

# Interim report – third quarter 2010

Announcement no. 23  
16 November 2010

## Key figures and ratios (USDm)

	Q3	1/1-30/9
<b>EBITDA</b>		
Group	22	201
<b>EBITDA</b>		
Dry Cargo	27	209
Tankers	-2	0
<b>EBIT</b>		
Group	45	200
<b>Theoretical NAV</b>		
DKK per share	313	
<b>Coverage</b>	<b>2010</b>	<b>2011</b>
Dry Cargo	87%	70%
Tankers	47%	29%
<b>Outlook 2010</b>		
EBITDA	220-250	
EBIT	210-240	

## Highlights:

For the third quarter, NORDEN's operating profit (EBITDA) was USD 22 million compared to USD 28 million for the same period in 2009. The operating profit for the first 9 months increased by 178% to USD 201 million against USD 72 million for the same period in 2009.

The operating profit in the Dry Cargo Department was USD 27 million. The result is adversely affected by period deferrals as a great number of recently chartered vessels performed repositioning voyages, resulting in costs in the third quarter, which, however, to some extent, are expected to be off-set by correspondingly higher earnings in the fourth quarter.

The Tanker Department realised a minor loss of USD 2 million in the quarter in a very weak market. Expectations for Tankers remain unchanged.

For the third quarter, the primary operating profit (EBIT) was USD 45 million (USD 28 mio.) and year-to-date, EBIT increased by 110% to USD 200 million. The net profit was USD 53 million for the quarter (USD 37 million) and USD 199 million year-to-date (USD 169 million).

Theoretical Net Asset Value was DKK 313 per share against DKK 346 per share at the end of the second quarter. The development is due to the USD/DKK rate, which fell by 10% during the quarter.

During the quarter, the Dry Cargo Department raised coverage by almost 14,000 ship days. This development has continued after the quarter, and thus, coverage had increased to 78% and 42% for 2011 and 2012 by mid-November.

As a result of a significant decrease in dry cargo freight rates in the fourth quarter and agreements on long-term coverage, which move earnings from the fourth quarter to the coming years, NORDEN lowers its expectations to an EBITDA of USD 220-250 million (previously USD 240-270 million) and an EBIT of USD 210-240 million (previously USD 225-255 million).

President and CEO Carsten Mortensen says in a comment: *"The downward adjustment is unfortunate – but explicable: The third quarter was affected by period deferrals, in the fourth quarter, we will be hit by lower rates on open ship days, and finally, we have chosen to increase coverage, thereby moving profit from the fourth quarter to the coming years. Yet, the overall picture remains unchanged: Earnings have increased significantly this year, and we expect an increase in EBITDA of 75-98% for the entire year compared to 2009. Looking forward, we have already covered 78% of the known ship days in Dry Cargo in 2011 and 42% in 2012."*

A telephone conference will be held today at 15:30 hours (CET) where CEO Carsten Mortensen, CFO Michael Tønnes Jørgensen and Senior Vice President Martin Badsted will comment on the report. By 15:25 hours (CET) at the latest, Danish participants should dial +45 3271 4767 while participants from abroad should dial +44 (0) 208 817 9301 or +1 718 354 1226. The telephone conference can be followed live at [www.ds-norden.com](http://www.ds-norden.com) where the accompanying presentation is also available.

Further information:  
CEO Carsten Mortensen, tel. +45 3315 0451.





## Key figures and ratios for the Group

Key figures are in USD '000	2010 1/1-30/9	2009 1/1-30/9	Change first-third quarter 2009-2010	2009 1/1-31/12
<b>INCOME STATEMENT</b>				
Revenue <sup>4)</sup>	1,597,851	1,265,395	26%	1,755,983
Costs <sup>4)</sup>	-1,397,096	-1,193,052	17%	-1,630,336
Profit before depreciation, etc. (EBITDA) <sup>3)</sup>	200,755	72,343	178%	125,647
Profit from sale of vessels, etc.	28,691	51,650	-44%	69,576
Profit from operations (EBIT)	200,008	95,234	110%	156,694
Fair value adjustment of certain hedging instruments	5,442	73,672	-93%	62,214
Net financials	-2,185	6,317	-135%	5,625
Profit before tax	203,265	175,223	16%	224,533
Profit for the period	198,599	169,435	17%	217,206
Profit for the period for the NORDEN shareholders	198,600	169,436	17%	217,208
<b>STATEMENT OF FINANCIAL POSITION</b>				
Non-current assets	1,232,171	941,332	31%	1,027,750
Total assets	2,162,344	1,985,755	9%	2,031,698
Equity (including minority interests)	1,951,507	1,756,634	11%	1,805,013
Liabilities	210,837	229,121	-8%	226,685
Invested capital	1,247,108	1,043,945	19%	1,133,176
Net interest-bearing assets	704,399	712,689	-1%	671,837
Cash and securities	762,822	776,299	-2%	735,447
<b>CASH FLOWS</b>				
From operating activities	236,384	152,060	55%	160,213
From investing activities	-191,670	-83,839	129%	-79,957
- hereof investments in property, plant and equipment	-372,342	-210,515	77%	-305,209
From financing activities	-65,458	-112,628	-42%	-112,628
Change in cash and cash equivalents for the period	-20,744	-44,407	-53%	-32,372
<b>FINANCIAL AND ACCOUNTING RATIOS</b>				
Share related key figures and ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	41,886,629	42,042,415	-	42,043,505
Earnings per share (EPS) (DKK <sup>1)</sup> )	4.7 (27)	4.0 (22)	18%	5.2 (28)
Diluted earnings per share (diluted EPS) (DKK <sup>1)</sup> )	4.7 (27)	4.0 (22)	18%	5.2 (28)
Book value per share (excluding treasury shares) (DKK <sup>1)</sup> )	46.5 (254)	41.8 (212)	11%	42.9 (223)
Share price at end of period, DKK	216.4	192.0	13%	209.5
Price/book value (DKK <sup>1)</sup> )	0.9	0.9	-	0.9
Net Asset Value per share excl. purchase options for vessels (DKK <sup>1)</sup> )	47.2 (258)	41.3 (210)	14%	40.5 (210)
Theoretical Net Asset Value per share <sup>2)</sup> (DKK <sup>1)</sup> )	57.3 (313)	51.3 (261)	12%	51.6 (268)
Other key figures and ratios:				
EBITDA ratio <sup>3)</sup>	12.6%	5.7%	120%	7.2%
ROIC	22.4%	12.8%	75%	15.1%
ROE	14.1%	13.1%	8%	12.4%
Equity ratio	90.2%	88.5%	2%	88.8%
Total no. of ship days for the Group	46,727	41,427	13%	55,951
USD/DKK rate at end of period	546.01	508.39	7%	519.01
Average USD/DKK rate	566.75	546.36	4%	535.45

<sup>1)</sup> Translated at the USD/DKK rate at end of period.

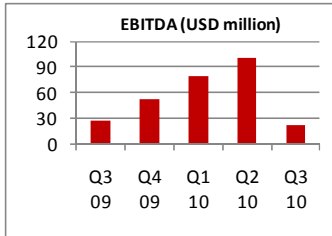
<sup>2)</sup> Please note that the calculation is subject to significant uncertainty. See "Financial review – Calculating the value of options in theoretical NAV" on page 45 in the consolidated annual report for 2009 for supplementary information.

<sup>3)</sup> The ratios were computed in accordance with the "Recommendations and Financial Ratios 2010" published by the Danish Society of Financial Analysts except from Theoretical Net Asset Value, which is not defined in the guidelines. Furthermore, "Profit from sale of vessels, etc." has not been included in EBITDA.

<sup>4)</sup> There has been a change in the accounting principle for recognition of revenue and costs. See note 1 to the financial statements.



