

# NORDEN RESULTS

1<sup>st</sup> quarter of 2013

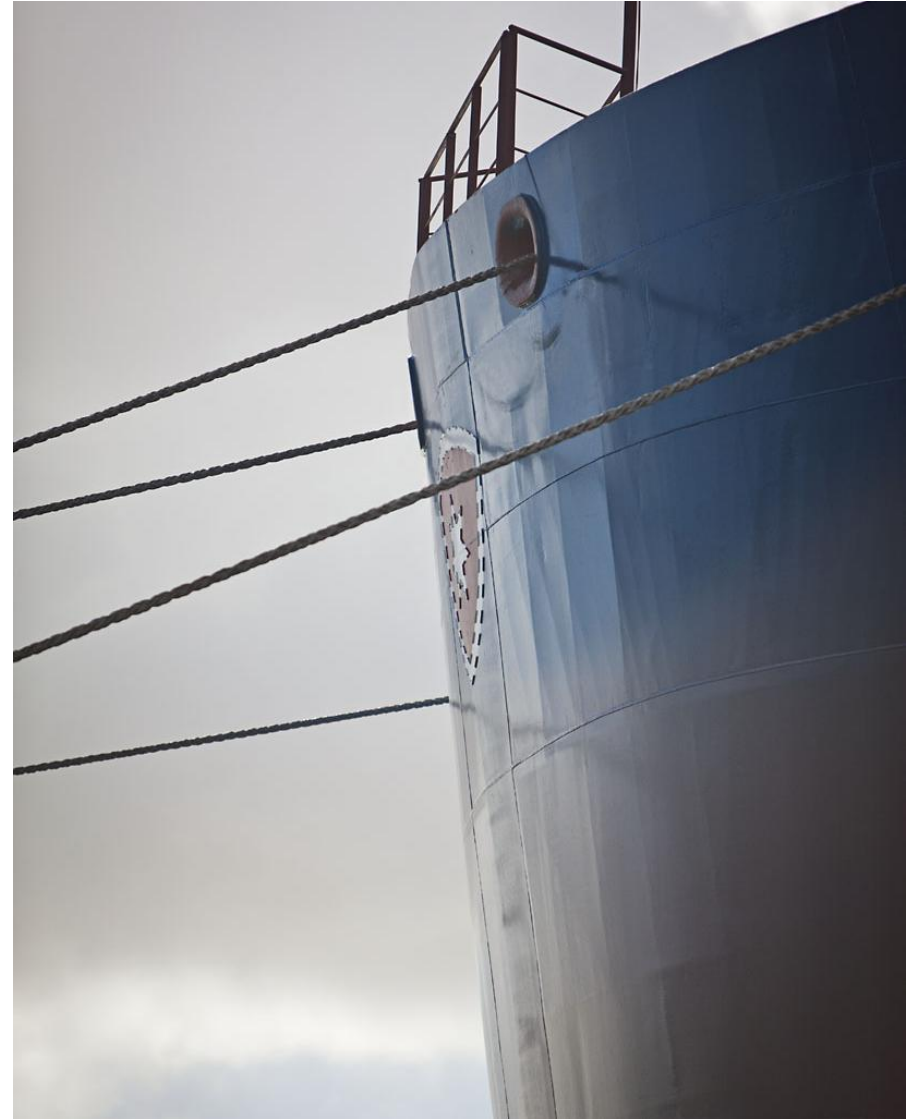
Hellerup, Denmark  
15 May 2013



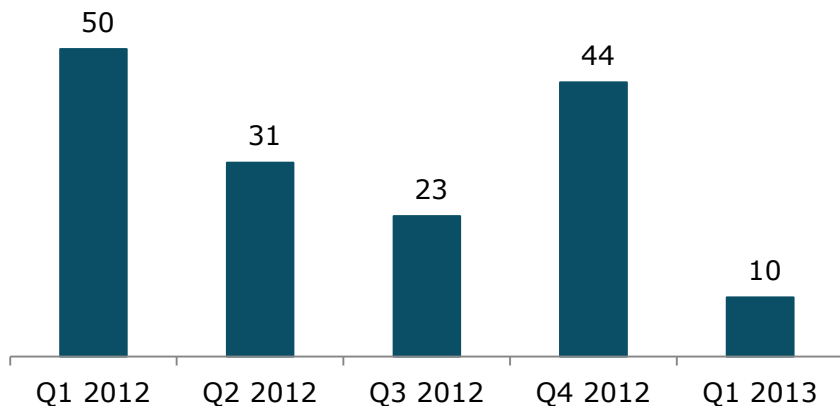
24\*7 seas

# AGENDA

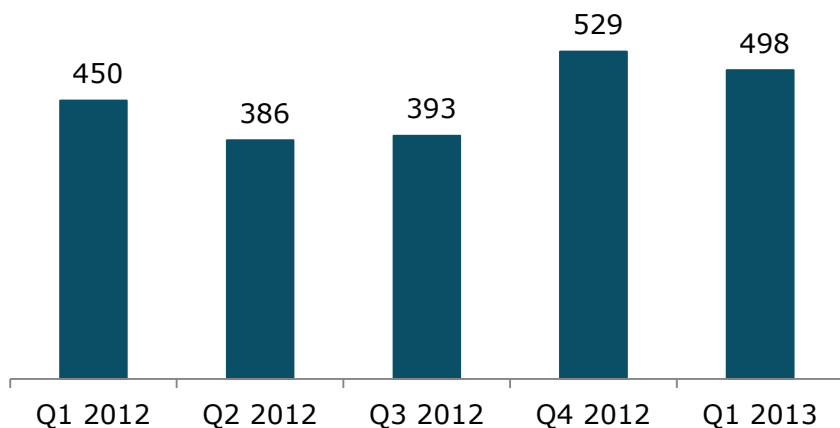
- ▶ Group highlights
- ▶ Financial highlights
- ▶ Market update
- ▶ Full year financial guidance
- ▶ Q & A



## EBITDA (USDm)



## Cash and securities (USDm)



## Key messages

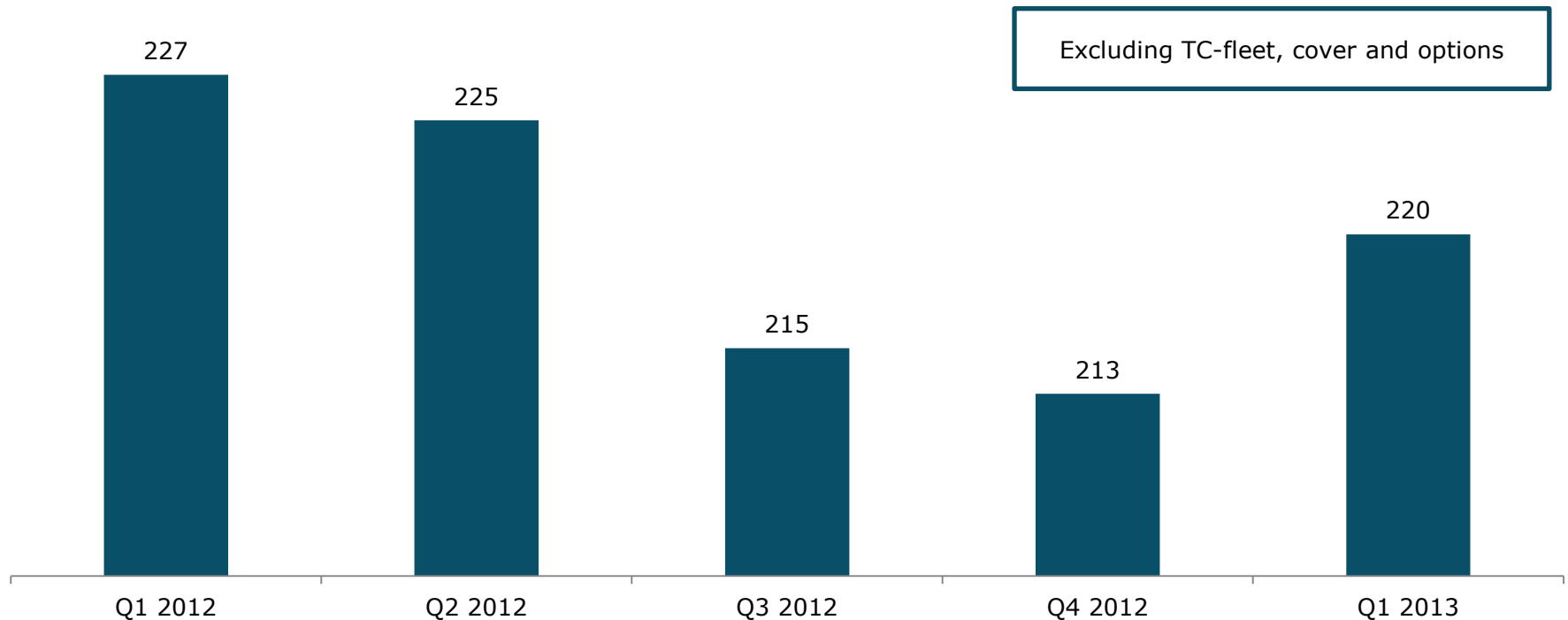
- ▶ Group EBITDA of USD 10 mill.
- ▶ Cash flow from operations of USD -20 mill.
- ▶ Still high cash position and financial flexibility
  - ▶ Cash and securities of USD 498 mill.
  - ▶ Undrawn credit facilities of USD 161 mill.
- ▶ Core fleet improvement - 17 ECO vessels ordered since start of Q4 2012
- ▶ Share buy back to continue
- ▶ Full year EBITDA guidance unchanged: USD 15-45m

