

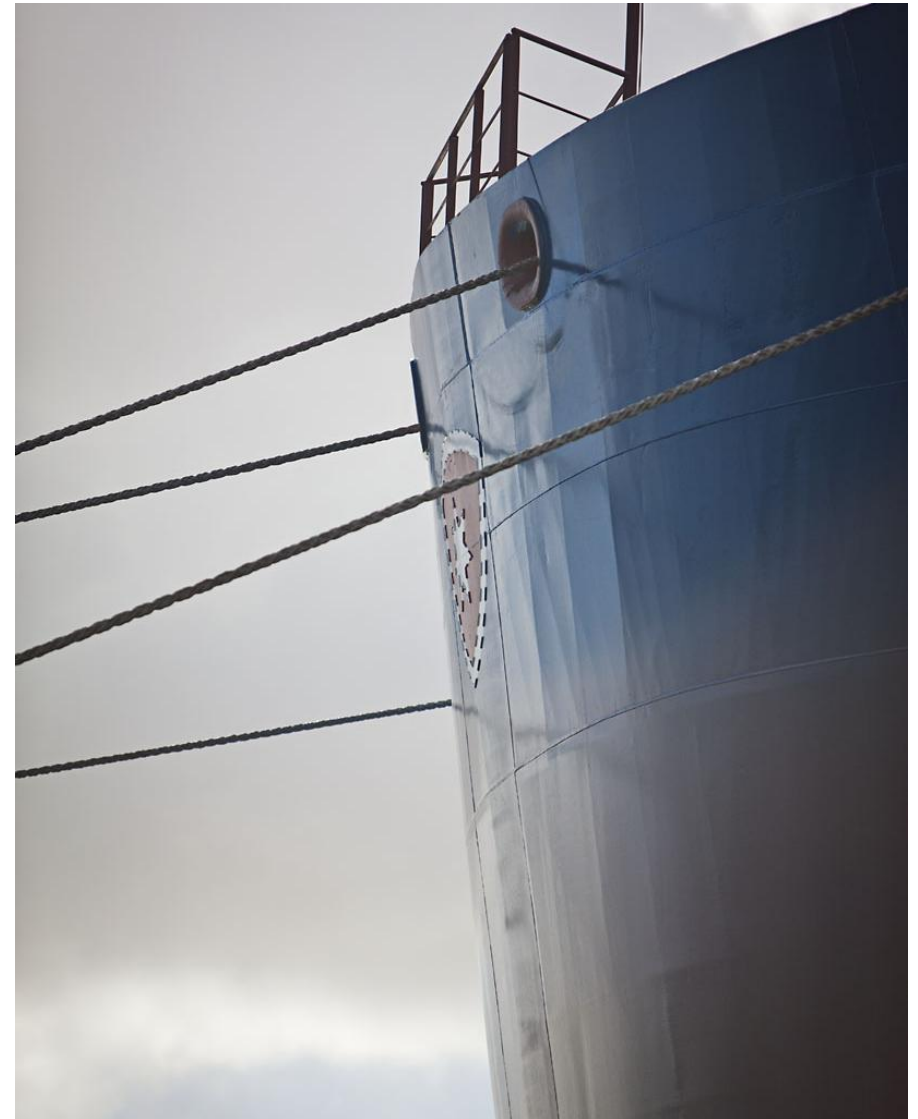
# NORDEN RESULTS

Full year results of 2012

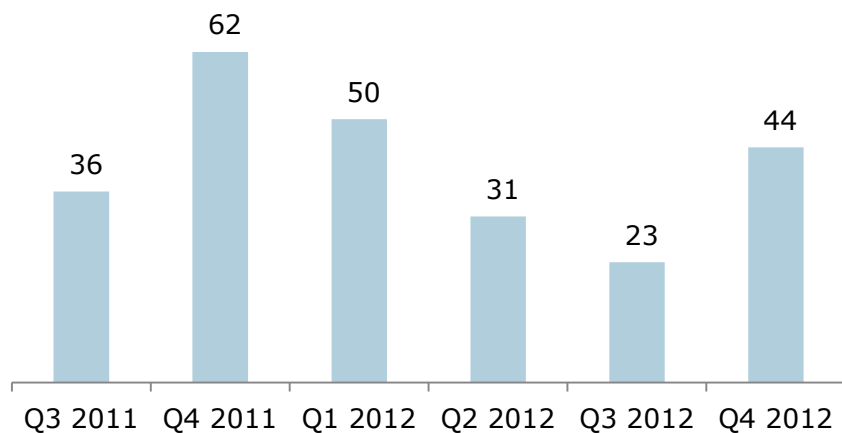
Hellerup, Denmark  
6 March 2013



- ▶ Group highlights
- ▶ Dry Cargo
  - ▶ Financial highlights
  - ▶ Market expectations
- ▶ Tankers
  - ▶ Financial highlights
  - ▶ Market expectations
- ▶ 2013 expectations
- ▶ Q & A



## EBITDA (USDm)



## On track with strategy

Organisation

ECO transformation

IT Systems

## Key messages

- ▶ Better than expected finish to the year - results in high end of expectations
- ▶ Group EBITDA of USD 148 mill.
- ▶ Return USD 52 mill. to shareholders
  - ▶ Proposed dividend 3 DKK per share
  - ▶ Up to USD 30 mill. in share buy back
- ▶ 2013 headline: Control downside – build upside

# HEALTHY CASH FLOW AND FINANCIAL STRENGTH

- ▶ Results above November guidance in both segments

- ▶ Group EBITDA: USD 148 mill.

- ▶ Cash from operations: USD 122 mill.

- ▶ Tight cost focus

- ▶ O/A down 6% despite rise in vessel days

- ▶ USD 324 mill. in balance sheet clean-up

- ▶ Strong cash position

\* excl. impairments and fair value adjustment of certain hedging instruments

USDm	2010	2011	2012	Q4 2012	Y/Y %
Contribution margin	289	239	198	57	-17%
O/A Group	-49	-53	-50	-13	-6%
<b>EBITDA Group</b>	<b>240</b>	<b>186</b>	<b>148</b>	<b>44</b>	<b>-21%</b>
Vessel sales	28	0	-24	-23	N/A
Depreciation	-50	-81	-89	-20	9%
<b>EBIT (pre impairment)</b>	<b>223</b>	<b>104</b>	<b>35</b>	<b>0.5</b>	<b>-67%</b>
Impairment	0	0	-300	0	N/A
<b>EBIT</b>	<b>223</b>	<b>104</b>	<b>-265</b>	<b>0.5</b>	<b>N/A</b>
Net profit	245	88	-279	-7	N/A
<b>Adj. net profit*</b>	<b>298</b>	<b>103</b>	<b>31</b>	<b>1</b>	<b>-70%</b>
Cash from operations	298	120	122	21	2%
Net cash flow	-147	-217	91	124	N/A
Cash and securities	613	407	529	529	29%

# NET ASSET VALUE – NEW DETAILS ON NORDENS PORTFOLIO

Fleet values at 31 December 2012					
USD million					
Owned (active and newbuildings)					
		Carrying amount/ cost	Market value Vessel	Broker estimated value CP	Added value
<b>Dry cargo</b>					
Capesize	3,0	80	68	13	2
Post-Panamax	4,0	133	102		-31
Panamax	4,0	83	75	31	23
Handymax	4,0	90	85		-6
Handysize	12,0	285	224	10	-51

<b>Tankers</b>					
MR	9,0	310	267		-43
Handysize	13,0	317	286		-30
<b>Total</b>	<b>49,0</b>	<b>1.298</b>	<b>1.107</b>	<b>54</b>	<b>-136</b>

Net Asset Value at 31 December 2012		USD million	DKK per share
Equity excl. minority interests		1.687	231
Added value own fleet		-136	-18
<b>NAV</b>		<b>1.551</b>	<b>213</b>

Broker estimated value CP		-54	-7
Net value of time charter obligations			
Net value of cover			
Purchase and extension options		100	14
<b>Adjusted NAV</b>		<b>XXXX</b>	<b>XXX</b>

Q3-2012: 1,541

Your value estimated based on assumed forward curves

Q3-2012: 77

Own fleet  
Net cash  
Other balance sheet items

Based on an assumed forward curve the net value of NORDENS time charter obligations and cover can be estimated to make further adjustments to NAV

Details on TC fleet and cover can be found on NORDENS website

Same valuation model as previously – but now only value of options.

