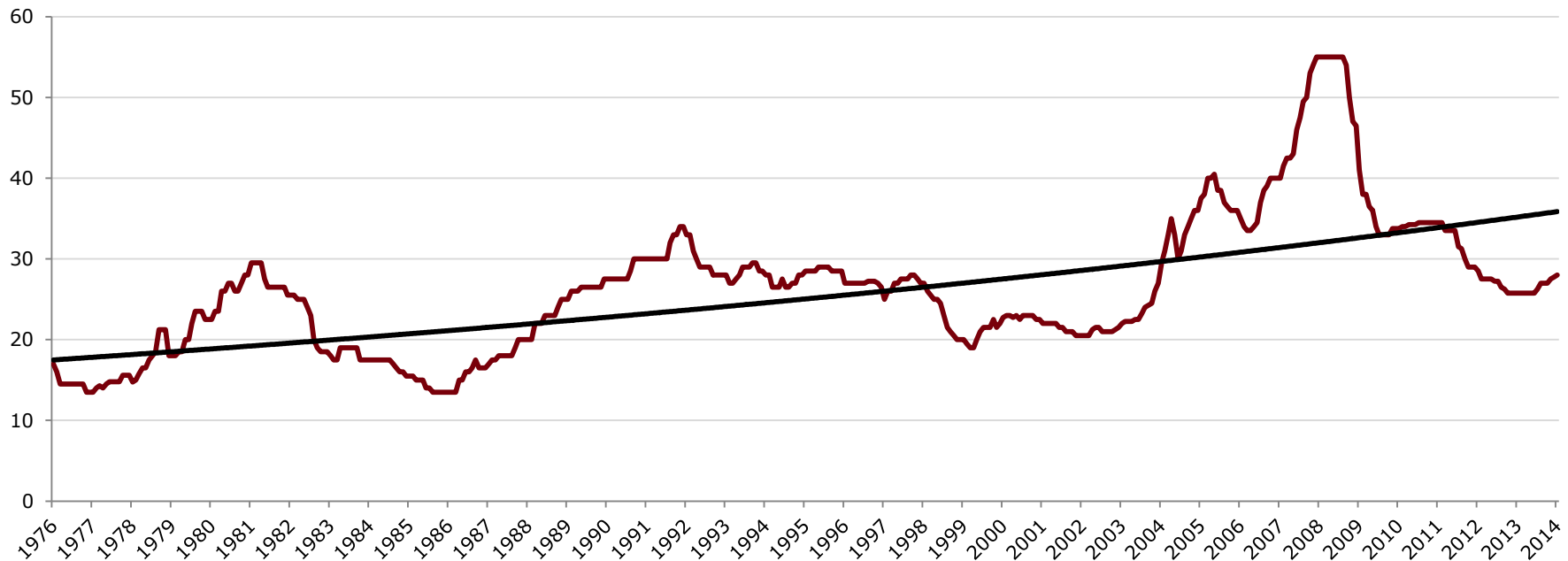


## Systems



- ▶ Newbuilding prices viewed as attractive
- ▶ NORDEN has contracted 22 vessels since initiating current investment focus in late 2012
  - ▶ None of these can be replicated today
  - ▶ All are fuel efficient designs from top yards
- ▶ Further investments being pursued

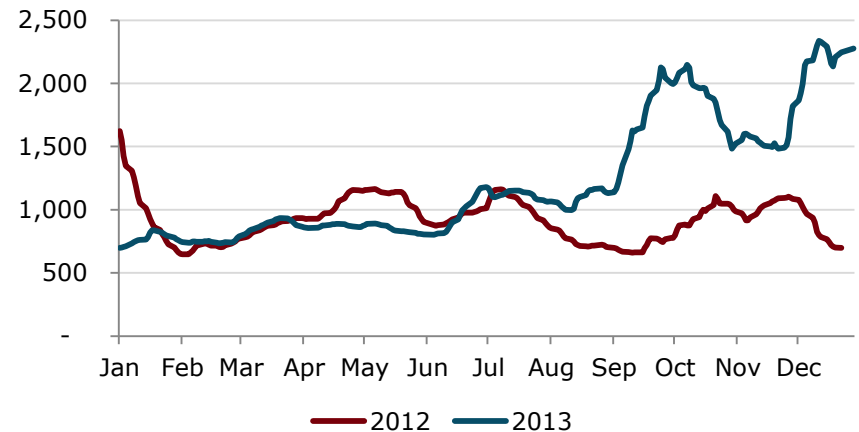
## Panamax Newbuilding price\* (USDm)



Source: Clarksons \* Prices are for "European spec." and "first class yards"

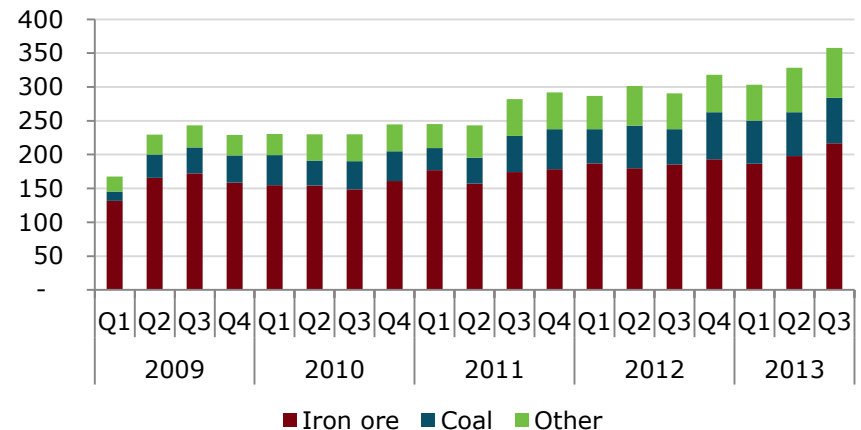
- ▶ Improving market in 2013
- ▶ Baltic Dry Index up 31% in 2013 – driven by 2<sup>nd</sup> half of 2013 up 74% Y/Y
- ▶ China’s dry cargo imports up 14.3% YTD (Nov.)
  - ▶ Record Chinese iron ore import in November (77.8 mt)
  - ▶ Record Chinese “minor bulk” import – up 24.5% YTD (Nov.)
- ▶ Dry bulk demand drivers from China continues to be strong
  - ▶ Steel- and electricity production up 9% YTD (November)
  - ▶ 10% increase Y/Y in industrial production in November

