



## Interim report – first quarter 2010

### Key figures and ratios (USDm)

	Q1 10	Q1 09
<b>EBITDA</b>		
Group	79	15
<b>EBITDA</b>		
Dry Cargo	81	9
<b>EBITDA</b>		
Tanker	1	9
<b>EBIT</b>		
Group	69	22
<b>Theoretical NAV</b>		
DKK per share	303	292
<b>Coverage 2010</b>		
Dry Cargo		81%
Tanker		50%
<b>Outlook 2010</b>		
EBITDA	170-220	
EBIT	155-205	

### Highlights:

NORDEN had a good start to the year with an increase in operating profit (EBITDA) of 425% compared to the same period last year. The profit is positively affected by 2 previously announced non-recurring income items of a total of USD 37 million. Excluding these non-recurring income items, the operating profit increased by 180%.

The Dry Cargo Department increased its EBITDA based on high coverage at attractive rates. Furthermore, the department was well positioned in the market with the majority of open ship days in the small vessel types where the spot rates increased. The market was robust.

The Tanker Department achieved a small operating profit in a market which was still challenging, but turned out better than expected, because the cold winter on the northern hemisphere increased demand.

Sale of vessels generated a loss of USD 1 million (profit of USD 16 million), whereas depreciation increased as a result of a larger number of owned vessels. Therefore, EBIT did not increase to the same extent as EBITDA, but, however, increased by 214%.

The profit for the period was USD 63 million (USD 73 million). This includes fair value adjustments of certain hedging instruments of USD -1 million (USD 55 million).

NORDEN has purchased 5 product tankers and is searching the market for new opportunities. In Dry Cargo, the portfolio has been optimised by entering into new sales agreements for 2 vessels during the quarter and 4 vessels after the end of the quarter. The market values of the Company's owned vessels and newbuilding orders at 31 March 2010 amounted to USD 1,562 million, and the value of the Company's charter parties with purchase and extension option is estimated to be USD 493 million. Thus, the total theoretical NAV was DKK 303 per share against DKK 268 at the end of 2009.

NORDEN has taken advantage of the good market in order to increase coverage in Dry Cargo. Thus, coverage in mid-May is 81% for 2010 (65% at the turn of the year) and 48% for 2011 (33% at the turn of the year). In Tankers, coverage has been increased to 50% for 2010 and 27% for 2011 against 41% and 20% at the turn of the year, respectively, through a number of agreements to charter out vessels.

Based on the results in the first quarter and the good coverage for the rest of the year, NORDEN raises its expectations in both Dry Cargo and Tankers to an EBITDA of USD 200-230 million and USD -20-0 million, respectively, from USD 190-220 million and USD -25 to-5 million, respectively. Consequently, the Group's EBITDA is expected to be USD 170-220 million (previously USD 155-205 million), whereas the Group's EBIT is expected to be USD 155-205 million (previously USD 135-185 million).

A telephone conference will be held today at 15:30 hours (CET) where CEO Carsten Mortensen, CFO Michael Tønnes Jørgensen and Senior Vice President Martin Badsted will comment on the report. By 15:25 hours (CET) at the latest, Danish participants should dial +45 3271 4767 while participants from abroad should dial +44 (0) 208 817 9301 or +1 718 354 1226. The telephone conference can be followed live at [www.ds-norden.com](http://www.ds-norden.com) where the accompanying presentation is also available.

Further information:  
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## Key figures and ratios for the Group