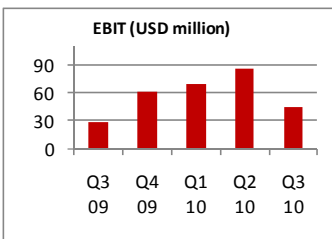
## Comments on the development of the Group for the period



In the third quarter, NORDEN generated an operating profit before depreciation and profits from sale of vessels (EBITDA) of USD 22 million, a reduction of 23% compared to the third quarter of 2009.

The decrease in the operating profit for the quarter is primarily due to the fact that a great share of recently chartered vessels in the Dry Cargo Department performed so-called repositioning voyages from Asia to the Atlantic. This was particularly the case for Panamax where around 20 vessels were sent to the Atlantic either in ballast or at a low freight rate in expectation of being able to take advantage of a strong fronthaul market.

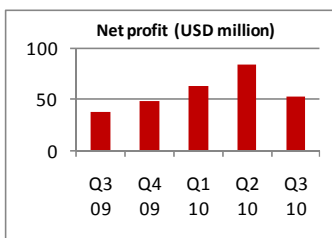
The expansion of the activities in Dry Cargo continued in the third quarter during which NORDEN had 4% more ship days than in the second quarter this year. Earnings per ship day fell due to the above-mentioned repositioning voyages, while EBITDA decreased by 73% to USD 27 million.



The weak market rates in the product tanker market continued in the third quarter. However, earnings in the Tanker Department were 18% and 25% higher than the market rates in MR and Handysize due to good coverage and optimisation of voyages and fuel savings.

In Tankers, activities increased by 10% more ship days compared to the second quarter, and in a continued weak market, Tankers achieved an EBITDA of USD -2 million compared to USD 1 million in the second quarter of 2010.

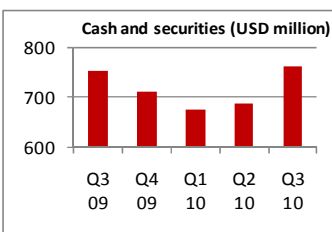
NORDEN's EBITDA for the first 3 quarters of the year was USD 201 million (USD 72 million).



In the third quarter, profits from sale of vessels represented USD 32 million, and to this should be added USD 4 million in profits from sales in joint ventures. Accordingly, the total primary operating profit (EBIT) was USD 45 million (USD 28 million). For the first 3 quarters of the year, EBIT was USD 200 million against USD 95 million for the same period last year.

The net profit for the third quarter was USD 52 million (USD 37 million). For the first 3 quarters of the year, the net profit was USD 199 million (USD 169 million), yielding a return on equity of 14% p.a. (13%). During the quarter, equity increased by USD 50 million to USD 1,952 million. Fair value adjustment of hedging instruments amounted to USD 5 million net.

### Strong liquidity



During the quarter, liquidity changed by USD -16 million (USD -26 million). Cash flows from operating activities were USD 49 million while cash flows from investments and financing were USD -55 million and USD -10 million, respectively. Investments are composed of prepayments on newbuildings of USD 94 million, especially in Dry Cargo, and payments in connection with acquisition of vessels of USD 107 million. On the other hand, NORDEN received USD 157 million in proceeds from sale of vessels, and USD 11 million were invested in securities. Furthermore, there were unrealised currency adjustments of USD 55 million regarding forward exchange contracts.

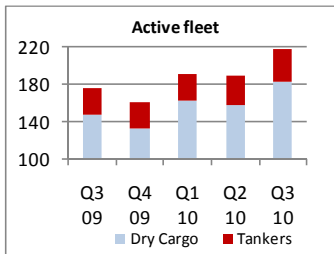
In spite of significant investments in new vessels and payment of dividend, the financial position is still strong, and the Company is well prepared to take advantage of future investment opportunities. At the end of the quarter, NORDEN had cash and cash equivalents and securities of USD 762 million. In comparison, there are outstanding payments on the newbuilding programme of USD 334 million, which fall due in 2010-2012.

### Net commitments reduced, gearing of equity 0.18

The strong financial position is emphasised by the fact that the Company's total net commitments were reduced to USD 342 million at the end of the quarter, 57% lower than at the same time last year. The decrease is particularly due to payments of the newbuilding portfolio and a reduction of time charter liabilities. Thus, gearing of equity was reduced to 0.18 compared to 0.45 at the same time last year.



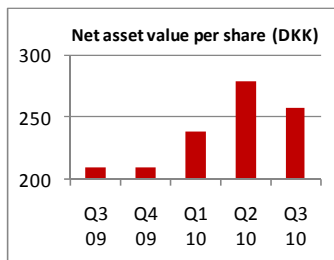
**Continued growth in NORDEN's active core fleet**



At the end of the third quarter, the active fleet counted 218 vessels against 189 at the end of the first half-year. The significant growth – a net increase of a total of 29 units – is mainly due to the fact that the number of short-term chartered vessels in the Panamax vessel type increased in expectation of a strong fourth quarter. In NORDEN's active core fleet, composed of owned vessels and long-term chartered vessels with purchase option, growth also continued during the quarter, and at the end of the quarter, the core fleet counted 65 units – 3 more than at the end of the half-year.

During the quarter, NORDEN took delivery of 10 vessels, of which 4 vessels were sold in advance and hence were delivered to new owners immediately after delivery to NORDEN. Furthermore, NORDEN sold 3 active vessels, which were also delivered to new owners during the quarter. No new vessels were contracted for the core fleet, and thus, the number of vessels for delivery to the active core fleet amounted to 38 at the end of the quarter – 20 owned vessels and 18 chartered vessels with purchase option (please see note 8 to the financial statements for an overview of deliveries to the core fleet).

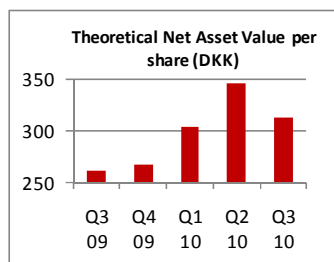
**Net Asset Value of DKK 258 per share**



Based on estimates from 3 independent brokers, the value of NORDEN's owned vessels and newbuildings (including vessels in joint ventures and vessels held for sale) was calculated at USD 1,503 million, which is USD 27 million above the carrying amounts and costs of newbuildings. This corresponds to DKK 4 per share, and if added to the carrying amount of equity of DKK 254 per share, the Company's Net Asset Value (NAV) is estimated at DKK 258 per share.

The theoretical value of NORDEN's 59 charter parties with purchase and extension option is estimated at USD 423 million at the end of the quarter, corresponding to DKK 55 per share when converted to Danish kroner. NORDEN's total theoretical NAV was calculated at DKK 313 per share at the end of the third quarter compared to DKK 346 per share at the end of the second quarter, corresponding to a decrease of 9.5%. Part of the explanation is the fact that the dollar went down by 10% during this period, which affected the theoretical NAV calculated in Danish kroner (please see note 8 to the financial statements for an overview of fleet values).

**Theoretical Net Asset Value of DKK 313 per share**



The theoretical NAV is sensitive to changes in freight rates and vessel prices. In a sensitivity analysis of +/- 10% in freight rates and vessel prices, the theoretical NAV changes to DKK 357 and DKK 265 per share, corresponding to a percentage-wise change of +14% and -15%, respectively.

**No indication of impairment**

The net selling price of NORDEN's fleet *excluding* vessels in joint venture and vessels held for sale was USD 1,465 million at the end of the third quarter, corresponding to USD 22 million above the carrying amounts and costs. Even though the net selling price exceeds the carrying amounts in both Dry Cargo and Tankers, an impairment test was carried out according to the prudence concept. Based on this test, there was no indication of impairment and thus no need for write-downs (please see note 1 "Significant accounting policies" in the consolidated annual report 2009 for additional information).



