

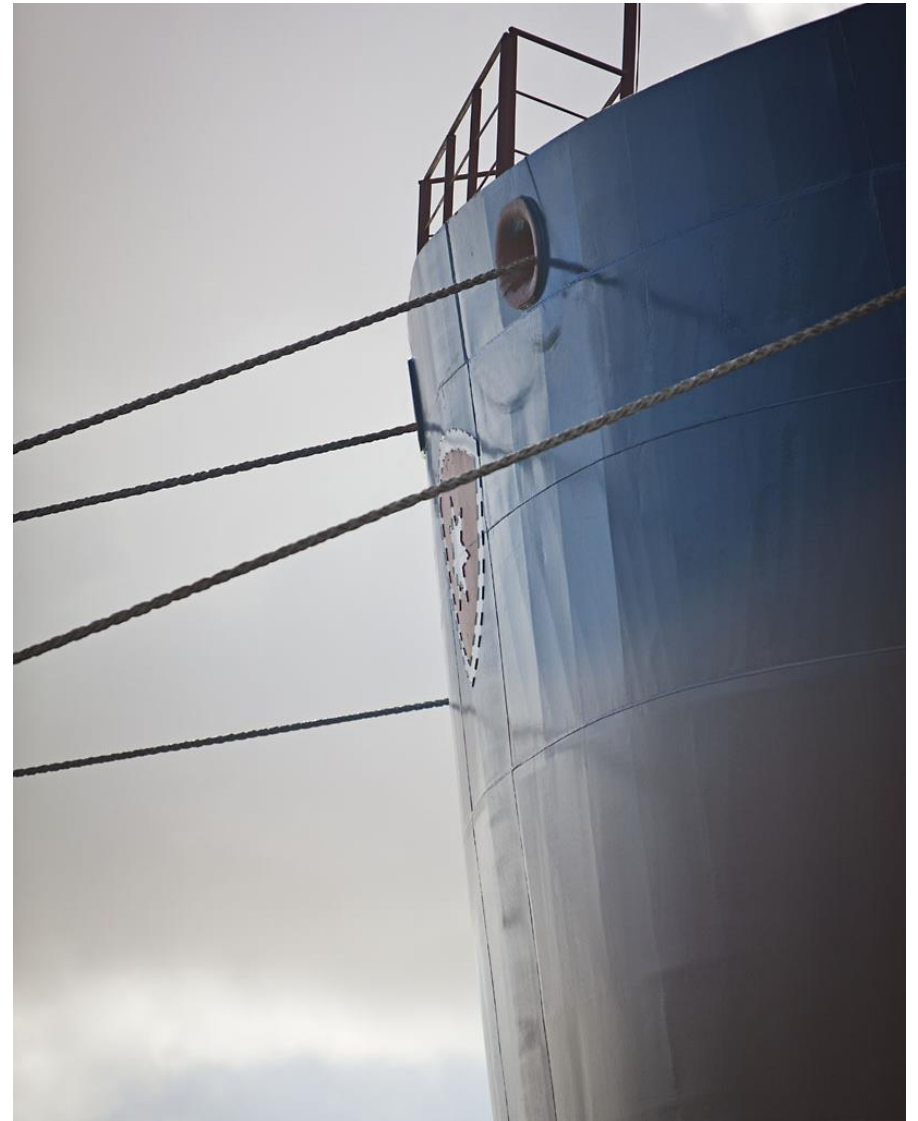
# NORDEN RESULTS

First half-year 2013

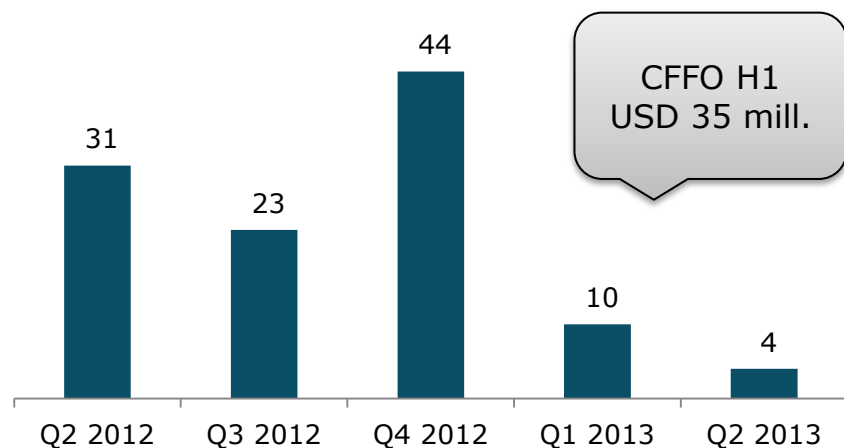
Hellerup, Denmark  
14 August 2013



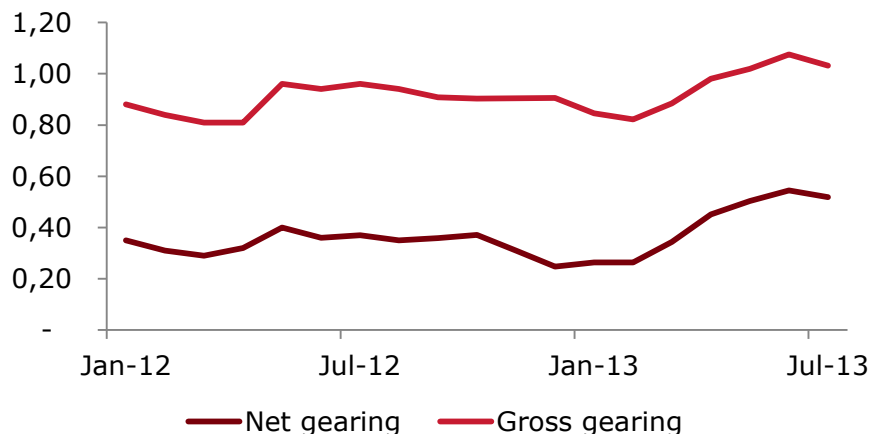
- ▶ Group highlights
- ▶ Financial highlights
- ▶ Market update
- ▶ Full year financial guidance
- ▶ Q & A



## EBITDA (USDm)



## Gearing



## Key messages

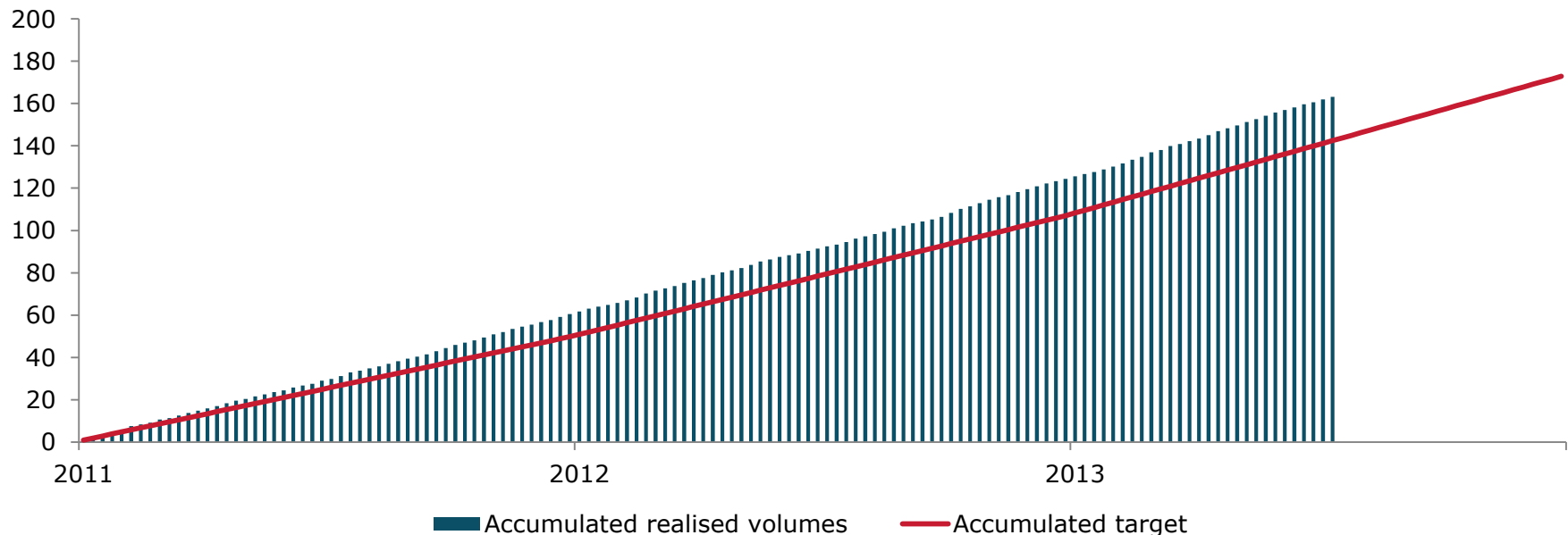
- ▶ Group EBITDA of USD 4 mill.
- ▶ Cash flow from operations of USD 55 mill.
- ▶ Gearing increasing as a result of new investments
  - ▶ 19 ECO vessels ordered since start of Q4 2012
  - ▶ Cash and undrawn credit facilities of respectively 485 and 196 mill. USD
- ▶ Share buy back to continue
- ▶ 2013 focus: Control downside – build upside
- ▶ Full year EBITDA guidance unchanged: USD 15-45m