Key figures are in USD '000	2010 1/1-31/3	2009 1/1-31/3	Change First quarter 2009-2010	2009 1/1-31/12
<b>INCOME STATEMENT</b>				
Revenue	472,444	415,296	14%	1,675,863
Costs	-393,107	-400,170	-2%	-1,550,216
Profit before depreciation, etc. (EBITDA)	79,337	15,126	425%	125,647
Profit from sale of vessels, etc.	-761	16,445	-105%	69,576
Profit from operations (EBIT)	68,622	21,608	218%	156,694
Fair value adjustment of certain hedging instruments	-887	54,882	-102%	60,764
Net financials	-3,544	-2,266	56%	7,075
Profit before tax	64,191	74,224	-14%	224,533
Profit for the period	62,917	72,508	-13%	217,206
Profit for the period for the NORDEN shareholders	62,917	72,509	-13%	217,208
<b>STATEMENT OF FINANCIAL POSITION</b>				
Non-current assets	1,069,192	934,686	14%	1,027,750
Total assets	2,030,302	1,950,729	4%	2,031,698
Equity (including minority interests)	1,869,917	1,744,490	7%	1,805,013
Non-current liabilities	55,830	98,616	-43%	58,423
Current liabilities	104,555	107,623	-3%	168,262
Invested capital	1,229,467	935,653	31%	1,133,176
Net interest-bearing assets	640,450	808,837	-21%	671,837
Cash and securities	701,467	875,040	-20%	735,447
<b>CASH FLOWS</b>				
From operating activities	30,115	60,766	-50%	160,213
From investing activities, including vessels	-64,859	4,083	-1689%	-79,957
From financing activities	-2,594	-12,554	79%	-112,628
Change in cash and cash equivalents for the period	-37,338	52,295	-171%	-32,372
<b>FINANCIAL AND ACCOUNTING RATIOS</b>				
Share related key figures and ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	42,072,977	42,029,416	-	42,043,505
Earnings per share (EPS) (DKK)	1.5 (8)	1.7 (10)	-13%	5.2 (28)
Diluted earnings per share (diluted EPS) (DKK)	1.5 (8)	1.7 (10)	-13%	5.2 (28)
Intrinsic value per share (excluding treasury shares) (DKK <sup>1</sup> )	44.4 (245)	41.5 (232)	7%	42.9 (223)
Share price at period-end, DKK	239.5	156.8	53%	209.5
Price/intrinsic value	0.98	0.68	44%	0.94
Net Asset Value per share excl. purchase options for vessels (DKK <sup>1</sup> )	43.0 (238)	41.6 (232)	3%	40.5 (210)
Theoretical Net Asset Value per share <sup>2</sup> (DKK <sup>1</sup> )	54.8 (303)	52.2 (292)	6%	51.6 (268)
Other key figures and ratios:				
EBITDA ratio	16.8%	3.6%	367%	7.5%
ROE	13.9%	17.9%	-22%	12.4%
Equity ratio	92.1%	89.4%	3%	88.8%
Total no. of ship days for the Group	13,356	14,012	-5%	55,951
USD rate at period-end	552.32	559.68	-1%	519.01
Average USD rate	538.41	571.76	-6%	535.45

<sup>1</sup>) Translated at the USD/DKK rate at period-end.

<sup>2</sup>) Please note that the calculation is subject to significant uncertainty. See "Financial review – Calculating the value of options in theoretical NAV" on page 45 in the consolidated annual report for 2009 for supplementary information.  
The ratios were computed in accordance with the 2005 guidelines issued by the Danish Association of Financial Analysts, entitled "Anbefalinger og nøgletal 2005" except from Theoretical Net Asset Value, which is not defined in the guidelines.

## Comments on the development of the period for the Group

### A good start to the year

NORDEN had a good start to the year with a significant increase in the operating profit in Dry Cargo, where EBITDA increased to USD 81 million, including 2 non-recurring income items of a total of USD 37 million. Tankers achieved a modest, but, however, satisfactory EBITDA of USD 1 million.

Long-term coverage increased in both segments. Furthermore, NORDEN optimised the Dry Cargo portfolio by sale of vessels and renegotiation of newbuilding contracts, while the order book together with short-time charters will provide basis for growth in the business for the rest of the year. In Tankers, NORDEN has so far invested in 5 vessels.

### Improvement of the Dry Cargo portfolio

In February, NORDEN entered into agreements to sell 1 Handymax newbuilding for delivery in the second quarter and 1 Capesize vessel for delivery in the second half-year. The total sales price of USD 80 million was slightly above the brokers' valuations. After the quarter, the Company in May entered into agreement to sell 4 Handysize dry cargo vessels at approximately USD 110 million with planned delivery to the new owners in the second and third quarters.

Furthermore, after the end of the quarter, the Company has optimised the Handysize order book by converting orders of 2 newbuildings to 3 vessels with lower unit costs and later delivery.

### Investments in Tankers

Even though the market will be challenging this year, NORDEN still sees a long-term potential in product tankers with increased transport distances from the modern refineries in the East to the consumer areas in the West.