## Segment information

USD '000	Third quarter 2010				Third quarter 2009			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Revenue – services rendered	436,815	59,300	0	496,115	365,731	52,957	0	418,688
Voyage costs	-123,814	-21,356	0	-145,170	-116,034	-19,524	0	-135,558
<b>Contribution margin I</b>	<b>313,001</b>	<b>37,944</b>	<b>0</b>	<b>350,945</b>	<b>249,697</b>	<b>33,433</b>	<b>0</b>	<b>283,130</b>
Other operating income, net	1,000	58	0	1,058	99	53	0	152
Vessel operating costs	-277,558	-38,170	0	-315,728	-205,658	-38,732	0	-244,390
Costs	-9,172	-1,865	-3,387	-14,424	-6,826	-1,227	-2,408	-10,461
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>27,271</b>	<b>-2,033</b>	<b>-3,387</b>	<b>21,851</b>	<b>37,312</b>	<b>-6,473</b>	<b>-2,408</b>	<b>28,431</b>
Profit from sale of vessels, etc.	31,670	0	0	31,670	12,538	0	0	12,538
Depreciation and impairment	-5,366	-7,196	-607	-13,169	-7,847	-4,277	-846	-12,970
Share of results of joint ventures	4,256	318	0	4,574	-20	390	0	370
<b>Profit from operations (EBIT)</b>	<b>57,831</b>	<b>-8,911</b>	<b>-3,994</b>	<b>44,926</b>	<b>41,983</b>	<b>-10,360</b>	<b>-3,254</b>	<b>28,369</b>
Fair value adjustment of certain hedging instruments	4,382	0	0	4,382	6,915	0	0	6,915
Financial income	0	0	1,800	1,800	0	0	3,159	3,159
Financial costs	0	0	3,287	3,287	0	0	208	208
Tax for the period	-1,809	-250	0	-2,059	-1,192	-123	-419	-1,734
<b>Profit for the period</b>	<b>60,404</b>	<b>-9,161</b>	<b>1,093</b>	<b>52,336</b>	<b>47,706</b>	<b>-10,483</b>	<b>-306</b>	<b>36,917</b>

USD '000	First - third quarter 2010				First - third quarter 2009			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Revenue – services rendered	1,420,211	177,640	0	1,597,851	1,081,210	184,185	0	1,265,395
Voyage costs	-363,140	-63,022	0	-426,162	-314,412	-60,336	0	-374,748
<b>Contribution margin I</b>	<b>1,057,071</b>	<b>114,618</b>	<b>0</b>	<b>1,171,689</b>	<b>766,798</b>	<b>123,849</b>	<b>0</b>	<b>890,647</b>
Other operating income, net	2,722	142	43	2,907	731	185	0	916
Vessel operating costs	-825,125	-109,835	0	-934,960	-666,692	-119,240	0	-785,932
Costs	-25,526	-4,639	-8,716	-38,881	-22,801	-3,736	-6,751	-33,288
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>209,142</b>	<b>286</b>	<b>-8,673</b>	<b>200,755</b>	<b>78,036</b>	<b>1,058</b>	<b>-6,751</b>	<b>72,343</b>
Profit from sale of vessels, etc.	28,692	-3	2	28,691	51,649	0	1	51,650
Depreciation and impairment	-14,597	-17,365	-1,952	-33,914	-16,449	-10,912	-2,448	-29,809
Share of results of joint ventures	4,203	273	0	4,476	270	780	0	1,050
<b>Profit from operations (EBIT)</b>	<b>227,440</b>	<b>-16,809</b>	<b>-10,623</b>	<b>200,008</b>	<b>113,506</b>	<b>-9,074</b>	<b>-9,198</b>	<b>95,234</b>
Fair value adjustment of certain hedging instruments	5,442	0	0	5,442	73,672	0	0	73,672
Financial income	0	0	4,745	4,745	0	0	14,188	14,188
Financial costs	0	0	-6,930	-6,930	0	0	-7,871	-7,871
Tax for the period	-3,983	-683	0	-4,666	-4,244	-368	-1,176	-5,788
<b>Profit for the period</b>	<b>228,899</b>	<b>-17,492</b>	<b>-12,808</b>	<b>198,599</b>	<b>182,934</b>	<b>-9,442</b>	<b>-4,057</b>	<b>169,435</b>



## INTERIM REPORT – THIRD QUARTER 2010

USD '000	First - third quarter 2010				First - third quarter 2009			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Vessels	360,577	409,471	0	770,048	207,474	297,971	0	505,445
Prepayments on vessels and newbuildings	321,398	49,622	0	371,020	321,708	28,215	0	349,923
Other tangible assets	1,560	0	54,128	55,688	820	0	53,237	54,057
Investments in joint ventures	31,433	3,982	0	35,415	27,316	4,591	0	31,907
<b>Non-current assets</b>	<b>714,968</b>	<b>463,075</b>	<b>54,128</b>	<b>1,232,171</b>	<b>557,318</b>	<b>330,777</b>	<b>53,237</b>	<b>941,332</b>
<b>Current assets</b>	<b>149,123</b>	<b>18,228</b>	<b>762,822</b>	<b>930,173</b>	<b>240,501</b>	<b>27,623</b>	<b>776,299</b>	<b>1,044,423</b>
- hereof tangible assets held for sale	0	0	0	0	133,622	0	0	133,622
<b>Total assets</b>	<b>864,091</b>	<b>481,303</b>	<b>816,950</b>	<b>2,162,344</b>	<b>797,819</b>	<b>358,400</b>	<b>829,536</b>	<b>1,985,755</b>



## Dry Cargo

### EBITDA lower than expected

The operating profit in the Dry Cargo Department was USD 27 million. The result is adversely affected by period deferrals as a great number of recently chartered vessels performed repositioning voyages, resulting in costs in the third quarter, which, however, to some extent, are expected to be off-set by correspondingly higher earnings in the fourth quarter.

### Earnings above market levels

The Dry Cargo Department generated earnings above spot rates on time charter basis in the third quarter as a large part of the capacity had been employed at reasonable rates, and the open capacity was employed at good rates. The fleet earned USD 23,557 per day on average, which was 16% above the spot market (Source: Baltic Exchange).

### Increasing acceptance of Post-Panamax among customers

The new Post-Panamax vessel type above 110,000 dwt. is increasingly being accepted by industrial customers in Asia and Europe concurrently with more deliveries to the fleet. This has resulted in a more solvent market and better employment opportunities for the vessels. At the end of the third quarter, 4 NORDEN vessels were employed in the NORDEN Post-Panamax Pool, which will manage a total of 16 vessels in 2012.

Employment and rates, Dry Cargo, third quarter 2010

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total**
NORDEN ship days	432	285	6,151	5,518	1,669	14,055
NORDEN T/C (USD per day)	45,593	23,565	24,948	22,397	16,541	23,557
Spot T/C (USD per day) *	26,324	20,900	21,671	19,758	15,179	20,278
NORDEN vs. spot T/C	73%	13%	15%	13%	9%	16%

\* Source: Baltic Exchange

\*\* Weighted average (except ship days)

### Fleet growth puts pressure on rates

The third quarter of 2010 saw moderate volume growth and fleet growth of 15% compared to 2009 (Source: R.S. Platou). Spot rates decreased by 6% in Panamax and by 9% in both Handymax and Handysize during the quarter. Since August, rates for the fourth quarter have decreased by approximately 20%.