Firm period included in TC book.

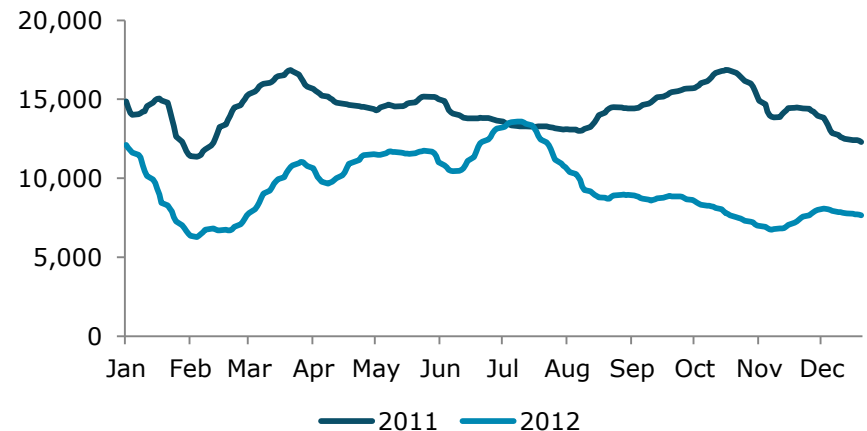
# DRY CARGO: VERY CHALLENGING MARKET ENVIRONMENT

- ▶ Still healthy tonnage demand – 7.0% in 2012
- ▶ The Dry Cargo market has been much below last year
  - ▶ Baltic Dry Index 41% below 2011
  - ▶ Record number of deliveries in the first half of 2012
  - ▶ Record amount of scrapping
- ▶ Asset prices:
  - ▶ Secondhand prices down 25%
  - ▶ New building prices down 8-10%

Panamax spot rate development



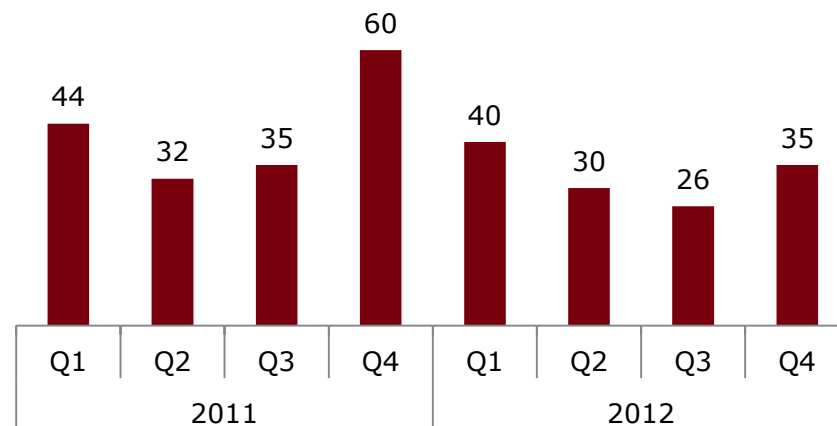
Handymax spot rate development



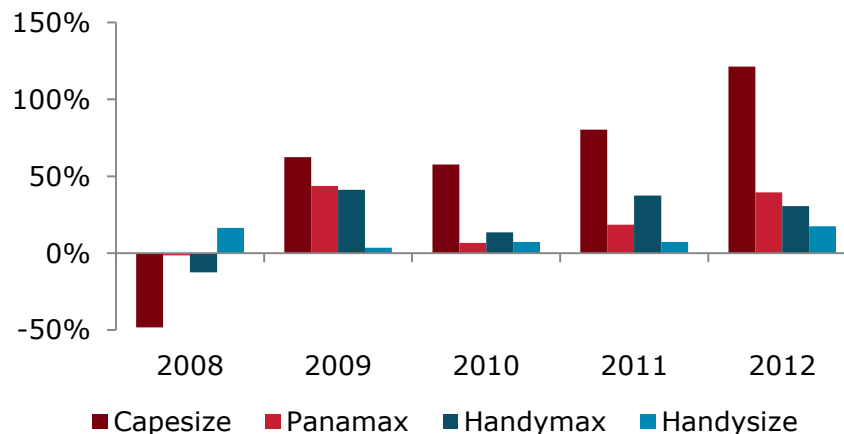
Sources: Baltic Exchange, Clarksons

- ▶ Dry Cargo performance above expectations
  - ▶ EBITDA 2012: USD 131 mill.
- ▶ Operator profit on USD 22 mill. despite declining markets
- ▶ Realised T/C earnings
  - ▶ 33% above 1-year T/C market
  - ▶ 54% above spot market
- ▶ On track with fleet renewal – 12 out of 81 core fleet vessels are fuel efficient (including 2 added in 2013).

## EBITDA – DRY CARGO (USDm)



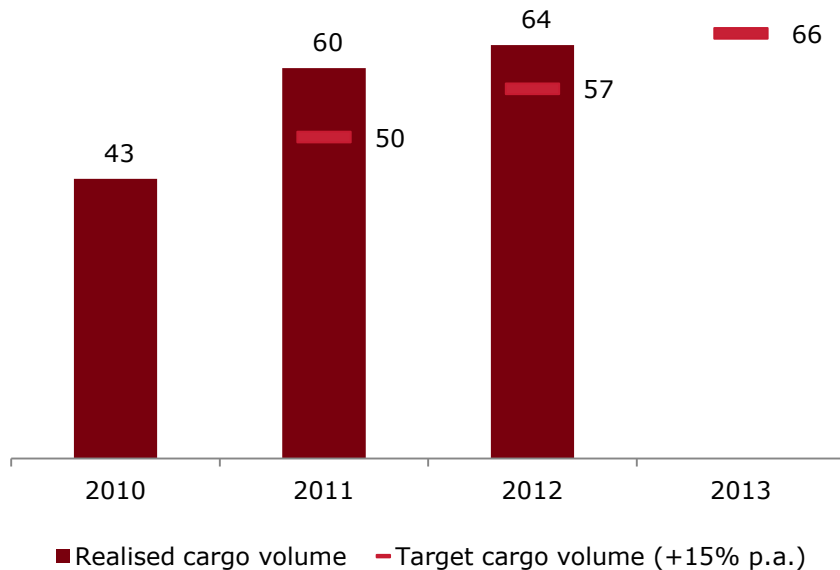
## NORDEN T/C compared to 1-year T/C rates



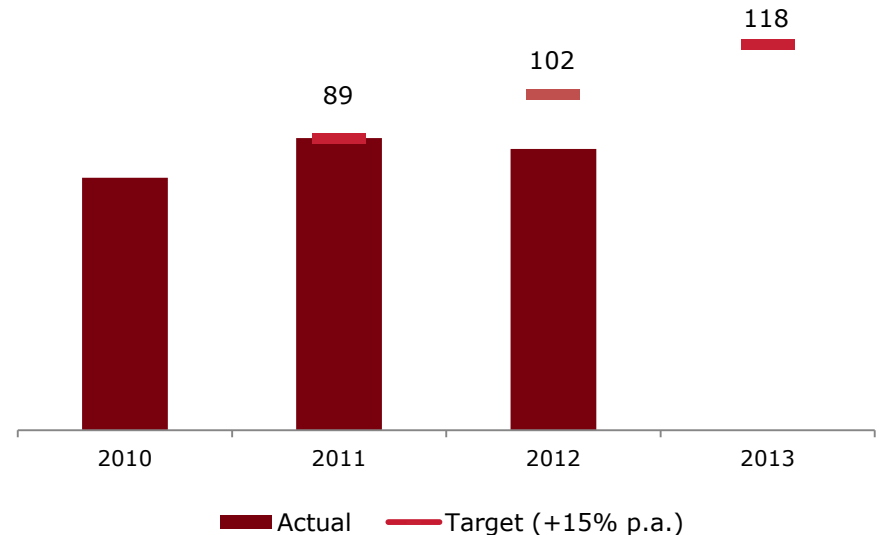
Source: Clarksons

- ▶ NORDEN Dry Cargo continued strengthening its market position in 2012
- ▶ Transported volumes above target
- ▶ Contractually secured cargo volumes lower than target due to deselection of contracts