## Baltic Dry Index



Source: Baltic Exchange

## China dry cargo import (million tonnes)



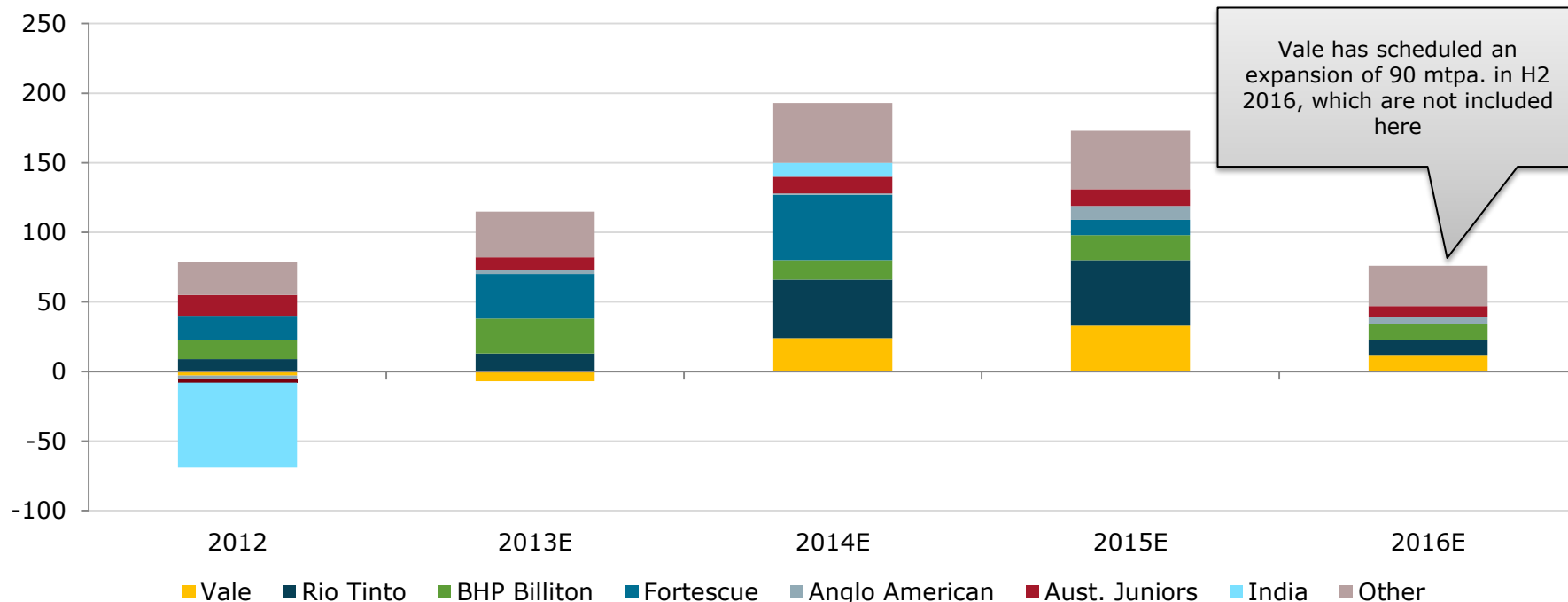
Source: Chinese Customs General Administration

# DRY CARGO – DEMAND OUTLOOK

## INCREASED IRON ORE EXPORT CAPACITY

- ▶ The biggest 5 iron ore miners expect to bring 412 mtpa iron ore to the market by 2012-16 – capacity growth of 14% p.a.
- ▶ 200 mtpa of new capacity is expected within 6-9 months and already progressing now