# Q1 FINANCIALS

Comments	USDm	Q1 2012	Q4 2012	Q1 2013	Y/Y %	Q/Q %
▶ Tanker earnings in line with expectations	CM II Group	63	57	22	-65%	-61%
	O/A Group	-13	-13	-13	-3%	-3%
▶ Dry Cargo performance impacted by a weak market and positioning ahead of the South American grain season	<b>EBITDA Group</b>	<b>50</b>	<b>44</b>	<b>10</b>	<b>-81%</b>	<b>-78%</b>
	EBITDA Dry Cargo	40	35	1	-97%	-97%
	EBITDA Tanker	12	12	11	-6%	-5%
	Vessel sales	0	-23	2	N.A.	-110%
	Depreciation	-25	-20	-19	-26%	-9%
▶ Tanker T/C earnings 17% above the average 1-year T/C rates	<b>EBIT Group before impairment</b>	<b>25</b>	<b>1</b>	<b>-7</b>	<b>-128%</b>	<b>N.A.</b>
▶ O/A down 3% Y/Y	<b>EBIT Group</b>	<b>-275</b>	<b>1</b>	<b>-7</b>	<b>97%</b>	<b>N.A.</b>
▶ 2013: Control downside – build upside	<b>Net profit</b>	<b>-256</b>	<b>-7</b>	<b>-11</b>	<b>96%</b>	<b>55%</b>

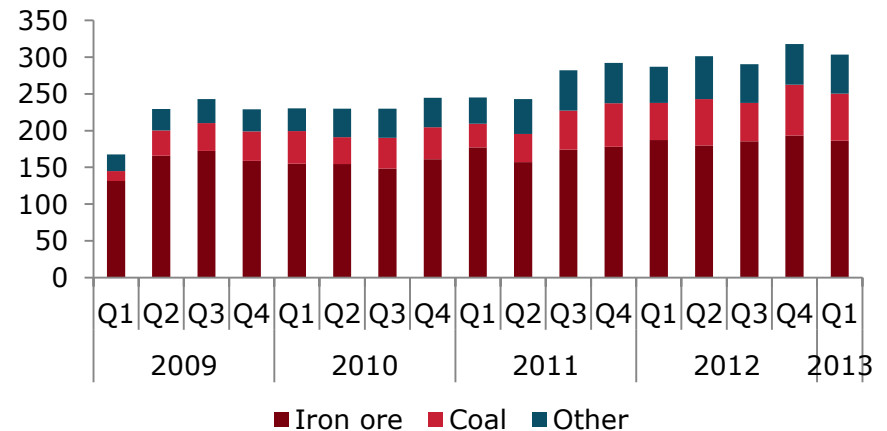
- ▶ NAV of USD 1.6 bn. - DKK 220 per share
- ▶ NAV increased by 3% primarily due to currency changes

## Value development (DKK per share)



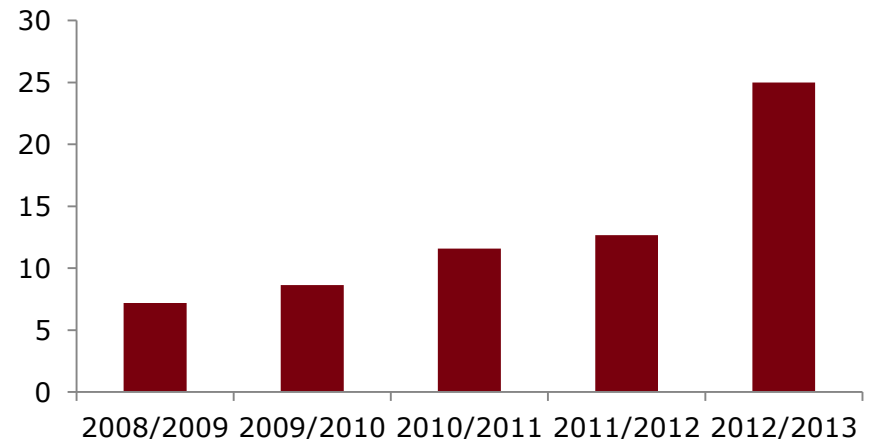
- ▶ Continued weak market in Q1
  - ▶ Baltic Dry Index: Lowest quarterly average in 27 years
  - ▶ China's dry cargo imports down 5% Q/Q, but up 6% Y/Y
- ▶ Record harvest in Latin America with Brazil export of grain expected to double Y/Y
- ▶ Demand drivers mixed but on balance supportive
  - ▶ Industrial output up 9.5% Y/Y in Q1
  - ▶ Steel production up 7.7% - but much for exports
  - ▶ Electricity production up only 2% Q1 but improving trend in April