### Import of coal a strong driver for Handymax og Panamax

Coal trade continued to contribute positively to the dry cargo market in the third quarter, and China alone imported 42 million tonnes, an increase of 9.2% (Source: Customs General Administration). India is also experiencing significant development and has an increasing need for coal for the production of electricity. The expectations for the import to India are between 80 and 100 million tonnes in 2010 (Source: Commodore Research, SSY). 80-85% of the Indian coal import is handled by Handysize, Handymax and Panamax vessels as the port infrastructure does not support large vessels to the same extent as in China (Source: SSY).

### Continued fleet growth during the quarter, but few new orders

The fleet continued to grow in the third quarter, and especially the Capesize vessel type grew significantly (24%). On the other hand, the small vessel types Handysize, Handymax og Panamax grew considerably less with 5%, 15% and 9%, respectively (Source: R.S. Platou).

### Increased congestion especially in Australian and Chinese ports

Compared to the same period last year, the share of the fleet waiting to load or discharge increased from approximately 4% to 6%, especially due to busy coal ports in Australia and northern China (Source: R.S. Platou). At the end of October, around 200 vessels waited outside Qinhuangdao to load coal and transport it down the coast (Source: China Coal Resource).

### Significant increase in the number of short-term chartered vessels

NORDEN's active Dry Cargo fleet counted 182 units at the end of the third quarter – 25 more than at the end of the first half-year. The significant increase is particularly due to the fact that NORDEN has stepped up its operator activities in Panamax where the number of chartered vessels increased by 20 units net.

During the quarter, 6 vessels were delivered to NORDEN's active core fleet – 5 owned vessels and 1 chartered vessel with purchase option. 4 of the delivered vessels were sold in

advance, and in addition to this, NORDEN sold and delivered 3 active vessels to new owners. 2 of the delivered vessels, which were sold in advance, were owned by NORDEN in 50% joint venture, and NORDEN subsequently took back these vessels on long-term charter. Finally, NORDEN has chosen to exercise its purchase option on 2 vessels. NORDEN took over one of the vessels during the third quarter, and the other vessel will be taken over during the fourth quarter. At the end of the quarter, NORDEN had 34 vessels for delivery to the core fleet in Dry Cargo.

NORDEN's Dry Cargo fleet and values at 30 September 2010						
Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	2	4	2	2	0	10
Chartered vessels with purchase option	2	0	11	15	4	32
<b>Total active core fleet</b>	<b>4</b>	<b>4</b>	<b>13</b>	<b>17</b>	<b>4</b>	<b>42</b>
Chartered vessels without purchase option	0	0	72	52	16	140
<b>Total active fleet</b>	<b>4</b>	<b>4</b>	<b>85</b>	<b>69</b>	<b>20</b>	<b>182</b>
<b>Vessels to be delivered</b>						
Owned vessels	0	0	2	3 <sup>A</sup>	13	18
Chartered vessels with purchase option	0	4	1	6	5	16
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>9</b>	<b>18</b>	<b>34</b>
Chartered vessels over 3 years without purchase option	0	0	0	1	6	7
<b>Total to be delivered</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>10</b>	<b>24</b>	<b>41</b>
<b>Total gross fleet</b>	<b>4</b>	<b>8</b>	<b>88</b>	<b>79</b>	<b>44</b>	<b>223</b>
A) 2 units in 50%-owned joint venture						
<b>Dry Cargo fleet values at 30 September 2010 (USD million)</b>						
Market value of owned vessels and newbuildings*	130	193	150	148	374	995
Added value of owned vessels and newbuildings	73	-19	-3	24	-51	24
Value of charter parties with purchase and extension option	41	-29	169	222	15	418
* Active vessels and newbuildings including joint ventures, assets held for sale and charterparties, if any.						

## Capacity and coverage

NORDEN continued to expand its partnership with industrial customers through long-term COAs in the third quarter. Since the end of the second quarter, NORDEN has thus covered approximately 14,000 ship days or more than 35 ship years for 2011 and onwards. Furthermore, additional coverage has been made in Panamax and Handymax in 2010. As a result, NORDEN has covered 87% of its ship days in 2010 whereas coverage in 2011 has been lifted from 52% at the end of second quarter to 70% at the end of the third quarter.

Average earnings for NORDEN's covered days are still good. Until 2012, average costs of the known fleet decrease to approximately USD 11,600 per day whereas average earnings keep a level of approximately USD 21,250 per day.

Capacity and coverage, Dry Cargo, at 30 September 2010								
	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>	Ship days				Costs for gross capacity (USD per day)			
Capesize	458	1,460	1,371	9,108	16,289	12,263	12,016	9,302
Post-Panamax	458	2,192	2,914	37,814	11,491	10,378	12,410	10,313
Panamax	4,980	8,312	5,776	33,874	21,303	14,977	11,263	7,709
Handymax	4,007	12,242	11,819	59,954	16,972	14,339	12,711	8,540
Handysize	1,182	6,217	9,142	105,599	13,193	10,963	9,951	6,344
<b>Total</b>	<b>11,085</b>	<b>30,423</b>	<b>31,022</b>	<b>246,349</b>	<b>18,260</b>	<b>13,438</b>	<b>11,569</b>	<b>7,785</b>
<b>Coverage</b>	Ship days				Revenue from coverage (USD per day)			
Capesize	234	1,095	366	272	44,105	41,266	67,922	67,922
Post-Panamax	261	1,090	0	0	20,836	21,617	0	0
Panamax	5,037	8,755	4,129	13,302	24,115	22,132	20,028	19,869
Handymax	3,372	8,818	5,509	5,272	20,651	18,645	21,185	16,436
Handysize	773	1,670	1,362	3,310	14,075	13,037	12,777	12,135
<b>Total</b>	<b>9,677</b>	<b>21,428</b>	<b>11,366</b>	<b>22,156</b>	<b>22,500</b>	<b>20,940</b>	<b>21,262</b>	<b>18,486</b>
<b>Coverage in %</b>								
Capesize	51%	75%	27%	3%				
Post-Panamax	57%	50%	0%	0%				
Panamax	101%	105%	71%	39%				
Handymax	84%	72%	47%	9%				
Handysize	65%	27%	15%	3%				
<b>Total</b>	<b>87%</b>	<b>70%</b>	<b>37%</b>	<b>9%</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 by this as the figures show NORDEN's share of the pools' total revenue and coverage.





## Tankers

### Minor loss in a weak market

The Tanker Department achieved an EBITDA of USD -2 million (USD -6 million), which was in accordance with expectations and reflects the challenging product tanker market. The Tanker Department earned USD 15,200 per day on average for MR and USD 14,325 per day on average for Handysize, which was 13% and 19% higher than the 1-year time charter market, respectively (Source: ACM).

The product tanker market represented by an MR tanker started off well with spot rates ranging from USD 12,000 per day to USD 14,500 per day in the last part of the gasoline import season in the USA. But from mid-July, the spot market decreased to around USD 8,000 per day (Source: Baltic Exchange).

**Employment and rates, Tankers, third quarter 2010**

Vessel type	LR1	MR	Handysize	Total**
NORDEN ship days	92	1,213	1,708	<b>3,013</b>
NORDEN T/C (USD per day)	22,316	15,200	14,325	<b>14,917</b>
1-year T/C (USD per day) *	16,692	13,423	12,000	<b>12,713</b>
<b>NORDEN vs. 1-year T/C</b>	<b>34%</b>	<b>13%</b>	<b>19%</b>	<b>17%</b>

\* Source: ACM

\*\* Weighted average (except ship days)

Except from a possible seasonal upturn, NORDEN expects that in the short term, rates will continue to be under pressure due to the many deliveries in previous years. However, NORDEN still expects rates to improve in the long term and considers the present market an interesting investment window.

### Oil consumption up by 2.8%

As a result of increased activity in the world economy compared to 2009, global oil consumption increased by 2.8% during the quarter, driven by growth in Asia, Latin America, the Middle East and North America (Source: IEA). On the other hand, low rates of utilisation in European and American refineries resulted in fewer cargoes in the Tanker Department's traditional markets in the North Atlantic.