The current markets provide opportunities to invest in tonnage at prices which will generate an attractive return as freight rates and vessel prices normalise. Therefore, NORDEN purchased 3 modern MR vessels in January for USD 79 million, and the vessels were delivered to the Company in March and April. Furthermore, NORDEN purchased 2 modern Handysize tankers in April, which were already chartered by the Company. The purchase price was approximately USD 52 million, and in addition, NORDEN pays compensation to the former owner for cancelling the charter parties. The 5 vessels will be operated by Norient Product Pool. NORDEN is analysing further investment opportunities.

### Strong financial position

Despite large payments on newbuildings during the quarter, NORDEN still has a strong financial position. At the end of the first quarter of 2010, NORDEN had cash and cash equivalents and securities of USD 701 million against USD 875 million in the first quarter of 2009. In addition, there were receivables of USD 151 million from agreed and non-settled sale of vessels. At the end of the quarter, there were outstanding payments of USD 559 million on the Company's newbuilding programme, which are due in 2010-2012.

### Net commitments reduced to 67%

The total net commitments were reduced to USD 531 million at the end of the quarter. The reduction of 67% compared to the first quarter of 2009 is particularly due to lower time charter liabilities and the reduction of outstanding payments on the newbuilding programme.

Net commitments at 31 March 2010	Q1 2010	Q1 2009
Adjusted net interest-bearing assets	578	499
Time charter liabilities	-2,022	-2,960
Newbuilding payments less outstanding proceeds from sale of vessels	-398	-766
Contractually secured flows of income (time charter, COAs)	1,311	1,595
<b>Net commitments</b>	<b>-531</b>	<b>-1,632</b>



### Higher tonnage values and USD exchange rate increase theoretical Net Asset Value to DKK 303 per share

Based on estimates from 3 independent brokers, NORDEN's Net Asset Value (NAV) was calculated to be DKK 238 per share at the end of the first quarter against DKK 210 per share at the end of 2009. The increase is due to a combination of a higher USD exchange rate and increasing vessel prices.

The brokers estimate the market value of the Company's owned vessels and newbuilding orders to be USD 57 million below the carrying amounts and costs while the market values at the end of 2009 were USD 103 million below the carrying amounts and costs. Therefore, NORDEN has carried out an impairment test in accordance with IAS 36 under the same principles as in the annual report for 2009 (see note 1 "Significant accounting policies – Impairment test" in the consolidated annual report for 2009). On this basis, the values of vessels and newbuildings were not found to be impaired.

The theoretical value of NORDEN's 60 charter parties with purchase and extension option is estimated to be USD 493 million, equalling DKK 65 per share against DKK 58 per share at the end of 2009. Since the turn of the year, increasing vessel prices and freight rates have increased the value of charter parties by USD 25 million or 5%. Accordingly, the total theoretical NAV is estimated to be DKK 303 per share at the end of the first quarter against DKK 268 per share at the end of 2009.

The value of the Company's charter parties with purchase and extension option depends on the level of the model's market rate input during the first 5 years. If this level is assumed to be 10% higher, the theoretical value of the charter parties would increase by 39%. On the contrary, if the level is 10% lower, the charter parties could be estimated to decrease by 38%.

Fleet values (before tax) at 31 March 2010				Calculated value of charter parties with purchase and extension option					
Owned (active and newbuildings)									
USD million									
	Number	Carrying amount/cost	Market value*	Added value	Number	Charter party	Purchase and extension option	Value of charter party and option	Theoretical NAV
<b>Dry cargo</b>									
Capesize	3	86	214	128	2	29	24	53	181
Post-Panamax	4	215	189	-26	4	-51	3	-48	-74
Panamax	4	151	140	-11	12	123	51	174	163
Handymax	8	222	257	35	22	289	13	302	337
Handysize	16	536	419	-117	9	-11	2	-9	-126
<b>Product tanker</b>									
MR	4	168	128	-40	11	11	10	21	-19
Handysize	8	241	215	-26	-	-	-	-	-26
<b>Total</b>	<b>47</b>	<b>1,619</b>	<b>1,562</b>	<b>-57</b>	<b>60</b>	<b>390</b>	<b>103</b>	<b>493</b>	<b>436</b>
<b>DKK per share</b>				<b>-7</b>				<b>65</b>	<b>58</b>
<b>Equity excl. minority interests per share</b>									<b>245</b>
<b>Total theoretical Net Asset Value per share</b>									<b>303</b>

\* Including charter parties, vessels in joint venture and vessels held for sale, if any.