## China Dry Cargo Import (Mt)



Source: Chinese Customs General Administration

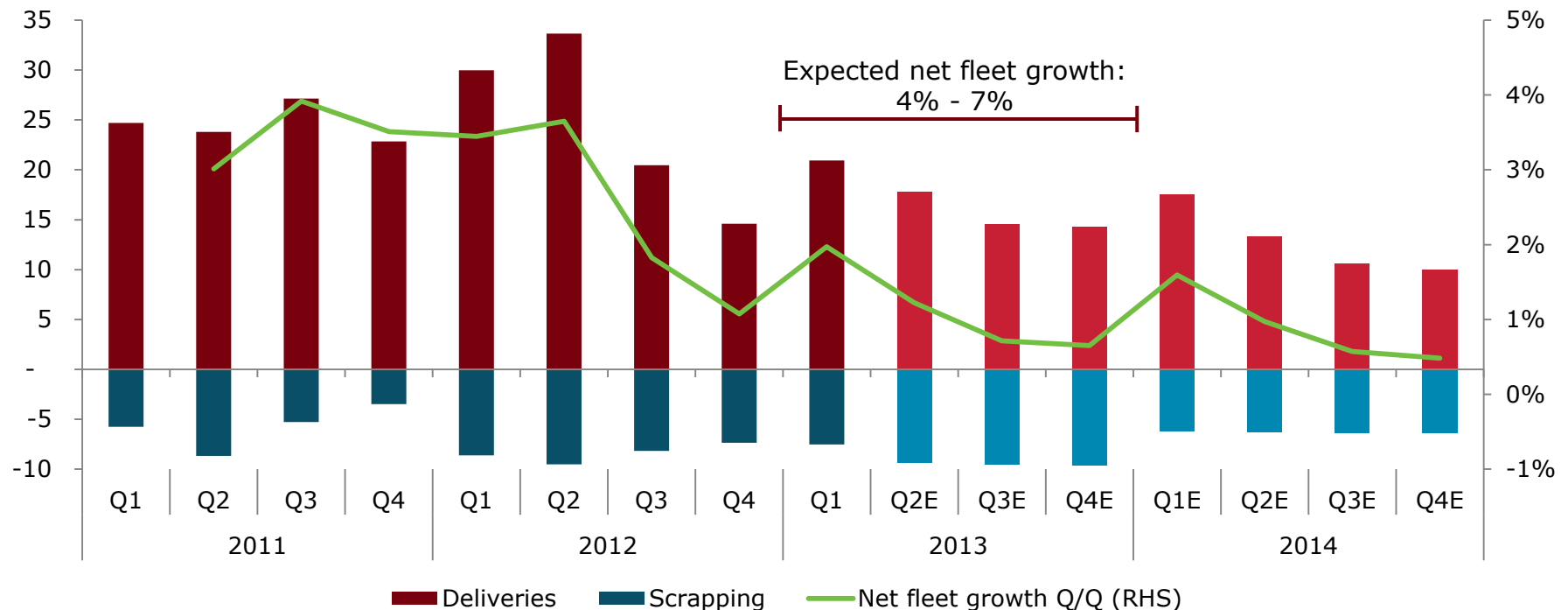
## Brazil Grain Export (Mt)



Source: USDA

- ▶ Supply growth slowing down
  - ▶ 21m dwt. delivered in Q1 – 30% less than a year ago
  - ▶ Continued high rate of scrapping – 7.5m dtw. in Q1

## Fleet development (million dwt.)

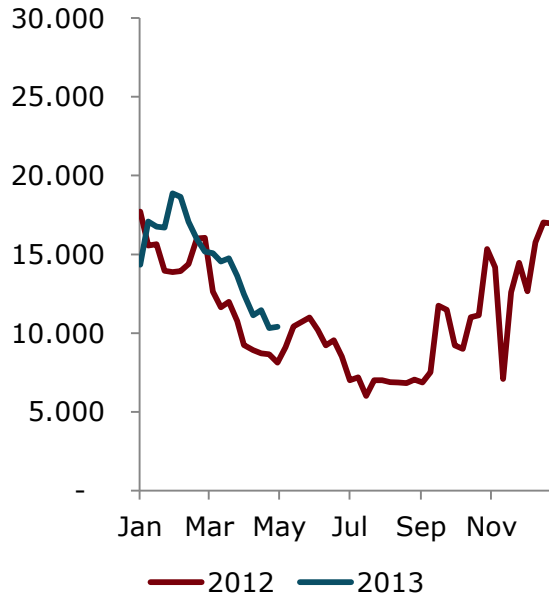


Source: Clarksons

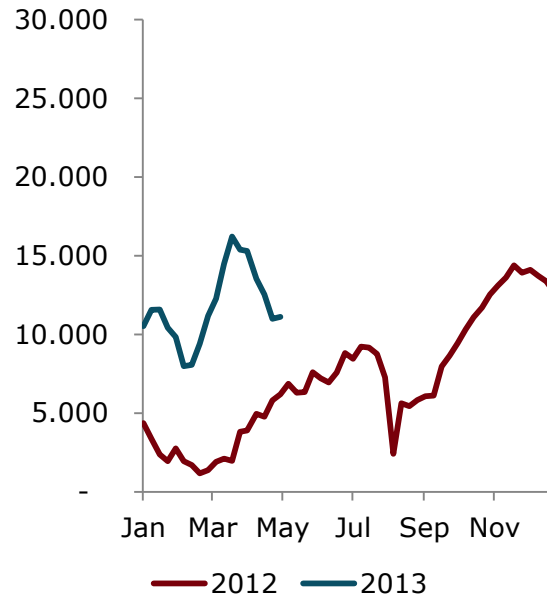
Assumptions: Slippage 25% and scrapping : 5.5% 2013 and 3.5% 2014

- ▶ Good activity in the Western market due to Latin American demand and refinery outages
- ▶ Surprisingly strong Eastern market
  - ▶ Strong Japanese and Indonesian imports
  - ▶ Congestion in Australia and East Africa

