

# ANNUAL REPORT 2014 AND OUTLOOK 2015

Announcement no. 2 – 4 March 2015

- Underlying operations (EBITDA): USD -31 million.
- EBITDA: USD -261 million (2013: USD 24 million) in line with the most recently announced expectations and impacted by provision for onerous contracts of USD 230 million, which will be reversed in coming years.
- Results for the year: USD -416 million (USD -48 million) of which value adjustment USD -61 million on hedging instruments.
- Strategy adjusted to more challenging markets than expected:
  - Dry Cargo fleet reduced by 21%
  - Investment programme on hold
  - 5 vessels sold – proceeds of USD 112 million
  - Coverage in Dry Cargo increased to 55% for 2015
  - Working capital improved by USD 34 million
  - Reorganised Dry Cargo Department
  - Savings programme launched, target: USD 20 million annually
  - USD 221 million in new credit facilities secured
  - Achieved hire savings of USD 10.5 million
- Dry Cargo: Market badly hit by Chinese slowdown. Earnings 2% above 1-year T/C rates, 35% above spot rates.
- Tankers: Strong market at the end of the year continued into 2015. Earnings 6% above 1-year T/C rates.
- Guidance at EBIT level due to larger fleet of owned vessels and resulting depreciation.
- Outlook for 2015: EBIT of USD -40 million to USD 40 million (USD -335 million).
- The Board of Directors proposes that no dividend be paid.

## Interim CEO Klaus Nyborg in comment:

*"Contrary to expectations, the dry cargo market in 2014 went from bad to worse. NORDEN launched a number of initiatives and cleared up in old contracts, which affected results for the year significantly. The Tanker Department generated the best operating profit in 6 years. In spite of a continued very difficult dry cargo market, the initiatives, along with a good start in Tankers, will ensure a significant improvement in NORDEN's results for 2015."*

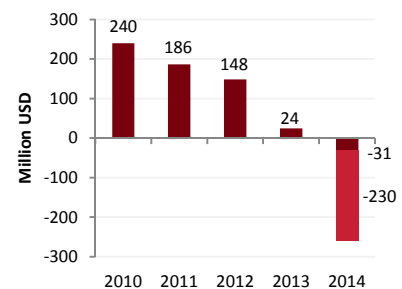
A telephone conference will be held today at 3:30 p.m. (CET) where interim CEO Klaus Nyborg, CFO Michael Tønnes Jørgensen and Executive Vice President Martin Badsted will comment on the report. By 3:25 p.m. (CET) at the latest, Danish participants should dial in on +45 3272 8018 while participants from abroad should dial in on +44 (0) 145 255 5131 or +1 866 682 8490. 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:

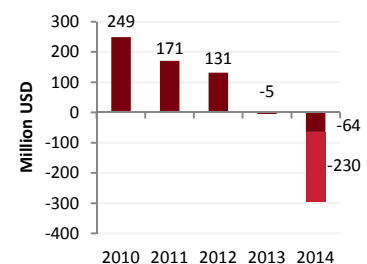
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EBITDA 2010-2014, Group



EBITDA 2010-2014, Dry Cargo



EBITDA 2010-2014, Tankers