Transported volumes (Mt)



Contractually secured cargo volumes (Mt)

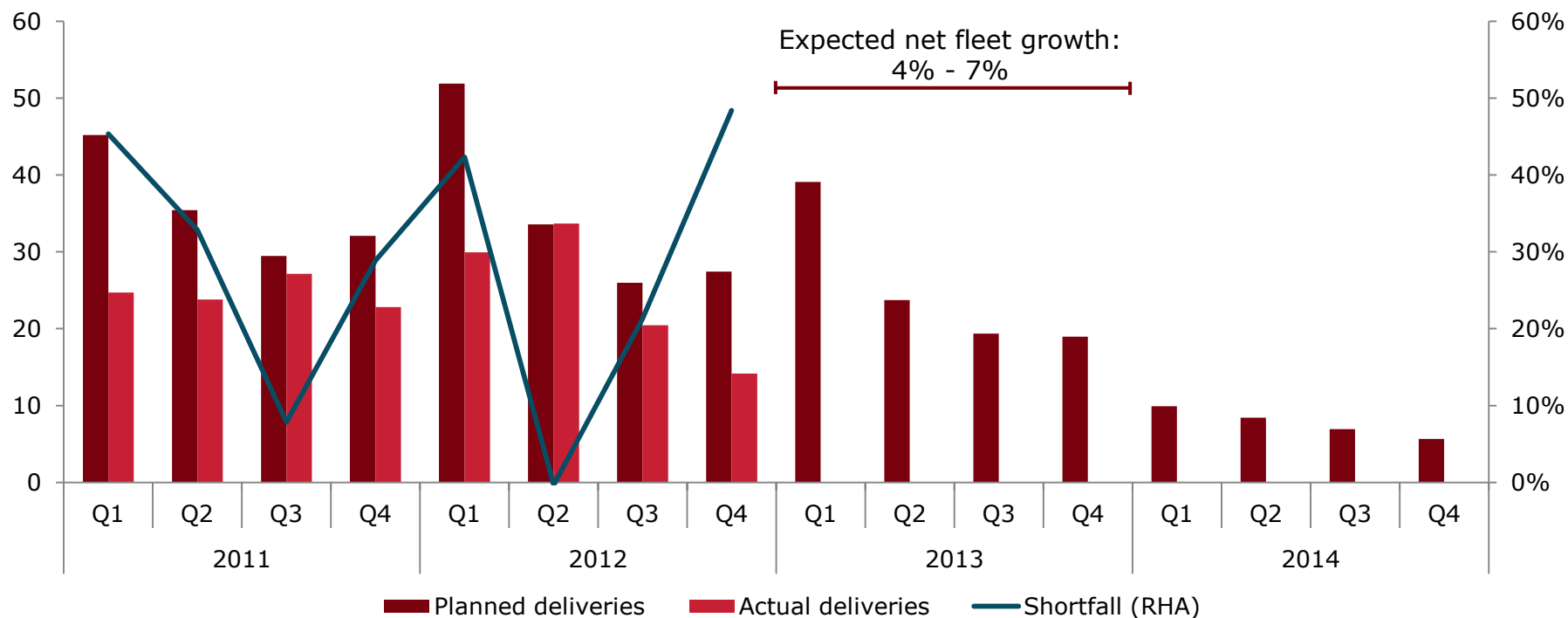




► Supply growth slowing down

- Deliveries slowing down – Dec.+Jan. deliveries down 40% from a year ago
- Record scrapping expected to continue – Dec.+Jan. scrapping up 20% from a year ago

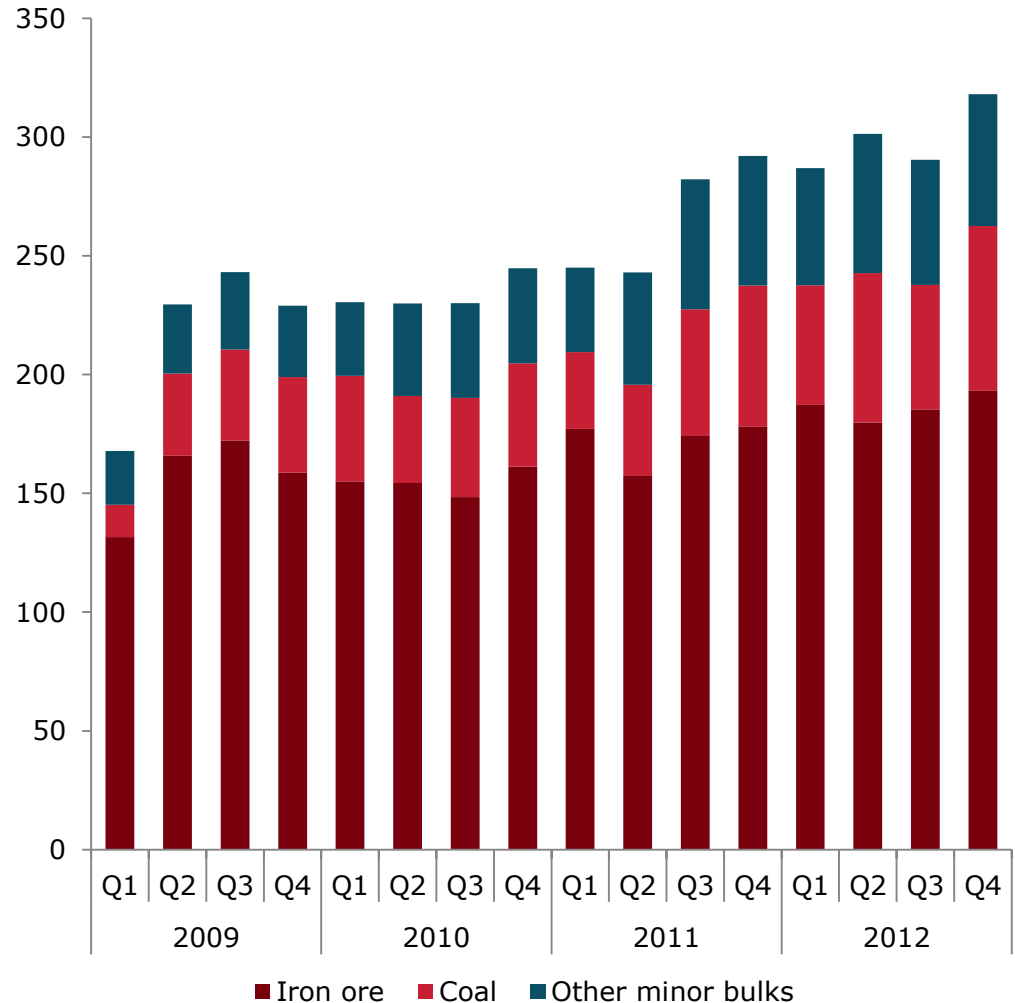
## Dry cargo deliveries (Mill. dwt)



Source: Clarksons

- ▶ Continued strong demand in 2013
  - ▶ Iron ore trade up 6% to close to 1,200 mill. tonnes
  - ▶ Coal trade up 5% to close to 1,000 mill. tonnes
  - ▶ Strong grain season expected
- ▶ China remains key growth driver
  - ▶ GDP growth stabilising
  - ▶ Steel production back at record levels
- ▶ Other emerging markets gaining momentum

China dry cargo imports (Mt)