# Q2 FINANCIALS

Comments	USDm	Q2 2012	Q1 2013	Q2 2013	Y/Y %	Q/Q %
<ul style="list-style-type: none"> <li>▶ Tanker earnings significantly better than last year</li> <li>▶ Dry Cargo earnings impacted by a weak market – but underlying profits improved over Q1</li> <li>▶ Dry Cargo T/C earnings 24% above the average 1-year T/C rates</li> </ul>	CM II Group	43	22	16	-63%	-28%
	O/A Group	-12	-13	-12	3%	-4%
	<b>EBITDA Group</b>	<b>31</b>	<b>10</b>	<b>4</b>	<b>-88%</b>	<b>-59%</b>
	EBITDA Dry Cargo	30	1	-2	-107%	-289%
	EBITDA Tanker	4	11	8	109%	-27%
	Vessel sales	-0	2	-0	93%	-101%
	Depreciation	-22	-19	-19	11%	4%
	<b>EBIT Group before impairment</b>	<b>10</b>	<b>-7</b>	<b>-16</b>	<b>-263%</b>	<b>-127%</b>
	<b>EBIT Group</b>	<b>10</b>	<b>-7</b>	<b>-16</b>	<b>-263%</b>	<b>-127%</b>
	<b>Net profit</b>	<b>-32</b>	<b>-11</b>	<b>-22</b>	<b>30%</b>	<b>-100%</b>