Norient Product Pool has taken the opportunity to send more vessels towards Latin America and the African continent with cargoes from both the USA and Europe.

### Continued moderate fleet growth

Deliveries in NORDEN's vessel types continued in the third quarter. The Handysize fleet was reduced by 0.4% whereas MR grew by 1.7%. This corresponds to -1.7% and 7% on an annual basis, respectively (Source: SSY).

### New activity involving short-term chartered vessels

The Tanker Department and Norient Product Pool have started to charter tonnage for short periods of time in the same way as in the Dry Cargo Department. In connection with this expansion of Norient Product Pool's business model, vessels will be chartered for 3-12 months, preferably with extension option, and be employed in the spot market. At the end of the quarter, Norient Product Pool had 3 short-term chartered vessels.

### New deliveries for the Tanker fleet

4 vessels were delivered to the Tanker Department in the third quarter – 2 owned Handysize vessels and 2 chartered MR vessels with purchase option. No new contracts were entered into during the quarter, and the number of vessels for delivery to the core fleet amounted to 4 at the end of the quarter.



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NORDEN's Tanker fleet and values at 30 September 2010				
Vessel type	LR1	MR	Handysize	Total
<b>Vessels in operation</b>				
Owned vessels	0	4	10	14
Chartered vessels with purchase option	0	9	0	9
<b>Total active core fleet</b>	<b>0</b>	<b>13</b>	<b>10</b>	<b>23</b>
Chartered vessels without purchase option	1	2	10	13
<b>Total active fleet</b>	<b>1</b>	<b>15</b>	<b>20</b>	<b>36</b>
<b>Vessels to be delivered</b>				
Owned vessels	0	2	0	2
Chartered vessels with purchase option	0	2	0	2
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>
Chartered vessels over 3 years without purchase option	0	2	0	2
<b>Total to be delivered</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>Total gross fleet</b>	<b>1</b>	<b>21</b>	<b>20</b>	<b>42</b>
<b>Tanker fleet values at 30 September 2010 (USD million)</b>				
Market value of owned vessels and newbuildings*		215	293	508
Added value of owned vessels and newbuildings		-4	7	3
Value of charter parties with purchase and extension option		5		5

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

Capacity and coverage

At the end of the third quarter, NORDEN had 1,718 and 3,572 covered ship days for the fourth quarter of 2010 and all of 2011, respectively, corresponding to a coverage of 47% and 29%, respectively. For 2011, average earnings amount to USD 14,490 per day whereas average costs amount to USD 11,818 per day.

Capacity and coverage, Tankers, at 30 September 2010								
	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>		Ship days			Costs for gross capacity (USD per day)			
LR1	92	365	12	0	27,950	16,967	15,500	0
MR	1,524	6,664	6,075	49,006	13,390	13,518	12,756	10,283
Handysize	2,014	5,221	3,785	53,056	9,920	9,288	8,073	7,954
<b>Total</b>	<b>3,630</b>	<b>12,250</b>	<b>9,872</b>	<b>102,062</b>	<b>11,834</b>	<b>11,818</b>	<b>10,964</b>	<b>9,072</b>
<b>Coverage</b>		Ship days			Revenue from coverage (USD per day)			
LR1	12	0	0	0	10,438	0	0	0
MR	750	2,032	651	314	14,766	15,381	13,312	13,026
Handysize	956	1,540	343	0	13,887	13,315	12,402	0
<b>Total</b>	<b>1,718</b>	<b>3,572</b>	<b>994</b>	<b>314</b>	<b>14,247</b>	<b>14,490</b>	<b>12,998</b>	<b>13,026</b>
<b>Coverage in %</b>								
LR1	13%	0%	0%	0%				
MR	49%	30%	11%	1%				
Handysize	47%	29%	9%	0%				
<b>Total</b>	<b>47%</b>	<b>29%</b>	<b>10%</b>	<b>0%</b>				



## Expectations for 2010

### NORDEN lowers its EBITDA expectations

As a result of a significant decrease in dry cargo freight rates in the fourth quarter – especially in the small vessel types and in the fronthaul market – as well as agreements on long-term coverage, which move earnings from the fourth quarter to a later period, NORDEN lowers its expectations for earnings in 2010.

EBITDA is now expected to amount to USD 220-250 million (previously USD 240-270 million), and EBIT is expected to be USD 210-240 million (previously USD 225-255 million). This change is evidence of lower expectations for earnings in Dry Cargo whereas the expectations for earnings in Tankers are maintained at the previously raised level.

### New investments in Dry Cargo after the third quarter

Following the end of the quarter, NORDEN has further adjusted the fleet in Dry Cargo. NORDEN has exercised its purchase option on 2 dry cargo vessels – 1 Capesize and 1 Handymax vessel. Furthermore, the Company has sold the Handymax vessel on which the Company exercised its purchase option during the third quarter with expected delivery to the new owners during the first quarter of 2011. Accordingly, the cashflow effect from investments is expected to amount to USD 335-365 million against previously USD 270-300 million. CAPEX is composed of investments in newbuildings, secondhand vessels etc. of a total of USD 615-645 million less proceeds from known sale of vessels of USD 280 million.

### Revised expectations

Expectations for 2010	Dry Cargo	Tankers	Total
USD million			
<b>EBITDA</b>	235-255	-5-5	220-250
Realised profit from sale of vessels			29
<b>EBIT</b>			210-240
<b>CAPEX</b>			335-365

### Risks and uncertainties

The most significant uncertainties related to profit expectations for 2010 are: postponement of COAs, counterparty risks in connection with NORDEN's coverage and fluctuation in rates on open ship days. Expectations for earnings on open ship days are based on forward rates.

NORDEN's previously announced expectations				
USD million	At 17 August	At 22 June	At 19 May	At 9 March
EBITDA	240-270	200-250	170-220	155-205
Profit from sale of vessels	29	29	29	26
EBIT	225-255	185-235	155-205	135-185
CAPEX	270-300	-	230-270	300-340

### Forward-looking statements

The report includes forward-looking statements reflecting the management's current perception of future trends and financial performance. The statements for the rest of 2010 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from the expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively so, changes in the macroeconomic and political conditions – especially in the Company's key markets – changes in NORDEN's assumptions of rate development and operating costs, volatility in rates and vessel prices, changes in legislation, possible interruptions in traffic and operations as a result of external events, etc.



## INTERIM REPORT FOR THE THIRD QUARTER OF 2010 - THE GROUP

### Statement

The Board of Directors and the Board of Management today reviewed and approved the interim report for the third quarter of 2010 of Dampskibsselskabet NORDEN A/S.

The interim report is prepared in accordance with the International Financial Reporting Standard IAS 34 on interim reports and the general Danish financial disclosure requirements for listed companies. In line with previous policies, the interim report is not audited or auditor-reviewed.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the interim report to present a true and fair view.

Besides what has been disclosed in the interim report, no other significant changes in the Company's risk and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2009.

In our opinion, the interim report gives a true and fair view of the assets and liabilities of the Group, the financial position as well as the result of the Group's activities and cash flows for the interim period.

Furthermore, the management's review gives a true and fair account of the Group's activities and financial position as well as a description of material risks and uncertainties facing the Group.