MR West CPP (USD/day)



MR East CPP (USD/day)



MR DPP (USD/day)

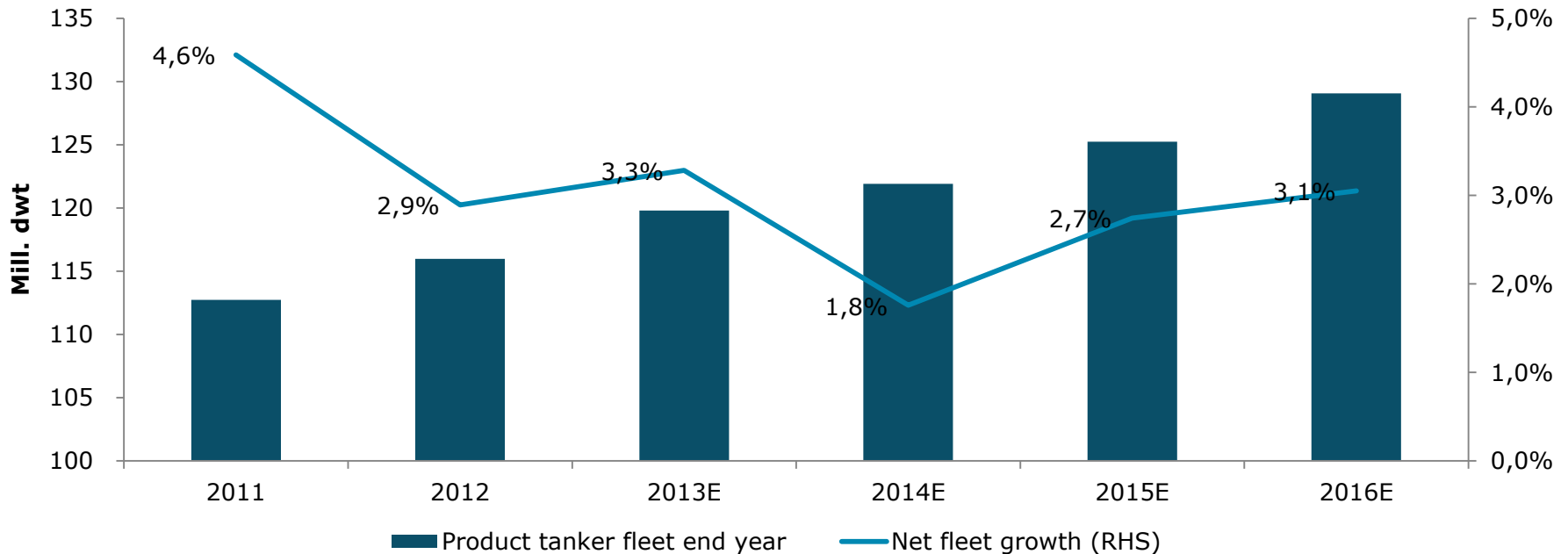


Source: ACM



- ▶ Stabilising fleet growth
- ▶ Highest fleet growth expected for the MRs
- ▶ Counterbalanced by negative fleet growth in Handysize

## Fleet development (millions dwt.)



## 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

THANK YOU FOR YOUR ATTENTION

*Get mobile version of NORDEN's website. Scan and add to home screen. Or go to [m.ds-norden.com](http://m.ds-norden.com)*



**Dampskibsselskabet NORDEN A/S**

52, Strandvejen  
DK-2900 Hellerup  
Denmark  
Phone: +45 3315 0451

[www.ds-norden.com](http://www.ds-norden.com)



BACK UP

FORWARD LOOKING STATEMENTS

**24\*7 seas**

# A LEADING GLOBAL TRAMP OPERATOR

## Dry cargo



Capesize



Post-Panamax



Panamax



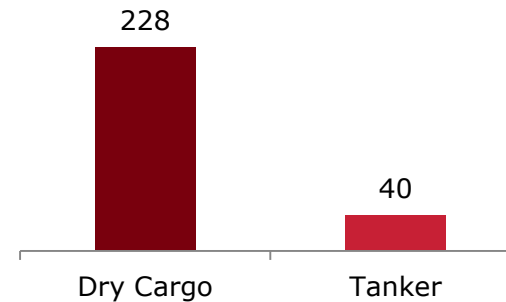
Handymax



Handysize



### Total active fleet



## Tanker



MR



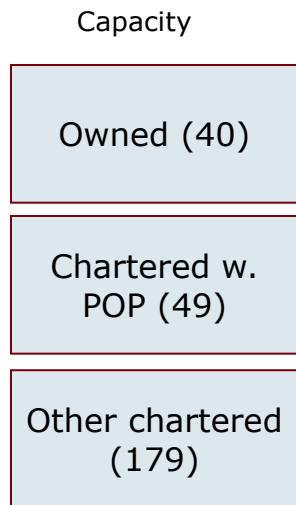
Handysize

- ▶ 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

### Employment

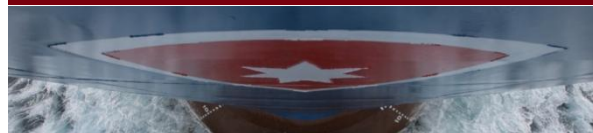


- ▶ Customer relations
- ▶ Logistical efficiencies
- ▶ 2-10 year firm periods
- ▶ Quick and easy cover