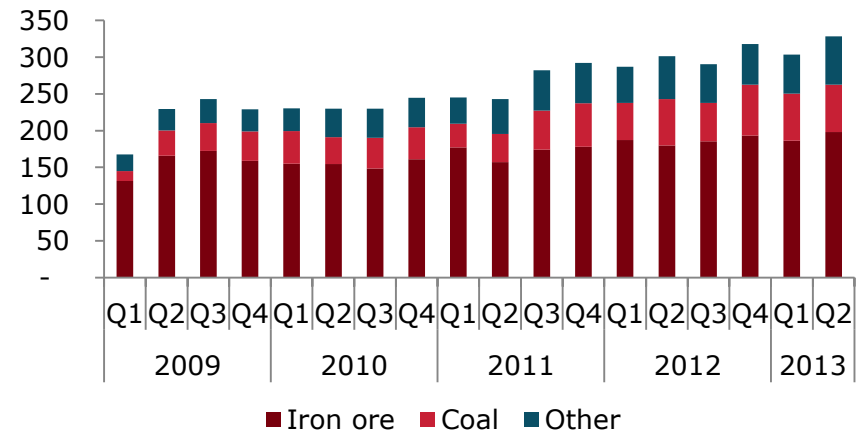
- ▶ Realised Dry Cargo volumes increased by 12% in H1 2013
- ▶ Limited pursuit of growth in long-term cargo contracts
- ▶ Operator profit on track
- ▶ Focus on ECO investments in Dry Cargo
- ▶ The Tanker Department close to goal of 25 owned vessels

## Accumulated realised cargo (dry) volumes (Mnt)



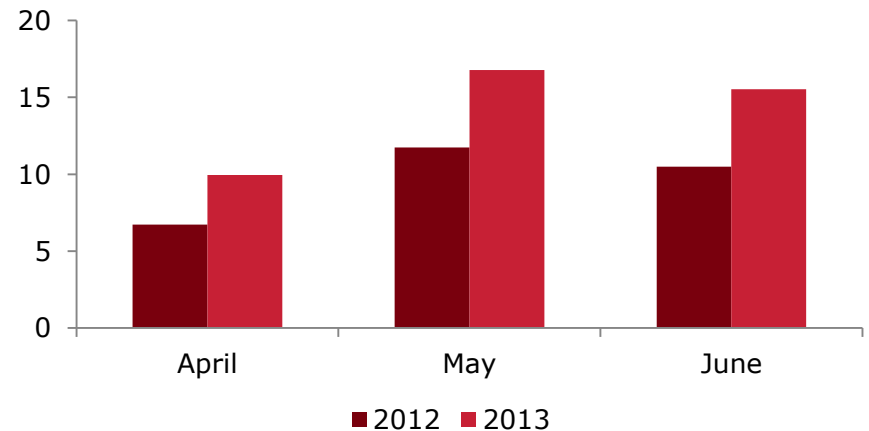
- ▶ Improving market in Q2
  - ▶ Baltic Dry Index up 11.5% Q/Q but down 13.3% Y/Y
  - ▶ China's dry cargo imports up 5% Q/Q and 9% Y/Y
  - ▶ India's coal import up 46% Y/Y
  
- ▶ Despite China GDP slowdown, dry bulk demand drivers surprisingly strong
  - ▶ Industrial output up 8.9% Y/Y in June
  - ▶ Steel prices stabilising despite strong steel production - up 7.4% Y/Y in June
  - ▶ Electricity production up 8.1% Y/Y in June