The determination of the theoretical value of the charter parties including purchase and extension option is subject to uncertainty, the value being dependent on the future development in freight rates and tonnage values as well as deviations in other assumptions. The assumptions underlying the calculation of the Company's charterparties with purchase and extension option are described under "Financial review - Calculating the value of options in theoretical NAV" on page 45 in NORDEN's annual report 2009. Reference is made to that description for supplementary information.

### Large activity in the fleet

Despite continuous adjustment of the order book, 2010 will be the busiest delivery year for the Company. During the first quarter, 6 vessels were delivered to the Company's core fleet of owned vessels and long-term chartered vessels with purchase option, while 1 sold dry cargo vessel was delivered to the new owners. The active core fleet counted 55 units at the end of the quarter against 50 units at the beginning of the year and 48 vessels at the same time last year. The active fleet, which also includes chartered vessels without purchase option, increased by 27 units to 191 vessels. The order book for the core fleet counted 54 units, which is 3 less than at the beginning of the quarter and 14 less than at the same time in 2009.

### Annual general meeting

At the annual general meeting in April, Mogens Hugo og Alison J. F. Riegels were reelected to the Board of Directors, and the general meeting adopted the Board of Directors' proposal to amend the Company's articles of association. The amendments resulting from new legislation could be summarily implemented. On the other hand, there was not sufficient share capital represented to adopt 3 other amendments of the articles of association. Therefore, an extraordinary general meeting has been convened for 7 June for final adoption of these proposals.



## Segment information

USD '000	First quarter 2010				First quarter 2009			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Revenue – services rendered	434,594	37,850	0	472,444	365,487	49,809	0	415,296
Voyage costs	-103,460	-163	0	-103,623	-102,220	-322	0	-102,542
<b>Contribution margin I</b>	<b>331,134</b>	<b>37,687</b>	<b>0</b>	<b>368,821</b>	<b>263,267</b>	<b>49,487</b>	<b>0</b>	<b>312,754</b>
Other operating income, net	568	47	0	615	355	85	0	440
Vessel operating costs	-242,503	-34,810	0	-277,313	-246,434	-39,650	0	-286,084
Costs	-8,279	-1,471	-3,036	-12,786	-8,607	-1,279	-2,098	-11,984
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>80,920</b>	<b>1,453</b>	<b>-3,036</b>	<b>79,337</b>	<b>8,581</b>	<b>8,643</b>	<b>-2,098</b>	<b>15,126</b>
Profit from sale of vessels, etc.	-760	-3	2	-761	16,445	0	0	16,445
Depreciation and impairment	-4,776	-4,439	-671	-9,886	-4,458	-3,083	-731	-8,272
Share of results of joint ventures	-35	-33	0	-68	-1,430	-261	0	-1,691
<b>Profit from operations (EBIT)</b>	<b>75,349</b>	<b>-3,022</b>	<b>-3,705</b>	<b>68,622</b>	<b>19,138</b>	<b>5,299</b>	<b>-2,829</b>	<b>21,608</b>
Fair value adjustment of certain hedging instruments	-887	0	0	-887	54,882	0	0	54,882
Financial income	0	0	1,385	1,385	0	0	7,115	7,115
Financial costs	0	0	-4,929	-4,929	0	0	-9,381	-9,381
Tax for the period	-1,065	-209	0	-1,274	-1,215	-122	-379	-1,716
<b>Profit for the period</b>	<b>73,397</b>	<b>-3,231</b>	<b>-7,249</b>	<b>62,917</b>	<b>72,805</b>	<b>5,177</b>	<b>-5,474</b>	<b>72,508</b>
Vessels	279,215	315,391	0	594,606	218,740	213,402	0	432,142
Prepayments on vessels and newbuildings	351,550	35,370	0	386,920	335,946	82,045	0	417,991
Other tangible assets	1,397	0	54,568	55,965	919	0	54,469	55,388
Investments in joint ventures	27,193	4,508	0	31,701	25,615	3,550	0	29,165
<b>Non-current assets</b>	<b>659,355</b>	<b>355,269</b>	<b>54,568</b>	<b>1,069,192</b>	<b>581,220</b>	<b>298,997</b>	<b>54,469</b>	<b>934,686</b>
<b>Current assets</b>	<b>238,842</b>	<b>20,801</b>	<b>701,467</b>	<b>961,110</b>	<b>124,092</b>	<b>16,911</b>	<b>875,040</b>	<b>1,016,043</b>
- hereof tangible assets held for sale	67,286	0	0	67,286	9,134	0	0	9,134
<b>Total assets</b>	<b>898,197</b>	<b>376,070</b>	<b>756,035</b>	<b>2,030,302</b>	<b>705,312</b>	<b>315,908</b>	<b>929,509</b>	<b>1,950,729</b>

