

INTERIM REPORT

Second quarter and first half-year of 2017



- ★ **Results**
Adjusted result for Q2 2017: USD -3 million (Q2 2016: USD -4 million)
 - Dry Cargo: USD -7 million (USD -11 million)
 - Tankers: USD 3 million (USD 7 million)
 Group EBIT Q2 2017: USD -3 million (USD -34 million)

- ★ **Markets**
 - Dry Cargo: Increase in year-on-year Chinese imports continues to support improving markets
 - Tankers: Deteriorating markets throughout the quarter

- ★ **Performance**
NORDEN TCE vs. benchmark:
 - Dry Cargo: +28%
 - Tankers: +13%

- ★ **Cover and capacity rest of year**
 - Dry Cargo: 88% coverage. 2,229 open days for the rest of the year
 - Tankers: 22% coverage. 6,108 open days for the rest of the year

- ★ **Vessel values**
 - Dry Cargo: -3%
 - Tankers: Unchanged

- ★ **Guidance**
Expectations for the adjusted results for the year are narrowed within the guidance previously announced to USD -20 to 20 million.

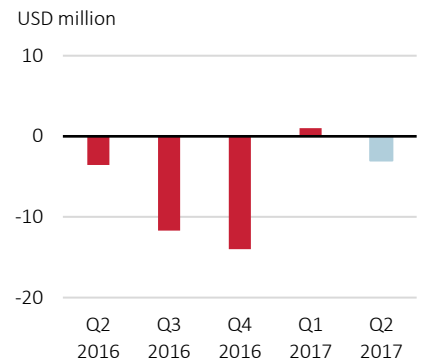
CEO Jan Rindbo in comment:

"In Dry Cargo, the gradual recovery in both market conditions and our earnings continues, although still at loss-making levels. Strategically we are building a strong platform for increased value generation in Dry Cargo through the split into 2 distinct dry cargo business units: Operator and Owner. In Tankers, NORDEN made the best of a very challenging market generating a profit and increasing the capacity at attractive cost levels. Combined with continued annual operational cost savings and highly skilled employees, NORDEN is thereby well-positioned towards improving markets in both dry cargo and tankers in the future."

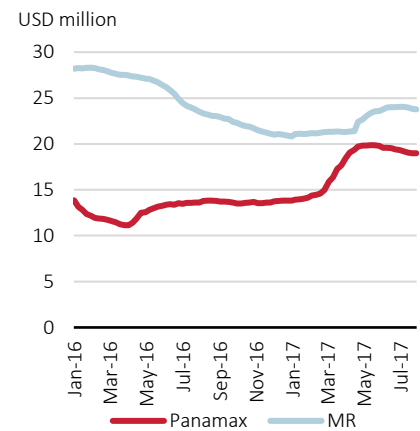
A telephone conference will be held today at 3:30 p.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the report. It is requested that all participants have joined the meeting by latest 3:25 p.m. (CET) – Danish participants please dial in on +45 3271 1658, overseas participants please dial in on +44 (0)20 3427 1910 or +1 646 254 3366. The telephone conference will be shown live at www.ds-norden.com, where the accompanying presentation will also be available.

For further information: CEO Jan Rindbo, tel. +45 3315 0451.

Adjusted result for the period*



Secondhand asset values



*Result for the period adjusted for profit from the sale of vessels, etc.

Key figures and ratios for the group

USD million	1/1-30/6 2017	1/1-30/6 2016	Change H1 2016-2017	1/1-31/12 2016
Income statement				
Revenue	839.7	608.0	38%	1,251.2
Costs	-822.0	-584.3	41%	-1,220.6
Earnings before depreciation, etc. (EBITDA)	17.7	23.7	-25%	30.6
Profit from the sale of vessels, etc.	-0.2	-33.0	-99%	-45.5
Depreciation and write-downs	-20.9	-27.2	-23%	-49.6
Earnings from operations (EBIT)	-2.7	-35.2	-92%	-64.5
Fair value adjustment of certain hedging instruments	0.0	22.5	-	34.5
Net financials	2.0	-5.1	-	-12.3
Results before tax	-0.7	-17.8	-96%	-42.2
Results for the period	-2.6	-19.4	-86%	-45.6
Adjusted result for the period*	-2.4	-8.9	-73%	-34.6
Statement of financial position				
Non-current assets	756.4	841.9	-10%	767.1
Total assets	1,262.8	1,512.8	-17%	1,301.0
Equity	793.4	834.6	-5%	801.4
Liabilities	469.4	678.2	-31%	499.6
Invested capital	748.1	769.6	-3%	753.8
Net interest-bearing assets	45.3	65.0	-30%	47.6
Cash and securities	248.6	345.5	-28%	263.9
Cash flows				
From operating activities	-19.1	-9.4	-	-79.7
From investing activities	45.7	-5.3	-	102.1
- hereof investments in property, equipment and vessels	-12.8	-66.7	-81%	-36.8
From financing activities	-13.5	-19.0	-29%	-85.3
Change in cash and cash equivalents for the period	13.1	-33.7	-	-62.9
Financial and accounting ratios				
Share-related key figures and financial ratios:				
Number of shares of DKK 1 each (including treasury shares)	42,200,000	42,200,000	-	42,200,000
Number of shares of DKK 1 each (excluding treasury shares)	40,467,615	40,467,615	-	40,467,615
Number of treasury shares	1,732,385	1,732,385	-	1,732,385
Earnings per share (EPS)(DKK)	-0.1 (0)	-0.5 (-3)	-87%	-1.1 (-8)
Diluted earnings per share (diluted EPS) (DKK)	-0.1 (0)	-0.5 (-3)	-87%	-1.1 (-8)
Book value per share (excluding treasury shares) (DKK) ¹⁾	19.6 (128)	20.6 (138)	-5%	19.0 (134)
Share price at end of period (DKK)	118.3	93.1	27%	110.5
Price/book value (DKK) ¹⁾	0.93	0.67	37%	0.8
Other key figures and financial ratios:				
EBITDA-ratio ²⁾	-2.1%	3.9%	-46%	2.4%
ROIC	-0.7%	-9.0%	-92%	-8.4%
ROE	-0.7%	-3.9%	-83%	-5.5%
Equity ratio	62.8%	55.2%	-46%	61.6%
Total no. of ship days for the Group	43,873	38,759	13%	78,765
USD/DKK rate at end of period	651.56	669.64	-3%	705.28
Average USD/DKK rate	687.56	667.39	-3%	673.27

¹⁾ Converted at the USD/DKK rate at end of period.

²⁾ The ratios were computed in accordance with "Recommendations and Financial Ratios 2015" published by the Danish Society of Financial Analysts. However, "Profits from the sale of vessels, etc." has not been included in EBITDA.

* Adjusted result for the period was computed as "Results for the period" adjusted for "Profit from the sale of vessels, etc." and until 31/12-2016 "Fair value adjustment of certain hedging instruments".