### Planned iron ore capacity expansions (mt)



Source: Barclays

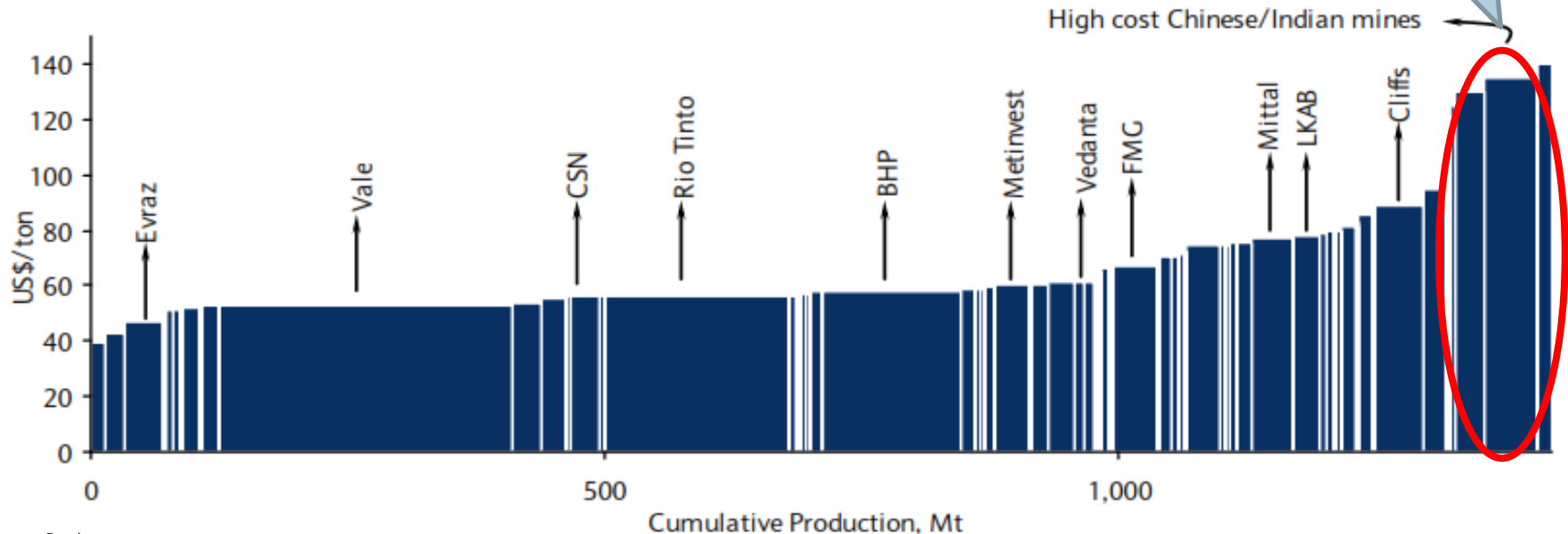
# DRY CARGO – DEMAND OUTLOOK

## CHINESE IMPORT SUBSTITUTION

- ▶ The cost curve favours import since China is the marginal producer
- ▶ More than 30% of Chinese domestic iron ore producers are estimated to produce at costs above USD 100 per ton

Chinese mines are the marginal producers, who will be crowded out by new seaborne supply

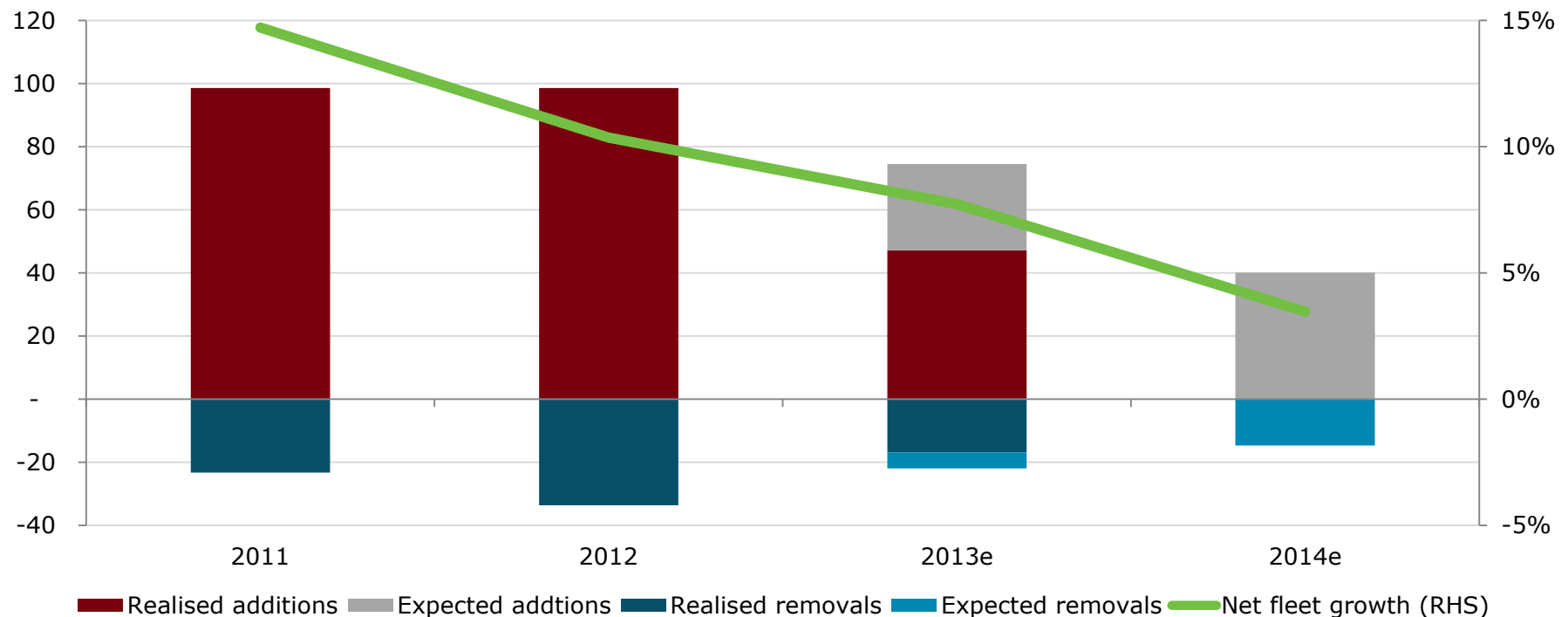
Global iron ore cash cost by company, CIF China (USD/t)



Source: Barclays

- ▶ Decreasing fleet growth as expected
- ▶ Continued moderate orderbook despite increased ordering activity