## China Dry Cargo Import (mt)



Source: Chinese Customs General Administration

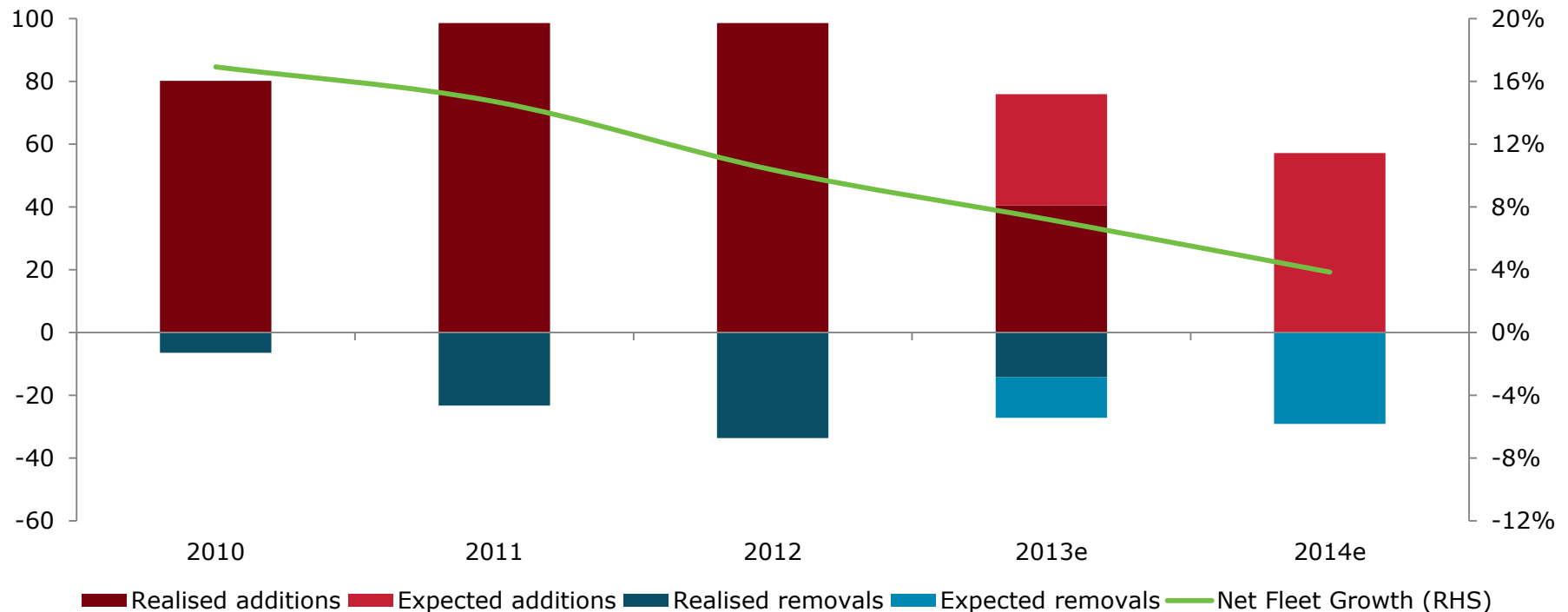
## India Coal Import (mt)



Source: Bloomberg

- ▶ H1 annualised fleet growth of 6.6%
  - ▶ 35m dwt. delivered in H1 2013 – 45% less than a year ago
  - ▶ 13m dwt. scrapped in H1 2013 – 30% less than H1 2012

## Dry Cargo fleet development (millions dwt.)

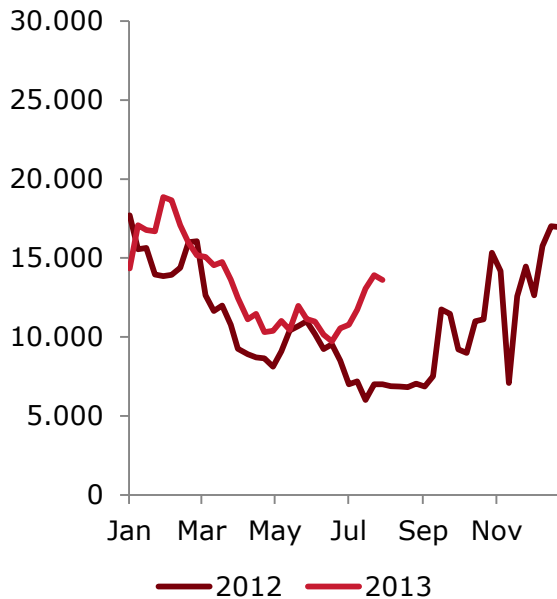


Source: Clarksons

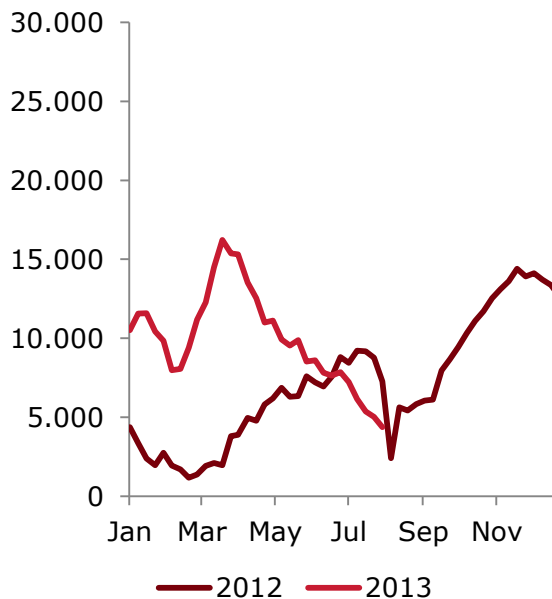
Assumptions: Slippage 25% and scrapping : 4% 2013-14

- ▶ Positive development in the Western market – driven by increasing US exports
- ▶ Negative development in the Eastern market – driven by declining Chinese import

MR West CPP (USD/day)



MR East CPP (USD/day)



MR DPP (USD/day)

