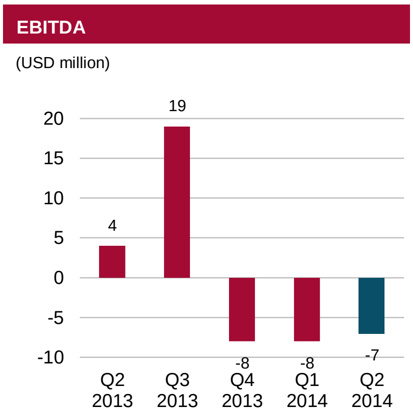
INTERIM REPORT
FIRST HALF-YEAR OF 2014

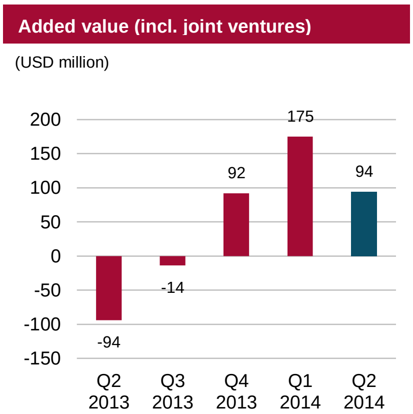
Announcement no. 34 – 13 August 2014

- EBITDA Q2 2014 USD -7 million (Q2 2013: USD 4 million)
- Results for the period H1 2014: USD -68 million (H1 2013: USD -34 million), which is unsatisfactory
- The weak dry cargo market continued
- Dry Cargo earnings 1% above the average 1-year T/C rates and 57% above Baltic Exchange spot rates
- Disappointing tanker market
- Market value of owned vessels USD 94 million above carrying amounts
- Strategy adjusted to the unsatisfactory market development:
    - Activity level reduced by fewer operated vessels
    - No further investments in the second quarter of 2014
- Some improvement in rates towards the end of the year is expected in both segments
- Expectations for 2014 EBITDA are adjusted downwards to USD -60 to 0 million (USD -40 to 60 million)



Interim CEO Klaus Nyborg in comment:

"The second quarter was more challenging than expected at the beginning of the year, and the 2014 markets have not yet met the expectations of a gradual improvement – neither within dry cargo nor tankers. But despite a significant worsening in the dry cargo market in the second quarter, NORDEN improved its Dry Cargo results compared to the first quarter. At the same time, NORDEN has taken advantage of the flexibility of the business model and reduced the fleet. The market rates are still expected to improve towards the end of the year but not to such an extent that we can maintain our previous expectations for the results for the year. Based on this, NORDEN makes a downward adjustment of its expectations to an EBITDA of USD -60 to 0 million."



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 where the accompanying presentation is also available.

Further information: CFO Michael Tønnes Jørgensen and Executive Vice President Martin Badsted, tel. +45 3315 0451.

KEY FIGURES AND RATIOS FOR THE GROUP

USD '000	1/1-30/6 2014	1/1-30/6 2013	Change H1 2013-2014	1/1-31/12 2013
INCOME STATEMENT				
Revenue	1,062,890	1,023,989	4%	2,145,899
Costs	-1,078,008	-1,010,514	7%	-2,121,619
Profit before depreciation, etc. (EBITDA)[1)	-15,118	13,475	-	24,280
Profits from the sale of vessels, etc.	-2	2,136	-	2,453
Depreciation	-31,369	-37,917	-17%	-79,045
Profit from operations (EBIT)	-49,746	-22,638	-	-51,278
Fair value adjustment of certain hedging instruments	-10,975	-6,175	78%	10,580
Net financials	-4,454	-2,167	-	-2,459
Results before tax	-65,175	-30,980	-	-43,157
Results for the period	-68,152	-33,557	-	-47,748
STATEMENT OF FINANCIAL POSITION				
Non-current assets	1,238,295	1,228,136	1%	1,215,189
Total assets	1,870,329	1,979,718	-6%	2,061,242
Equity (including minority interests)	1,487,080	1,626,630	-9%	1,604,817
Liabilities	383,249	353,088	9%	456,425
Invested capital	1,408,321	1,336,360	5%	1,376,971
Net interest-bearing assets	78,759	290,270	-73%	227,846
Cash and securities	323,150	485,213	-33%	486,061
CASH FLOWS				
From operating actitivies	-26,198	35,027	-	-8,858
From investing activities	-32,426	-75,562	57%	-102,955
- hereof investments in property, equipment and vessels	-57,807	-112,523	49%	-139,389
From financing activities	-65,020	9,685	-	62,480
Change in cash and cash equivalents for the period	-123,644	-30,850	-	-49,333
FINANCIAL AND ACCOUNTING RATIOS				
Share-related key figures and financial ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	40,460,155	40,982,651	-1%	40,770,988
Number of treasury shares	1,739,845	2,017,349	-14%	2,229,012
Earnings per share (EPS) (DKK[2))	-1.7 (-9)	-0.8 (-5)	-	-1.2 (-7)
Diluted earnings per share (diluted EPS) (DKK[2))	-1.7 (-9)	-0.8 (-5)	-	-1.2 (-7)
Book value per share (excluding treasury shares) (DKK[2))	36.8 (201)	39.7 (226)	-7%	39.4 (213)
Share price at end of period, DKK	182.7	194.6	-6%	285.0
Price/book value (DKK[2))	0.9	0.9	-	1.3
Other key figures and financial ratios:				
EBITDA ratio[1)	-1.4%	1.3%	-	1.1%
ROIC	-7.1%	-3.4%	-	-3.8%
ROE	-8.8%	-4.1%	-	-2.9%
Equity ratio	79.5%	82.2%	-3%	77.9%
Total no. of ship days for the Group	44,278	42,897	3%	90,069
USD/DKK rate at end of period	545.89	570.24	-4%	541.27
Average USD/DKK rate	544.47	567.70	-4%	561.60

1) The ratios were computed in accordance with "Recommendations and Financial Ratios 2010" published by the Danish Society of Financial Analysts. However, "Profits from the sale of vessels, etc." has not been included in EBITDA.

2) Converted at the USD/DKK rate at end of period.

COMMENTS ON THE DEVELOPMENT OF THE GROUP FOR THE PERIOD

- Dry Cargo EBITDA USD -6 million and Tanker EBITDA USD 1 million
- Cash and securities of USD 323 million
- Undrawn credit facilities of USD 220 million
- USD 48 million to the shareholders in dividend and share buy-back

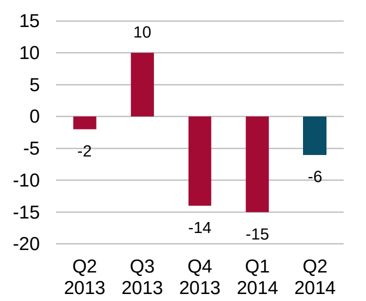
EBITDA USD -7 million

In the second quarter of 2014, NORDEN realised an EBITDA of USD -7 million against USD 4 million in the same period last year. The decrease is driven by disappointing market developments in both dry cargo and tankers. The Dry Cargo Department's EBITDA came to USD -6 million, which is a slight decrease from the same period last year. However, the results are an improvement compared to the first quarter of 2014 despite generally lower market levels. EBITDA in the Tanker Department was USD 1 million.