## Dry Cargo fleet development (million dwt.)

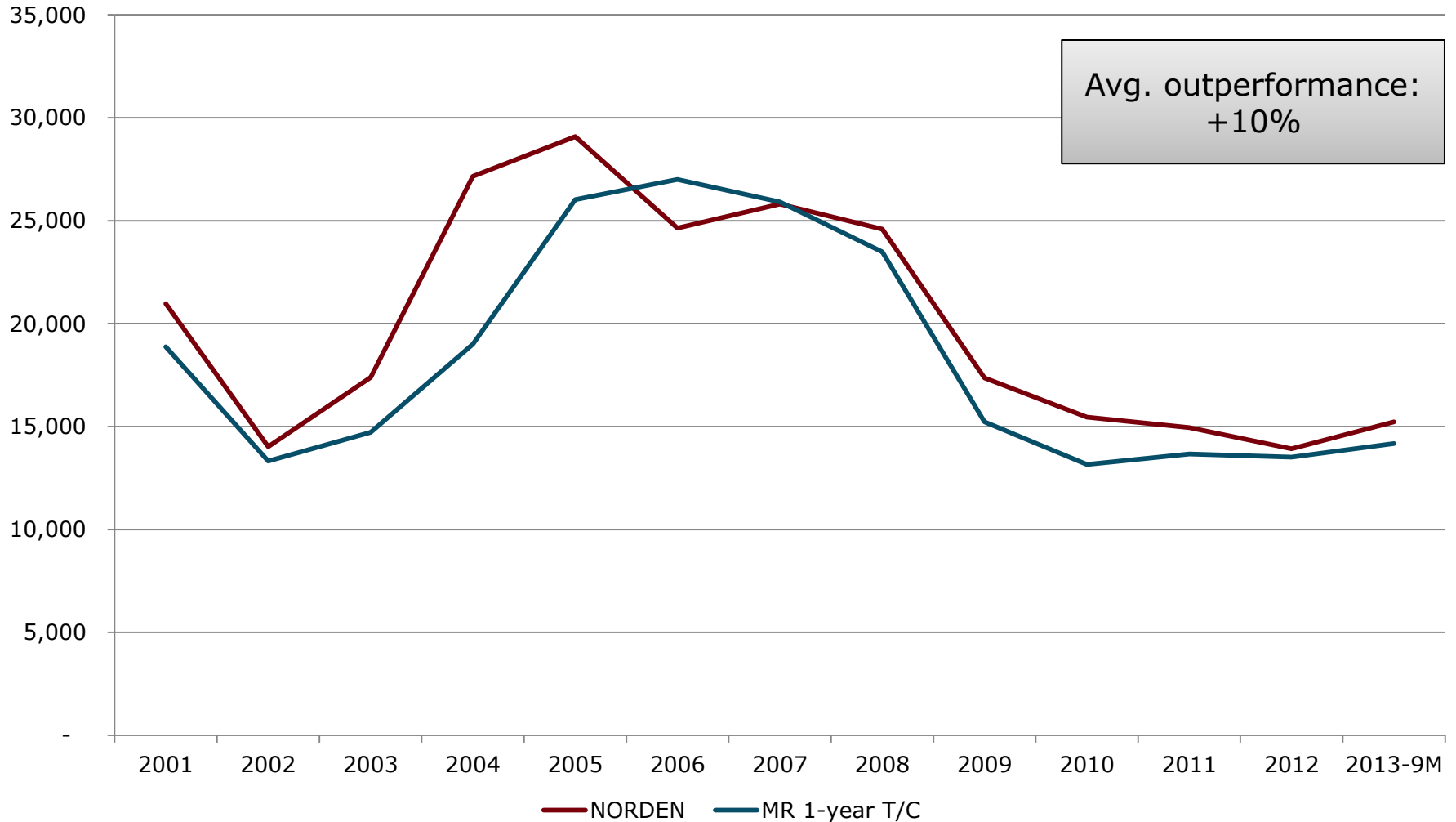


Source: Clarksons, NORDEN forecast



# TANKERS - A LONG HISTORY OF STRONG PERFORMANCE

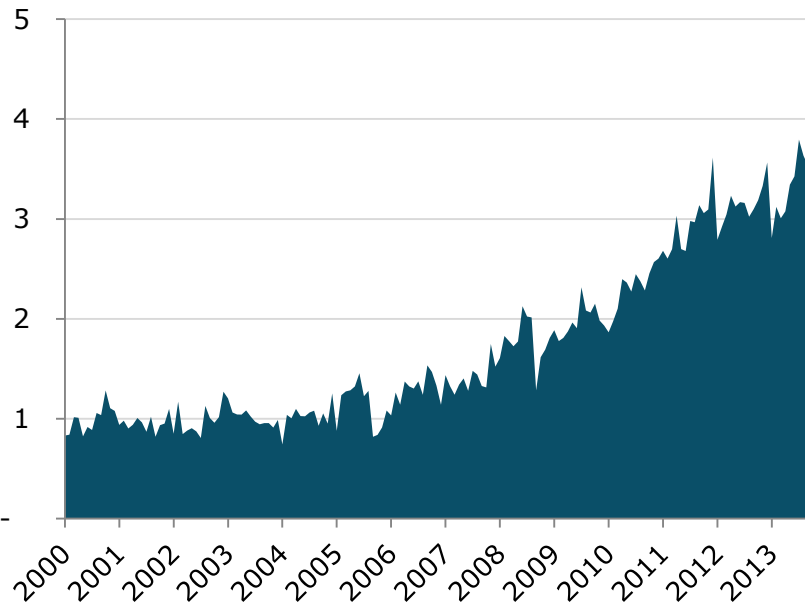
NORDEN and the 1-year T/C (USD per day)



Source: Clarksons

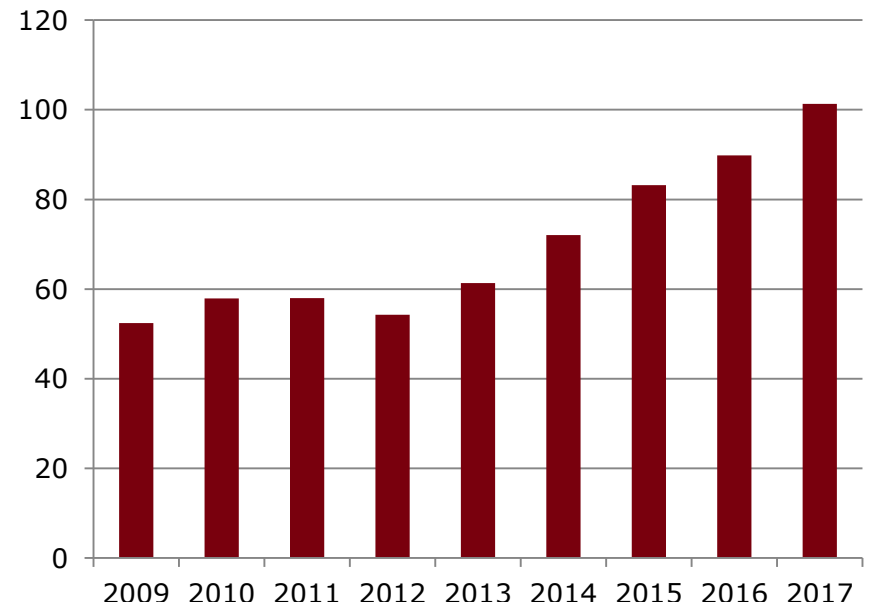
- ▶ Continued improvement in market balance in 2013
- ▶ US emerging as major export hub – driven by shale oil boom
- ▶ Significant refinery capacity expansions in Middle East will create strong growth in coming years