## Dry Cargo

### Solid operating profit

With an operating profit (EBITDA) of USD 81 million, the Dry Cargo Department had a good start to the year as expected. Earnings were generated by high coverage at attractive rates, just as the department was well positioned in the market with the majority of open ship days in the small and medium sized vessel types where spot rates increased. Earnings have also been affected by non-recurring income items from the settlement of the case against RTI Ltd. (Rusal) and a payment from a charterer in connection with early termination of a time charter contract for a Panamax vessel.

### Growth in the active fleet

NORDEN's core fleet of owned vessels and long-term chartered vessels with purchase option increased to 39 units during the first quarter, 3 more than at the end of 2009. Among other things, the first Post-Panamax vessel was delivered to NORDEN. The active fleet, which also includes chartered vessels without purchase option, increased to 162 units at the end of the quarter against 129 units at the same time last year and 137 units at end-2009. The relatively large increase in the number of active vessels is partly due to the fact that NORDEN increased the number of short-term chartered Panamax and Handymax vessels and that the newly established NORDEN Handysize Pool had 24 short-term chartered vessels at the end of the first quarter.

### New long contracts and increased coverage

NORDEN took advantage of the good market to increase coverage through new COAs and time charter contracts. For example, the charter party of the Panamax vessel NORDKAP, which was chartered out for 10 winter half-years 4 years ago, was extended so that the vessel is now chartered out for the next 10 full years. Furthermore, the sister vessel NORDPOL was chartered out to the same solid charterer for 10 years. In total, coverage at mid-May has been increased to 81% for 2010 and 48% for 2011. The Dry Cargo portfolio has also been optimised by sale of vessels and renegotiation of newbuilding contracts.

### Increased demand for raw materials in China and India

The market was affected by some decrease in Capesize rates, whereas the spot rates in the small vessel types remained high. It was especially the transportation of coal and grain combined with increasing port congestion which kept the market up. China's import of coal increased by 226% to 44.4 million tonnes in the first quarter of 2010 as a result of the cold winter combined with high prices on locally produced coal and scarcity of water to the hydroelectric plants in the south-eastern part of the country. Import decreased by 9.5% compared to the fourth quarter of 2009. India's import of coal was also very high with growth rates equalling 13% compared to 2009 (Source: Clarksons). China's import of iron ore also increased by 17% to 155 million tonnes compared to the first quarter of 2009 and remained at the same level as in the fourth quarter of 2009.

### Delivery of new vessels below schedule

Actual deliveries of newbuildings amounted to 17.6 million dwt. in the first quarter and were thus still below scheduled deliveries, which were 30.8 million dwt. (Source: Clarksons/R.S. Platou). However, it was to a higher extent Capesize than Handymax and Handysize vessels, which were delivered as scheduled: 70% compared to 55% (Source: Clarksons). Nonetheless, the trend from 2009 with constantly increasing deliveries of newbuildings continued, and deliveries in the first quarter was 30% above the fourth quarter of 2009. If the extent of deliveries from the first quarter continues for the rest of the year, the world fleet will increase by 14% gross (Source: Clarksons, April). As a result of an ageing fleet, scrapping potential is still significant, but as long as the spot market stays good, there will hardly be a noticeable increase in scrapping.

NORDEN's Dry Cargo fleet at 31 March 2010						
Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	3 <sup>A</sup>	1	2	1	2	9
Chartered vessels with purchase option	2	0	11	13	4	30
<b>Total active core fleet</b>	<b>5</b>	<b>1</b>	<b>13</b>	<b>14</b>	<b>6</b>	<b>39</b>
Chartered vessels without purchase option	0	0	51	48	24	123
<b>Total active fleet</b>	<b>5</b>	<b>1</b>	<b>64</b>	<b>62</b>	<b>30</b>	<b>162</b>
<b>Vessels to be delivered</b>						
Newbuildings (owned)	0	3	2	7 <sup>B</sup>	14	26
Chartered vessels with purchase option	0	4	1	9	5	19
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>16</b>	<b>19</b>	<b>45</b>
Chartered vessels over 3 years without purchase option	0	0	0	4	6	10
<b>Total to be delivered</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>20</b>	<b>25</b>	<b>55</b>
<b>Total gross fleet</b>	<b>5</b>	<b>8</b>	<b>67</b>	<b>82</b>	<b>55</b>	<b>217</b>