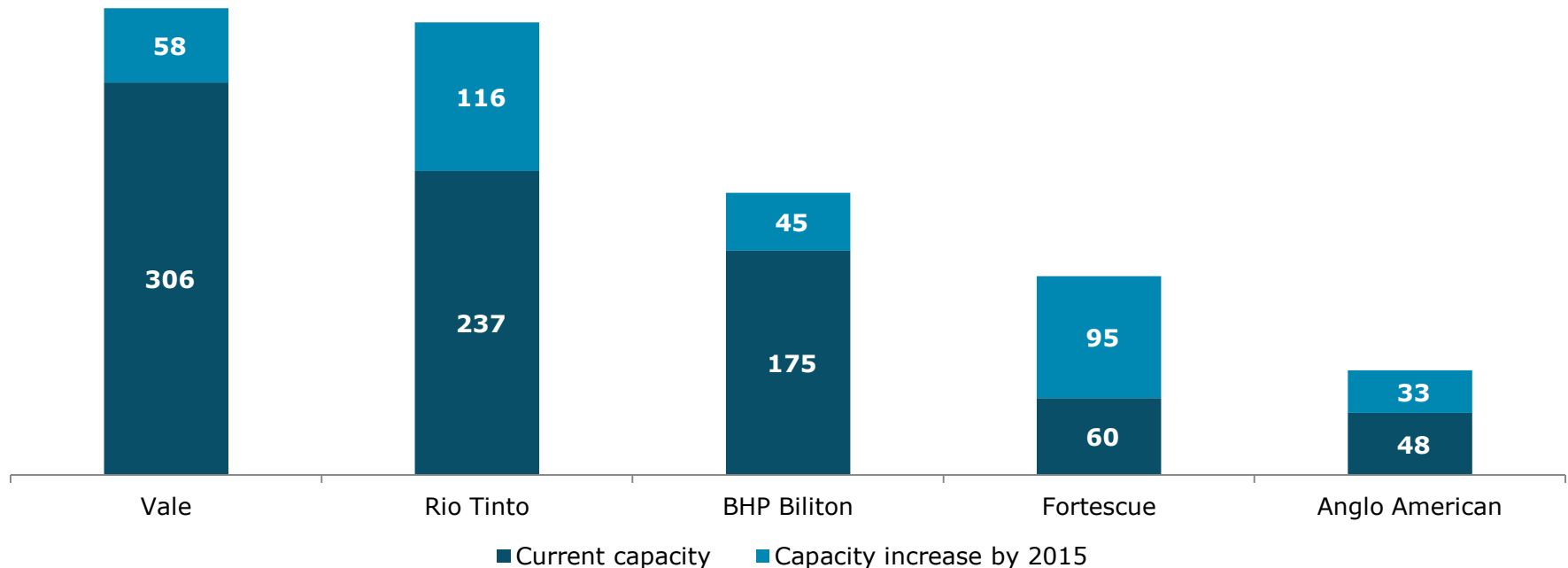


Sources: China Customs, Clarksons, IMF

# IRON ORE EXPANSION PLANS

- ▶ Big 5 miners expected to grow capacity by 9% annually
  - ▶ The majority from Brazil (58 Mt) and Australia (256 Mt)
- ▶ Driven by record high China iron ore imports (745m tons in 2012)

Top iron ore producers' expansions plans (Mt)



Source: Company websites

# DRY CARGO – NEAR TERM RISK COVERED

## Capacity and coverage at 31 December 2012

Dry Cargo	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>	<b>Ship days</b>			To increase the transparency of the chartered fleet, the table now exhibits time charter capacity separately. Capacity and coverage for the years after 2015 can be found on <a href="http://www.ds-norden.com/investor/reportspresentations/reportsandwebcasts/">www.ds-norden.com/investor/reportspresentations/reportsandwebcasts/</a> .		
Capesize	1,095	1,095	1,095			
Post-Panamax	1,460	1,460	1,460			
Panamax	1,095	1,142	1,460			
Handymax	1,460	1,460	1,460			
Handysize	4,253	4,380	4,380			
<b>Total</b>	<b>9,363</b>	<b>9,537</b>	<b>9,855</b>			
<b>Chartered vessels</b>				<b>Costs of T/C capacity (USD per day)</b>		
Capesize	365	365	365	18,549	18,500	18,500
Post-Panamax	1,460	1,460	1,460	18,693	18,650	18,650
Panamax	8,733	5,018	4,266	10,688	14,068	15,892
Handymax	9,241	6,098	5,449	12,439	12,611	12,945
Handysize	5,884	4,828	3,865	14,160	13,554	12,508
<b>Total</b>	<b>25,683</b>	<b>17,769</b>	<b>15,405</b>	<b>12,680</b>	<b>13,896</b>	<b>14,324</b>
<b>Total capacity</b>	<b>35,046</b>	<b>27,306</b>	<b>25,260</b>	<b>Costs of gross capacity (USD per day)*</b>		
				<b>10,661</b>	<b>10,828</b>	<b>10,723</b>
<b>Coverage</b>				<b>Revenue from coverage (USD per day)</b>		
Capesize	1,249	0	0	26,681	0	0
Post-Panamax	266	0	0	6,008	0	0
Panamax	10,993	5,234	3,381	12,330	14,939	17,098
Handymax	10,483	3,247	1,582	11,526	13,911	15,116
Handysize	3,672	1,500	1,116	9,712	12,115	13,140
<b>Total</b>	<b>26,663</b>	<b>9,981</b>	<b>6,079</b>	<b>12,263</b>	<b>14,180</b>	<b>15,856</b>
<b>Coverage in %</b>						
Capesize	86%	0%	0%			
Post-Panamax	9%	0%	0%			
Panamax	112%	85%	59%			
Handymax	98%	43%	23%			
Handysize	36%	16%	14%			
<b>Total</b>	<b>76%</b>	<b>37%</b>	<b>24%</b>			

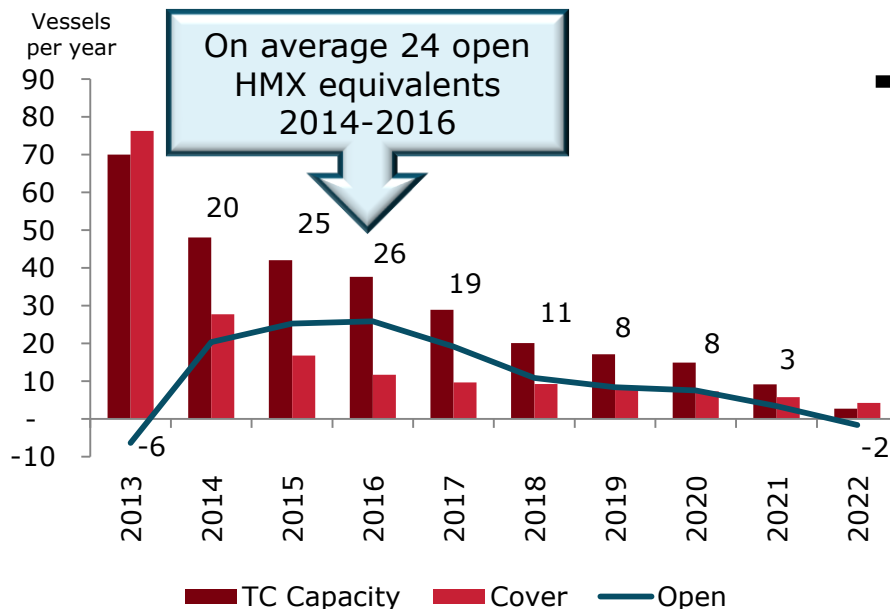
\* Including cash running costs of owned vessels.