As a consequence of the lower EBITDA, EBIT amounted to USD -27 million in the second quarter 2014 against USD -16 million in the second quarter 2013.

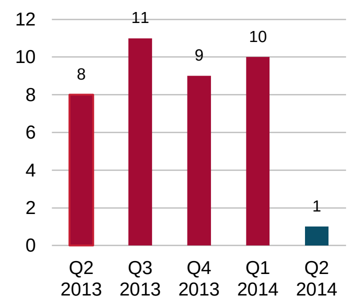
EBITDA Dry Cargo

(USD million)



EBITDA Tankers

(USD million)



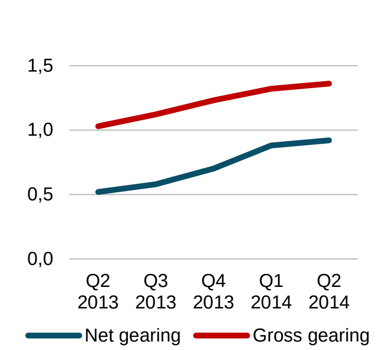
In the second quarter of 2014, NORDEN had a total change in cash and cash equivalents of USD -111 million of which USD -48 million is attributable to payment of dividends and share buy-back. Cash flows from operating activities were USD -29 million as a result of the operating loss while cash flows from investing activities were USD -24 million relating mainly to investments in vessels and prepayments on newbuildings. Total cash flows from financing activities were USD -58 million including USD -11 million relating to repayments of debt.

Continued strong financial position

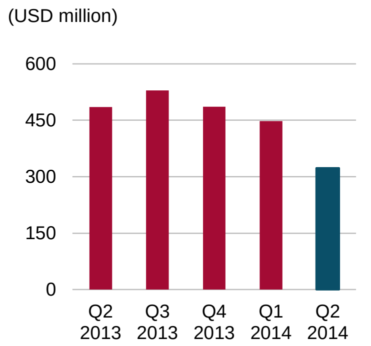
At the end of the quarter, the Company had cash and securities of USD 323 million and undrawn credit facilities of USD 220 million. In comparison, there are outstanding payments on the newbuilding programme of USD 424 million due in the period 2014-2017. NORDEN continues to be an attractive business partner for financial institutions, and at the moment, establishment of further credit facilities of up to USD 200 million is in progress.

NORDEN's net commitments decreased by USD 30 million to USD 1,377 million during the quarter mainly as a result of lower T/C commitments. Despite lower net commitments, net gearing increased to 0.92 at the end of the quarter due to lower equity.

Gearing



Cash and securities

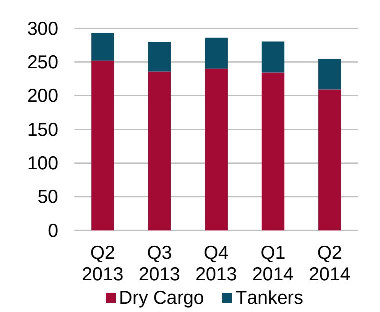


Adjustment of the size of the fleet

At the end of the quarter, the total active fleet counted 255 vessels, which was 25 vessels fewer than the 280 vessels constituting the active fleet at the end of the first quarter. The decrease is due to a lower number of short-term chartered vessels in Dry Cargo where the size of the fleet has been adjusted to the low markets. The adjustment has continued after the end of the quarter.

The Tanker Department has added a 5-year eco MR long-term charter with purchase option for delivery in 2016 to its fleet as mentioned in the first quarter. Furthermore, a Handysize eco newbuilding has been delivered to the fleet.

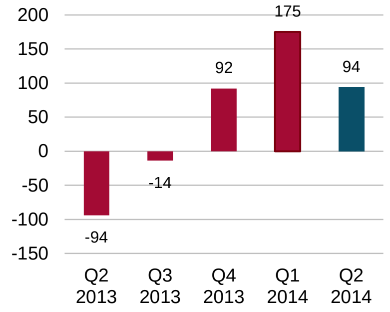
Active fleet



Based on the average of valuations from 3 independent brokers, the market value of NORDEN's owned vessels and newbuildings (including vessels in joint ventures) was estimated at USD 1,706 million at the end of the quarter, corresponding to an average drop in valuations of 4% compared to the last quarter. The market value of owned vessels is thus USD 94 million above carrying amounts and costs.

Added value (incl. joint ventures)

(USD million)



The theoretical value of NORDEN's purchase and extension options is estimated at USD 137 million at the end of the first half-year against USD 154 million at the end of the first quarter. The decrease is due to general decreases in T/C rates and vessel prices. A sensitivity analysis shows that a drop in T/C rates and vessel prices of 10% would mean a decrease of 24% to USD 104 million whereas an increase of 10% would mean an increase of 29% to USD 177 million.

Impairment test

Calculated without vessels in joint ventures and sold assets, the market value of NORDEN's owned vessels is USD 83 million above carrying amounts and costs, which amount to a total of USD 1,545 million. The difference is distributed with USD 85 million in Dry Cargo and USD -2 million in Tankers. The Company has therefore performed a routine impairment test based on value in use. On this background, no further indication of impairment of carrying amounts was found, and there is no need for reversing already made write-downs.

Changes in management

After 17 years at NORDEN, of which almost 10 years as CEO, Carsten Mortensen resigned from his position in June 2014 (see company announcement no. 29/2014). Vice chairman of the Board of Directors Klaus Nyborg has taken up the position as interim CEO (see company announcement no. 32/2014). The Board of Directors has initiated a selection process with a view to finding a new CEO.

STRATEGY UPDATE

- Exposure adjusted to disappointing markets
- Gearing increased to a satisfactory level

In the autumn of 2013, NORDEN formulated an updated strategy, which was i.a. based on the prospect of improving markets. The headline of the strategy is *Capture value in improving markets*. But the markets have been disappointing in the first half of 2014.

Low spot market

Overall, the dry cargo spot market in the first half-year of 2014 has been better than the historically low first half of 2013, but at the end of the second quarter, the market returned to the low levels from 2013. In the tanker market, spot rates have also disappointed and have shown no improvement compared to 2013, rather the reverse.

The poorer than expected markets will not influence NORDEN's business model and overall strategy, but based on the market developments in the first half-year, the part of the strategy pertaining to market exposure has been evaluated and adjusted.

Active fleet reduced

NORDEN's business model with a large share of short-term charters provides the possibility of adjusting capacity and activity levels on an ongoing basis, and since the end of the first quarter, the active fleet in Dry Cargo has been reduced by 15%. The strategy includes the ambition to have high exposure to increasing markets, and at the same time over the course of a longer period, it has been assessed that coverage in the form of long-term cargo contracts has not been possible at attractive levels. Therefore, NORDEN entered 2014 with significantly more open ship days. In spite of the fact that the market has disappointed and that higher coverage could have created value, it is still the assessment that the cargo contracts available at the time would not have been profitable to make.

In the coming period, NORDEN will not actively increase exposure, but it is also assessed that it will not be profitable to enter into a considerable number of future cargo contracts as long as the rate levels are as low as they are currently.

No further investments

The strategy also prepares for an increase of the financial gearing. This has also taken place within the recent year. However, the increase in gearing in 2014 has been stemmed as NORDEN has decided not to make further investments in the first half-year and as the change in the level of contractual coverage has decreased. The current level of gearing is deemed satisfactory.