Comments on the development of the group for the period

- Adjusted result for the period: USD -3 million (USD -4 million)
- Stable vessel values
- Increase in net commitments due to increase in tanker capacity

Adjusted result for the period USD -3 million

In the second quarter, NORDEN realised an adjusted result for the period of USD -3 million (Q2 2016: USD -4 million). This corresponds to an EBIT of USD -3 million (USD -34 million).

NORDEN's dry cargo activities generated an adjusted result for the period of USD -7 million (USD -11 million), corresponding to an EBIT of USD -6 million (USD -42 million). The market conditions were very similar to those in the first quarter, but NORDEN's adverse positioning at the start of the year had less impact in the second quarter. In the tanker market, rates deteriorated and NORDEN's tanker activities generated an adjusted result for the period of USD 3 million (USD 7 million). This corresponds to an EBIT of USD 3 million (USD 9 million).

Financial position

At the end of the quarter, NORDEN's cash and securities amounted to USD 249 million. To this should be added NORDEN's share of cash in joint ventures of USD 4 million and undrawn credit facilities which totalled USD 250 million at the end of the quarter. In comparison, outstanding payments in connection with newbuildings and secondhand purchases constitute USD 268 million and are due for payment in the period 2017-2020. Future payments to NORDEN for assets held for sale amounted to USD 44 million. NORDEN's net commitments, calculated as total bank debt, T/C commitments and present value of outstanding payments on newbuildings less cash and future earnings from coverage, increased by USD 126 million during the quarter to USD 840 million as a result of an increase in long-term T/C commitments in the tanker segment.

Increase in tanker capacity

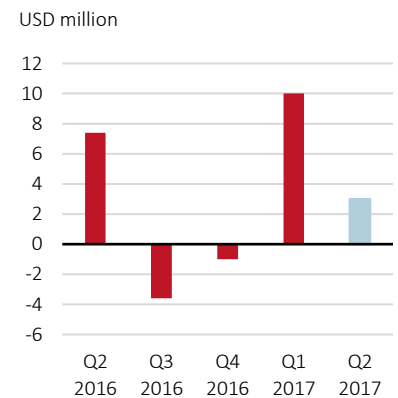
NORDEN has increased long-term exposure during the second quarter of 2017. In the tanker segment, NORDEN has entered into 3-5 year charter agreements which include 2 MR tanker newbuildings and 3 Handysize tankers on long-term charter agreements. The 2 MR tankers are scheduled to be delivered in mid-2019 and early 2020, while the 3 Handysize tankers were delivered in July 2017. Additionally, NORDEN has taken advantage of the market to acquire 2 secondhand MR tankers with delivery in the second half of 2017.

At the end of the second quarter of 2017, NORDEN had 2 dry cargo newbuildings held for sale scheduled to be delivered in the second half of 2017 once completed at the yard.

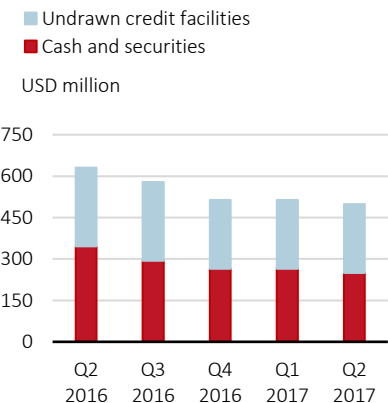
Dry Cargo Adjusted result for the period



Tankers Adjusted result for the period



Available liquidity

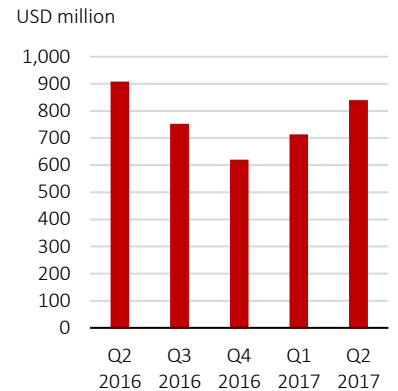


Development in vessel values

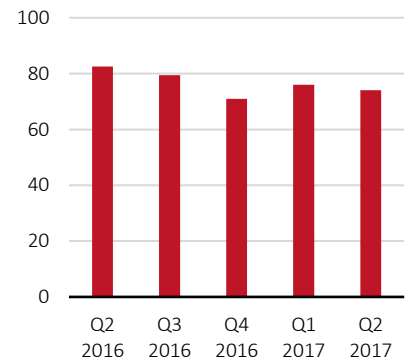
The value of the vessels owned by NORDEN throughout the quarter remained stable. In Dry Cargo, vessel values decreased by 3% during the second quarter, whereas tanker values remained unchanged. Based on valuations from 3 independent brokers, the market value of NORDEN’s owned vessels and newbuildings (including vessels in joint ventures) is estimated at USD 883 million at the end of the quarter. The theoretical value of NORDEN’s purchase and extension options within the core fleet is estimated at USD 30 million at the end of the second quarter.

In the second quarter, the increase in dry cargo asset values during the last quarter has started to level off, while tanker values are recovering from last quarters’ slump. As usual, the Company has carried out an assessment of the development in the key impairment indicators such as short-term and long-term freight rates, newbuilding prices and fleet values. Based on this, the Company has concluded that there are no changes in the assumptions which indicate a need for impairments or reversal of previous impairment charges.

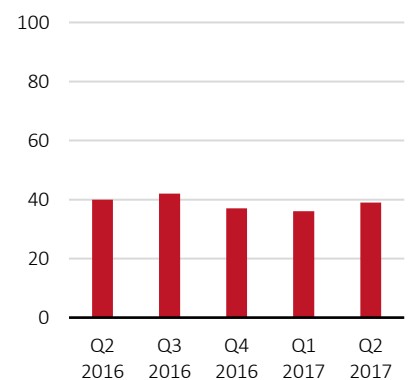
Total net commitments



Active core fleet* Dry Cargo



Active fleet Tankers



*Core fleet is defined as owned vessels and vessels chartered for more than 13 months.

Strategy update

- New focused Dry Cargo operator platform launched
- Greater transparency on value creation in Dry Cargo
- Significant expansion of tanker capacity

Dry Cargo split into 2 business units

During the first half of 2017, NORDEN has continued the execution of its strategy Focus & Simplicity, which for Dry Cargo includes establishment of a new focused operator platform for the short-term operator activities and increased transparency within value creation. There has been no change to the overall strategy within Tankers, rather a focus on exploiting cyclical markets by taking advantage of lower market levels to increase capacity. A key method to increase transparency within value creation in NORDEN's Dry Cargo business is splitting the business into 2 distinct business units; Dry Cargo Operator and Dry Cargo Owner with individual financial reporting. Operator performance will be reported starting with the 2017 third quarter report.