Copenhagen, 16 November 2010

#### Board of Management

Carsten Mortensen  
President & CEO

Michael Tønnes Jørgensen  
Executive Vice President & CFO

#### Board of Directors

Mogens Hugo  
Chairman

Alison J. F. Riegels  
Vice Chairman

Erling Højsgaard

Karsten Knudsen

Arvid Grundekjøn

Bent Torry Sørensen

Lars Enkegaard Biilmann

Benn Pyrmont Johansen



## Income statement

USD '000	2010	2009	2010	2009	2009
	1/1-30/9	1/1-30/9	3 <sup>rd</sup> quarter	3 <sup>rd</sup> quarter	31/12
Revenue	1,597,851	1,265,395	496,115	418,688	1,755,983
Costs	-1,397,096	-1,193,052	-474,264	-390,257	-1,630,336
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>200,755</b>	<b>72,343</b>	<b>21,851</b>	<b>28,431</b>	<b>125,647</b>
Profit from sale of vessels, etc.	28,691	51,650	31,670	12,538	69,576
Depreciation and impairment	-33,914	-29,809	-13,169	-12,970	-39,494
Share of results of joint ventures	4,476	1,050	4,574	370	965
<b>Profit from operations (EBIT)</b>	<b>200,008</b>	<b>95,234</b>	<b>44,926</b>	<b>28,369</b>	<b>156,694</b>
Fair value adjustment of certain hedging instruments <sup>note 2)</sup>	5,442	73,672	4,382	6,915	62,214
Net financials	-2,185	6,317	5,087	3,367	5,625
<b>Profit before tax</b>	<b>203,265</b>	<b>175,223</b>	<b>54,395</b>	<b>38,651</b>	<b>224,533</b>
Tax on the profit for the period	-4,666	-5,788	-2,059	-1,734	-7,327
<b>Profit for the period</b>	<b>198,599</b>	<b>169,435</b>	<b>52,336</b>	<b>36,917</b>	<b>217,206</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	198,600	169,436	52,337	36,917	217,208
Minority interests	-1	-1	-1	0	-2
<b>Total</b>	<b>198,599</b>	<b>169,435</b>	<b>52,336</b>	<b>36,917</b>	<b>217,206</b>
<b>Earnings per share (EPS), USD</b>	<b>4.74</b>	<b>4.02</b>	<b>1.25</b>	<b>0.88</b>	<b>5.16</b>
<b>Diluted earnings per share, USD</b>	<b>4.73</b>	<b>4.02</b>	<b>1.25</b>	<b>0.88</b>	<b>5.15</b>

## Statement of comprehensive income

	2010	2009	2010	2009	2009
	1/1-30/9	1/1-30/9	3 <sup>rd</sup> quarter	3 <sup>rd</sup> quarter	31/12
<b>Profit for the period, after tax</b>	<b>198,599</b>	<b>169,435</b>	<b>52,336</b>	<b>36,917</b>	<b>217,206</b>
Value adjustment of hedging instruments	4,099	-11,958	3,233	1,885	-13,243
Fair value adjustment of securities	1,160	2,321	910	2,122	2,538
Tax on fair value adjustment of securities	0	0	0	0	395
Income and expenses recognised directly in equity	5,259	-9,637	4,143	4,007	-10,310
<b>Comprehensive income for the period, after tax</b>	<b>203,858</b>	<b>159,798</b>	<b>56,479</b>	<b>40,924</b>	<b>206,896</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	203,859	159,799	56,480	40,924	206,898
Minority interests	-1	-1	-1	0	2
<b>Total</b>	<b>203,858</b>	<b>159,798</b>	<b>56,479</b>	<b>40,924</b>	<b>206,896</b>

**Income statement by quarter**

USD '000	2010	2010	2010	2009	2009
	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter
Revenue	496,115	585,485	516,251	490,588	418,688
Costs	-474,264	-485,918	-436,914	-437,284	-390,257
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>21,851</b>	<b>99,567</b>	<b>79,337</b>	<b>53,304</b>	<b>28,431</b>
Profit from sale of vessels, etc.	31,670	-2,218	-761	17,926	12,538
Depreciation and impairment	-13,169	-10,859	-9,886	-9,685	-12,970
Share of results of joint ventures	4,574	-30	-68	-85	370
<b>Profit from operations (EBIT)</b>	<b>44,926</b>	<b>86,460</b>	<b>68,622</b>	<b>61,460</b>	<b>28,369</b>
Fair value adjustment of certain hedging instruments <sup>note 2</sup>	4,382	1,947	-887	-11,458	6,915
Net financials	5,087	-3,728	-3,544	-692	3,367
<b>Profit before tax</b>	<b>54,395</b>	<b>84,679</b>	<b>64,191</b>	<b>49,310</b>	<b>38,651</b>
Tax on the profit for the period	-2,059	-1,333	-1,274	-1,539	-1,734
<b>Profit for the period</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	52,337	83,346	62,917	47,772	36,917
Minority interests	-1	0	0	-1	0
<b>Total</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>
<b>Earnings per share (EPS), USD</b>	<b>1.25</b>	<b>1.99</b>	<b>1.50</b>	<b>1.14</b>	<b>0.88</b>
<b>Diluted earnings per share, USD</b>	<b>1.25</b>	<b>1.98</b>	<b>1.49</b>	<b>1.13</b>	<b>0.88</b>

**Statement of comprehensive income by quarter**

<b>Profit for the period, after tax</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>
Value adjustment of hedging instruments	3,233	1,239	-373	-1,285	1,885
Fair value adjustment of securities	910	-901	1,151	217	2,122
Tax on fair value adjustment of securities	0	0	0	395	0
Income and expenses recognised directly in equity	4,143	338	778	-673	4,007
<b>Comprehensive income for the period, after tax</b>	<b>56,479</b>	<b>83,684</b>	<b>63,695</b>	<b>47,098</b>	<b>40,924</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	56,480	83,684	63,695	47,099	40,924
Minority interests	-1	0	0	-1	0
<b>Total</b>	<b>56,479</b>	<b>83,684</b>	<b>63,695</b>	<b>47,098</b>	<b>40,924</b>



## Statement of financial position

USD '000	2010	2009	2009
	30/9	30/9	31/12
ASSETS			
Property and equipment	55,688	54,057	55,841
Vessels <sup>note 3)</sup>	770,048	505,445	497,613
Prepayments on vessels and newbuildings <sup>note 4)</sup>	371,020	349,923	442,526
Investments in joint ventures	35,415	31,907	31,770
<b>Non-current assets</b>	<b>1,232,171</b>	<b>941,332</b>	<b>1,027,750</b>
Inventories	40,773	18,381	31,504
Receivables and prepayments	126,578	116,121	182,450
Securities	36,371	24,346	24,563
Cash and cash equivalents	726,451	751,953	710,884
	<b>930,173</b>	<b>910,801</b>	<b>949,401</b>
Tangible assets held for sale <sup>note 5)</sup>	0	133,622	54,547
<b>Current assets</b>	<b>930,173</b>	<b>1,044,423</b>	<b>1,003,948</b>
<b>Total assets</b>	<b>2,162,344</b>	<b>1,985,755</b>	<b>2,031,698</b>
EQUITY AND LIABILITIES			
Share capital	7,087	7,087	7,087
Reserves	7,495	2,909	2,236
Retained earnings	1,936,856	1,746,567	1,795,620
Equity (NORDEN's shareholders)	1,951,438	1,756,563	1,804,943
Minority interests	69	71	70
<b>Equity</b>	<b>1,951,507</b>	<b>1,756,634</b>	<b>1,805,013</b>
Bank debt	28,667	58,423	58,423
<b>Non-current liabilities</b>	<b>28,667</b>	<b>58,423</b>	<b>58,423</b>
Current portion of non-current debt	29,756	5,187	5,187
Trade payables	51,337	39,909	66,452
Liabilities with joint ventures	35,190	6,740	6,580
Other payables and deferred income	65,887	53,487	51,618
	<b>182,170</b>	<b>105,323</b>	<b>129,837</b>
Liabilities relating to tangible assets held for sale	0	65,375	38,425
<b>Current liabilities</b>	<b>182,170</b>	<b>170,698</b>	<b>168,262</b>
<b>Liabilities</b>	<b>210,837</b>	<b>229,121</b>	<b>226,685</b>
<b>Total equity and liabilities</b>	<b>2,162,344</b>	<b>1,985,755</b>	<b>2,031,698</b>