- ▶ Over USD 150 million committed on core fleet additions since Q3
- ▶ All are ECO vessels contracted at Japanese yards
- ▶ Continued investment focus in Dry Cargo
  - ▶ Target: ~10 HMX & PMX
  - ▶ Focus on N/Bs, but also 7-10 year old vessels

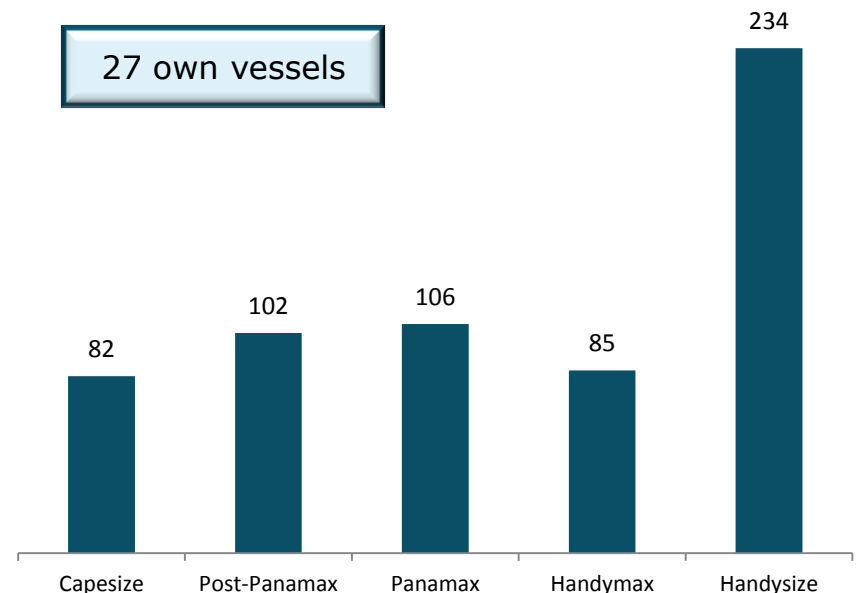
### Fleet additions:

- 2 x Kamsarmax newbuildings
- 2x Kamsarmax 7+3 year TC with POP
- Handymax 3+2 year TC with POP
- Handymax 3+2 year TC
- Handymax 7+3 year TC with POP

### TC capacity and coverage – Handymax equivalents



### Market value of own vessels (mUSD)

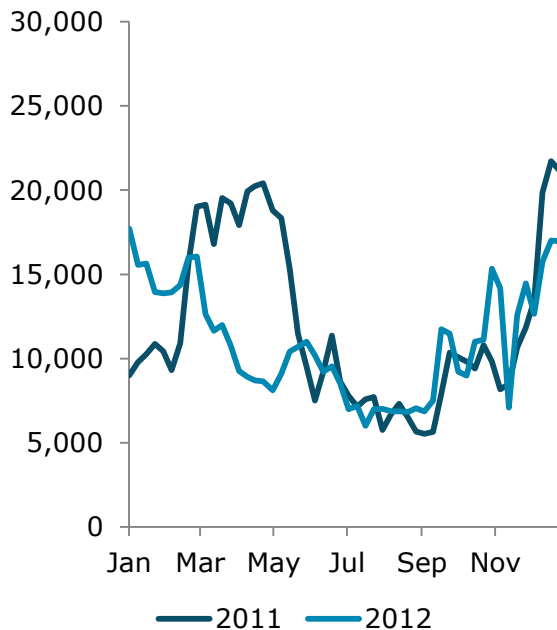


Ratios: Capesize=1.8, Post-Panamax=1.2, Panamax: 1.1, Handysize=0.7

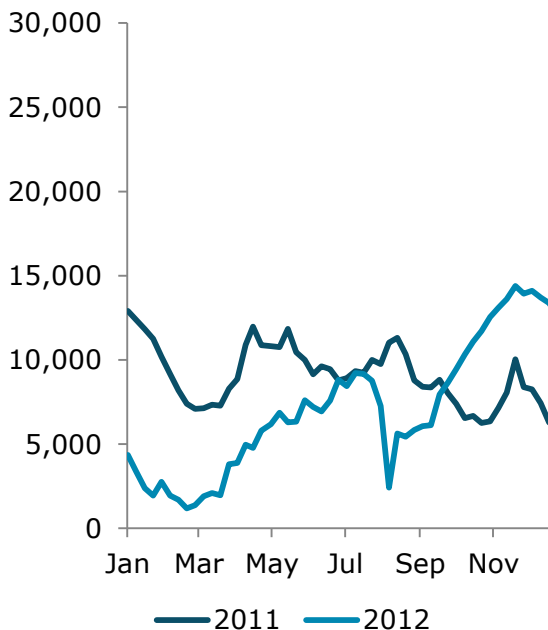
# TANKERS: STRONG MARKET IN Q4

- ▶ Increased rates following hurricane Sandy
  - ▶ Refinery, pipeline and terminal shutdowns
- ▶ Strong imports to Indonesia and Australia
- ▶ MR: Fairly stable newbuilding prices, but 5-year old secondhand tonnage decreased roughly 18%

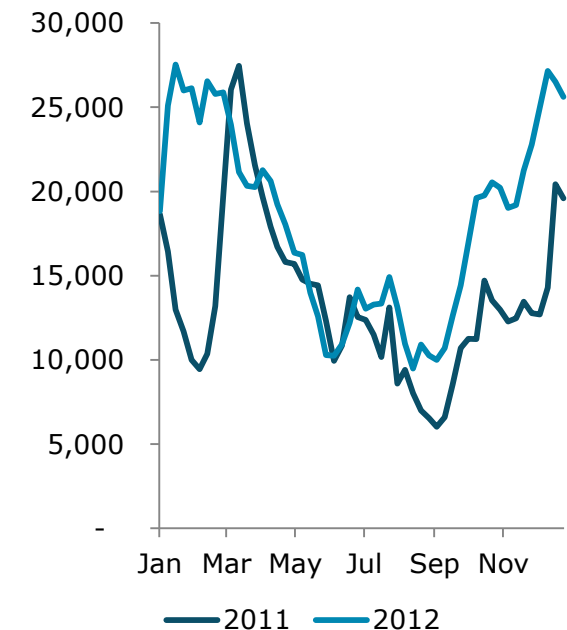
MR West CPP (USD/day)



MR East CPP (USD/day)



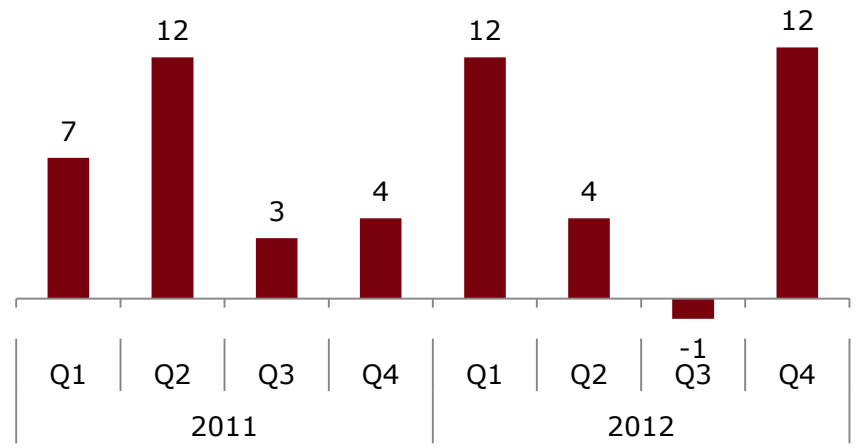
MR DPP (USD/day)



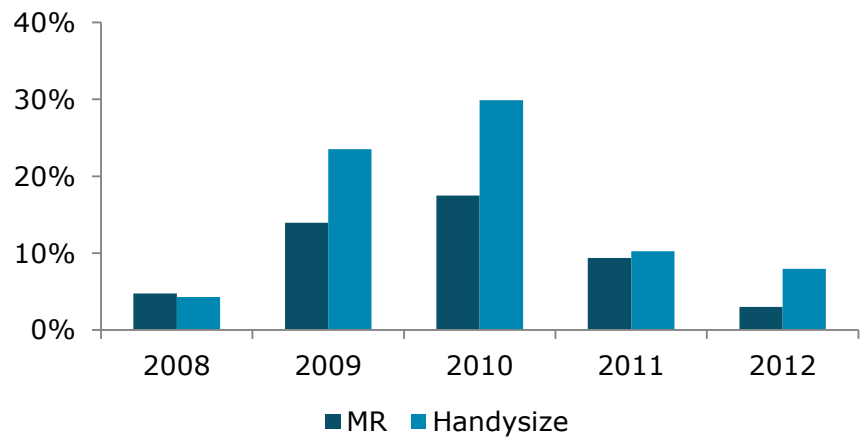
Sources: ACM, Clarksons

- ▶ Tankers performance above expectations
  - ▶ EBITDA 2012: USD 28 mill.
- ▶ Full year realised T/C earnings
  - ▶ 5% above 1-year T/C market
  - ▶ MR: 42% above spot market
- ▶ The freight market was very strong during Q1 and Q4, but very weak in the middle of the year
  - ▶ MR spot market average Q4: USD 13,310 per day
  - ▶ NORDEN MR Q4 T/C rate: USD 15,060 per day