Following the implementation of the strategy with significant investment activities in the second half of 2013 and at the beginning of 2014, NORDEN has not made further investments in 2014. NORDEN neither expects to make further investments in the core fleet in the second half of 2014. The Company will instead seek to optimise value creation with the current fleet size with continued focus on fuel efficiency and optimisation of voyages and contracts.

In spite of the poor markets, ship values have generally increased since the strategy was drafted. This means that NORDEN's investment programme at historically low prices has been satisfactory for the Company. At the same time, the investment programme has secured competitive fleet growth with eco focus.

The flexible business model, a skilled organisation as well as a strong commercial and financial position provide NORDEN with the opportunity of staying patient and exploring the opportunities of creating value in the coming years.

SEGMENT INFORMATION

USD '000	Q2 2014				Q2 2013			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	417,755	87,433	0	505,188	438,757	84,889	0	523,646
Voyage costs	-197,275	-35,552	0	-232,827	-223,558	-34,018	0	-257,576
Contribution margin	**220,480**	**51,881**	**0**	**272,361**	**215,199**	**50,871**	**0**	**266,070**
Other operating income, net	2,041	60	0	2,101	2,015	34	0	2,049
Vessel operating costs	-218,567	-49,363	0	-267,930	-210,810	-41,298	0	-252,108
Costs	-9,667	-1,691	-2,601	-13,959	-8,528	-1,370	-2,215	-12,113
Profit before depreciation, etc. (EBITDA)	**-5,713**	**887**	**-2,601**	**-7,427**	**-2,124**	**8,237**	**-2,215**	**3,898**
Profits from the sale of vessels, etc.	-34	0	0	-34	-18	-40	26	-32
Depreciation	-8,170	-7,317	-458	-15,945	-10,402	-8,215	-684	-19,301
Share of results of joint ventures	-3,932	167	0	-3,765	-328	46	0	-282
Profit before operations (EBIT)	**-17,849**	**-6,263**	**-3,059**	**-27,171**	**-12,872**	**28**	**-2,873**	**-15,717**
Fair value adjustment of certain hedging instruments	-10,807	0	0	-10,807	-7,130	0	0	-7,130
Financial income	0	0	1,568	1,568	0	0	273	273
Financial expenses	0	0	-3,677	-3,677	0	0	1,476	1,476
Tax for the period	-1,310	-144	-62	-1,516	-1,069	-156	-60	-1,285
Results for the period	**-29,966**	**-6,407**	**-5,230**	**-41,603**	**-21,071**	**-128**	**-1,184**	**-22,383**

USD '000	H1 2014				H1 2013			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	881,506	181,384	0	1,062,890	843,822	180,167	0	1,023,989
Voyage costs	-435,309	-70,206	0	-505,515	-441,892	-73,538	0	-515,430
Contribution margin	**446,197**	**111,178**	**0**	**557,375**	**401,930**	**106,629**	**0**	**508,559**
Other operating income, net	4,373	61	0	4,434	3,603	68	0	3,671
Vessel operating costs	-452,097	-96,696	0	-548,793	-389,792	-84,292	0	-474,084
Costs	-19,110	-3,363	-5,661	-28,134	-17,133	-2,844	-4,694	-24,671
Profit before depreciation, etc. (EBITDA)	**-20,637**	**11,180**	**-5,661**	**-15,118**	**-1,392**	**19,561**	**-4,694**	**13,475**
Profits from the sale of vessels, etc.	-2	0	0	-2	-83	2,183	36	2,136
Depreciation	-16,107	-14,239	-1,023	-31,369	-20,964	-15,389	-1,564	-37,917
Share of results of joint ventures	-3,634	377	0	-3,257	-531	199	0	-332
Profit before operations (EBIT)	**-40,380**	**-2,682**	**-6,684**	**-49,746**	**-22,970**	**6,554**	**-6,222**	**-22,638**
Fair value adjustment of certain hedging instruments	-10,975	0	0	-10,975	-6,175	0	0	-6,175
Financial income	0	0	3,537	3,537	0	0	3,589	3,589
Financial expenses	0	0	-7,991	-7,991	0	0	-5,756	-5,756
Tax for the period	-2,578	-289	-110	-2,977	-2,136	-318	-123	-2,577
Results for the period	**-53,933**	**-2,971**	**-11,248**	**-68,152**	**-31,281**	**6,236**	**-8,512**	**-33,557**

USD '000	H1 2014				H1 2013			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Vessels	563,663	518,570	0	1,082,233	595,908	476,035	0	1,071,943
Other tangible assets	46	0	53,324	53,370	351	0	54,166	54,517
Prepayments on vessels and newbuildings	32,692	52,880	0	85,572	8,619	75,567	0	84,186
Investments in joint ventures	13,374	3,746	0	17,120	13,826	3,664	0	17,490
Non-current assets	**609,775**	**575,196**	**53,324**	**1,238,295**	**618,704**	**555,266**	**54,166**	**1,228,136**
Current assets	**256,172**	**52,712**	**323,150**	**632,034**	**219,502**	**46,867**	**485,213**	**751,582**
Total assets	**865,947**	**627,908**	**376,474**	**1,870,329**	**838,206**	**602,133**	**539,379**	**1,979,718**

DRY CARGO

- EBITDA USD -6 million (USD -2 million)
- Earnings above the market
- Weak market due to lacking volumes of coal, bauxite and nickel

In the second quarter, the Dry Cargo Department realised an EBITDA of USD -6 million, which was somewhat lower than the same quarter in 2013 when EBITDA was USD -2 million. In spite of worsened markets, these results were an improvement compared to the first quarter of 2014 when EBITDA was USD -15 million. Dry Cargo T/C earnings were 1% above the average 1-year T/C rates despite the fact that these include expectations for improved future markets and 57% above the average spot rates from the Baltic Exchange.

Continued worsening of the market

The dry cargo market has worsened significantly over the year and does not live up to the expectations from the beginning of the year. Especially Panamax has been badly hit and saw a historically poor quarter in the second quarter of 2014, which was primarily driven by an extraordinarily low market level in the Atlantic. Rates for the smaller vessel types have also disappointed, and in both Handysize and Supramax, levels have been below the likewise poor second quarter of 2013. Capesize rates dropped significantly from the level in the first quarter but were still better than last year with improvement of the average spot rates of 88%.

The relatively better Capesize market was primarily driven by an increase in Chinese imports of iron ore of 19% compared to last year, but this has only had a limited positive effect on the smaller vessel types in which many of the challenges from the first quarter continued into the second quarter with intensified force.

Continued absence of Indonesian export of bauxite and nickel

The Indonesian export of bauxite and nickel is still absent. China has drawn from its stock built up at the end of 2013 and has therefore not yet increased imports from other sources. At the same time, there has been a greater than expected slowdown in the transportation of coal, e.g. into China due to increased production of hydroelectric power as well as increased domestic coal production for the steel production industry.

Missing grain volumes out of South America

The South American grain season has not had its traditional positive effect on the market in the second quarter which has affected the Panamax and, to some extent, the Supramax market heavily. Thus, grain exports out of Argentina have been 25% down from last year, i.a. due to the economical turbulence in Argentina. In addition to the lacking volumes, there has been significantly less congestion in the South American ports compared to 2013 due to better infrastructure and favourable weather conditions.