## People



## Brand



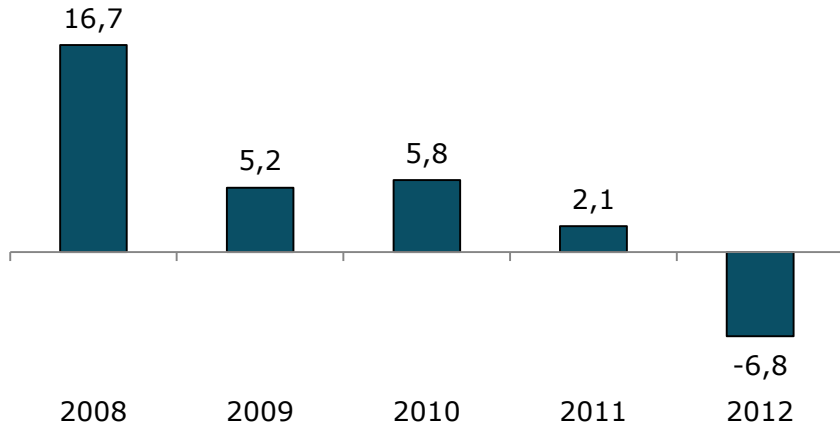
## Systems



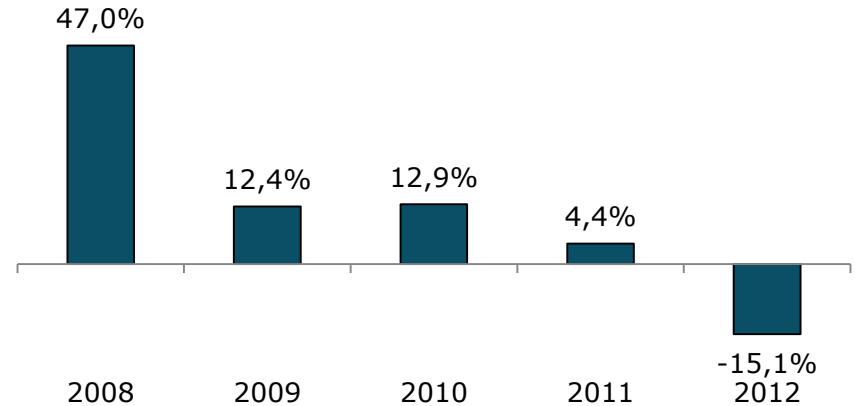
\* Active fleet per 31 March 2013

# LAST 5 YEARS PERFORMANCE

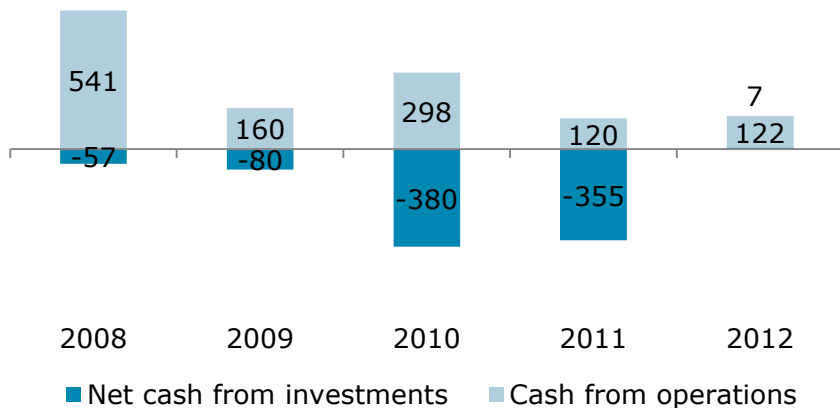
## Earnings per share (USD)