Dry Cargo Operator

Dry Cargo Operator handles NORDEN's short-term dry cargo activities. The objective of Dry Cargo Operator is to create value through logistical optimisation of vessels and cargoes, exploiting arbitrage opportunities and taking short-term freight trading positions. Within defined exposure limits, Dry Cargo Operator can be either long or short and thereby be able to generate positive earnings regardless of market direction and market level. To support the ambition, Dry Cargo Operator has gone through a major overhaul and been reorganised into smaller, more specialised teams with increased agility and authority with the aim of becoming even better at servicing customers and attracting business. The new set-up is also intended to promote a new mindset with focus on fast decision-making in a setting with comprehensive and professional support from the organisation. Key success criteria for Dry Cargo Operator include utilisation of the new focused set-up to strengthen customer, shipbroker and vessel owner relations, having clear and transparent risk management, more in-depth short-term market analysis and increased fuel efficiency awareness to optimise vessel operations.

Dry Cargo Owner

The Dry Cargo Owner part of NORDEN will include all activities related to owned vessels, vessels chartered in for longer periods as well as long-term cover contracts. All vessel capacity within Dry Cargo Owner which is not covered on time charter or cargo contracts will be chartered to Dry Cargo Operator at market rates. Hence, the Dry Cargo Owner segment will contain NORDEN's overall cyclical market exposure within dry cargo, and the objective of Dry Cargo Owner is to create value over a cycle through timing, identifying and negotiating attractive deals, competitive technical management and fuel efficiency.

Tankers – increased capacity

The Tanker business will continue as before with the aim of optimising earnings in cyclical markets. All NORDEN tankers are purchased and chartered in by NORDEN's Asset Management team and commercially managed by Norient Product Pool. During the first half of 2017, NORDEN has been focusing on increasing the exposure by taking advantage of the business opportunities provided by the fluctuations of the cyclical market and strong ties with Japanese owners and yards. In the first half of 2017, NORDEN has thus purchased 2 secondhand MR vessels and entered into 6 long-term newbuilding charter agreements. Furthermore, a strengthened focus on the short-term opportunities has resulted in several short-term charter agreements. After the first half-year, NORDEN has concluded another 2 MRs on long-term charter. In July, NORDEN took delivery of the first of 2 time chartered LR1 vessels. In line with the ambition to focus the business, the LR1s are placed in external commercial management in the Straits Tankers LR1 pool.

Cost drive on track

NORDEN has continued the cost saving programme to ensure annual savings of USD 20 million within a 3-year period ending at year-end 2017. By the end of the second quarter, initiatives amounting to annual savings of USD 18.1 million have been realised, which among other things have resulted in a reduction in OPEX of the owned fleet of approx. USD 200/day. To further increase competitiveness, the programme and fuel efficiency focus will continue after 2017.



A key part of the increased transparency within the value creation in the Dry Cargo business is splitting NORDEN's Dry Cargo business into 2 distinct business units



The Dry Cargo Operator has been organised in smaller, more specialised teams



The Dry Cargo Owner will contain NORDEN's overall cyclical market exposure within Dry Cargo



Annual savings of USD 18.1 million have been realised

Segment information

USD million	Q2 2017			Q2 2016		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Revenue – services rendered	353.8	45.8	399.6	235.5	76.3	311.8
Voyage costs	-162.3	-0.1	-162.4	-123.0	-19.8	-142.8
Contribution margin	191.5	45.7	237.2	112.5	56.5	169.0
Other operating income, net	3.1	0.0	3.1	4.9	0.1	5.0
Vessel operating costs	-187.8	-33.4	-221.2	-112.8	-38.0	-150.8
Costs	-9.4	-2.3	-11.7	-9.1	-1.9	-11.0
Earnings before depreciation, etc. (EBITDA)	-2.6	10.0	7.4	-4.5	16.7	12.2
Profits from the sale of vessels, etc.	0.0	0.0	0.0	-33.8	0.0	-33.8
Depreciation and write-downs	-3.2	-7.0	-10.2	-4.9	-9.0	-13.9
Share of results of joint ventures	-0.3	0.3	0.0	0.7	0.8	1.5
Earnings from operations (EBIT)	-6.1	3.3	-2.8	-42.5	8.5	-34.0
Fair value adjustment of certain hedging instruments	0.0	0.0	0.0	13.4	0.0	13.4
Financial income	3.5	2.1	5.6	0.8	0.4	1.2
Financial expenses	-3.2	-2.0	-5.2	-2.3	-1.5	-3.8
Tax for the period	-0.8	-0.1	-0.9	-0.7	-0.1	-0.8
Results for the period	-6.6	3.3	-3.3	-31.3	7.3	-24.0
Adjusted result for the period	-6.6	3.3	-3.3	-10.9	7.3	-3.6

USD million	H1 2017			H1 2016		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Revenue – services rendered	684.8	154.9	839.7	428.0	180.0	608.0
Voyage costs	-335.3	-56.1	-391.4	-228.4	-53.5	-281.9
Contribution margin	349.5	98.8	448.3	199.6	126.5	326.1
Other operating income, net	6.0	0.0	6.0	6.7	0.1	6.8
Vessel operating costs	-346.6	-67.9	-414.5	-204.8	-81.8	-286.6
Costs	-17.8	-4.3	-22.1	-18.5	-4.1	-22.6
Profit before depreciation, etc. (EBITDA)	-8.9	26.6	17.7	-17.0	40.7	23.7
Profits from the sale of vessels, etc.	0.0	-0.2	-0.2	-33.0	0.0	-33.0
Depreciation	-6.7	-14.2	-20.9	-10.0	-17.2	-27.2
Share of results of joint ventures	0.0	0.7	0.7	0.5	0.8	1.3
Profit before operations (EBIT)	-15.6	12.9	-2.7	-59.5	24.3	-35.2
Fair value adjustment of certain hedging instruments	0.0	0.0	0.0	22.5	0.0	22.5
Financial income	6.5	4.1	10.6	1.5	0.9	2.4
Financial expenses	-5.2	-3.4	-8.6	-4.5	-3.0	-7.5
Tax for the period	-1.7	-0.2	-1.9	-1.4	-0.2	-1.6
Results for the period	-16.0	13.4	-2.6	-41.4	22.0	-19.4
Adjusted result for the period	-16.0	13.6	-2.4	-30.9	22.0	-8.9

USD million	H1 2017			H1 2016		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Vessels	179.6	488.0	667.6	228.8	529.6	758.4
Prepayments on vessels and newbuildings	22.7	0.0	22.7	14.6	0.0	14.6
Other tangible assets	30.1	20.0	50.1	31.0	20.8	51.8
Investments in joint ventures	15.6	0.4	16.0	16.1	1.1	17.2
Non-current assets	248.0	508.4	756.4	290.6	551.5	842.0
Current assets (operating)	210.2	47.6	257.8	249.7	75.6	325.3
Cash and securities	-	-	248.6	-	-	345.5
- Of which tangible assets held for sale	0.0	0.0	0.0	69.8	0.0	69.8
Total assets	458.2	556.0	1,262.8	540.3	627.1	1,512.8

Dry Cargo

- Adjusted result for the period USD -7 million (Q2 2016: USD -11 million)
- Market improvements driven by significantly higher Chinese imports
- Fleet growth during the quarter below 1%

In the second quarter of 2017, the Dry Cargo Department realised an adjusted result of USD -7 million, which was an improvement from the second quarter last year when the adjusted result was USD -11 million. T/C earnings in Dry Cargo were 28% above the benchmark.