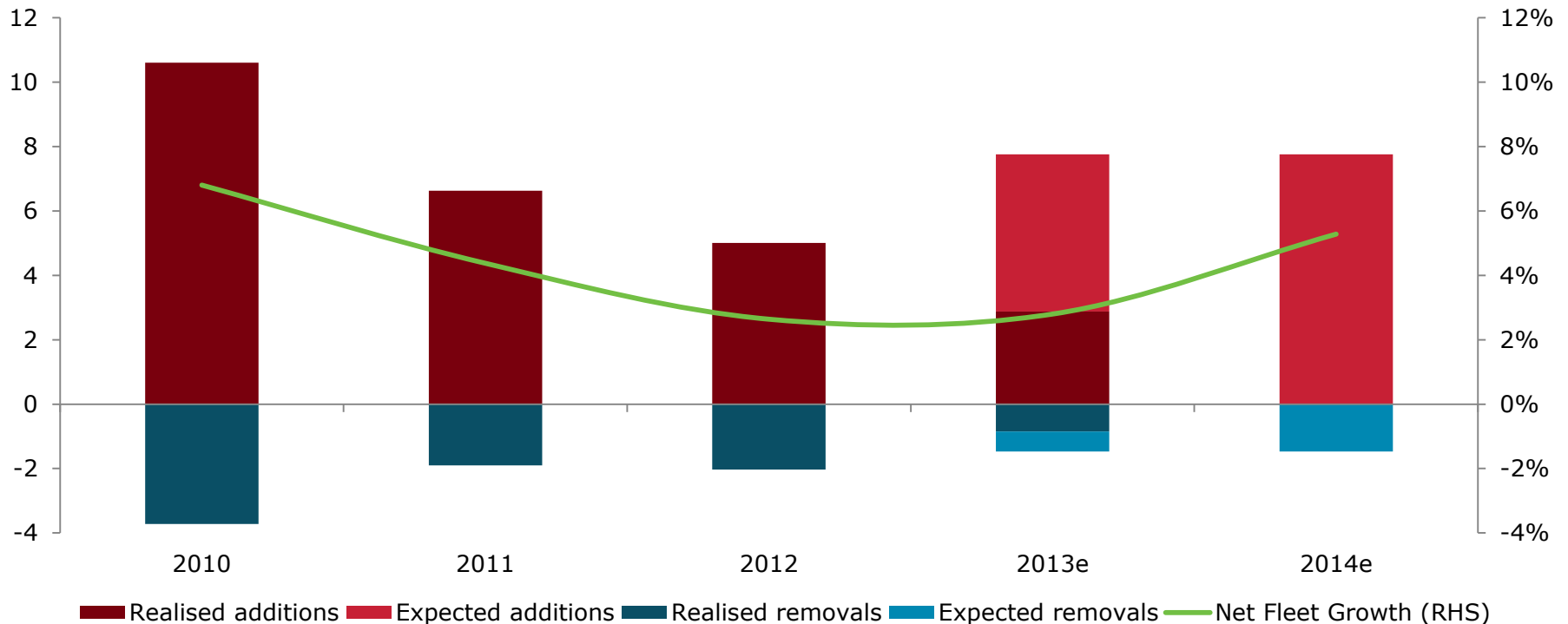


Source: ACM



- ▶ H1 annualised fleet growth of 3.5%
  - ▶ 2.9m dwt. delivered in H1 2013 – 30% less than a year ago
  - ▶ 0.85m dwt. scrapped in H1 2013 – 15% less than H1 2012

Total product fleet development (millions dwt.)



Source: SSY

## Outlook

USDm	Dry Cargo	Tanker	Total
EBITDA	0	25-45	15-45
Profit from vessel sales			3
CAPEX			120-140

## Key assumptions

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



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

Statements relating to the remainder of 2013 and subsequent years are subject to uncertainty, and NORDEN's actual results may therefore differ from the projections. Factors that may cause such variance include, but are not limited to, changes in macro-economic and political conditions, particularly in the Company's principal markets; changes to the Company's rate assumptions and operating costs; volatility in rates and tonnage prices; regulatory changes; any disruptions to traffic and operations as a result of external events, etc.



FORWARD LOOKING STATEMENTS

24\*7 seas

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BACK UP

FORWARD LOOKING STATEMENTS

 **24\*7 seas**

# A LEADING GLOBAL TRAMP OPERATOR

Dry cargo



Capesize



Post-Panamax



Panamax



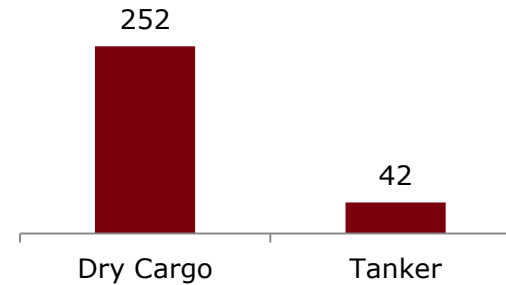
Handymax



Handysize



Total active fleet



Tanker



MR



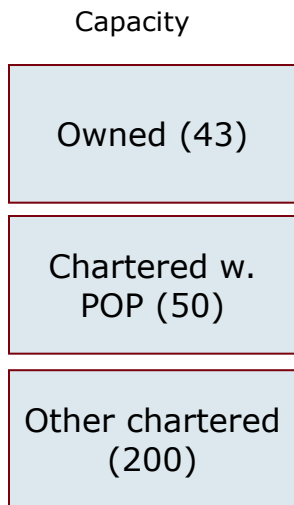
Handysize

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

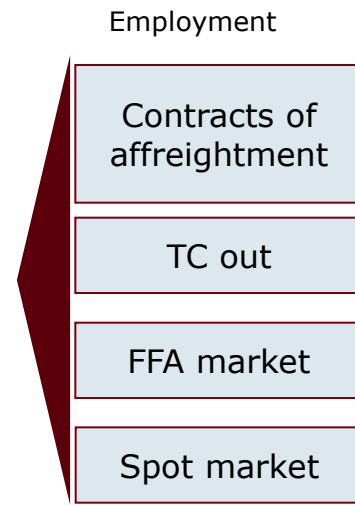
- ▶ Active fleet can quickly be adjusted to demand and market conditions
- ▶ Fleet employment based on portfolio view
- ▶ Significant asset upside through purchase options