## Statement of cash flows

USD '000	2010	2009	2010	2009	2009
	1/1-30/9	1/1-30/9	3 <sup>rd</sup> quarter	3 <sup>rd</sup> quarter	31/12
Profit for the period	198,599	169,435	52,336	36,917	217,206
Reversal of items with no effect on available funds	-5,674	-94,459	-30,600	-14,263	-92,817
Cash flows before change in working capital	192,925	74,976	21,736	22,654	124,389
Change in working capital	43,459	77,084	27,586	19,923	35,824
<b>Cash flows from operating activities</b>	<b>236,384</b>	<b>152,060</b>	<b>49,322</b>	<b>42,577</b>	<b>160,213</b>
Investments in vessels, etc.	-237,270	-222,368	-106,722	-33,814	-269,174
Additions in prepayments on newbuildings	-232,716	-170,709	-94,185	-90,610	-263,497
Additions in prepayments received on sold vessels	-38,425	3,209	-62,700	27,775	-23,741
Hereof held in restricted accounts	8,300	-4,175	0	-825	25,950
Acquisition of securities	-11,093	-3	-11,093	-3	-3
Sale of securities	1,000	0	0	0	0
Proceeds from sale of vessels, etc.	318,534	310,207	219,241	31,754	450,508
<b>Cash flows from investing activities</b>	<b>-191,670</b>	<b>-83,839</b>	<b>-55,459</b>	<b>-65,723</b>	<b>-79,957</b>
Dividend paid to shareholders	-52,705	-97,624	0	0	-97,624
Sale of treasury shares	0	143	0	0	143
Acquisition of treasury shares	-7,566	-9,960	-7,566	0	-9,960
Instalments on bank loans and vessel loans	-5,187	-5,187	-2,593	-2,593	-5,187
<b>Cash flows from financing activities</b>	<b>-65,458</b>	<b>-112,628</b>	<b>-10,159</b>	<b>-2,593</b>	<b>-112,628</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-20,744</b>	<b>-44,407</b>	<b>-16,296</b>	<b>-25,739</b>	<b>-32,372</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>702,584</b>	<b>772,467</b>	<b>687,726</b>	<b>740,587</b>	<b>772,467</b>
Exchange rate adjustments	44,611	-14,532	55,021	-1,320	-37,511
Change in cash and cash equivalents for the period	-20,744	-44,407	-16,296	-25,739	-32,372
<b>Cash and cash equivalents at end of period</b>	<b>726,451</b>	<b>713,528</b>	<b>726,451</b>	<b>713,528</b>	<b>702,584</b>
Tied-up cash and cash equivalents	0	38,425	0	38,425	8,300
<b>Cash and cash equivalents according to the statement of financial position</b>	<b>726,451</b>	<b>751,953</b>	<b>726,451</b>	<b>751,953</b>	<b>710,884</b>





## Statement of changes in equity

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	Group equity
<b>Equity at 1 January 2010</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>
Total comprehensive income for the period	0	5,259	198,600	203,859	-1	203,858
Acquisition of treasury shares	0	0	-7,566	-7,566	0	-7,566
Distributed dividends	0	0	-55,621	-55,621	0	-55,621
Dividends, treasury shares	0	0	2,916	2,916	0	2,916
Share-based payment	0	0	2,907	2,907	0	2,907
<b>Changes in equity</b>	<b>0</b>	<b>5,259</b>	<b>141,236</b>	<b>146,495</b>	<b>-1</b>	<b>146,494</b>
<b>Equity at 30 September 2010</b>	<b>7,087</b>	<b>7,495</b>	<b>1,936,856</b>	<b>1,951,438</b>	<b>69</b>	<b>1,951,507</b>
<b>Equity at 1 January 2009</b>	<b>7,087</b>	<b>12,546</b>	<b>1,680,673</b>	<b>1,700,306</b>	<b>72</b>	<b>1,700,378</b>
Total comprehensive income for the period	0	-9,637	169,436	159,799	-1	159,798
Acquisition of treasury shares	0	0	-9,960	-9,960	0	-9,960
Sale of treasury shares	0	0	143	143	0	143
Distributed dividends	0	0	-103,117	-103,117	0	-103,117
Dividends, treasury shares	0	0	5,493	5,493	0	5,493
Share-based payment	0	0	3,899	3,899	0	3,899
<b>Changes in equity</b>	<b>0</b>	<b>-9,637</b>	<b>65,894</b>	<b>56,257</b>	<b>-1</b>	<b>56,256</b>
<b>Equity at 30 September 2009</b>	<b>7,087</b>	<b>2,909</b>	<b>1,746,567</b>	<b>1,756,563</b>	<b>71</b>	<b>1,756,634</b>
<b>Equity at 1 January 2009</b>	<b>7,087</b>	<b>12,546</b>	<b>1,680,673</b>	<b>1,700,306</b>	<b>72</b>	<b>1,700,378</b>
Total comprehensive income for the period	0	-10,310	217,208	206,898	-2	206,896
Acquisition of treasury shares	0	0	-9,960	-9,960	0	-9,960
Sale of treasury shares	0	0	143	143	0	143
Distributed dividends	0	0	-103,117	-103,117	0	-103,117
Dividends, treasury shares	0	0	5,493	5,493	0	5,493
Share-based payment	0	0	5,180	5,180	0	5,180
<b>Changes in equity</b>	<b>0</b>	<b>-10,310</b>	<b>114,947</b>	<b>104,637</b>	<b>-2</b>	<b>104,635</b>
<b>Equity at 31 December 2009</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>

## Notes to the financial statements

### 1. Significant accounting policies

#### *Basis of accounting*

The interim report comprises the summarised consolidated financial statements of Dampskibsselskabet NORDEN A/S.

#### *Accounting policies*

The interim report has been prepared in accordance with the International Financial Reporting Standard IAS 34 on interim reports and additional Danish disclosure requirements for the financial statements of listed companies.

The consolidated annual report for 2009 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Accounting policies have not changed in relation to this except that NORDEN has changed its accounting policies regarding the presentation in the income statement of revenue and costs from vessels operated in pools. As described on page 59 in the section "Significant accounting policies" in the consolidated annual report for 2009, revenue from pool partnerships is presented on a time charter equivalent basis, i.e. after offsetting direct voyage costs, including bunker oil consumption, commissions and port charges. The presentation in the income statement has been changed to the effect that NORDEN's share of revenue and costs from participation in pools are now recognised proportionately, i.e. presented on a gross basis. The change in accounting policies has not affected the profit for the period/year, equity or the balance sheet total. The change has affected the comparative figures for 2009 to the effect that the item "Revenue" has been increased by USD 80 million. In the segment information, the items "Voyage costs" and "Vessel operating costs" have been increased correspondingly. In the other tables, the item "Costs" has been increased correspondingly.

The change can be specified as follows:

USD '000	2010		2009	
	Dry Cargo	Tankers	Dry Cargo	Tankers
First-third quarter	68,568	62,853	-	60,001
Third quarter	22,856	20,951	-	19,332
Fourth quarter	-	-	-	20,119
<b>Total</b>	<b>68,568</b>	<b>62,853</b>	<b>-</b>	<b>80,120</b>

Other comparative figures in the interim report have been adjusted in accordance with this.

For a complete description of accounting policies, see also pages 55-62 in the consolidated annual report for 2009.