Slight improvement in rates

The dry cargo market continued the positive development from the first quarter into the second quarter. The rise in spot rates did lose some momentum, but rates in NORDEN’s key segments were higher than in the first quarter of the year and considerably higher than in the second quarter of 2016. Within Supramax, the average market rates were 8,602 USD/day, and thereby 49% higher than the year before, while Panamax rates with an average of 8,800 USD/day were 79% above the levels seen in the same period of 2016.

Continued improvement in Chinese imports

The key driver behind the improvements compared to 2016 continues to be strong Chinese imports. Economic growth is still considerable in China, which has now enjoyed a cyclical upturn for more than a year initiated by the considerable economic stimulus package introduced by the Chinese government in early 2016. Important activity indicators like steel production and energy consumption are both growing at around 4%.

The higher steel production has led to an increase in iron ore import of 6% in the second quarter compared to last year. However, it should be noted that a part of these imports has been placed in inventories which are now at record-high levels. As for coal imports, growth rates have somewhat stalled, but imports were still 14% higher than last year.

A direct consequence of the increasing demand and prices of iron ore and coal has been a rebound in domestic Chinese production, which has capped the upside in imports somewhat and is expected to continue to do so for the rest of 2017.

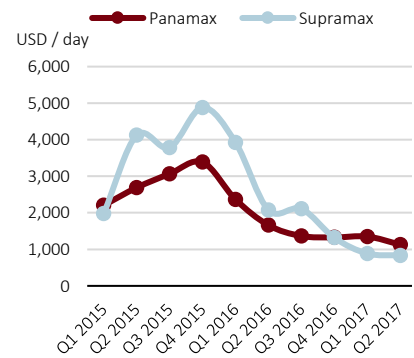
The seaborne coal market also continued to be positively impacted by other Asian countries. South Korea, Malaysia and the Philippines continued to contribute to growth in global coal trade due to the increased number of coal power plants that began operations in 2016.

Grain also contributed to the improvement in the dry cargo market. The second quarter set a new all-time quarterly high for Chinese imports of soya beans – 25 million tonnes were imported – which is 13% more than the year before.

Baltic Exchange Dry Index



4 quarter rolling NORDEN TCE over benchmark



Employment and rates, Dry Cargo, Q2 2017

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total*
NORDEN total days	91	386	8,576	7,578	1,985	18,617
NORDEN core days	91	364	2,835	2,822	1,871	7,983
NORDEN TCE (USD per day)	12,676	11,539	7,897	7,717	8,835	8,274
Benchmark	7,532	6,772	6,719	6,594	5,790	6,469
NORDEN vs. Benchmark	68%	70%	18%	17%	53%	28%

* Weighted average.

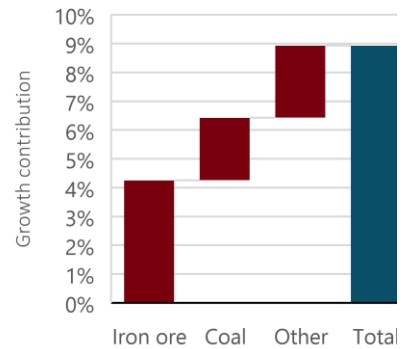
Benchmark is defined as 50% spot and 50% FFA from the previous 12 months less commissions. NORDEN TCE is calculated as freight income less voyage costs (such as broker commission, bunkers and port costs), but before payment of pool management fees in cases where the vessel type is operated in a pool, see also page 4.

Asset values and fleet development

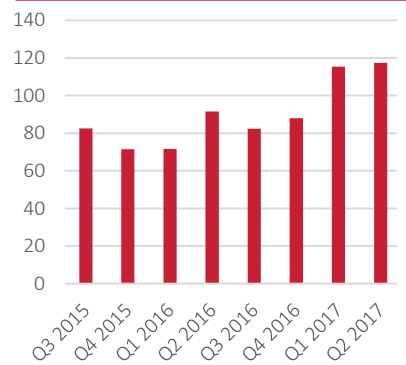
As spot rates stabilised so did asset values after strong improvements through the first quarter. The pace of deliveries has dropped significantly in the second quarter with only 9.5 million dwt delivered, representing 1% of the world fleet. Scrapping levels have also dropped to relatively low levels. NORDEN expects full-year fleet growth of around 3%, of which growth has mainly occurred in the first half of the year.

Based on this, NORDEN expects rates for the rest of 2017 to be higher than in 2016. The year-on-year improvements will, however, not be as high as seen in the first half of the year as Chinese growth is likely to be less significant as economic growth rates stabilise or even decline. In 2018, supply growth is expected to be at historically low levels of around 1% which creates a foundation for continued improvements even though demand growth could be lower in 2018 than in 2017. Looking further ahead, the ordering activity has picked up in the second quarter, but the levels continue to look manageable.

Change in China imports Q2 17 vs 16



Average number of vessel (non-core)



NORDEN's Dry Cargo core fleet and values at 30 June 2017

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total
Vessels in operation						
Owned vessels	0.0	0.0	4.0	5.5	7.0	16.5
Chartered vessels with a duration of more than 13 months	1.0	4.0	19.5	24.0	9.0	57.5
Total active core fleet	1.0	4.0	23.5	29.5	16.0	74.0
Vessels to be delivered						
Owned vessels	0.0	0.0	1.0	9.0	0.0	10.0
Chartered vessels with a duration of more than 13 months	0.0	0.0	0.0	7.0	2.0	9.0
Total delivery to core fleet	0.0	0.0	1.0	16.0	2.0	19.0
Dry Cargo fleet values (USD million)						
Market value of owned vessels and newbuildings*	0	0	92	307	97	496
Theoretical value of purchase and extension options	0	2	14	9	1	26

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

Positioning

At the end of the second quarter, the Dry Cargo Department's coverage for the rest of 2017 was at 88%, which corresponds to 2,229 open ship days. In 2018, there is a total of 11,978 open days.