Employment and rates, Dry Cargo, Q2 2014

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total**
NORDEN ship days	352	728	6,079	8,153	2,381	17,693
NORDEN T/C (USD per day)	19,137	14,981	12,241	12,132	10,841	12,252
1-year T/C (USD per day)*	25,327	15,087	12,481	11,865	9,596	12,171
NORDEN vs. 1-year T/C	-24%	-1%	-2%	+2%	+13%	+1%

* Source: Clarksons ** Weighted average

NORDEN T/C is gross amount to make the figure comparable to the market T/C. The following percentages are used as standard broker commission: Capesize, Post-Panamax and Panamax: 3.75%, Supramax and Handysize: 5%. In case the vessel type is operated in a pool, the pool management fee is added.

The market effect of otherwise record high exports of soybean out of Brazil has therefore been limited also since a larger share than normal has gone to destinations in the Atlantic rather than China.

Improvement in second half-year – but not at 2013 level

An improvement of the markets is expected in the second half-year, e.g. due to a seasonal increase in iron ore exports from Brazil. At the same time, there will likely be overlap between the North American grain season and the delayed grain volumes out of Argentina. However, it is not considered likely that rates will reach the levels from the second half of 2013. Trade in nickel and bauxite will improve but is expected to be below the level from the second half-year of 2013, which was influenced by extraordinary stock building in China. The greatest uncertainty factor remains the global coal transportation where even minor changes in consumption, production and prices may have a considerable effect on the need for transportation.

Continued low fleet growth

During the second quarter, 11 million dwt. was delivered, which is the lowest level since the second quarter of 2009, and total net fleet growth in the second quarter was 1%. This supports an annual net fleet growth rate within the expected range of 4-6%. This is still low from a historical perspective, and it increases the likelihood of improving markets in the second half of 2014 and into 2015.

Order activity slowed down during the second quarter with 111 newbuilding contracts (10.3 million dwt.), which is only half of the activity level in the first quarter. At the end of the quarter, the order book constituted 21.5% of the fleet.

NORDEN's Dry Cargo fleet and values at 30 June 2014

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total
Vessels in operation						
Owned vessels	3.0	4.0	3.0	4.0	12.0	26.0
Chartered vessels with purchase option	1.0	4.0	10.0	16.0	11.0	42.0
Total active core fleet	**4.0**	**8.0**	**13.0**	**20.0**	**23.0**	**68.0**
Chartered vessels without purchase option	-	1.0	52.5	73.0	14.9	141.4
Total active fleet	**4.0**	**9.0**	**65.5**	**93.0**	**37.9**	**209.4**
Vessels to be delivered						
Newbuildings (owned)	-	-	4.0	8.5	-	12.5
Chartered vessels with purchase option	1.0	-	10.5	7.0	-	18.5
Total for delivery to core fleet	**1.0**	**-**	**14.5**	**15.5**	**-**	**31.0**
Chartered vessels over 3 years without purchase option	-	-	-	-	-	-
Total to be delivered	**1.0**	**-**	**14.5**	**15.5**	**-**	**31.0**
Total gross fleet	**5.0**	**9.0**	**80.0**	**108.5**	**37.9**	**240.4**
Dry Cargo fleet values at 30 June 2014 (USD million)						
Market value of owned vessels and newbuildings*	100	117	202	366	249	**1,034**
Value of purchase and extension options	16	8	44	55	7	**130**

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

Coverage is kept at a moderate level in expectation of market improvement

At the end of the quarter, coverage for the rest of 2014 in the Dry Cargo Department amounted to 65% corresponding to 8,234 open ship days. This reflects a covered third quarter (79%) while fourth quarter coverage (47%) remains at the same level as at the end of the first quarter. Thus, the Company expects a gradually improving spot market towards the end of the year.

Coverage and capacity, Dry Cargo, at 30 June 2014

	2014 Q3	2014 Q4	2015	2016	2014 Q3	2014 Q4	2015	2016
Owned vessels		**Ship days**						
Capesize	264	276	1,032	1,083				
Post-Panamax	368	368	1,380	1,444				
Panamax	276	276	1,375	1,733				
Supramax	358	368	1,672	2,883				
Handysize	1,070	1,104	4,280	4,327				
Total	**2,336**	**2,392**	**9,739**	**11,470**				
Chartered vessels					**Costs for T/C capacity (USD per day)**			
Capesize	92	92	365	366	18,714	18,672	18,665	18,665
Post-Panamax	375	368	1,460	1,464	18,714	18,912	18,912	18,886
Panamax	4,247	3,766	9,989	8,301	12,517	12,859	13,038	13,386
Supramax	4,267	2,367	6,419	5,683	11,855	12,372	12,799	13,220
Handysize	1,472	1,464	4,767	3,630	12,596	12,722	12,212	12,498
Total	**10,453**	**8,057**	**23,000**	**19,444**	**12,535**	**13,034**	**13,262**	**13,685**
					Costs for gross capacity (USD per day)*			
Total capacity	**12,789**	**10,449**	**32,739**	**30,914**	**11,243**	**11,271**	**10,959**	**10,614**
Coverage					**Revenue from coverage (USD per day)**			
Capesize	135	92	59	0	17,942	24,802	24,710	0
Post-Panamax	313	158	95	0	9,764	14,999	16,217	0
Panamax	3,507	1,826	3,416	2,543	11,675	12,744	15,875	17,074
Supramax	4,369	1,947	3,021	1,419	11,551	11,444	11,824	13,590
Handysize	1,760	897	1,436	1,285	9,535	11,553	13,018	13,380
Total	**10,084**	**4,920**	**8,027**	**5,247**	**11,272**	**12,311**	**13,908**	**15,227**
Coverage in %								
Capesize	38%	25%	4%	0%				
Post-Panamax	42%	21%	3%	0%				
Panamax	78%	45%	30%	25%				
Supramax	94%	71%	37%	17%				
Handysize	69%	35%	16%	16%				
Total	**79%**	**47%**	**25%**	**17%**				

* Including cash running costs of owned vessels.

Costs are excluding administrative expenses. For vessel types which are operated in a pool, the T/C equivalent is after management fee. With regard to the Dry Cargo pools, NORDEN receives the management fee as "Other operating income".

TANKERS

- EBITDA USD 1 million (USD 8 million)
- Tanker market lower than expected
- Slow start-up of new refinery in Saudi Arabia

Disappointing market in the second quarter

EBITDA for NORDEN's Tanker Department in the second quarter came to USD 1 million (USD 8 million). Both within Handysize and MR, the spot market was lower than in the same quarter last year, and earnings amounted to USD 12,727 per day for Handysize and USD 12,865 per day for MR. Spot earnings in the second quarter were USD 12,218 per day for Handysize and USD 12,094 per day for MR.

Increasing effect of maintenance of US refineries

Some refinery capacity has been out of operation due to maintenance in the second quarter, especially in the USA. This annual maintenance period in the USA has a growing impact on the product tanker market as US exports constitute an increasing part of global trade. In addition, the new large Jubail refinery in Saudi Arabia is still not exporting at full capacity.