## Flexible fleet

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



## Coverage and customer focus

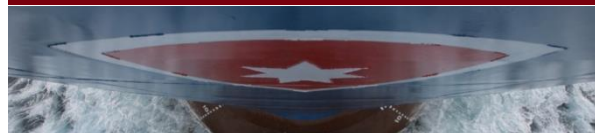


- ▶ Customer relations
- ▶ Logistical efficiencies
- ▶ 2-10 year firm periods
- ▶ Quick and easy cover

## People



## Brand



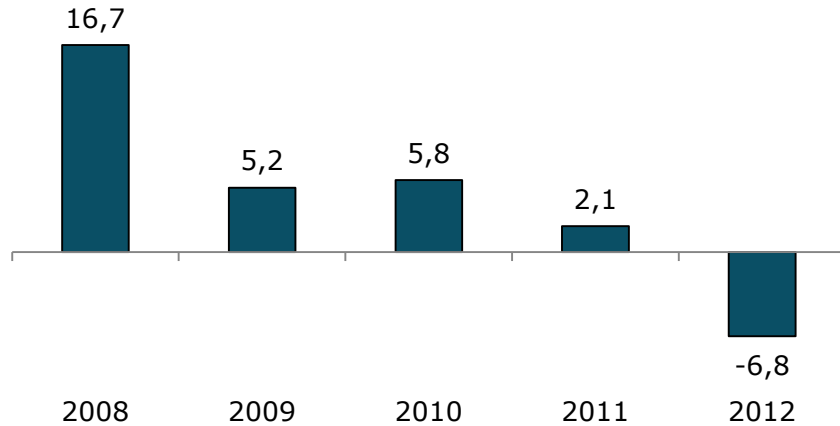
## Systems



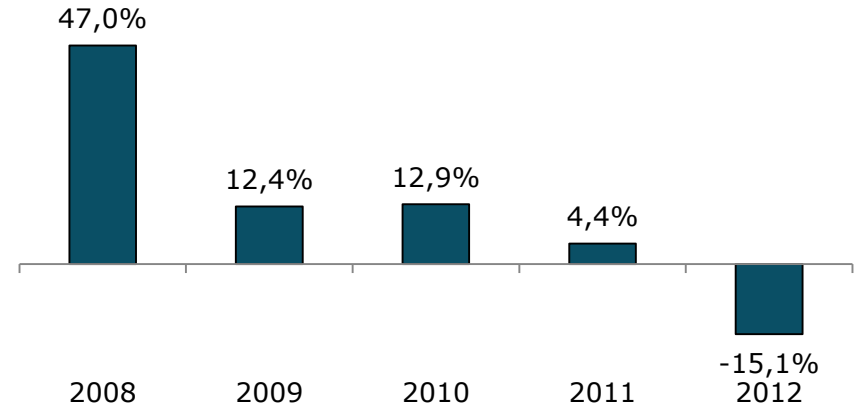
\* Active fleet per 31 March 2013

# LAST 5 YEARS PERFORMANCE

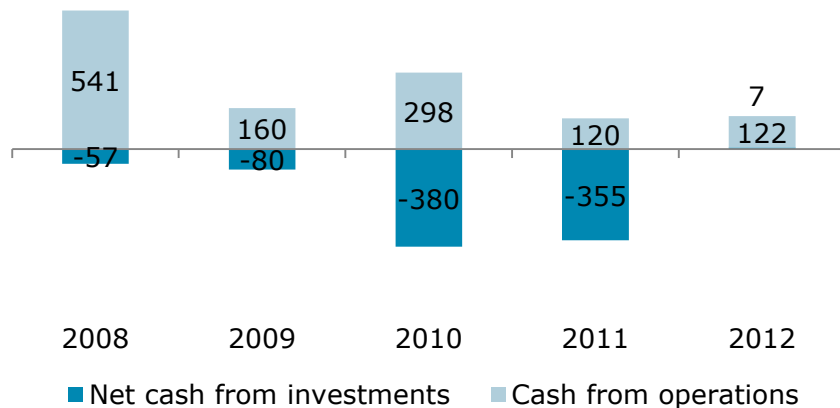
## Earnings per share (USD)