#### *New IAS/IFRSs*

With effect from 1 January 2010, NORDEN has not implemented any new financial reporting standards or interpretations which are of importance to NORDEN.

#### *New financial reporting standards*

For a description of the IFRS and IFRIC which become effective on 1 January or later, see page 55 of the consolidated annual report for 2009. Additionally, no new standards or interpretation contributions have subsequently been published

#### *Significant choices and assessments in the accounting policies and significant accounting estimates*

Management's choices and assessments in the accounting policies in respect of vessel leases, recognition of revenue and voyage costs, impairment test and onerous contracts are significant. Management's accounting estimates of receivables, contingent assets and liabilities and useful lives and residual values of tangible assets are also significant. For a description of these, see pages 55-57 of the consolidated annual report for 2009.

## 2. Fair value adjustment of certain hedging instruments

USD '000	2010	2009	2010	2009	2009
	1/1-30/9	1/1-30/9	3 <sup>rd</sup> quarter	3 <sup>rd</sup> quarter	31/12
<b>Bunker hedging:</b>					
Fair value adjustment for:					
2009	0	32,340	0	1,503	35,850
2010	-5,577	10,762	1,513	-1,185	22,482
2011	-1,349	3,778	2,362	-114	8,347
2012	60	1,799	1,234	-499	4,645
2013	-74	-39	109	-121	496
2014	-2	-156	127	-156	201
	-6,942	48,484	5,345	-572	72,021
Realised fair value adjustment reclassified to "Vessel operating costs"*	-3,036	29,033	207	403	27,660
<b>Total</b>	<b>-9,978</b>	<b>77,517</b>	<b>5,552</b>	<b>-169</b>	<b>99,681</b>
<b>Forward Freight Agreements:</b>					
Fair value adjustment for:					
2009	0	-13,637	0	-405	-18,246
2010	-3,267	3,603	-6,353	7,524	-19,314
2011	2,243	6,193	1,362	2,898	997
2012	206	0	206	0	0
	-818	-3,841	-4,785	10,017	-36,563
Realised fair value adjustment reclassified to "Revenue"*	16,238	-4	3,615	-2,933	-904
<b>Total</b>	<b>15,420</b>	<b>3,845</b>	<b>-1,170</b>	<b>7,084</b>	<b>-37,467</b>
<b>Total</b>	<b>5,442</b>	<b>73,672</b>	<b>4,382</b>	<b>6,915</b>	<b>62,214</b>

\* As the hedging instruments are realised, the accumulated fair value adjustments are reclassified to operations in the same item as the hedged transaction. For further information, see the section "Significant accounting policies" in the consolidated annual report for 2009.

## 3. Vessels

USD '000	2010	2009	2009
	30/9	30/9	31/12
Cost at 1 January	569,023	488,697	488,697
Transferred during the period from prepayments on vessels and newbuildings	249,226	187,614	187,746
Transferred during the period to tangible assets held for sale	-97,463	-146,579	-146,581
Additions for the period	137,477	38,317	39,161
Disposals for the period	0	0	0
<b>Cost</b>	<b>858,263</b>	<b>568,049</b>	<b>569,023</b>
Depreciation at 1 January	-71,410	-51,832	-51,832
Depreciation for the period	-31,643	-23,679	-32,484
Reversed depreciation of vessels disposed of	0	0	0
Reversed depreciation of tangible assets held for sale	14,838	12,907	12,906
<b>Depreciation</b>	<b>-88,215</b>	<b>-62,604</b>	<b>-71,410</b>
<b>Carrying amount</b>	<b>770,048</b>	<b>505,445</b>	<b>497,613</b>

For the development of the fleet and added value, see the interim review.



## 4. Prepayments on vessels and newbuildings

USD '000	2010	2009	2009
	30/9	30/9	31/12
Cost at 1 January	442,526	397,836	397,836
Additions for the period	232,716	170,709	263,497
Disposals for the period	0	0	0
Transferred during the period to vessels	-249,226	-187,614	-187,746
Transferred during the period to other items	0	-180	-234
Transferred during the period to tangible assets held for sale	-54,996	-30,828	-30,827
<b>Carrying amount</b>	<b>371,020</b>	<b>349,923</b>	<b>442,526</b>

## 5. Tangible assets held for sale

USD '000	2010	2009	2009
	30/9	30/9	31/12
Carrying amount at 1 January	54,547	46,852	46,852
Additions for the period from prepayments on vessels and newbuildings	54,996	30,828	30,827
Additions for the period to tangible assets held for sale	97,644	182,562	227,462
Additions for the period from vessels	82,625	133,672	133,675
Disposals for the period	-289,812	-256,892	-380,869
Impairment losses for the period	0	-3,400	-3,400
<b>Carrying amount</b>	<b>0</b>	<b>133,622</b>	<b>54,547</b>

## 6. Related party transactions

In addition, no significant changes have occurred to closely related parties or types and scale of transactions with these parties other than disclosed in the consolidated annual report for 2009.

## 7. Contingent assets and liabilities

Since 31 December 2009, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

## 8. Overview of deliveries to the core fleet and fleet values

## Expected delivery of the Company's core fleet at 30 September 2010

	2010	2011				2012				2013	Total
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
<b>Dry Cargo</b>											
Post-Panamax		(2)			(1)	(1)					4
Panamax		1	1 (1)								3
Handymax	(1)	(1)	1 (1)		1 (1)			1 (1)		(1)	9
Handysize	1 (1)	2 (1)	2 (1)	2	5	1	(1)	(1)			18
<b>Tanker</b>											
MR	(1)	1		1					(1)		4
<b>Total</b>	<b>4</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>38</b>

Note: Figures in brackets are deliveries of chartered vessels with purchase option, whereas deliveries from the Company's newbuilding program are stated without brackets. Totals have been calculated for the core fleet as a whole.

**Fleet values (before tax) at 30 September 2010**

<b>Owned (active and newbuildings)</b>					<b>Calculated value of charter parties with purchase and extension option</b>				
USD million									
	Number	Carrying amount/ cost	Market value*	Added value	Number	Charter party	Purchase and extension option	Value of charter party and option	Theoretical NAV
<b>Dry cargo</b>									
Capesize	2	57	130	73	2	25	16	41	114
Post-Panamax	4	212	193	-19	4	-31	2	-29	-48
Panamax	4	153	150	-3	12	84	85	169	166
Handymax	5	124	148	24	21	168	54	222	246
Handysize	13	425	374	-51	9	11	4	15	-36
<b>Product tanker</b>									
MR	6	219	215	-4	11	-4	9	5	1
Handysize	10	286	293	7	0	0	0	0	7
<b>Total</b>	<b>44</b>	<b>1,476</b>	<b>1,503</b>	<b>27</b>	<b>59</b>	<b>253</b>	<b>170</b>	<b>423</b>	<b>450</b>
<b>DKK per share</b>				<b>4</b>				<b>55</b>	<b>59</b>
<b>Equity excl. minority interests per share</b>									<b>254</b>
<b>Total theoretical Net Asset Value per share</b>									<b>313</b>

\* Including charter parties, vessels in joint venture and vessels held for sale, if any.

The determination of the theoretical value of the charter parties including purchase option is subject to uncertainty, the value being dependent on the future development in freight rates and tonnage values as well as deviations in other assumptions. The assumptions underlying the calculation of the Company's charter parties with purchase option are described under "Financial review - Calculating the value of options in theoretical NAV" on page 45 in NORDEN's consolidated annual report 2009. Reference is made to that description for supplementary information.

## 9. Significant events after the balance sheet date

Between the end of the quarter and the publication of this interim report, other than the developments disclosed in the interim review, no significant events have occurred which have not been recognised and adequately disclosed and which materially affect the profit for the period or the statement of financial position.