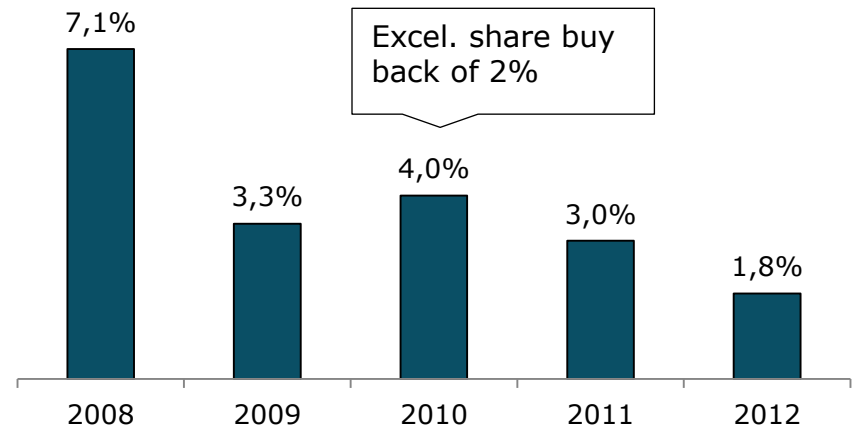
## Return on equity



## Cash flows, operations and investments



## Dividend yield





## Strong capital structure

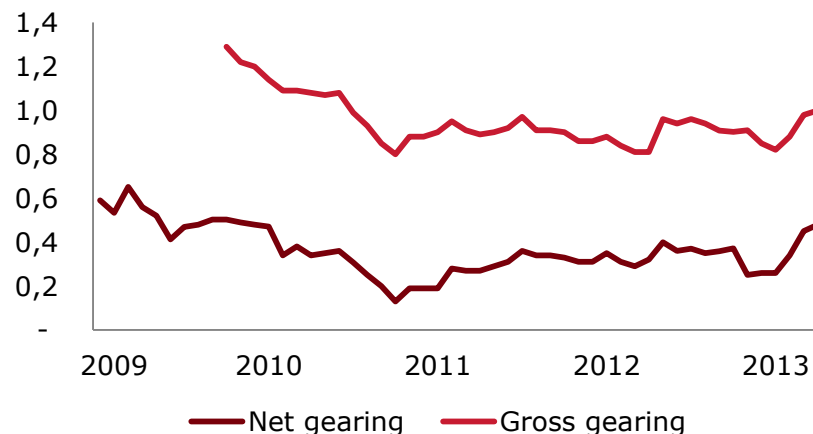
- ▶ Strong focus on cash flow generation
- ▶ Cash in low-risk deposit accounts and securities
- ▶ Newbuilding order book fully covered by available cash
- ▶ USD 137m bank debt
- ▶ Equity ratio at 85%
- ▶ Low gearing of book equity - gearing 0.45

## Net committed cash

USDm	Q1 2013	Q4 2012
Adjusted Net Interest Bearing Assets*	353	362
T/C obligations**	-1.700	-1.646
Newbuilding installments less proceeds from vessel sales**	-263	-95
Revenue from coverage**	898	936
<b>Net commitments</b>	<b>-712</b>	<b>-443</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 31 March 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	11.0	<b>25.0</b>
Chartered vessels with purchase option	1.0	4.0	10.0	16.0	10.0	<b>41.0</b>
<b>Total active core fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>13.0</b>	<b>20.0</b>	<b>21.0</b>	<b>66.0</b>
Chartered vessels without purchase option	0.0	0.0	71.5	69.0	21.8	<b>162.3</b>
<b>Total active fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>84.5</b>	<b>89.0</b>	<b>42.8</b>	<b>228.3</b>
<b>Vessels to be delivered</b>						
Newbuildings (owned)	0.0	0.0	2.0	0.0	1.0	<b>3.0</b>
Chartered vessels with purchase option	0.0	0.0	8.0	3.0	1.0	<b>12.0</b>
<b>Total for delivery to core fleet</b>	<b>0.0</b>	<b>0.0</b>	<b>10.0</b>	<b>3.0</b>	<b>2.0</b>	<b>15.0</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>3.0</b>	<b>2.0</b>	<b>15.5</b>
<b>Total gross fleet</b>	<b>4.0</b>	<b>8.0</b>	<b>95.0</b>	<b>92.0</b>	<b>44.8</b>	<b>243.8</b>

## Dry Cargo fleet values at 31 March 2013 (USD million)

Market value of owned vessels and newbuildings*	77	99	135	85	233	<b>629</b>
Value of purchase and extension options	4	4	27	41	4	<b>80</b>

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

## NORDEN's Tanker fleet and values at 31 March 2013

Vessel type	MR	Handysize	Total
<b>Vessels in operation</b>			
Owned vessels	4.0	11.0	<b>15.0</b>
Chartered vessels with purchase option	8.0	0.0	<b>8.0</b>
<b>Total active core fleet</b>	<b>12.0</b>	<b>11.0</b>	<b>23.0</b>
Chartered vessels without purchase option	10.5	6.5	<b>17.0</b>
<b>Total active fleet</b>	<b>22.5</b>	<b>17.5</b>	<b>40.0</b>
<b>Vessels to be delivered</b>			
Newbuildings (owned)	7.0	2.0	<b>9.0</b>
Chartered vessels with purchase option	0.0	0.0	<b>0.0</b>
<b>Total for delivery to core fleet</b>	<b>7.0</b>	<b>2.0</b>	<b>9.0</b>
Chartered vessels over 3 years without purchase option	0.0	0.0	<b>0.0</b>
<b>Total to be delivered</b>	<b>7.0</b>	<b>2.0</b>	<b>9.0</b>
<b>Total gross fleet</b>	<b>29.5</b>	<b>19.5</b>	<b>49.0</b>
<b>Tanker fleet values at 31 March 2013 (USD million)</b>			
Market value of owned vessels and newbuildings*	360	278	<b>638</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 31 March 2013