2,229 open ship days as of 30 June 2017

Capacity and coverage, Dry Cargo, at 30 June 2017

	Q3 2017	Q4 2017	2018	2019	Q3 2017	Q4 2017	2018	2019
Own Vessels								
	Ship days							
Panamax	368	367	1,446	1,373				
Supramax	506	503	2,743	4,002				
Handysize	644	643	2,534	2,534				
Total	1,518	1,512	6,722	7,909				
Chartered vessels (core fleet)					Costs for T/C core capacity (USD per day)*			
Capesize	29	-	-	-	4,328	-	-	-
Post-Panamax	360	368	1,460	1,460	6,708	6,708	8,739	10,397
Panamax	1,956	1,770	5,614	5,214	8,952	9,163	10,376	11,875
Supramax	1,542	1,288	4,197	4,140	7,569	7,537	9,118	10,493
Handysize	721	492	1,778	1,167	7,843	6,961	10,101	9,783
Total	4,608	3,918	13,048	11,980	8,111	8,121	9,750	11,014
Chartered Vessels (non-core fleet)					Costs for T/C non-core capacity (USD per day)*			
Panamax	2,924	583	123	-	9,755	8,272	9,213	-
Supramax	2,460	739	281	-	9,530	8,797	8,588	-
Handysize	61	-	-	-	7,741	-	-	-
Total	5,445	1,322	404	-	9,631	8,565	8,778	-
Total capacity					Costs for total capacity (USD per day)*			
	11,571	6,753	20,174	19,889	8,444	7,558	8,222	8,755
Coverage					Revenue from coverage (USD per day)			
Post-Panamax	211	141	125	-	9,880	10,139	7,521	-
Panamax	5,021	2,322	3,875	2,809	10,017	10,678	12,788	14,707
Supramax	4,362	2,069	2,874	1,808	9,671	8,415	11,166	13,036
Handysize	1,256	713	1,322	996	8,746	10,111	12,778	14,384
Total	10,850	5,245	8,196	5,612	9,727	9,694	12,137	14,111
Coverage in %								
Capesize	0%	-	-	-				
Post-Panamax	59%	38%	9%	-				
Panamax	96%	85%	54%	43%				
Supramax	97%	82%	40%	22%				
Handysize	88%	63%	31%	27%				
Total	94%	78%	41%	28%				

*Costs include the effect of the provisions for onerous contracts made in 2014 and 2015 and cash running costs for owned vessels. A statement excluding the provision can be found on NORDEN's website. Costs are excluding O/A. For segments which are operated in a pool, the TCE is after management fee. With respect to the Dry Cargo pools, NORDEN receives the management fee as "Other operating income".

Tankers

- Adjusted result for the period USD 3 million (Q2 2016: USD 7 million)
- High level of product inventories limiting transportation demand
- Increase in industry ordering activity

As expected, the market conditions for product tankers continued at low levels in the second quarter. However, the spike at the end of the first quarter continued into the early parts of the second quarter with a positive impact on average earnings. NORDEN’s tanker business realised an adjusted result of USD 3 million – compared to USD 7 million in the second quarter of 2016.

In the second quarter, NORDEN generated TCE earnings for MR and Handysize of USD 14,871 per day and 12,800 per day, respectively. The Company’s average earnings for the past 4 quarters are thus 15% above the market average for MR and 11% above the market average for Handysize. In total, NORDEN’s tanker earnings were 13% above market benchmark. As in the first quarter of 2017, NORDEN also has several vessels on short-term charter in the second quarter.

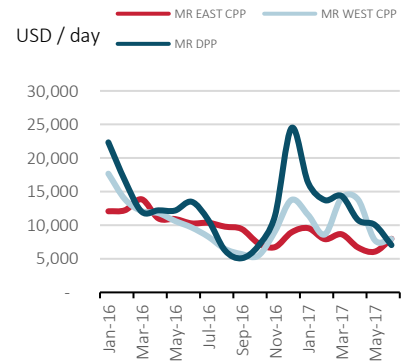
Demand pressured by high inventories

The overall product tanker market continues to be negatively affected by the strong period in 2014/2015, where the collapse in oil prices resulted in considerable build-up of inventories in the key importing regions. This has led to a decrease in the demand for tankers. In addition to lowering the need for imports, the high inventories also act as a buffer reducing the potential for temporary imbalance in the market leading to prolonged upward pressure on rates.

In 2017, the MR product tanker segment has fared the best, with spot rates being above rates for both LR1s and LR2s. The flexibility and triangulation possibilities with MRs make earnings slightly more resistant during downturns in demand. The Handysize segment has experienced weak market rates during the second quarter due to limited demand in Europe and direct competition from the Aframaxes especially out of the Black Sea. On a general basis, the crude segments are under significant pressure due to the strong deliveries during the last 12 months.

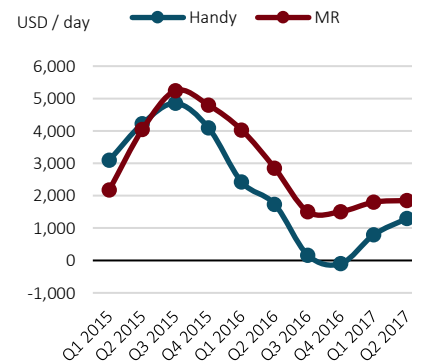
NORDEN expects the overall market rates for the rest of the year to be slightly weaker than the levels of the first half of the year. The inventories of refined products are adjusting fairly slowly, and while the delivery pace of product tankers is slowing, supply growth from the last 2 years still has to be absorbed.

MR market rates



Source: ACM

4 quarter rolling NORDEN TCE over benchmark



Employment and rates, Tankers, Q2 2017

Vessel type	LR1	MR	Handysize	Total *
NORDEN’s ship days	47	2,361	991	3,353
NORDEN spot TCE (USD per day, net)	10,991	13,957	12,408	13,449
NORDEN TCE (USD per day, net)	10,991	14,871	12,800	14,258
NORDEN TCE 12 months average (USD per day, net)	N/A	14,594	12,740	13,968
Benchmark 12 months average (USD per day, net)	N/A	12,741	11,527	12,331
NORDEN vs. Benchmark (12 months average)	N/A	15%	11%	13%

* Weighted average.

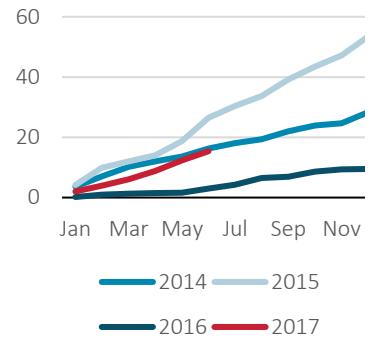
NORDEN TCE is calculated as freight income less voyage costs (such as broker commission, bunkers and port costs), but before payment of pool management fee. Due to the limited number of days the total is not including LR1 figures.

Increase in tanker ordering activity

Ordering activity has increased for product tankers during the second quarter. A total of 10 Handysize vessels and 22 MRs have been ordered along with 18 LR2 vessels, which corresponds to 2.4% of the product tanker fleet. New orders in the crude segment in the second quarter was 2% of the crude order book. Consequently, with 17 VLCCs ordered during the second quarter, the crude order book continues to be significant. On an overall basis, the accumulated ordering in tankers has been 15 million DWT in 2017, which is significantly more than in 2016.