## EBITDA – TANKERS (USDm)



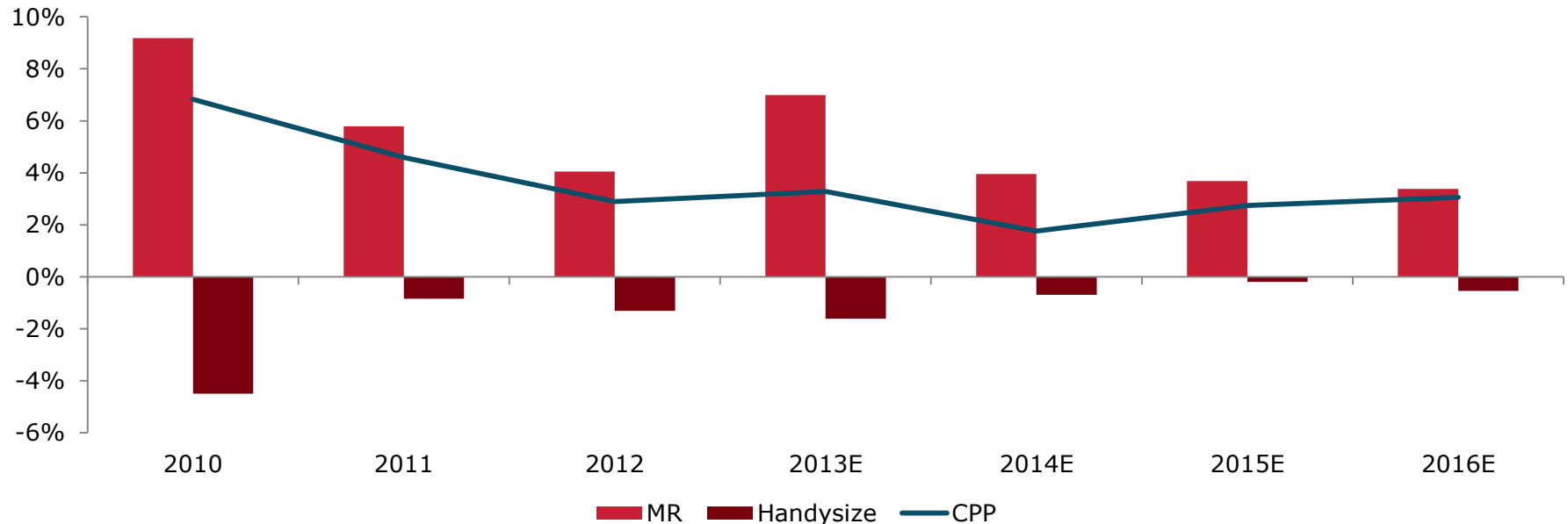
## NORDEN T/C compared to 1-year T/C rates



Source: Clarksons

- ▶ Expect gradual improvement in rates
  - ▶ Improving demand, but higher MR N/B deliveries
- ▶ Global Handysize fleet continues reduction (2012-16) – -1% p.a.
- ▶ Global MR fleet expansion (2012-16) – 4% p.a.

## Global net fleet growth



Source: SSY

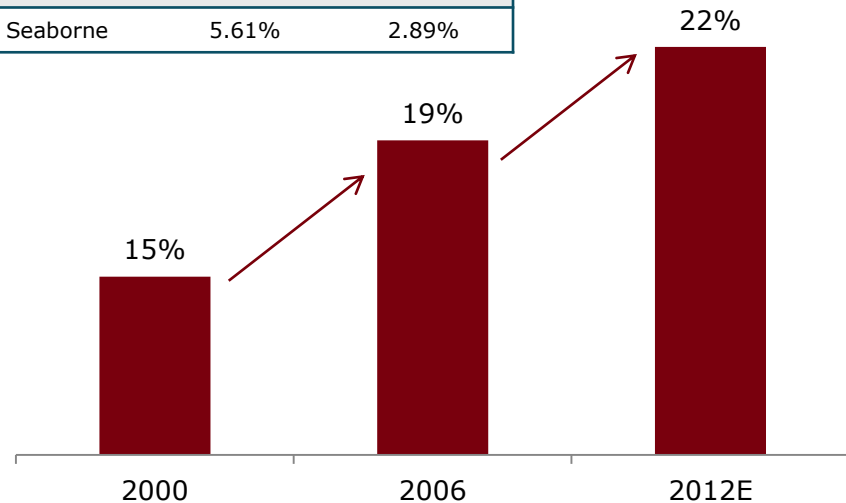


# REFINERY OUTSOURCING CONTINUES TO SUPPORT VESSEL DEMAND

- ▶ Export refinery capacity continues to expand
  - ▶ US now net exporter – expansion continues
  - ▶ Key MEG refineries starting up end 2013
  - ▶ Capacity in India proceeding faster than local demand growth
- ▶ Continued strong import demand in Latin America / Africa

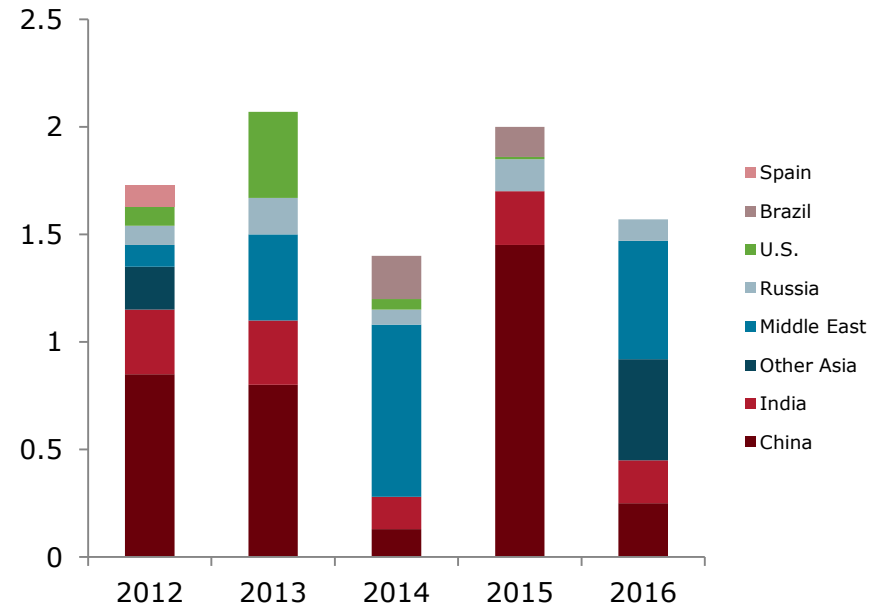
## Seaborne oil products' share of consumption

	2000-2006	2006-2012
Oil demand	1.67%	0.68%
Seaborne	5.61%	2.89%



Sources: MSI, IEA

## Refinery Capacity Additions 2012-17 (mb/d)



# TANKERS – HIGH SPOT EXPOSURE

Capacity and coverage at 31 December 2012						
Tankers	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>			<b>Ship days</b>			
MR	2,165	2,555	2,555			
Handysize	3,961	4,632	4,745			
<b>Total</b>	<b>6,126</b>	<b>7,187</b>	<b>7,300</b>			
<b>Chartered vessels</b>			<b>Costs of T/C capacity (USD per day)</b>			
MR	6,070	4,565	2,965	14,383	14,796	15,754
Handysize	925	0	0	10,908	0	0
<b>Total</b>	<b>6,995</b>	<b>4,565</b>	<b>2,965</b>	<b>13,924</b>	<b>14,796</b>	<b>15,754</b>
<b>Total capacity</b>			<b>Costs of gross capacity (USD per day)*</b>			
	<b>13,121</b>	<b>11,752</b>	<b>10,265</b>	<b>10,567</b>	<b>9,811</b>	<b>9,277</b>
<b>Coverage</b>			<b>Revenue from coverage (USD per day)</b>			
MR	2,253	444	46	13,781	13,221	12,927
Handysize	1,351	248	42	13,119	12,552	12,293
<b>Total</b>	<b>3,604</b>	<b>692</b>	<b>88</b>	<b>13,533</b>	<b>12,981</b>	<b>12,623</b>
<b>Coverage in %</b>						
MR	27%	6%	1%			
Handysize	28%	5%	1%			
<b>Total</b>	<b>27%</b>	<b>6%</b>	<b>1%</b>			

\* Including cash running costs of owned vessels.