Less trade with vegetable oil

A part of the global product tanker fleet is engaged in the transportation of vegetable oil, and growth has in recent years had a positive impact on the demand for product tankers, but in 2014, growth has been replaced by decrease. The amount of transported vegetable oil has thus decreased by 2% compared to the same period last year when full-year growth for 2013 came to 6%. It is particularly the export of palm oil from Malaysia and Indonesia which has decreased, which is i.a. due to greater political focus on using the oil domestically as a substitute for imported gasoline.

Large influx of LR1 and LR2 vessels from DPP

The addition of newly built product tankers has been relatively low in the last 12 months, and fleet growth after scrapping has been around 2% over the last year. However, the actual number of vessels in the product tanker market has increased significantly more. During 2013, a number of LR1 and LR2 vessels chose to shift from the market for transportation of dirty petroleum products (DPP) (crude oil) to the market for clean petroleum products (CPP) (refined oil products), which is the primary market for NORDEN's MR fleet.

It is estimated that 30-35 LR1/LR2 vessels were moved from the DPP to the CPP market, which actually more than doubled growth in the fleet available in the CPP market.

Employment and rates, Tankers, Q2 2014

Vessel type	MR	Handysize	Total**
NORDEN ship days	2,591	1,642	4,232
NORDEN T/C (USD per day)	12,865	12,727	12,811
1-year T/C (USD per day)*	14,654	14,308	14,520
NORDEN vs. 1-year T/C	-12%	-11%	-12%

* Source: Clarksons ** Weighted average

NORDEN T/C is gross amount to make the figure comparable to the market T/C. A standard broker commission of 2.5% is used in the Tanker segment. In addition, the pool management fee is added.

Increasing newbuilding deliveries

Market rates have shown signs of improved balance with only a limited number of waiting days. At the same time, the large crude oil tankers are experiencing periods with increased rates, which may have a positive effect on the transportation of DPP on the smaller Handysize vessels. Delivery activity from the yards is, however, increasing, and fleet growth in both the second half-year of 2014 and in 2015 should be expected to be larger than in the last couple of years. However, the strong market for the large crude oil tankers is likely to slow down the influx to the CPP market or even return LR1 and LR2 vessels to the DPP market.

The low level of additions to the order book continued in the second quarter when growth amounted to 1.2 million dwt. This corresponds to approximately 1% of the current fleet, and at the end of the quarter, the order book constituted 19.8% of the fleet.

NORDEN's Tanker fleet and values at 30 June 2014

Vessel type	MR	Handysize	Total
Vessels in operation			
Owned vessels	7.0	12.0	**19.0**
Chartered vessels with purchase option	8.0	-	**8.0**
Total active core fleet	**15.0**	**12.0**	**27.0**
Chartered vessels without purchase option	12.0	7.0	**19.0**
Total active fleet	**27.0**	**19.0**	**46.0**
Vessels to be delivered			
Newbuildings (owned)	4.0	1.0	**5.0**
Chartered vessels with purchase option	-	-	**-**
Total for delivery to core fleet	**4.0**	**1.0**	**5.0**
Chartered vessels over 3 years without purchase option	-	-	-
Total to be delivered	**4.0**	**1.0**	**5.0**
Total gross fleet	**31.0**	**20.0**	**51.0**
Tanker fleet values at 30 June 2014 (USD million)			
Market value of owned vessels and newbuildings*	371	301	**672**
Value of purchase and extension options	7	-	**7**

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

NORDEN

Continued high spot exposure

At the end of the second quarter, NORDEN had covered 24% of the ship days in Tankers for the rest of 2014. Coverage is at the same level as at the end of the first quarter.

Capacity and coverage, Tankers, at 30 June 2014

	2014 Q3	2014 Q4	2015	2016	2014 Q3	2014 Q4	2015	2016
Owned vessels		**Ship days**						
MR	644	644	3,766	3,961				
Handysize	1,150	1,186	4,656	4,671				
Total	**1,794**	**1,830**	**8,422**	**8,632**				
Chartered vessels					**Costs for T/C capacity (USD per day)**			
MR	1,830	1,569	4,562	2,633	14,651	14,794	15,285	16,193
Handysize	580	460	847	0	13,814	14,229	14,229	0
Total	**2,410**	**2,029**	**5,409**	**2,633**	**14,450**	**14,666**	**15,120**	**16,193**
					Costs for gross capacity (USD per day)*			
Total capacity	**4,204**	**3,859**	**13,831**	**11,265**	**11,247**	**11,020**	**10,157**	**9,112**
Coverage					**Revenue from coverage (USD per day)**			
MR	596	232	210	0	11,853	14,383	15,797	0
Handysize	734	345	229	0	13,665	14,622	13,955	0
Total	**1,330**	**577**	**439**	**0**	**12,853**	**14,526**	**14,836**	**0**
Coverage in %								
MR	24%	10%	3%	0%				
Handysize	42%	21%	4%	0%				
Total	**32%**	**15%**	**3%**	**0%**				

* Including cash running costs of owned vessels.

Costs are excluding administrative expenses. For vessel types which are operated in a pool, the T/C equivalent is after management fee.

OUTLOOK FOR 2014

NORDEN makes a downward adjustment of its full-year estimate

NORDEN makes a downward adjustment of its full-year estimate. The previous expectations for Group EBITDA of USD -40 to 60 million are adjusted to USD -60 to 0 million.

The downward adjustment is driven by weak market development in both segments. Even though the Dry Cargo Department has performed better than expected in the second quarter, it is more than cancelled out by an expected weak third quarter. Based on this, the Dry Cargo Department expects an EBITDA of USD -60 to -30 million. The middle of this range is based on the forward rates at the beginning of August and includes USD 5 million in operator profit in Dry Cargo.

Following a weak MR market in the first half-year, the Tanker Department now expects an EBITDA of USD 15-45 million.

Expectations for CAPEX are changed to USD 130-150 million (USD 100-120 million) as a result of advanced delivery of 2 product tanker newbuildings.

Expectations for the full year

Expectations for 2014

(USD million)	Dry Cargo	Tankers	Group
EBITDA	-60 to -30	15-45	-60-0
Profit from the sale of vessels			0
CAPEX			130-150

Sale of vessels

The expectations do not include profit from sale of vessels. The Company regularly assesses the market for purchase and sale of vessels based on pricing, timing, capacity adjustment and optimisation of fleet and order book.

Risks and uncertainties

At the beginning of August, there are around 6,000 open ship days in Dry Cargo, and a change of USD 1,000 per day in expected T/C equivalents would mean a change in earnings of approximately USD 6 million. Earnings in Dry Cargo are also sensitive to possible counterparty risks and changes in the rate level between regions and vessel types.

Earnings expectations in Tankers primarily depend on the development in the spot market. Based on 5,200 open ship days in Tankers at the beginning of August, a change of USD 1,000 per day in expected T/C equivalents would mean a change in earnings of approximately USD 5.2 million.

Forward-looking statements

This report includes forward-looking statements reflecting management's current perception of future trends and financial performance. The statements for the rest of 2014 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively, 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.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management today reviewed and approved the interim report for the first half-year of 2014 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 reviewed by the auditors.

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 risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2013.

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

Furthermore, the management commentary gives a fair representation of the Group's activities and financial position as well as a description of the material risks and uncertainties which the Group is facing.