A) Of which 1 unit sold  
B) Of which 4 units sold, 3 units in 50%-owned joint venture, of this 1 unit sold

Employment and rates, Dry Cargo					
	First quarter 2010	Number of ship days in NORDEN	NORDEN T/C		NORDEN vs. 1-year T/C
			equivalent (USD per day)	Spot T/C rate (USD per day)*	
Capesize		445	46,031	34,120	35%
Post-Panamax **		79	13,310	28,008	-52%
Panamax		5,050	25,263	29,620	-15%
Handymax		4,524	25,247	25,216	0%
Handysize		801	15,892	17,736	-10%
Total		10,899			

\* Source: Baltic Exchange.  
\*\* Realised earnings in Post-Panamax were negatively influenced by coverage of 2 vessels in the first quarter when NORDEN's vessels were delayed so that there were only 79 days in Post-Panamax. On the physical ship days, NORDEN earned USD 27,200 per day in the Post-Panamax pool.



## Tankers

### Good start to a challenging year

The quarter became better than expected for the Tanker Department. A good winter market increased demand, and in some periods, NORDEN's ice class product tankers got ice premiums of USD 2-3,000 per day in certain waters. Together with income from already agreed coverage, this resulted in an EBITDA of USD 1 million against a loss of USD 5 million in the fourth quarter of 2009. After the winter, the market has again declined, and it is still expected that 2010 will be challenging until the market recovers the balance between demand and supply.

### Fleet growth and increased coverage

At the end of the quarter, NORDEN's tanker fleet counted 29 vessels against 27 at the turn of the year and 29 at the end of the first quarter of 2009. The increase since the turn of the year is due to delivery of 1 chartered MR unit with purchase option and 1 of the 3 MR vessels that the Company purchased in January. The 2 other purchased vessels were delivered after the quarter, and in addition to these, NORDEN has 7 vessels for delivery.

During and after the quarter, Norient Product Pool has entered into several time charter contracts. For example, 3 of NORDEN's MR vessels have been chartered out for 3 years to a solid counterparty, and 1 Handysize and 1 MR vessel have been chartered out for 2 years to one of the world's largest oil companies. This has contributed to increasing NORDEN's coverage, which at mid-May was 50% for 2010 and 27% for 2011 against 41% and 20% at the turn of the year, respectively.

### Cold winter increased demand

The unusually cold winter meant that the waters in the northern part of Europe, North America and Asia quickly iced up and that the ice was thicker than usual. This effectively closed off certain ports for vessels without ice class and increased demand for ice-enhanced vessels. The winter also increased demand for gas oil for heating, and therefore, the market could absorb a significant share of the floating oil storages built up in 2009. According to IEA, there were approximately 52 million barrels in floating storage at the end of the quarter against 100 million barrels at the beginning of the year (Source: IEA).

### IEA expects increasing demand

As a result of increasing activity in the world economy, especially in Asia, IEA has raised its estimate of global oil consumption in 2010 to 86.6 mb/d. This corresponds to a growth rate of 2.0% compared to 2009, whereas the February prognosis was a 1.8% growth rate (Source: IEA).

### Fleet growth lower than expected

Growth in the global tanker fleet is estimated to have been quite modest. The number of actual deliveries in NORDEN's primary vessel types during the quarter was 30% below scheduled deliveries (41% in the fourth quarter of 2009) (Source: Clarksons), and there is significant uncertainty attached to the actual size of the order book due to problems on a number of ship yards, possible conversion of orders to other vessel types and individual agreements on postponement of deliveries. At the same time, scrapping of old and especially single-hulled vessels is increasing. In Handysize and MR, 20 vessels were scrapped during the quarter against 19 in the fourth quarter of 2009 and 3 in the first quarter of 2009 (Source: SSS).