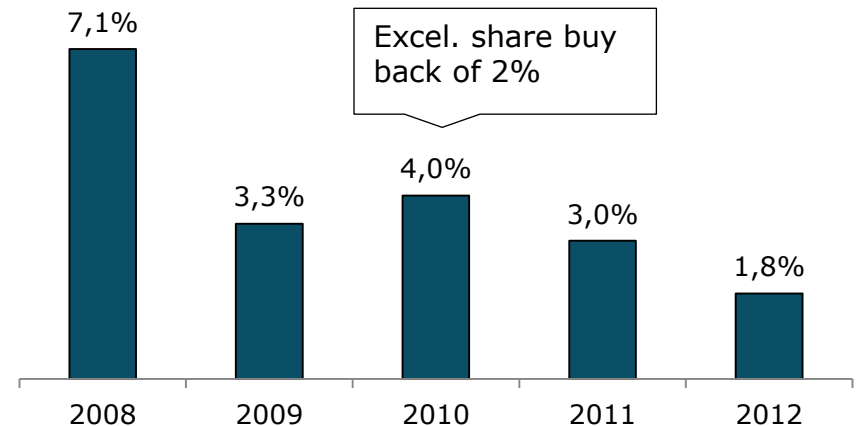
## Return on equity



## Cash flows, operations and investments



## Dividend yield





## Strong capital structure

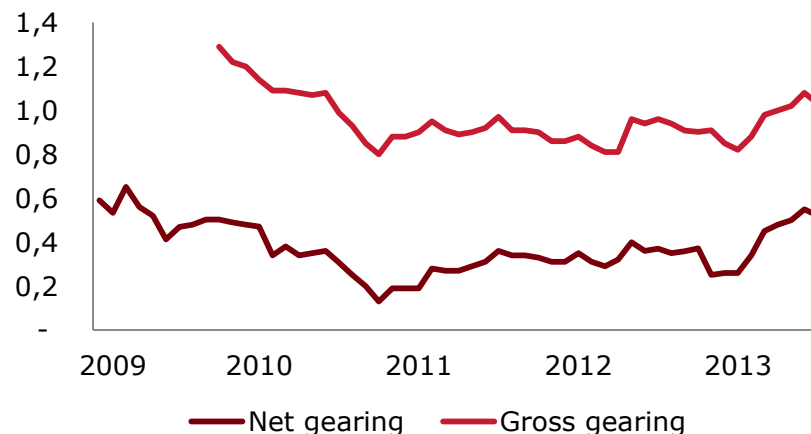
- ▶ Strong focus on cash flow generation
- ▶ Cash in low-risk deposit accounts and securities
- ▶ Newbuilding order book fully covered by available cash
- ▶ USD 174m bank debt
- ▶ Equity ratio at 82%
- ▶ Low gearing of book equity - gearing 0.52

## Net committed cash

USDm	Q2 2013	Q1 2013
Adjusted Net Interest Bearing Assets*	278	353
T/C obligations**	-1.665	-1.700
Newbuilding installments less proceeds from vessel sales**	-292	-263
Revenue from coverage**	846	898
<b>Net commitments</b>	<b>-832</b>	<b>-712</b>

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

## Gearing



# DRY CARGO FLEET OVERVIEW

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

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	3,0	4,0	3,0	4,0	12,0	<b>26,0</b>
Chartered vessels with purchase option	1,0	4,0	10,0	16,0	11,0	<b>42,0</b>
<b>Total active core fleet</b>	<b>4,0</b>	<b>8,0</b>	<b>13,0</b>	<b>20,0</b>	<b>23,0</b>	<b>68,0</b>
Chartered vessels without purchase option	0,0	0,0	72,5	80,0	31,3	<b>183,8</b>
<b>Total active fleet</b>	<b>4,0</b>	<b>8,0</b>	<b>85,5</b>	<b>100,0</b>	<b>54,3</b>	<b>251,8</b>
<b>Vessels to be delivered</b>						
Newbuildings (owned)	0,0	0,0	2,0	4,0	0,0	<b>6,0</b>
Chartered vessels with purchase option	0,0	0,0	8,0	5,0	0,0	<b>13,0</b>
<b>Total for delivery to core fleet</b>	<b>0,0</b>	<b>0,0</b>	<b>10,0</b>	<b>9,0</b>	<b>0,0</b>	<b>19,0</b>
Chartered vessels over 3 years without purchase option	0,0	0,0	0,5	0,0	0,0	<b>0,5</b>
<b>Total to be delivered</b>	<b>0,0</b>	<b>0,0</b>	<b>10,5</b>	<b>9,0</b>	<b>0,0</b>	<b>19,5</b>
<b>Total gross fleet</b>	<b>4,0</b>	<b>8,0</b>	<b>96,0</b>	<b>109,0</b>	<b>54,3</b>	<b>271,3</b>

## Dry Cargo fleet values at 30 June 2013 (USD million)

Market value of owned vessels and newbuildings*	74	99	135	201	236	<b>746</b>
Value of purchase and extension options	5	9	31	37	4	<b>86</b>

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

## NORDEN's Tanker fleet and values at 30 June 2013

Vessel type	MR	Handysize	Total
<b>Vessels in operation</b>			
Owned vessels	6,0	11,0	<b>17,0</b>
Chartered vessels with purchase option	8,0	0,0	<b>8,0</b>
<b>Total active core fleet</b>	<b>14,0</b>	<b>11,0</b>	<b>25,0</b>
Chartered vessels without purchase option	11,5	5,0	<b>16,5</b>
<b>Total active fleet</b>	<b>25,5</b>	<b>16,0</b>	<b>41,5</b>
<b>Vessels to be delivered</b>			
Newbuildings (owned)	5,0	2,0	<b>7,0</b>
Chartered vessels with purchase option	0,0	0,0	<b>0,0</b>
<b>Total for delivery to core fleet</b>	<b>5,0</b>	<b>2,0</b>	<b>7,0</b>
Chartered vessels over 3 years without purchase option	0,0	0,0	<b>0,0</b>
<b>Total to be delivered</b>	<b>5,0</b>	<b>2,0</b>	<b>7,0</b>
<b>Total gross fleet</b>	<b>30,5</b>	<b>18,0</b>	<b>48,5</b>
<b>Tanker fleet values at 30 June 2013 (USD million)</b>			
Market value of owned vessels and newbuildings*	359	280	<b>639</b>
Value of purchase and extension options	3	0	<b>3</b>