Hellerup, 13 August 2014

Executive Management

Michael Tønnes Jørgensen
Executive Vice President & CFO

Lars Bagge Christensen
Executive Vice President

Martin Badsted
Executive Vice President

Ejner Bonderup
Executive Vice President

Board of Directors

Mogens Hugo
Chairman

Klaus Nyborg
Vice Chairman & interim CEO

Alison J. F. Riegels

Erling Højsgaard

Karsten Knudsen

Arvid Grundekjøn

Ole Clausen

Anne-Katrine Nedergaard

Lars Enkegaard Biilmann

INCOME STATEMENT

Note	USD '000	2014	2013	2013
		H1	**H1**	**Q1-Q4**
	Revenue	1,062,890	1,023,989	2,145,899
	Costs	-1,078,008	-1,010,514	-2,121,619
	Profit before depreciation, etc. (EBITDA)	**-15,118**	**13,475**	**24,280**
	Profits from the sale of vessels, etc.	-2	2,136	2,453
	Depreciation	-31,369	-37,917	-79,045
	Share of results of joint ventures	-3,257	-332	1,034
	Profit from operations (EBIT)	**-49,746**	**-22,638**	**-51,278**
2	Fair value adjustment of certain hedging instruments	-10,975	-6,175	10,580
	Net financials	-4,454	-2,167	-2,459
	Results before tax	**-65,175**	**-30,980**	**-43,157**
	Tax for the period	-2,977	-2,577	-4,591
	Results for the period	**-68,152**	**-33,557**	**-47,748**
	Attributable to:			
	Shareholders of NORDEN	-68,152	-33,555	-47,746
	Minority interests	0	-2	-2
	Total	**-68,152**	**-33,557**	**-47,748**
	Earnings per share (EPS), USD	**-1.7**	**-0.8**	**-1.2**
	Diluted earnings per share, USD	**-1.7**	**-0.8**	**-1.2**

STATEMENT OF COMPREHENSIVE INCOME

Note	USD '000	2014	2013	2013
		H1	**H1**	**Q1-Q4**
	Results for the period, after tax	-68,152	-33,557	-47,748
	Items which will be reclassified to the income statement:			
	Value adjustment of hedging instruments	-443	3,668	4,294
	Fair value adjustment of securities	895	-526	85
	Tax on fair value adjustment of securities	0	0	208
	Other comprehensive income, total	452	3,142	4,587
	Total comprehensive income for the period, after tax	**-67,700**	**-30,415**	**-43,161**
	Attributable to:			
	Shareholders of NORDEN	-67,700	-30,413	-43,159
	Minority interests	0	-2	-2
	Total	**-67,700**	**-30,415**	**-43,161**

INCOME STATEMENT BY QUARTER

Note	USD ’000	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
	Revenue	505,188	557,702	585,628	536,282	523,646
	Costs	-512,615	-565,393	-593,344	-517,761	-519,748
	Profit before depreciation, etc. (EBITDA)	**-7,427**	**-7,691**	**-7,716**	**18,521**	**3,898**
	Profits from the sale of vessels, etc.	-34	32	6	311	-32
	Depreciation	-15,945	-15,424	-20,600	-20,528	-19,301
	Share of results of joint ventures	-3,765	508	397	969	-282
	Profit from operations (EBIT)	**-27,171**	**-22,575**	**-27,913**	**-727**	**-15,717**
2	Fair value adjustment of certain hedging instruments	-10,807	-168	16,627	128	-7,130
	Net financials	-2,109	-2,345	-2,716	2,424	1,749
	Results before tax	**-40,087**	**-25,088**	**-14,002**	**1,825**	**-21,098**
	Tax for the period	-1,516	-1,461	-756	-1,258	-1,285
	Results for the period	**-41,603**	**-26,549**	**-14,758**	**567**	**-22,383**
	Attributable to:					
	Shareholders of NORDEN	-41,603	-26,549	-14,758	567	-22,381
	Minority interests	0	0	0	0	-2
	Total	**-41,603**	**-26,549**	**-14,758**	**567**	**-22,383**
	Earnings per share (EPS), USD	**-1.0**	**-0.7**	**-0.4**	**0.0**	**-0.5**
	Diluted earnings per share, USD	**-1.0**	**-0.7**	**-0.4**	**0.0**	**-0.5**

STATEMENT OF COMPREHENSIVE INCOME BY QUARTER

Note	USD ’000	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
	Results for the period, after tax	-41,603	-26,549	-14,758	567	-22,383
	Items which will be reclassified to the income statement:					
	Value adjustment of hedging instruments	-1,099	656	1,150	-524	3,034
	Fair value adjustment of securities	306	589	633	-22	-362
	Tax on fair value adjustment of securities	0	0	208	0	0
	Other comprehensive income, total	-793	1,245	1,991	-546	2,672
	Total comprehensive income for the period, after tax	**-42,396**	**-25,304**	**-12,767**	**21**	**-19,711**
	Attributable to:					
	Shareholders of NORDEN	-42,396	-25,304	-12,767	21	-19,709
	Minority interests	0	0	0	0	-2
	Total	**-42,396**	**-25,304**	**-12,767**	**21**	**-19,711**

STATEMENT OF FINANCIAL POSITION

Note	USD 1'000	2014	2013	2013
		30/6	**30/6**	**31/12**
	ASSETS			
3	Vessels	1,082,233	1,071,943	1,077,953
	Property and equipment	53,370	54,517	53,829
4	Prepayments on vessels and newbuildings	85,572	84,186	64,559
	Investments in joint ventures	17,120	17,490	18,848
	Non-current assets	**1,238,295**	**1,228,136**	**1,215,189**
	Inventories	98,135	88,077	111,349
	Receivables from joint ventures	454	1,259	4,119
	Receivables and accruals	210,295	177,033	244,524
	Securities	54,071	75,379	79,826
	Cash and cash equivalents	269,079	409,834	406,235
	Current assets	**632,034**	**751,582**	**846,053**
	Total assets	**1,870,329**	**1,979,718**	**2,061,242**
	EQUITY AND LIABILITIES			
	Share capital	6,706	6,833	6,833
	Reserves	8,586	6,689	8,134
	Retained earnings	1,471,788	1,613,108	1,589,850
	Equity	**1,487,080**	**1,626,630**	**1,604,817**
	Provision for docking (bareboat)	845	0	0
	Bank debt	216,744	173,566	230,568
	Non-current liabilities	**217,589**	**173,566**	**230,568**
	Bank debt	27,647	21,377	27,647
	Trade payables	108,514	119,926	121,648
	Liabilities in joint ventures	0	0	186
	Other payables, deferred income and company tax	29,499	38,219	76,376
	Current liabilities	**165,660**	**179,522**	**225,857**
	Liabilities	**383,249**	**353,088**	**456,425**
	Total equity and liabilities	**1,870,329**	**1,979,718**	**2,061,242**