## Outlook

USDm	Dry Cargo	Tankers	Total
EBITDA	0	25-45	15-45
Profit from vessel sales			3
CAPEX			70-80

## Key assumptions

- ▶ Guidance based on current capacity and coverage
- ▶ Only known and confirmed vessel sales are included in guidance
- ▶ Open capacity in Tankers employed at rates of USD 13,100 - 13,800 per day



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

Statements relating to 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

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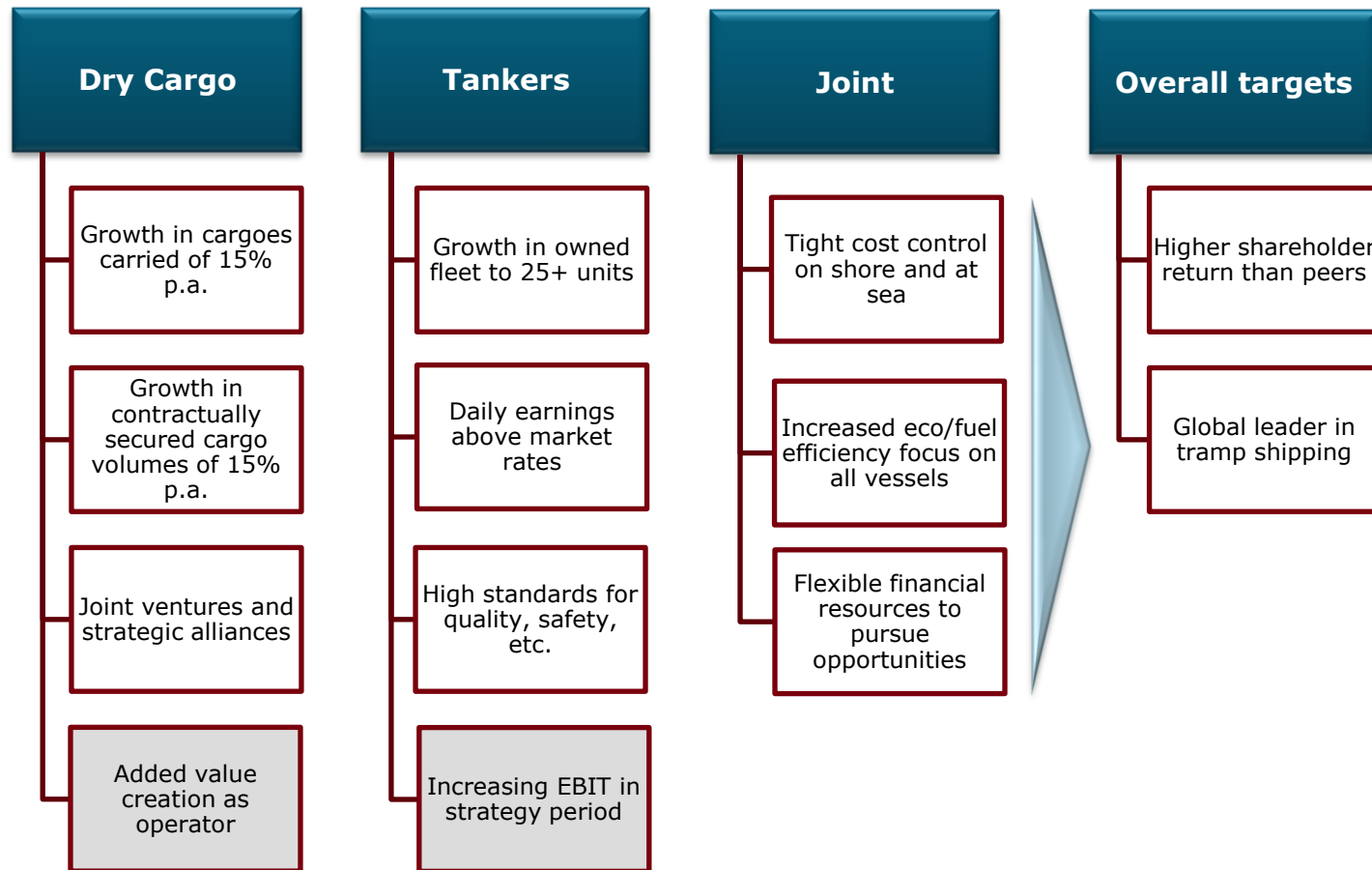


BACK UP

FORWARD LOOKING STATEMENTS

24\*7 seas

## *Long term growth in challenging times*



# A LEADING GLOBAL TRAMP OPERATOR

## Dry cargo



Capesize



Post-Panamax



Panamax



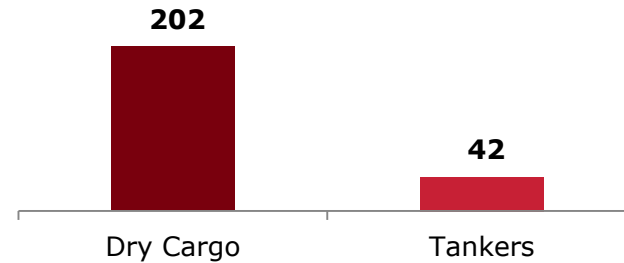
Handymax



Handysize



## Total active fleet



## Tankers



MR



Handysize

- ▶ One of the most modern fleets in our industry
- ▶ Global network of offices and port captains
- ▶ Pools in Dry Cargo (Handysize, Post-Panamax) and Tankers (MR, Handysize)



- ▶ Active fleet can quickly be adjusted to demand and market conditions
- ▶ Fleet employment based on portfolio view
- ▶ Significant asset upside through purchase options

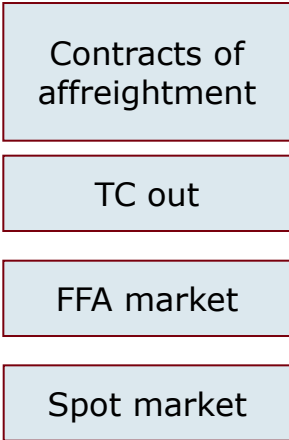
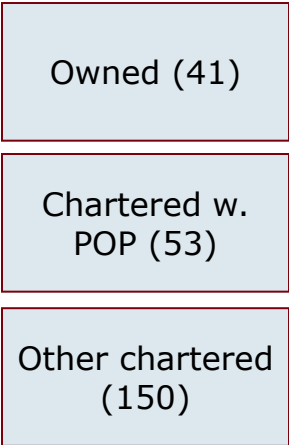
## Flexible fleet