#### NORDEN's Tanker fleet at 31 March 2010

Vessel type	LR1	MR	Handysize	Total
<b>Vessels in operation</b>				
Owned vessels	0	2	8	10
Chartered vessels with purchase option	0	6	0	6
<b>Total active core fleet</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>16</b>
Chartered vessels without purchase option	1	2	10	13
<b>Total active fleet</b>	<b>1</b>	<b>10</b>	<b>18</b>	<b>29</b>
<b>Vessels to be delivered</b>				
Newbuildings (owned)	0	4	0	4
Chartered vessels with purchase option	0	5	0	5
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>
Chartered vessels over 3 years without purchase option	0	0	0	0
<b>Total to be delivered</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>
<b>Total gross fleet</b>	<b>1</b>	<b>19</b>	<b>18</b>	<b>38</b>

#### Employment and rates, Tankers

	First quarter 2010	Number of ship days in NORDEN	NORDEN T/C		NORDEN vs. 1-year T/C
			equivalent (USD per day)	1-year T/C rate (USD per day)*	
LR1		90	10,476	16,646	-37%
MR		762	16,880	12,333	37%
HDY		1,605	16,365	11,063	48%
Total		2,457			

\* Source: ACM Shipbroker



## Expectations for 2010

### NORDEN raises its expectations for EBITDA

Based on the results in the first quarter and the high coverage for the rest of the year, NORDEN raises its expectations for the Group's EBITDA to USD 170-220 million from USD 155-205 million. The adjustment is an evidence of higher expectations in both Dry Cargo and Tankers.

Profit from sale of vessels is now expected to be USD 29 million against the previous estimate of USD 26 million. To this should be added USD 5 million recognised as income under joint ventures. Thus, the Group's EBIT is expected to be USD 155-205 million (previously USD 135-185 million).

### Upward adjustment in Dry Cargo

During and after the first quarter, NORDEN entered into new COAs and time charter contracts, which had increased coverage for the rest of the year so that at mid-May, 81% of the known ship days have been covered at attractive terms. As a result of these contracts and the good results in the first quarter, the expectations for EBITDA in Dry Cargo are raised to USD 200-230 million from an estimated USD 190-220 million. The demand for transportation of dry cargo is still expected to increase and will in particular be driven by China, India and other emerging markets. Supply remains to be a joker, which can result in a volatile market.

### Upward adjustment in Tankers

Even though the market is expected to be challenging for the rest of the year, the better than expected result for the first quarter and the higher coverage for 2010 raises expectations for EBITDA in Tankers to USD -20-0 million from USD -25 million to -5 million.

### Reduced CAPEX

Following the latest purchase and sale of vessels and adjustments of the order book, the cash flow effect from investments (CAPEX) is expected to be USD 230-270 million net against the previous estimate of USD 300-340 million. CAPEX is composed of investments in newbuildings, secondhand vessels etc. of USD 510-550 million less USD 280 million in proceeds from sale of vessels.

### Revised expectations

Expectations for 2010	Dry Cargo	Tankers	Total
USD million			
<b>EBITDA</b>	200-230	-20-0	170-220
Realised profits from sale of vessels:			29
<b>EBIT</b>			155-205

### Risks and uncertainty factors

The most significant uncertainty factors are: postponement of COAs, counterparty risks in connection with NORDEN's coverage and rates on open ship days in both Dry Cargo and Tankers.

### Forward-looking statements

The report includes forward-looking statements reflecting the management's current perception of future trends and financial performance. The statements for the rest of 2010 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from the expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively so, changes in the macro-economic 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. The interim report is not intended to be a solicitation to purchase or trade in shares in Dampskibsselskabet NORDEN A/S.

### Capacity and coverage, at 31 March 2010

Dry Cargo								
	Ship days				Costs and revenue (USD per day)			
	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>	Costs for gross capacity							
Capesize	1,244	1,460	1,371	9,108	11,655	12,263	12,016	9,302
Post-Panamax	846	2,192	2,914	37,792	6,231	10,378	12,410	10,316
Panamax	8,989	5,578	5,045	27,378	19,962	12,124	11,139	8,007
Handymax	9,628	10,918	11,158	53,696	16,976	14,204	12,634	8,871
Handysize	4,766	7,786	10,453	122,977	12,385	9,807	9,312	6,129
<b>Total</b>	<b>25,473</b>	<b>27,934</b>	<b>30,941</b>	<b>250,951</b>	<b>16,554</b>	<b>12,161</b>	<b>11,220</b>	<b>7,666</b>