STATEMENT OF CASH FLOWS

Note	USD '000	2014	2013	2014	2013	2013
		H1	H1	Q2	Q2	Q1-Q4
	Results for the period	-68,152	-33,557	-41,603	-22,383	-47,748
	Reversal of items without effect on cash flow	49,505	44,617	34,706	24,907	65,686
	Cash flows before change in working capital	-18,647	11,060	-6,897	2,524	17,938
	Change in working capital	-7,551	23,967	-21,965	52,738	-26,796
	Cash flows from operating activities	**-26,198**	**35,027**	**-28,862**	**55,262**	**-8,858**
	Investments in vessels, etc.	-19,938	-6,398	-19,182	-3,443	-17,071
	Additions in prepayments on newbuildings	-36,319	-106,125	-10,455	-79,461	-122,508
	Additions in prepayments received on sold vessels	0	-4,847	0	0	-4,847
	Investments in associates	-1,550	-5,000	-1,550	-5,000	-5,000
	Proceeds from the sale of vessels, etc.	52	48,812	2	242	49,362
	Acquisition of securities	0	-8,516	0	0	-13,457
	Sale of securities	25,329	6,512	7,348	6,512	10,566
	Cash flows from investing activities	**-32,426**	**-75,562**	**-23,837**	**-81,150**	**-102,955**
	Dividend paid to shareholders	-37,719	-21,919	-37,719	-21,919	-21,919
	Acquisition of treasury shares	-14,202	-9,356	-9,884	-9,356	-26,122
	Sale of treasury shares	1,258	48	538	0	6,757
	Winding up of minority interests	0	-62	0	-62	-62
	Additions of bank debt	0	50,000	0	50,000	125,240
	Installments on/payment of bank debt	-14,357	-9,026	-11,221	-7,974	-21,414
	Cash flows from financing activities	**-65,020**	**9,685**	**-58,286**	**10,689**	**62,480**
	Change in cash and cash equivalents for the period	**-123,644**	**-30,850**	**-110,985**	**-15,199**	**-49,333**
	Cash and cash equivalents at beginning of period, non-restricted	**406,235**	**453,738**	**385,942**	**417,432**	**453,738**
	Exchange rate adjustments	-13,512	-13,054	-5,878	7,601	1,830
	Change in cash and cash equivalents for the period	-123,644	-30,850	-110,985	-15,199	-49,333
	Cash and cash equivalents at the end of the period, non-restricted	**269,079**	**409,834**	**269,079**	**409,834**	**406,235**

NORDEN

STATEMENT OF CHANGES IN EQUITY

Note	USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	Group equity
	Equity at 1 January 2014	**6,833**	**8,134**	**1,589,850**	**1,604,817**	**0**	**1,604,817**
	Total comprehensive income for the period	0	452	-68,152	-67,700	0	-67,700
	Acquisition of treasury shares	0	0	-14,202	-14,202	0	-14,202
	Sale of treasury shares	0	0	1,258	1,258	0	1,258
	Distributed dividends	0	0	-39,833	-39,833	0	-39,833
	Dividends, treasury shares	0	0	2,114	2,114	0	2,114
	Capital reduction	-127	0	127	0	0	0
	Share-based payment	0	0	626	626	0	626
	Changes in equity	**-127**	**452**	**-118,062**	**-117,737**	**0**	**-117,737**
	Equity at 30 June 2014	**6,706**	**8,586**	**1,471,788**	**1,487,080**	**0**	**1,487,080**
	Equity at 1 January 2013	**6,833**	**3,547**	**1,676,787**	**1,687,167**	**64**	**1,687,231**
	Total comprehensive income for the period	0	3,142	-33,555	-30,413	-2	-30,415
	Acquisition of treasury shares	0	0	-9,356	-9,356	0	-9,356
	Sale of treasury shares	0	0	48	48	0	48
	Distributed dividends	0	0	-22,883	-22,883	0	-22,883
	Dividends, treasury shares	0	0	964	964	0	964
	Liquidation distribution	0	0	0	0	-62	-62
	Share-based payment	0	0	1,103	1,103	0	1,103
	Changes in equity	**0**	**3,142**	**-63,679**	**-60,537**	**-64**	**-60,601**
	Equity at 30 June 2013	**6,833**	**6,689**	**1,613,108**	**1,626,630**	**0**	**1,626,630**
	Equity at 1 January 2013	**6,833**	**3,547**	**1,676,787**	**1,687,167**	**64**	**1,687,231**
	Total comprehensive income for the period	0	4,587	-47,746	-43,159	-2	-43,161
	Acquisition of treasury shares	0	0	-26,122	-26,122	0	-26,122
	Sale of treasury shares	0	0	6,757	6,757	0	6,757
	Distributed dividends	0	0	-22,883	-22,883	0	-22,883
	Dividends, treasury shares	0	0	964	964	0	964
	Liquidation distribution	0	0	0	0	-62	-62
	Share-based payment	0	0	2,093	2,093	0	2,093
	Changes in equity	**0**	**4,587**	**-86,937**	**-82,350**	**-64**	**-82,414**
	Equity at 31 December 2013	**6,833**	**8,134**	**1,589,850**	**1,604,817**	**0**	**1,604,817**

NOTES

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 2013 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Accounting policies have not changed in relation to this.

For a complete description of accounting policies, see also pages 57-59 in the consolidated annual report for 2013.

New IAS/IFRSs

NORDEN has implemented the new financial reporting standards or interpretations which were effective from 1 January 2014. The changes are of no importance to NORDEN's results or equity in the interim report and disclosure in the notes.

New financial reporting standards (IFRS) and interpretations (IFRIC)

IASB has issued the following amendments to financial reporting standards, new financial reporting standards and interpretations, which have not been adopted by the EU, which are estimated to be of relevance to NORDEN:

- IFRS 15 regarding revenue recognition – New common standard regarding revenue recognition. Revenue is recognised as control is transferred to the buyer.
- IFRS 9 regarding financial instruments – The number of categories of financial assets is reduced to three; amortised cost category, fair value through other comprehensive income category or fair value through income statement category. Simplified rules on hedge accounting will be introduced, and writing down of receivables must be based on expected loss.
- IASB's annual minor improvements regarding the years 2010-2012 and 2011-2013.

NORDEN expects to implement the amended and new standards and interpretations when they become mandatory.

Amendments to financial reporting standards, new financial reporting standards and interpretations issued by IASB, but which are irrelevant or insignificant to NORDEN, include:

- IFRS 11 – Joint arrangements – guidelines for accounting treatment of acquisition of shares of joint operations (not approved by the EU).
- IFRS 14 – New standard on regulatory assets (not approved by the EU).
- IAS 16 and IAS 38 – Tangible and intangible non-current assets – clarification of methods of depreciation (not approved by the EU).
- IAS 19 – Employee benefits – amendment regarding defined benefit plans (not approved by the EU).
- IFRIC 21 – Interpretation regarding recognition of levies which are accounted for in accordance with IAS 37 (approved by the EU).

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 page 58 of the consolidated annual report for 2013.

Changed estimate of the vessels' useful lives and residual values

As stated in the interim report for the first quarter of 2014, management has changed its estimate of the vessels' expected useful lives from 20 years to 25 years as well as the residual value with effect from 1 January 2014. The reason for the change in useful lives is that experience from a longer period of time shows that NORDEN's vessel types are not scrapped until after 25-30 years. Furthermore, the majority of the companies which NORDEN usually compares itself with also apply useful lives of 25 years. The change in residual values is based on the increasing market price of scrap steel.