### US product export (mb/d)



Source: EIA

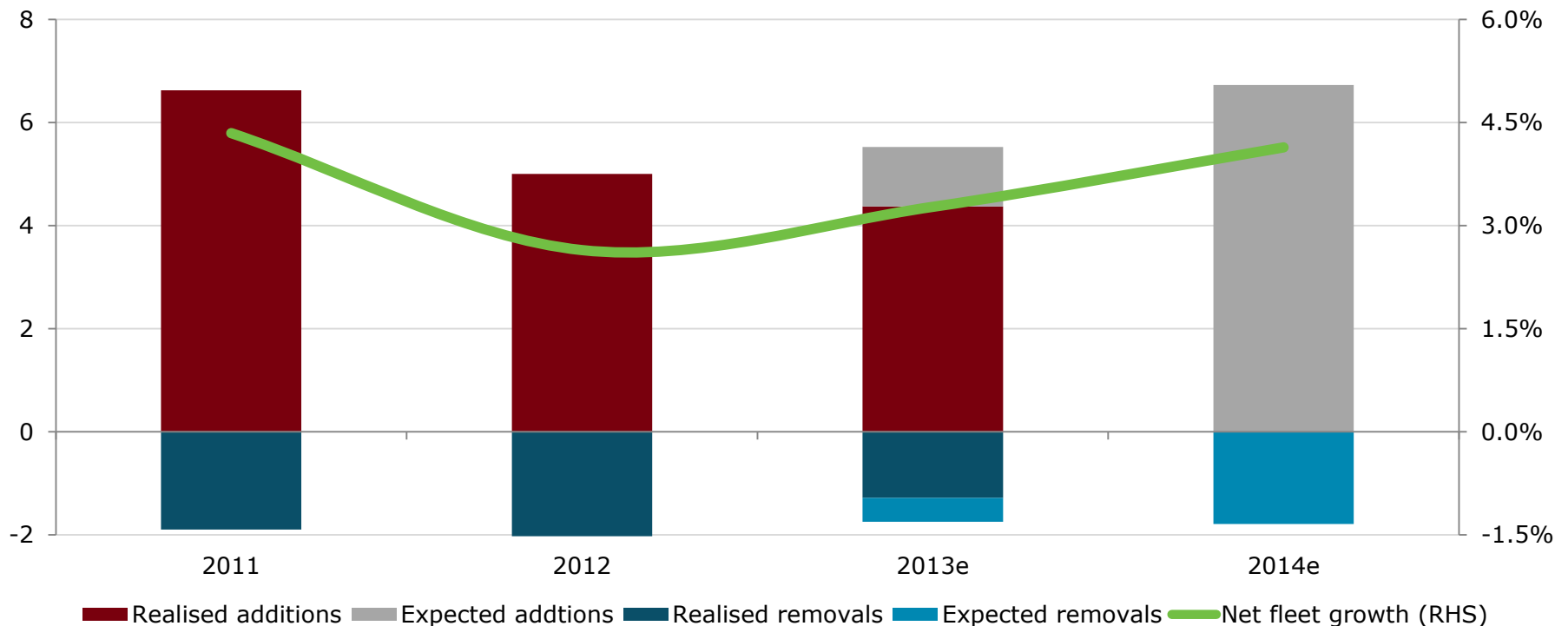
### Middle East product export (mt)



Source: WoodMackenzie

- ▶ Low net fleet growth in 2012 and 2013
- ▶ High level of new contracting, but still manageable overall fleet growth in 2014

Total product fleet development (million dwt.)



Source: SSY

## ▶ Dry Cargo

- ▶ Continued strong demand for seaborne raw materials
- ▶ Mining supply expansion is positive for volume growth
- ▶ Supply growth slowing
- ▶ NORDEN positioning for upside
  - ▶ High operational leverage through timecharter fleet and options
  - ▶ Investments in fuel efficient new-buildings

## ▶ Tanker

- ▶ Structural demand drivers remain strong
  - ▶ US exports
  - ▶ Refining expansions in Middle East and India
- ▶ Supply growth slightly increasing, but still at moderate level
- ▶ NORDEN well-positioned to benefit from higher rates and asset values
  - ▶ Owned fleet doubled during the last 3 years
  - ▶ Low coverage
- ▶ Economies of scale and proven track record in Norient Product Pool

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 2013 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.



FORWARD LOOKING STATEMENTS

24\*7 seas



THANK YOU FOR YOUR ATTENTION

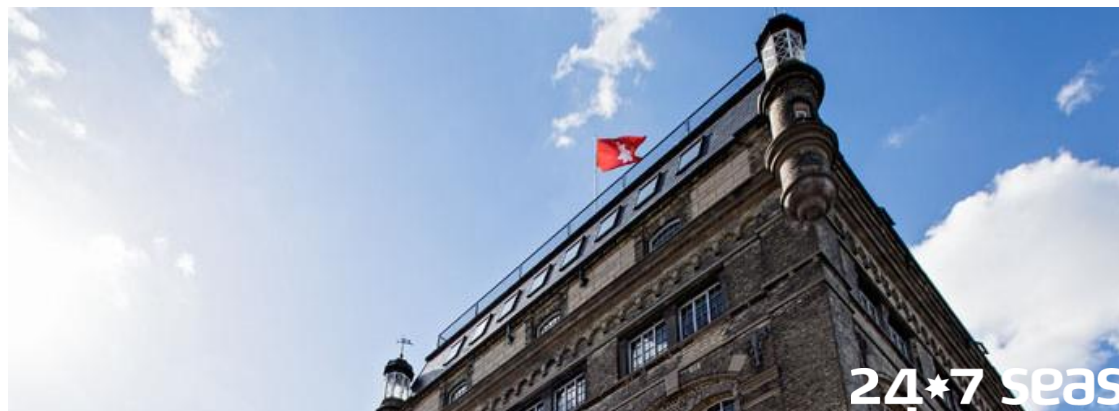
*Get mobile version of NORDEN's website. Scan and add to home screen. Or go to [m.ds-norden.com](http://m.ds-norden.com)*