NORDEN still expects a gradual recovery into 2018 for product tankers as supply growth continues to decrease and inventories of refined products are normalised. Strong fleet growth for crude tankers could have a negative impact on rates for product tankers, but the effect is not expected to prevent rates from improving compared to the rate levels in 2017.

Accumulated tanker contracting (million dwt.)



Source: Clarksons Research

NORDEN's Tanker fleet and values at 30 June 2017

Vessel type	LR1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0.0	9.0	10.0	19.0
Chartered vessels with a duration of more than 13 months	1.0	12.0	1.0	14.0
Total active core fleet	1.0	21.0	11.0	33.0
Chartered vessels with a duration of less than 13 months	0.0	5.0	1.0	6.0
Total active fleet	1.0	26.0	12.0	39.0
Vessels to be delivered				
Owned vessels	0.0	2.0	0.0	2.0
Chartered vessels with a duration of more than 13 months	1.0	8.0	2.0	11.0
Total delivery to core fleet	1.0	10.0	2.0	13.0
Tanker fleet values (USD million)				
Market value of owned vessels and newbuildings*	0	231	156	386
Theoretical value of purchase and extension options	0	3	0	3

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

Positioning

At the end of the second quarter, 22% of ship days for the rest of 2017 had been covered corresponding to 6,108 open ship days.



6,108 open ship days as of 30 June 2017

Capacity and coverage, Tanker, at 30 June 2017

	Q3 2017	Q4 2017	2018	2019	Q3 2017	Q4 2017	2018	2019
Own Vessels								
	Ship days							
LR1	-	-	-	-				
MR	1,057	1,097	3,948	3,971				
Handysize	920	916	3,591	3,588				
Total	1,977	2,014	7,539	7,559				
Chartered vessels					Costs for T/C core capacity (USD per day)*			
LR1	163	184	730	730	18,655	18,655	18,655	18,655
MR	1,471	1,304	3,163	3,240	13,608	13,513	15,430	15,730
Handysize	360	350	1,095	1,095	11,062	11,761	12,729	12,729
Total	1,994	1,837	4,988	5,065	13,561	13,695	15,309	15,503
Total capacity					Costs for total capacity (USD per day)*			
	3,971	3,851	12,527	12,624	9,844	9,738	9,811	9,966
Coverage					Revenue from coverage (USD per day)			
LR1	-	-	-	-	-	-	-	-
MR	846	549	891	6	13,881	13,725	14,776	12,844
Handysize	223	95	219	-	11,782	15,657	15,660	-
Total	1,069	644	1,110	6	13,442	14,009	14,951	12,844
Coverage in %								
LR1	-	-	-	-				
MR	33%	23%	13%	0%				
Handysize	17%	7%	5%	-				
Total	27%	17%	9%	0%				

* Including cash running costs of owned vessels. Costs are excluding O/A. For segments which are operated in a pool, the TCE is after management fee. With respect to the Dry Cargo pools, NORDEN receives the management fee as "Other operating income".

Outlook for 2017

NORDEN narrowing expectations

NORDEN narrows its expectations for the adjusted results for the year to USD -20 to 20 million.

In Dry Cargo, the combination of high coverage and a strong spot market has resulted in a weak start to the year, which makes it unlikely that the higher part of the expectations range can be achieved. Therefore, the range in Dry Cargo is adjusted to USD -25 to -5 million from the previous USD -15 to 45 million. The overall market development for Tankers has been as expected and the range is unchanged.

Expectations for 2017

USD million	Dry Cargo	Tankers	Group
Adjusted results for the year	-25 to -5	-15 to 15	-20 to 20

Risks and uncertainties

During the summer, Dry Cargo has increased the number of ship days. At the beginning of August, Dry Cargo has about 5,200 open ship days, which gives rise to a change in earnings of about USD 5.2 million at a change of USD 1,000 per day in expected T/C equivalents. Dry Cargo earnings are furthermore sensitive to any 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 about 5,600 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 5.6 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 2017 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 second quarter and first half-year of 2017 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 2016.

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, 17 August 2017

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Executive Vice President & CFO

Board of Directors

Klaus Nyborg
Chairman

Johanne Riegels Østergård
Vice Chairman

Karsten Knudsen

Arvid Grundekjøn

Thomas Intrator

Hans Feringa

Thorbjørn Joensen

Janus Haahr

Lars Enkegaard Billmann

Income statement

Note	USD '000	2017	2016	2016
		H1	H1	Q1-Q4
	Revenue	839,713	608,025	1,251,187
	Costs	-822,059	-584,355	-1,220,579
	Earnings before depreciation, etc. (EBITDA)	17,654	23,670	30,608
	Profits from the sale of vessels, etc.	-208	-33,038	-45,544
	Depreciation and write-downs	-20,868	-27,161	-49,589
	Share of results of joint ventures	737	1,279	47
	Earnings from operations (EBIT)	-2,685	-35,250	-64,478
	Fair value adjustment of certain hedging instruments	0	22,541	34,520
	Net financials	1,989	-5,114	-12,260
	Results before tax	-696	-17,823	-42,218
	Tax for the period	-1,938	-1,577	-3,373
	Results for the period	-2,634	-19,400	-45,591
	Attributable to:			
	Shareholders of NORDEN	-2,634	-19,400	-45,591
	Adjusted result for the period	-2,426	-8,903	-34,567
	Earnings per share (EPS), USD	-0.1	-0.5	-1.1
	Diluted earnings per share, USD	-0.1	-0.5	-1.1

Statement of comprehensive income

Note	USD '000	2017	2016	2016
		H1	H1	Q1-Q4
	Results for the period, after tax	-2,634	-19,400	-45,591
	Items which will be reclassified to the income statement:			
2	Fair value adjustment of hedging instruments	-6,463	-862	4,483
	Fair value adjustment of securities	604	-1,570	-12,375
	Tax on fair value adjustment of securities	0	0	40
	Other comprehensive income, total	-5,859	-2,432	-7,852
	Total comprehensive income for the period, after tax	-8,493	-21,832	-53,443
	Attributable to:			
	Shareholders of NORDEN	-8,493	-21,832	-53,443