The total effect of the changed estimate in the second quarter and the first half-year has a positive effect on EBIT of USD 4.8 million and USD 9.6 million, respectively, under the item "Depreciation" and the balance sheet item "Vessels" with a corresponding amount. It is only the effect from the beginning of the period, which is recognised. The full-year effect for 2014 and the coming years will be at the level of USD 20-23 million based on the known development in the fleet. Additional purchase and sale of vessels may have a significant impact on the effect.

Risks

For a description of NORDEN's risks, see note 2 "Risk management" in the consolidated annual report for 2013 pages 59-62.

2. Fair value adjustment of certain hedging instruments

USD '000	2014	2013	2013	2013	2013
	H1	H1	Q2	Q2	Q1-Q4
Bunker hedging:					
Fair value adjustment for:					
2013	0	-1,597	0	-5,519	709
2014	-652	-1,757	1,608	-1,876	904
2015	131	-303	548	-269	252
2016-2018	468	-140	587	-128	-12
	-53	-3,797	2,743	-7,792	1,853
Realised fair value adjustment reclassified to "Vessel operating costs"*	-485	-822	289	879	-1,048
Total	**-538**	**-4,619**	**3,032**	**-6,913**	**805**
Forward Freight Agreements:					
Fair value adjustment for:					
2013	0	-265	0	254	-4,370
2014	-4,000	639	-2,662	544	1,938
2015	-4,652	0	-7,040	0	6,408
2016	-2,666	0	-5,156	0	4,545
	-11,318	374	-14,858	798	8,521
Realised fair value adjustment reclassified to "Revenue"*	881	-1,930	1,019	-1,015	1,254
Total	**-10,437**	**-1,556**	**-13,839**	**-217**	**9,775**
Total	**-10,975**	**-6,175**	**-10,807**	**-7,130**	**10,580**

* 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 2013.

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3. Vessels

USD '000	2014	2013	2013
	30/6	30/6	31/12
Cost at 1 January	1,614,716	1,415,146	1,415,146
Additions for the period	19,268	5,211	14,904
Disposals for the period	0	0	0
Transferred during the period from prepayments on vessels and newbuildings	15,306	146,669	184,666
Transferred during the period to tangible assets held for sale	0	0	0
Cost	1,649,290	1,567,026	1,614,716
Depreciation at 1 January	-313,153	-237,217	-237,217
Depreciation for the period	-30,294	-36,243	-75,936
Reversed depreciation of disposed vessels	0	0	0
Transferred depreciation of tangible assets held for sale	0	0	0
Depreciation	-343,447	-273,460	-313,153
Write-downs at 1 January	-223,610	-210,710	-210,710
Write-downs for the period	0	0	0
Transferred during the year	0	-10,913	-12,900
Reversed write-downs of disposed vessels	0	0	0
Write-downs	-223,610	-221,623	-223,610
Carrying amount	**1,082,233**	**1,071,943**	**1,077,953**

For the development of the fleet and added value, see the management commentary.

4. Prepayments on vessels and newbuildings

USD '000	2014	2013	2013
	30/6	30/6	31/12
Cost at 1 January	64,559	126,717	126,717
Additions for the period	36,319	106,125	122,508
Disposals for the period	0	0	0
Transferred during the period to vessels	-15,306	-146,669	-184,666
Transferred during the period to other items	0	0	0
Transferred during the period to tangible assets held for sale	0	0	0
Cost	85,572	86,173	64,559
Write-downs at 1 January	0	-12,900	-12,900
Write-downs for the period	0	0	0
Transferred during the year	0	10,913	-12,900
Write-downs	0	-1,987	0
Carrying amount	**85,572**	**84,186**	**64,559**

5. Write-down of vessels, etc.

Management's assessment of the need for write-downs of vessels and prepayments on newbuildings is based on the cash-generating units (CGU), which include vessels, etc. NORDEN has divided its fleet into 3 CGUs (Dry Cargo, Tankers and a joint venture). An impairment test must be performed if there is indication that the carrying amount of vessels, etc. exceeds the recoverable amount. The recoverable amount is the higher of the net selling price of the vessels, etc. (the market value of the fleet) and the value in use of future cash flows from the vessels, etc.

Based on the average of estimates from 3 independent brokers, the market value of NORDEN's fleet (net selling price excluding charter parties) including vessels in joint venture is estimated at USD 94 million above carrying amounts at the end of the quarter. The difference is divided between NORDEN's 3 CGUs, Dry Cargo, Tankers and a joint venture, with USD 85 million, USD -2 million and USD 11 million, respectively. Management estimates that the broker valuations are subject to some degree of uncertainty. The difference between the highest and lowest valuations calculated per vessel is USD 104 million, and uncertainty has thus increased since the end of 2013. Impairment tests for the 2 CGUs Dry Cargo and Tankers based on value in use have therefore been performed.

The impairment test is conducted by comparing the carrying amounts with the value in use of the fleet of the 2 CGUs. Value in use is calculated as the present value of total expected cash flows over the remaining useful lives of the vessels, including time charter fleet, coverage and estimated rates for uncovered capacity.

As part of the basis for estimation of the long-term values, the value in use of the 2 CGUs has been estimated by applying "normalised" 20-year average rates, where the 3 and 4 best and worst years have been excluded.

The assumptions in the impairment test for the period, including the discount factor of 8%, are unchanged in relation to the consolidated annual report for 2013, except from the fact that the estimated useful lives of the vessels have been changed from 20 to 25 years, and the estimated residual value has been changed.

On the basis of the impairment test conducted at the end of the first half-year, management estimates that there is no need for write-downs or reversing already made write-downs.

Due to the large number of open ship days, the value in use calculation is very sensitive to even small fluctuations in freight rates. As an indication of this sensitivity, a fluctuation of USD 1,000 per day in long-term freight rates would change the CGU values by USD 181 million in Dry Cargo and USD 101 million in Tankers.

6. Related party transactions

No significant changes have occurred to closely related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2013.

7. Contingent assets and liabilities

Since the end of 2013, 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 June 2014

USD '000	2014		2015				2016				2017				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total
Dry Cargo															
Capesize											(1.0)				**1.0**
Panamax	(2.0)	(3.5)	0.5	0.5	(1.0)		1.0		(1.5)	(1.5)			2.0		**13.5**
Supramax			(1.0)			4.0 (2.0)		(2.0)				0.5	4.0		**13.5**
Tankers															
MR			3.0	1.0											**4.0**
Handysize	1.0														**1.0**
Total	**3.0**	**3.5**	**4.5**	**1.5**	**1.0**	**6.0**	**1.0**	**2.0**	**1.5**	**1.5**	**1.0**	**0.5**	**6.0**	**0.0**	**33.0**

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

Fleet values at 30 June 2014

USD million						
Dry Cargo	Number	Average dwt.	Carrying amount/cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
Capesize	3.0	176,000	71	100		29
Post-Panamax	4.0	115,000	122	117		-5
Panamax	7.0	79,000	169	185	17	33
Supramax	12.5	59,000	312	366		54
Handysize	12.0	35,000	264	239	10	-15
Tankers						
MR	11.0	50,000	373	371		-2
Handysize	13.0	39,000	301	301		0
Total	**62.5**		**1,612**	**1,679**	**27**	**94**

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

9. Significant events after the reporting 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.