USD million					
Owned (active and newbuildings)					
	Number	Carrying amount/ cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
<b>Dry Cargo</b>					
Capesize	3.0	78	70	7	-1
Post-Panamax	4.0	131	99		-32
Panamax	5.0	109	105	29	25
Handymax	4.0	89	85		-4
Handysize	12.0	281	223	10	-48
<b>Tankers</b>					
MR	11.0	386	360		-26
Handysize	13.0	313	278		-35
<b>Total</b>	<b>52.0</b>	<b>1,387</b>	<b>1,220</b>	<b>46</b>	<b>-121</b>

Net Asset Value at 31 March 2013	USD million	Sensitivity		
		DKK per share	+10%	-10%
Equity excl. minority interests	1,677	237	237	237
Added value owned vessels	-121	-17	1	-35
<b>Net Asset Value</b>	<b>1,556</b>	<b>220</b>	<b>238</b>	<b>202</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 31 March 2013

	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>	Ship days					
Capesize	825	1,095	1,095			
Post-Panamax	1,100	1,460	1,460			
Panamax	825	1,119	1,417			
Handymax	1,256	1,460	1,460			
Handysize	3,353	4,380	4,380			
<b>Total</b>	<b>7,359</b>	<b>9,514</b>	<b>9,812</b>			
<b>Chartered vessels</b>	Costs for T/C capacity (USD per day)					
Capesize	275	365	365	18,550	18,537	18,500
Post-Panamax	1,100	1,460	1,460	18,708	18,692	18,692
Panamax	9,362	5,103	5,238	9,889	14,022	15,347
Handymax	8,082	6,385	5,543	12,188	12,467	12,930
Handysize	4,572	5,028	3,995	13,991	13,683	12,573
<b>Total</b>	<b>23,391</b>	<b>18,341</b>	<b>16,601</b>	<b>12,001</b>	<b>13,849</b>	<b>14,236</b>
<b>Total capacity</b>	<b>30,751</b>	<b>27,854</b>	<b>26,414</b>	Costs for gross capacity (USD per day)*		
				<b>10,352</b>	<b>10,866</b>	<b>10,841</b>
<b>Coverage</b>	Revenue from coverage (USD per day)					
Capesize	923	0	0	25,079	0	0
Post-Panamax	301	73	0	7,427	4,332	0
Panamax	9,625	5,736	3,239	10,573	14,549	17,026
Handymax	8,400	3,615	1,585	10,273	13,467	14,500
Handysize	4,281	1,744	1,111	9,553	13,079	14,771
<b>Total</b>	<b>23,530</b>	<b>11,168</b>	<b>5,934</b>	<b>10,809</b>	<b>13,902</b>	<b>15,929</b>
<b>Coverage in %</b>						
Capesize	84%	0%	0%			
Post-Panamax	14%	3%	0%			
Panamax	94%	92%	49%			
Handymax	90%	46%	23%			
Handysize	54%	19%	13%			
<b>Total</b>	<b>77%</b>	<b>40%</b>	<b>22%</b>			

To increase the transparency of the chartered fleet, the table now exhibits time charter capacity separately. Capacity and coverage for the years after 2015 can be found on [www.ds-norden.com/investor/reportspresentations/reportsandwebcasts/](http://www.ds-norden.com/investor/reportspresentations/reportsandwebcasts/).

\*Including cash running costs of owned vessels

# COVERAGE AND CAPACITY – TANKER

## Capacity and coverage, Tankers, at 31 March 2013

	2013	2014	2015	2013	2014	2015
<b>Owned vessels</b>	Ship days			To increase the transparency of the chartered fleet, the table now exhibits time charter capacity separately. Capacity and coverage for the years after 2015 can be found on <a href="http://www.ds-norden.com/investor/reportspresentations/reportsandwebcasts">www.ds-norden.com/investor/reportspresentations/reportsandwebcasts</a>		
MR	1,716	2,619	3,777			
Handysize	2,983	4,632	4,745			
<b>Total</b>	<b>4,699</b>	<b>7,251</b>	<b>8,522</b>			
<b>Chartered vessels</b>				Costs for T/C capacity (USD per day)		
MR	4,683	4,720	3,202	14,077	14,726	15,569
Handysize	1,407	663	0	11,959	12,580	0
<b>Total</b>	<b>6,090</b>	<b>5,383</b>	<b>3,202</b>	<b>13,588</b>	<b>14,462</b>	<b>15,569</b>
<b>Total capacity</b>	<b>10,789</b>	<b>12,634</b>	<b>11,724</b>	Costs for gross capacity (USD per day)*		
				<b>10,597</b>	<b>9,974</b>	<b>9,054</b>
<b>Coverage</b>				Revenue from coverage (USD per day)		
MR	1,940	582	60	13,058	13,080	12,908
Handysize	1,348	383	41	12,667	12,566	12,445
<b>Total</b>	<b>3,288</b>	<b>965</b>	<b>101</b>	<b>12,898</b>	<b>12,876</b>	<b>12,721</b>
<b>Coverage in %</b>						
MR	30%	8%	1%			
Handysize	31%	7%	1%			
<b>Total</b>	<b>30%</b>	<b>8%</b>	<b>1%</b>	*Including cash running costs of owned vessels		

# 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