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BACK UP

FORWARD LOOKING STATEMENTS

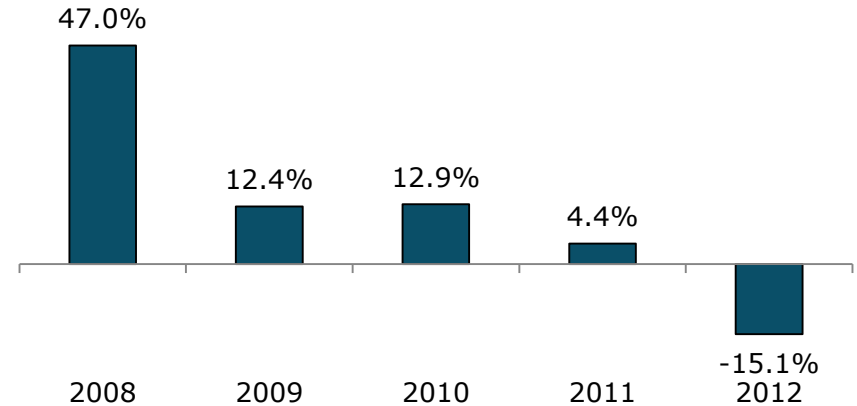
24\*7 seas

# LAST 5 YEARS PERFORMANCE

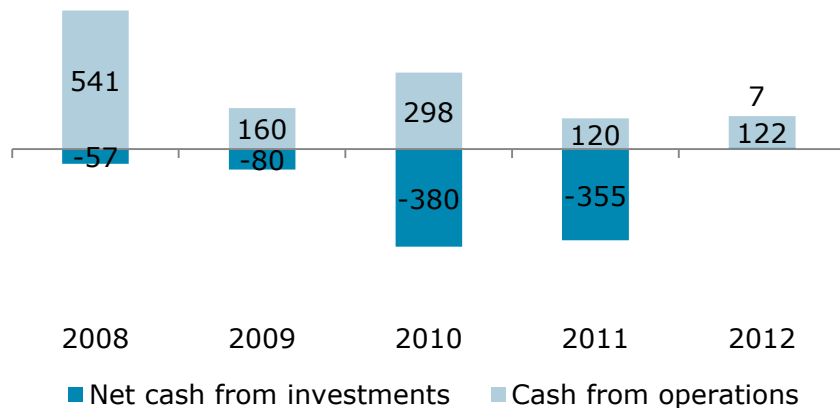
## Earnings per share (USD)



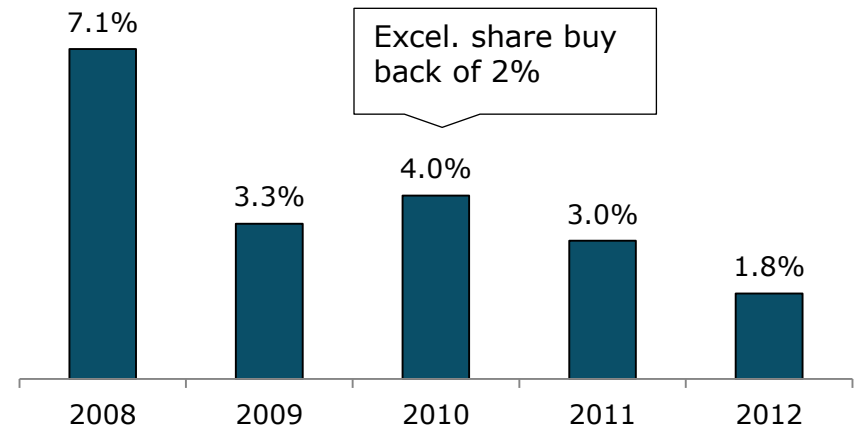
## Return on equity



## Cash flows, operations and investments

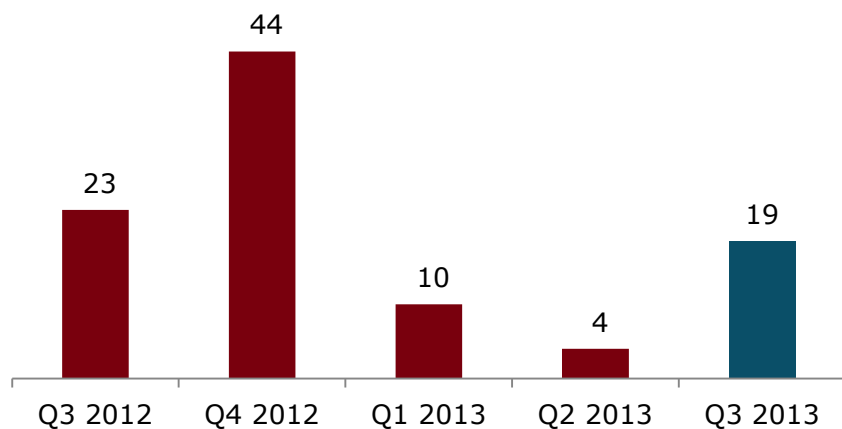


## Dividend yield

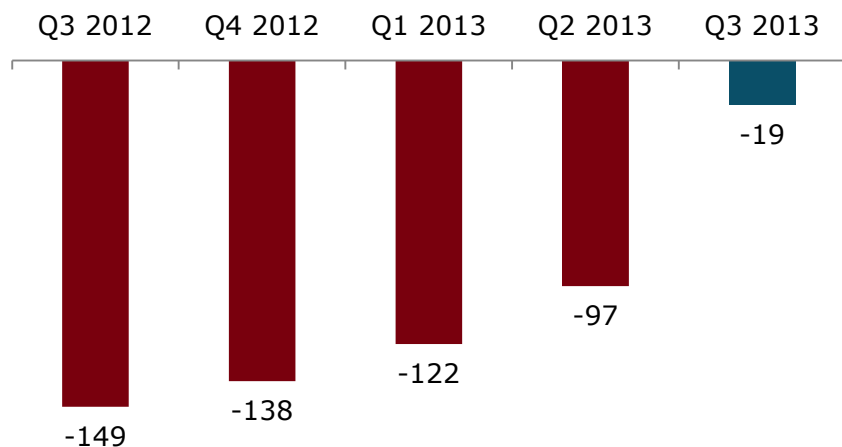




## EBITDA (USDm)



## Added value excl. joint ventures (USDm)



## Key messages

- ▶ EBITDA of USD 19m
- ▶ Continued investment focus in expectation of improved markets in the coming years
- ▶ Vessel values up by 5% in the quarter
- ▶ Spike in dry cargo market indicate a more balanced market than previously assumed
- ▶ Best third quarter spot earnings in product tanker market in recent years
- ▶ Full year EBITDA guidance: USD 25-45m