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

## Fleet values at 30 June 2013

USD million					
Owned (active and newbuildings)					
		Carrying amount/ cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
<b>Dry Cargo</b>					
Capesize	3,0	76	71	3	-2
Post-Panamax	4,0	130	99		-31
Panamax	5,0	109	108	27	27
Handymax	8,0	192	201		9
Handysize	12,0	277	227	9	-42
<b>Tankers</b>					
MR	11,0	382	359		-23
Handysize	13,0	312	280		-33
<b>Total</b>	<b>56,0</b>	<b>1.479</b>	<b>1.346</b>	<b>39</b>	<b>-94</b>

Net Asset Value at 30 June 2013	USD million	DKK per share	Sensitivity	
			+10%	-10%
Equity excl. minority interests	1.627	226	226	226
Added value owned vessels	-94	-13	6	-32
<b>Net Asset Value</b>	<b>1.533</b>	<b>213</b>	<b>232</b>	<b>194</b>

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

# COVERAGE AND CAPACITY – DRY CARGO



## Capacity and coverage, Dry Cargo, at 30 June 2013

	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>						
	Ship days					
Capesize	552	1.095	1.095			
Post-Panamax	736	1.460	1.460			
Panamax	552	1.119	1.415			
Handymax	736	1.460	2.010			
Handysize	2.208	4.380	4.380			
<b>Total</b>	<b>4.784</b>	<b>9.514</b>	<b>10.360</b>			
<b>Chartered vessels</b>						
	Costs for T/C capacity (USD per day)					
Capesize	184	365	365	18.550	18.537	18.500
Post-Panamax	736	1.460	1.460	18.690	18.675	18.675
Panamax	6.856	5.981	5.269	9.832	13.280	15.331
Handymax	6.880	6.778	5.543	10.967	12.247	12.930
Handysize	3.431	5.161	3.995	13.515	13.625	12.603
<b>Total</b>	<b>18.087</b>	<b>19.744</b>	<b>16.632</b>	<b>11.412</b>	<b>13.512</b>	<b>14.239</b>
Costs for gross capacity (USD per day)*						
<b>Total capacity</b>	<b>22.871</b>	<b>29.258</b>	<b>26.993</b>	<b>10.125</b>	<b>10.803</b>	<b>10.765</b>
<b>Coverage</b>						
	Revenue from coverage (USD per day)					
Capesize	333	0	0	31.163	0	0
Post-Panamax	599	73	0	7.540	4.332	0
Panamax	7.813	6.071	3.574	11.489	14.115	16.117
Handymax	6.358	4.323	1.884	10.240	12.251	13.099
Handysize	3.256	1.706	1.111	8.989	13.200	14.751
<b>Total</b>	<b>18.359</b>	<b>12.173</b>	<b>6.569</b>	<b>10.841</b>	<b>13.266</b>	<b>15.020</b>
<b>Coverage in %</b>						
Capesize	45%	0%	0%			
Post-Panamax	41%	3%	0%			
Panamax	105%	86%	53%			
Handymax	83%	52%	25%			
Handysize	58%	18%	13%			
<b>Total</b>	<b>80%</b>	<b>42%</b>	<b>24%</b>			

\*Including cash running costs of owned vessels

Costs are excluding O/A

# COVERAGE AND CAPACITY – TANKER

## Capacity and coverage, Tankers, at 30 June 2013

	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>						
	Ship days					
MR	1.257	2.619	3.777			
Handysize	1.982	4.632	4.745			
<b>Total</b>	<b>3.239</b>	<b>7.251</b>	<b>8.522</b>			
<b>Chartered vessels</b>						
	Costs for T/C capacity (USD per day)					
MR	3.438	5.260	3.373	14.052	14.588	15.489
Handysize	913	960	0	12.435	12.684	0
<b>Total</b>	<b>4.351</b>	<b>6.220</b>	<b>3.373</b>	<b>13.713</b>	<b>14.294</b>	<b>15.489</b>
Costs for gross capacity (USD per day)*						
<b>Total capacity</b>	<b>7.590</b>	<b>13.471</b>	<b>11.895</b>	<b>10.716</b>	<b>10.253</b>	<b>9.217</b>
<b>Coverage</b>						
	Revenue from coverage (USD per day)					
MR	1.565	633	57	13.408	13.255	13.218
Handysize	979	457	44	12.597	12.430	12.362
<b>Total</b>	<b>2.544</b>	<b>1.090</b>	<b>101</b>	<b>13.096</b>	<b>12.909</b>	<b>12.847</b>
<b>Coverage in %</b>						
MR	33%	8%	1%			
Handysize	34%	8%	1%			
<b>Total</b>	<b>34%</b>	<b>8%</b>	<b>1%</b>			

\*Including cash running costs of owned vessels

Costs are excluding O/A

# THE SHARE (DNORD)

## Master data

Shareholder capital	DKK 43,000,000
Number of shares and denomination	43,000,000 shares of DKK 1
Classes of shares	1
Voting and ownership restrictions	None
Stock exchange	NASDAQ OMX Copenhagen
Ticker symbol	DNORD
ISIN code	DK0060083210
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

## Composition of shareholders end 2012

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