Income statement by quarter

Note	USD '000	2017	2017	2016	2016	2016
		Q2	Q1	Q4	Q3	Q2
	Revenue	399,547	440,166	329,040	314,122	311,805
	Costs	-392,237	-429,822	-326,248	-309,976	-299,571
	Earnings before depreciation, etc. (EBITDA)	7,310	10,344	2,792	4,146	12,234
	Profits from the sale of vessels, etc.	13	-221	-6,726	-5,780	-33,828
	Depreciation and write-downs	-10,250	-10,618	-10,739	-11,689	-13,846
	Share of results of joint ventures	147	590	-1,620	388	1,475
	Earnings from operations (EBIT)	-2,780	95	-16,293	-12,935	-33,965
	Fair value adjustment of certain hedging instruments	0	0	8,572	3,407	13,395
	Net financials	386	1,603	-3,239	-3,907	-2,622
	Results before tax	-2,394	1,698	-10,960	-13,435	-23,192
	Tax for the period	-950	-988	-1,012	-784	-798
	Results for the period	-3,344	710	-11,972	-14,219	-23,990
	Attributable to:					
	Shareholders of NORDEN	-3,344	710	-11,972	-14,219	-23,990
	Adjusted result for the period	-3,357	931	-13,818	-11,846	-3,557
	Earnings per share (EPS), USD	-0.1	0.0	-0.3	-0.4	-0.6
	Diluted earnings per share, USD	-0.1	0.0	-0.3	-0.4	-0.6

Statement of comprehensive income by quarter

Note	USD '000	2017	2017	2016	2016	2016
		Q2	Q1	Q4	Q3	Q2
	Results for the period, after tax	-3,344	710	-11,972	-14,219	-23,990
	Items which will be reclassified to the income statement:					
	Value adjustment of hedging instruments	3,536	-9,999	4,310	1,035	-211
	Fair value adjustment of securities	365	239	-2,883	-7,922	-1,643
	Tax on fair value adjustment of securities	0	0	40	0	0
	Other comprehensive income, total	3,901	-9,760	1,467	-6,887	-1,854
	Total comprehensive income for the period, after tax	557	-9,050	-10,505	-21,106	-25,844
	Attributable to:					
	Shareholders of NORDEN	557	-9,050	-10,505	-21,106	-25,844

Statement of financial position

Note	USD '000	2017	2016	2016
		30/6	30/6	31/12
	ASSETS			
3	Vessels	667,571	758,394	680,247
	Property and equipment	50,123	51,801	50,997
4	Prepayments on vessels and newbuildings	22,739	14,457	19,880
	Investments in joint ventures	15,959	17,242	15,927
	Non-current assets	756,392	841,894	767,051
	Inventories	54,077	39,979	44,062
	Receivables from joint ventures	26,776	3,663	5,030
	Receivables and accruals	176,953	211,943	198,869
	Securities	11,591	33,523	18,668
	Cash and cash equivalents	236,989	311,938	245,182
		506,386	601,046	511,811
5	Tangible assets held for sale	0	69,839	22,168
	Current assets	506,386	670,885	533,979
	Total assets	1,262,778	1,512,779	1,301,030
	EQUITY AND LIABILITIES			
	Share capital	6,706	6,706	6,706
	Reserves	-6,368	4,911	-509
	Retained earnings	793,043	822,967	795,209
	Equity	793,381	834,584	801,406
	Bank debt	176,239	244,025	190,089
	Provisions	65,615	132,837	91,952
	Prepayments received on vessels for resale	0	0	0
	Non-current liabilities	241,854	376,862	282,041
	Bank debt	27,011	36,477	26,171
	Provisions	75,542	111,868	95,217
	Trade payables	46,493	53,592	42,395
	Liabilities in joint ventures	0	0	0
	Other payables, deferred income and company tax	73,397	76,646	48,700
		222,443	278,583	212,483
	Liabilities relating to tangible assets held for sale	5,100	22,750	5,100
	Current liabilities	227,543	301,333	217,583
	Liabilities	469,397	678,195	499,624
	Total equity and liabilities	1,262,778	1,512,779	1,301,030

Statement of cash flows

Note	USD '000	2017	2016	2017	2016	2016
		H1	H1	Q2	Q2	Q1-Q4
	Results for the period	-2,634	-19,400	-3,344	-23,990	-45,591
	Change in provisions	-43,156	-51,193	-21,499	-25,836	-117,468
	Reversal of items without effect on cash flow	19,390	44,267	10,738	37,386	73,391
	Change in working capital	9,572	21,520	4,733	-1,073	17,354
	Financial payments received	5,638	2,231	4,366	1,106	4,067
	Financial payments paid	-7,911	-6,792	-4,717	-3,577	-11,475
	Cash flows from operating activities	-19,101	-9,367	-9,723	-15,984	-79,722
	Investments in vessels, etc.	-7,331	-64,335	-8,545	-12,382	-68,381
	Additions in prepayments on newbuildings	-2,382	-2,382	-7	-2,378	-7,805
	Additions in prepayments received on sold vessels	-3,050	2,594	-1,850	17,650	-15,056
	Investments in joint ventures	0	-2,247	0	-2,247	-5,247
	Net proceeds from the sale of vessels, etc.	24,741	73,907	11,512	95	172,564
	Sale of securities	9,503	3,612	4,032	0	9,396
	Change in cash and cash equivalents with rate agreements of more than 3 months etc.	24,264	-16,455	7,600	-14,139	16,590
	Cash flows from investing activities	45,745	-5,306	12,742	-13,401	102,061
	Raising of non-current debt	0	0	0	0	0
	Instalments on/payment of debt	-13,502	-19,028	-8,361	-13,559	-85,255
	Cash flows from financing activities	-13,502	-19,028	-8,361	-13,559	-85,255
	Change in cash and cash equivalents for the period	13,142	-33,701	-5,342	-42,944	-62,916
	Cash and cash equivalents at beginning of period	100,627	167,774	122,040	178,097	167,774
	Exchange rate adjustments	2,929	265	0	-815	-4,231
	Change in cash and cash equivalents for the period	13,142	-33,701	-5,342	-42,944	-62,916
	Cash and cash equivalents at the end of the period	116,698	134,338	116,698	134,338	100,627
	Cash and cash equivalents with rate agreements of more than 3 months etc.	120,291	177,600	120,291	177,600	144,555
	Cash and cash equivalents according to the statement of financial position	236,989	311,938	236,989	311,938	245,182

Statement of changes in equity

Note USD '000

	Shareholders of NORDEN			
	Share capital	Reserves	Retained earnings	Group equity
Equity at 1 January 2017	6,706	-509	795,209	801,406
Total comprehensive income for the period	0	-5,859	-2,634	-8,493
Adjustment of treasury shares in joint ventures	0	0	0	0
Share-based payment	0	0	468	468
Changes in equity	0	-5,859	-2,166	-8,025
Equity at 30 June 2017	6,706	-6,368	793,043	793,381
Equity at 1 January 2016	6,706	7,343	842,014	856,063
Total comprehensive income for the period	0	-578	4,590	4,012
Share-based payment	0	0	351	351
Value Adjustment joint ventures	0	0	-1,545	-1,545
Changes in equity	0	-578	3,396	2,818
Equity at 30 June 2016	6,706	6,765	845,410	858,881
Equity at 1 January 2016	6,706	7,343	842,014	856,063
Total comprehensive income for the period	0	-7,852	-45,591	-53,443
Share-based payment	0	0	525	525
Value Adjustment joint ventures	0	0	-1,739	-1,739
Changes in equity	0	-7,852	-46,805	-54,657
Equity at 31 December 2016	6,706	-509	795,209	801,406

Notes

1. Significant accounting policies

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 2016 has been prepared in accordance with the International Financial Reporting Standards (IFRS).