# Q3 FINANCIALS

Comments	USDm	Q3 2012	Q2 2013	Q3 2013	Y/Y %	Q/Q %
<ul style="list-style-type: none"> <li>▶ Tanker earnings significantly better than last year - T/C earnings 8% above the average 1-year T/C rates</li> <li>▶ Best quarter in Dry Cargo this year - T/C earnings 21% above the average 1-year T/C rates</li> <li>▶ Positive net profit</li> <li>▶ Cash and securities of USD 529m</li> </ul>	CM II Group	34	16	31	-10%	<b>93%</b>
	O/A Group	-12	-12	-12	7%	<b>2%</b>
	<b>EBITDA Group</b>	<b>23</b>	<b>4</b>	<b>19</b>	-18%	<b>375%</b>
	EBITDA Dry Cargo	26	-2	10	-62%	<b>N.A.</b>
	EBITDA Tanker	-1	8	11	N.A.	<b>34%</b>
	Vessel sales	-1	0	0	-122%	<b>N.A.</b>
	Depreciation	-21	-19	-21	-4%	<b>6%</b>
	<b>EBIT Group before impairment</b>	<b>-1</b>	<b>-16</b>	<b>-1</b>	25%	<b>-95%</b>
	<b>EBIT Group</b>	<b>-1</b>	<b>-16</b>	<b>-1</b>	25%	<b>-95%</b>
	<b>Net profit</b>	<b>16</b>	<b>-22</b>	<b>1</b>	-96%	<b>-103%</b>

## Strong capital structure

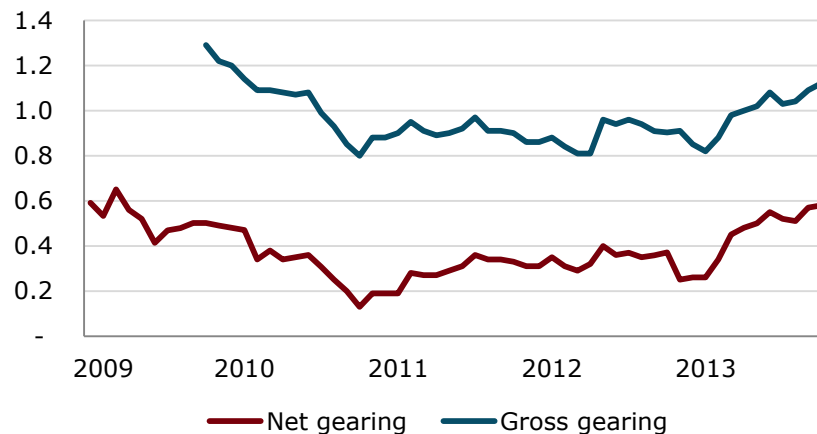
- ▶ Strong focus on cash flow generation
- ▶ Cash in low-risk deposit accounts and securities
- ▶ Newbuilding order book fully covered by available cash
- ▶ USD 218m bank debt
- ▶ Equity ratio at 80%
- ▶ Low gearing of book equity - gearing 0.58

## Net committed cash

USDm	Q3 2013	Q2 2013
Adjusted Net Interest Bearing Assets*	237	278
T/C obligations**	-1,749	-1,665
Newbuilding installments less proceeds from vessel sales**	-293	-292
Revenue from coverage**	869	846
<b>Net commitments</b>	<b>-936</b>	<b>-832</b>

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

## Gearing



# DRY CARGO FLEET OVERVIEW

## NORDEN's Dry Cargo fleet and values at 30 September 2013

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	3.0	4.0	3.0	4.0	12.0	<b>26.0</b>
Chartered vessels with purchase option	1.0	4.0	9.0	16.0	11.0	<b>41.0</b>
<b>Total active core fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>12.0</b>	<b>20.0</b>	<b>23.0</b>	<b>67.0</b>
Chartered vessels without purchase option	0.0	0.0	61.5	81.0	26.5	<b>169.0</b>
<b>Total active fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>73.5</b>	<b>101.0</b>	<b>49.5</b>	<b>236.0</b>
<b>Vessels to be delivered</b>						
Newbuildings (owned)	0.0	0.0	2.0	4.0	0.0	<b>6.0</b>
Chartered vessels with purchase option	0.0	0.0	10.0	5.0	0.0	<b>15.0</b>
<b>Total for delivery to core fleet</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>9.0</b>	<b>0.0</b>	<b>21.0</b>
Chartered vessels over 3 years without purchase option	0.0	0.0	0.5	0.0	0.0	<b>0.5</b>
<b>Total to be delivered</b>	<b>0.0</b>	<b>0.0</b>	<b>12.5</b>	<b>9.0</b>	<b>0.0</b>	<b>21.5</b>
<b>Total gross fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>86.0</b>	<b>110.0</b>	<b>49.5</b>	<b>257.5</b>
<b>Dry Cargo fleet values at 30 September 2013 (USD million)</b>						
Market value of owned vessels and newbuildings*	79	108	136	213	245	<b>781</b>
Value of purchase and extension options	4	3	28	38	4	<b>79</b>