## Coverage and customer focus

### Capacity

### Employment

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



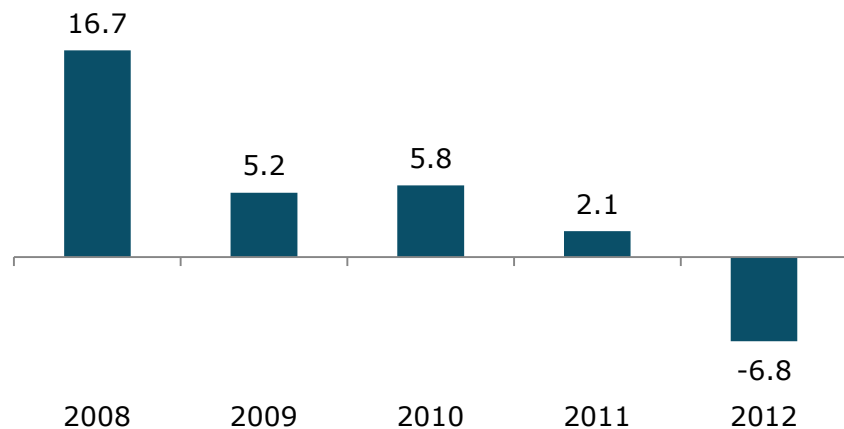
- ▶ Customer relations
- ▶ Logistical efficiencies
- ▶ 2-10 year firm periods
- ▶ Quick and easy cover



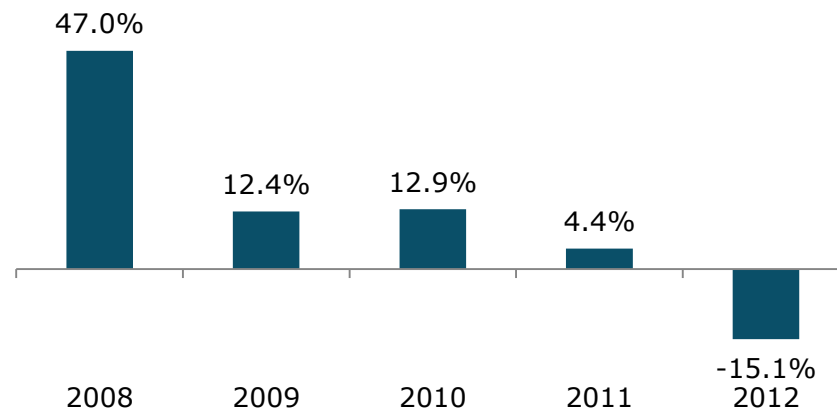
\* Active fleet per 31 December 2012

# LAST 5 YEARS PERFORMANCE

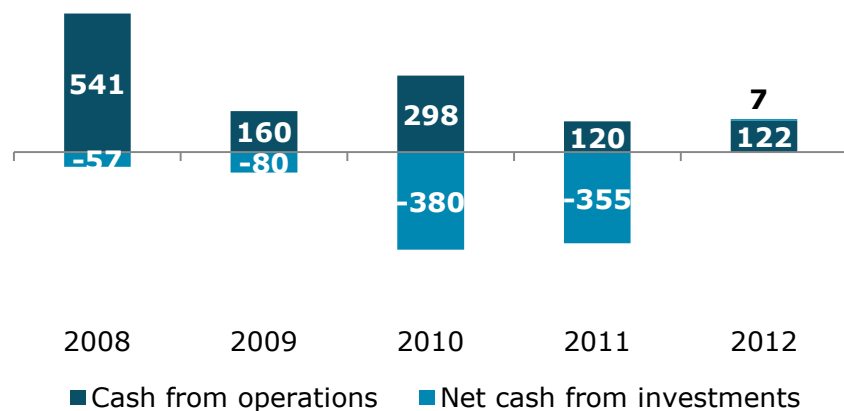
## Earnings per share (USD)



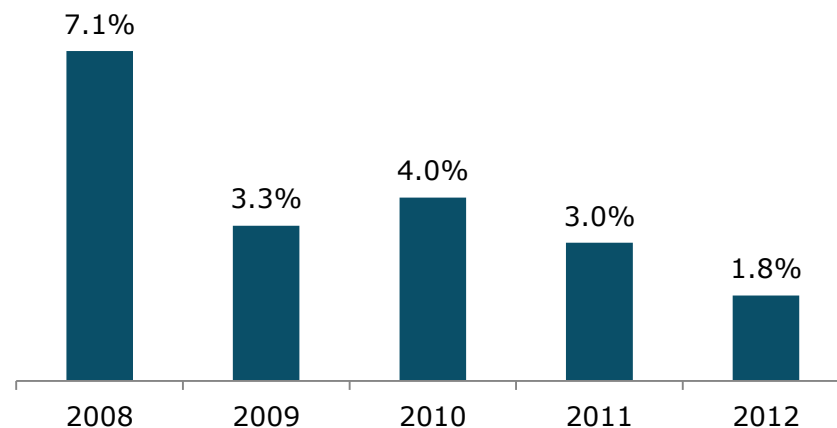
## Return on equity



## Cash flows, operations and investments (USDm)



## Dividend yield



## 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 138m bank debt
- ▶ Equity ratio at 83%
- ▶ Low gearing of book equity - gearing 0.3

## Net committed cash

USDm	2012	2011
Adjusted Net Interest Bearing Assets*	362	240
T/C obligations**	-1,646	-1,748
New building installments less proceeds from vessel sales**	-95	-197
Revenue from coverage**	936	1,078
<b>Net commitments</b>	<b>-443</b>	<b>-627</b>

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

## Gearing



## Fleet values at 31 December 2012

USD million		Owned (active and newbuildings)			
	Number	Carrying amount/ cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
<b>Dry Cargo</b>					
Capesize	3.0	80	69	13	2
Post-Panamax	4.0	133	102		-31
Panamax	4.0	83	75	31	23
Handymax	4.0	90	85		-5
Handysize	12.0	285	224	10	-51
<b>Tankers</b>					
MR	9.0	310	267		-43
Handysize	13.0	317	286		-31
<b>Total</b>	<b>49.0</b>	<b>1,298</b>	<b>1,108</b>	<b>54</b>	<b>-136</b>

Net Asset Value at 31 December 2012	USD million	DKK per share	Sensitivity	
			+10%	-10%
Equity excl. minority interests	1,687	231	231	231
Added value owned vessels	-136	-18	-2	-34
<b>Net Asset Value</b>	<b>1,551</b>	<b>213</b>	<b>229</b>	<b>197</b>

\* Including joint ventures and assets held for sale but excluding charter party, if any.

# DRY CARGO FLEET OVERVIEW

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessel in operation</b>						
Owned vessels	3.0	4.0	3.0	4.0	11.0	<b>25.0</b>
Chartered vessels with POP	1.0	4.0	12.0	17.0	10.0	<b>44.0</b>
<b>Total active core fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>15.0</b>	<b>21.0</b>	<b>21.0</b>	<b>69.0</b>
Chartered vessels without POP	0.0	0.0	46.5	70.0	16.5	<b>133.0</b>
<b>Total active fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>61.5</b>	<b>91.0</b>	<b>37.5</b>	<b>202.0</b>
<b>Vessels to be delivered</b>						
Owned vessels	0.0	0.0	1.0	0.0	1.0	<b>2.0</b>
Chartered vessels with POP	0.0	0.0	6.0	3.0	1.0	<b>10.0</b>
<b>Total for delivery to core fleet</b>	<b>0.0</b>	<b>0.0</b>	<b>7.0</b>	<b>3.0</b>	<b>2.0</b>	<b>12.0</b>
Chartered vessels over 3 years without POP	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>7.5</b>	<b>3.0</b>	<b>2.0</b>	<b>12.5</b>
<b>Total gross fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>69.0</b>	<b>94.0</b>	<b>39.5</b>	<b>214.5</b>

<b>Vessel type</b>	<b>MR</b>	<b>Handysize</b>	<b>Total</b>
<b>Vessel in operation</b>			
Owned vessels	5.0	11.0	<b>16.0</b>
Chartered vessels with POP	9.0	0.0	<b>9.0</b>
<b>Total active core fleet</b>	<b>14.0</b>	<b>11.0</b>	<b>25.0</b>
Chartered vessels without POP	10.5	6.5	<b>17.0</b>
<b>Total active fleet</b>	<b>24.5</b>	<b>17.5</b>	<b>42.0</b>
<b>Vessels to be delivered</b>			
Owned vessels	4.0	2.0	<b>6.0</b>
Chartered vessels with POP	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 POP	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>28.5</b>	<b>19.5</b>	<b>48.0</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

- ▶ 16,297 registered shareholders owning 91.4%
- ▶ Approx. 40% international ownership