Changes in accounting policies

As from 1 January 2017, NORDEN has implemented IFRS 9, Financial Instruments and certain minor amendments to other standards. For a description of changes in accounting policies in 2017 and the effect, reference is made to the Interim Report for the First quarter for 2017.

For a complete description of accounting policies, see also page 50-52 in the consolidated annual report for 2016.

Standards not yet in force

At the end of June 2017, IASB has issued the following new financial reporting standards and interpretations which are estimated to be of relevance to NORDEN:

- IFRS 15 on revenue recognition – New common standard on revenue recognition. Revenue is recognised as control is passed to the buyer (EU approved).
- IFRS 16 Leasing – For the lessee, the distinction between finance and operating leases will be removed. In the future, operating leases must be recognised in the balance sheet as an asset and a corresponding lease commitment. The standard comes into force in 2019 (non-EU approved)

Please see the annual report 2016, page 50, for an assessment of the potential effect.

Further, IFRIC 23, Uncertainty over income tax treatments, effective from 1 January 2019 has been issued. In the second quarter of 2017, Management has not yet assessed the impact, if any.

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

Management's choices and assessments in the accounting policies on vessel leases, impairment test and onerous contracts are significant. For a description of these, see page 51 in the consolidated annual report for 2016.

Notes

2. Fair value adjustment - hedging instruments

As of 1 January 2017, NORDEN has designated financial contracts for bunker purchases as cash flow hedging of highly probable future bunker purchases and Forward Freight Agreements as hedging of highly probable sales of ship days. The hedging contracts cover contracts concluded before as well as after 1 January 2017.

The bunker hedging contracts, which are entered into, are contracts with the listed Rotterdam and Singapore spot prices, respectively, as the underlying price. The actual bunker purchases take place in ports all over the world. Published prices in a selection of the ports used by NORDEN show very high correlation between price changes in the respective ports and the two reference ports. The hedging is therefore considered to be effective.

The FFA hedging contracts, which are entered into, are contracts with the published Baltic Dry spot indices for the respective vessel types (Handysize, Supramax, Panamax) as the underlying index. Actual earnings on a combination of fronthaul and backhaul spot voyages within the respective segments compared to the Baltic Dry indices show a high correlation between the actual average earned spot rates and the respective indices. The hedging is therefore considered to be effective.

As of 30 June 2017, outstanding hedging contains:

USD '000	Volume/Amount	Term	Fair value*	Recognised in comprehensive income
Bunker hedging	229,236 mts.	2017-2024	-6,513	-2,750
FFA hedging	420 days	2017-2018	-3,555	-3,040
Cross Currency Swap	54,400	2017-2025	70	-980
Interest Rate Swap	103,600	2017-2019	851	307
Total			-9,147	-6,463

*(+ = asset and - = liability)

In the revenue for the period, fair value adjustments of FFA hedging of USD -4.5 million have been recognised, while in vessel operating costs, fair value adjustments of bunker hedging of USD -3.6 million have been recognised.

3. Vessels

USD '000	2017 30/6	2016 30/6	2016 31/12
Cost at 1 January	1,165,848	1,618,772	1,618,772
Additions for the period	7,241	23,923	27,961
Disposals for the period	0	0	0
Transferred during the period from prepayments on vessels and newbuildings	0	0	0
Transferred during the period to tangible assets held for sale	0	-342,491	-480,885
Cost	1,173,089	1,300,204	1,165,848
Depreciation at 1 January	-286,953	-377,642	-377,642
Depreciation for the period	-19,917	-59,719	-47,659
Reversed depreciation of disposed vessels	0	0	0
Transferred during the year to tangible assets held for sale	0	109,105	138,348
Depreciation	-306,870	-328,256	-286,953
Write-downs at 1 January	-198,648	-376,879	-376,879
Write-downs for the period	0	0	0
Transferred during the year to tangible assets held for sale	0	163,325	178,231
Write-downs	-198,648	-213,554	-198,648
Carrying amount	667,571	758,394	680,247

Notes

4. Prepayments on vessels and newbuildings

USD '000	2017	2016	2016
	30/6	30/6	31/12
Cost at 1 January	31,197	23,392	23,392
Additions for the period	2,382	2,382	7,805
Transferred during the period to vessels	0	0	0
Transferred during the period to tangible assets held for sale	-3,369	0	0
Transferred during the period to other items	0	0	0
Cost	30,210	25,774	31,197
Write-downs at 1 January	-11,317	-11,317	-11,317
Transferred during the period	3,846	0	0
Write-downs	-7,471	-11,317	-11,317
Carrying amount	22,739	14,457	-11,317

5. Tangible assets held for sale

USD '000	2017	2016	2016
	30/6	30/6	31/12
Carrying amount at 1 January	22,168	33,644	33,644
Additions for the period to tangible assets held for sale	3,050	39,371	164,306
Additions for the period from prepayments on vessels and newbuildings	3,369	0	0
Additions for the period from vessels	-3,846	70,061	39,373
Additions for the period from other items	-2,916	0	0
Disposals for the period	-21,825	-73,237	-171,941
Write-downs for the period	0	0	-43,214
Carrying amount	0	69,839	22,168

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 2016.

7. Contingent assets and liabilities

Since the end of 2016, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

Notes

8. Overview of deliveries of owned vessels and fleet values

Expected delivery of NORDEN's newbuildings at 30 June 2017

Vessel type	Delivery quarter
Supramax	Q3 2017 (sold)
Panamax	Q4 2017 (sold)
Supramax	Q1 2018
Supramax	Q1 2018
Supramax	Q4 2018
Supramax	Q4 2018
Supramax	Q1 2019
Supramax	Q2 2019
Supramax	Q1 2020
Supramax	Q1 2020

Payments related to owned vessels at 30 June 2017

USD million	2017	2018	2019	2020	Total
Newbuilding payments and secondhand purchases	91	117	45	16	268

Future payments to NORDEN from assets held for sale: USD 44 million, of which all will be received during the second half of 2017.

Fleet values at 30 June 2017

USD million	Number	Average dwt.	Carrying amount/cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
Dry Cargo						
Panamax	5.0	79,000	89	75	17	3
Supramax	14.5	60,000	315	307	0	-7
Handysize	7.0	37,000	101	82	15	-4
Total Dry Cargo	26.5		505	464	32	-8
Tankers						
MR	11.0	50,000	273	230	1	-42
Handysize	10.0	39,000	214	155	1	-58
Total Tankers	21		487	385	2	-100
Total	47.5		991	849	34	-108

* Including joint ventures and assets held for sale but excluding charter parties, 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 results for the period or the statement of financial position.