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

# TANKER FLEET OVERVIEW

<b>NORDEN's Tanker fleet and values at 30 September 2013</b>			
Vessel type	MR	Handysize	Total
<b>Vessels in operation</b>			
Owned vessels	7.0	11.0	<b>18.0</b>
Chartered vessels with purchase option	8.0	0.0	<b>8.0</b>
<b>Total active core fleet</b>	<b>15.0</b>	<b>11.0</b>	<b>26.0</b>
Chartered vessels without purchase option	11.0	7.0	<b>18.0</b>
<b>Total active fleet</b>	<b>26.0</b>	<b>18.0</b>	<b>44.0</b>
<b>Vessels to be delivered</b>			
Newbuildings (owned)	4.0	2.0	<b>6.0</b>
Chartered vessels with purchase option	0.0	0.0	<b>0.0</b>
<b>Total for delivery to core fleet</b>	<b>4.0</b>	<b>2.0</b>	<b>6.0</b>
Chartered vessels over 3 years without purchase option	0.0	0.0	<b>0.0</b>
<b>Total to be delivered</b>	<b>4.0</b>	<b>2.0</b>	<b>6.0</b>
<b>Total gross fleet</b>	<b>30.0</b>	<b>20.0</b>	<b>50.0</b>
<b>Tanker fleet values at 30 September 2013 (USD million)</b>			
Market value of owned vessels and newbuildings*	373	297	<b>671</b>
Value of purchase and extension options	4	0	<b>4</b>

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

<b>Fleet values at 30 September 2013</b>					
USD million					
<b>Owned (active and newbuildings)</b>					
		Carrying amount/ cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
<b>Dry Cargo</b>					
	Number				
Capesize	3.0	74	79		5
Post-Panamax	4.0	128	108		-20
Panamax	5.0	109	113	22	27
Handymax	8.0	192	213		21
Handysize	12.0	273	237	8	-28
<b>Tankers</b>					
MR	11.0	379	373		-6
Handysize	13.0	310	297		-13
<b>Total</b>	<b>56.0</b>	<b>1,466</b>	<b>1,421</b>	<b>30</b>	<b>-14</b>
<b>Net Asset Value at 30 June 2013</b>					
			<b>USD million</b>	<b>DKK per share</b>	<b>Sensitivity</b>
				<b>+10%</b>	<b>-10%</b>
Equity excl. minority interests			1,621	219	219
Added value owned vessels			-14	-2	18
<b>Net Asset Value</b>			<b>1,607</b>	<b>217</b>	<b>237</b>
Note: * Including joint ventures and assets held for sale but excluding charter party, if any.					

# COVERAGE AND CAPACITY – DRY CARGO

Capacity and coverage, Dry Cargo, at 30 September 2013						
	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>						
	Ship days					
Capesize	276	1,095	1,095			
Post-Panamax	368	1,460	1,460			
Panamax	276	1,095	1,415			
Handymax	368	1,460	2,042			
Handysize	1,104	4,380	4,380			
<b>Total</b>	<b>2,392</b>	<b>9,490</b>	<b>10,392</b>			
<b>Chartered vessels</b>						
	Costs for T/C capacity (USD per day)					
Capesize	92	365	365	18,550	18,539	18,500
Post-Panamax	368	1,460	1,460	18,698	18,686	18,686
Panamax	5,290	9,200	9,234	10,969	12,361	12,881
Handymax	4,993	7,228	5,663	11,201	12,040	12,891
Handysize	1,758	5,740	4,268	13,278	13,193	12,429
<b>Total</b>	<b>12,501</b>	<b>23,993</b>	<b>20,990</b>	<b>11,670</b>	<b>12,942</b>	<b>13,293</b>
Costs for gross capacity (USD per day)*						
<b>Total capacity</b>	<b>14,893</b>	<b>33,483</b>	<b>31,383</b>	<b>10,640</b>	<b>10,742</b>	<b>10,609</b>
<b>Coverage</b>						
	Revenue from coverage (USD per day)					
Capesize	142	73	0	15,106	11,405	0
Post-Panamax	404	79	0	12,186	3,991	0
Panamax	5,088	8,125	4,294	10,685	13,200	14,962
Handymax	5,083	5,584	1,902	12,136	11,920	13,001
Handysize	2,417	2,132	1,133	9,361	12,370	14,651
<b>Total</b>	<b>13,134</b>	<b>15,994</b>	<b>7,328</b>	<b>11,097</b>	<b>12,589</b>	<b>14,405</b>
<b>Coverage in %</b>						
Capesize	39%	5%	0%			
Post-Panamax	55%	3%	0%			
Panamax	91%	79%	40%			
Handymax	95%	64%	25%			
Handysize	84%	21%	13%			
<b>Total</b>	<b>88%</b>	<b>48%</b>	<b>23%</b>			

\*Including cash running costs of owned vessels

Costs are excluding O/A

# COVERAGE AND CAPACITY – TANKER

Capacity and coverage, Tankers, at 30 September 2013						
	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>			Ship days			
MR	644	2,649	3,831			
Handysize	1,012	4,632	4,745			
<b>Total</b>	<b>1,656</b>	<b>7,281</b>	<b>8,576</b>			
<b>Chartered vessels</b>			Costs for T/C capacity (USD per day)			
MR	1,656	5,559	3,373	14,301	14,590	15,481
Handysize	644	1,449	0	12,752	12,792	0
<b>Total</b>	<b>2,300</b>	<b>7,008</b>	<b>3,373</b>	<b>13,867</b>	<b>14,218</b>	<b>15,481</b>
<b>Total capacity</b>			Costs for gross capacity (USD per day)*			
	<b>3,956</b>	<b>14,289</b>	<b>11,949</b>	<b>10,828</b>	<b>10,431</b>	<b>9,202</b>
<b>Coverage</b>			Revenue from coverage (USD per day)			
MR	957	1,555	116	13,783	13,230	13,206
Handysize	684	1,159	66	12,826	12,310	12,386
<b>Total</b>	<b>1,641</b>	<b>2,714</b>	<b>182</b>	<b>13,385</b>	<b>12,837</b>	<b>12,909</b>
<b>Coverage in %</b>						
MR	42%	19%	2%	*Including cash running costs of owned vessels Costs are excluding O/A		
Handysize	41%	19%	1%			
<b>Total</b>	<b>41%</b>	<b>19%</b>	<b>2%</b>			



# THE SHARE (DNORD)

## Master data

Shareholder capital	DKK 43,000,000
Number of shares and denomination	43,000,000 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 end-Q3 2013

- ▶ 14,048 registered shareholders owning 91.8%
- ▶ Approx. 50% international ownership