Coverage								
	Ship days				Revenue from coverage			
	2010	2011	2012	2013+	2010	2011	2012	2013+
Capesize	970	1,460	732	467	51,255	46,636	65,334	65,766
Post-Panamax	715	725	0	0	22,901	22,431	0	0
Panamax	8,762	3,521	2,218	6,435	24,439	23,893	21,114	21,079
Handymax	7,007	5,369	4,112	4,428	20,779	20,744	22,727	14,858
Handysize	2,134	1,014	736	3,776	13,792	12,321	11,698	11,869
<b>Total</b>	<b>19,588</b>	<b>12,089</b>	<b>7,798</b>	<b>15,106</b>	<b>23,242</b>	<b>24,183</b>	<b>25,227</b>	<b>18,335</b>

Net capacity				
Capesize	274	0	639	8,641
Post-Panamax	131	1,467	2,914	37,792
Panamax	227	2,057	2,827	20,943
Handymax	2,621	5,549	7,046	49,268
Handysize	2,632	6,772	9,717	119,201
<b>Total</b>	<b>5,885</b>	<b>15,845</b>	<b>23,143</b>	<b>235,845</b>

Coverage in %				
Capesize	78%	100%	53%	5%
Post-Panamax	85%	33%	0%	0%
Panamax	97%	63%	44%	24%
Handymax	73%	49%	37%	8%
Handysize	45%	13%	7%	3%
<b>Total</b>	<b>77%</b>	<b>43%</b>	<b>25%</b>	<b>6%</b>

NORDEN calculates costs per day for the known fleet as follows: costs of owned vessels are based on expected daily running costs. Thus, the total average costs show the expected cash costs per day of the known fleet.

As of 1 January 2010, NORDEN operates its Post-Panamax and Handysize vessels in new pools. NORDEN's revenue and coverage in these vessel types are affected hereby because the figures show NORDEN's share of the pools' total revenue and coverage.

Tankers								
	Ship days				Costs and revenue (USD per day)			
	2010	2011	2012	2013+	2010	2011	2012	2013+
<b>Gross capacity</b>	Costs for gross capacity							
LR1	269	365	12	0	27,950	16,967	15,500	0
MR	3,482	6,026	5,342	48,411	13,581	13,395	12,608	10,249
Handysize	4,085	3,570	3,273	42,893	12,910	9,591	8,717	7,954
<b>Total</b>	<b>7,836</b>	<b>9,961</b>	<b>8,627</b>	<b>91,304</b>	<b>13,724</b>	<b>12,162</b>	<b>11,135</b>	<b>9,171</b>

Coverage								
	Ship days				Revenue from coverage			
	2010	2011	2012	2013+	2010	2011	2012	2013+
LR1	39	0	0	0	18,781	0	0	0
MR	1,557	1,419	381	170	15,950	16,500	13,953	13,401
Handysize	2,161	898	235	0	15,364	14,835	13,265	0
<b>Total</b>	<b>3,757</b>	<b>2,317</b>	<b>616</b>	<b>170</b>	<b>15,642</b>	<b>15,855</b>	<b>13,691</b>	<b>13,401</b>

Net capacity				
LR1	230	365	12	0
MR	1,925	4,607	4,961	48,241
Handysize	1,924	2,672	3,038	42,893
<b>Total</b>	<b>4,079</b>	<b>7,644</b>	<b>8,011</b>	<b>91,134</b>

Coverage in %				
LR1	14%	0%	0%	0%
MR	45%	24%	7%	0%
Handysize	53%	25%	7%	0%
<b>Total</b>	<b>48%</b>	<b>23%</b>	<b>7%</b>	<b>0%</b>

NORDEN calculates costs per day for the known fleet as follows: costs of owned vessels are based on expected daily running costs. Thus, the total average costs show the expected cash costs per day of the known fleet.



## Results and financial position in the first quarter

### Freight income

In the first quarter, the Company's freight income (revenue) was USD 472 million, which is an increase of 14% compared to the same period last year. The increase is due to non-recurring income items and slightly higher realised T/C equivalents in Dry Cargo.

### EBITDA

The profit before depreciation and profit from sale of vessels (EBITDA) was USD 79 million in the first quarter, which is an increase of 425% compared to the same period last year. The EBITDA margin was 16.8% against 3.6% in the same period last year.

### EBIT

In the first quarter, the profit from operations (EBIT) was USD 69 million (USD 22 million), including loss on sale of vessels of USD 1 million (profit of 16 million).

### Net financials

In the first quarter, net financials amounted to USD -4 million (USD -2 million). This includes interest income of USD 1.4 million, interest expenses of USD 1 million and realised and unrealised exchange rate loss of a total of USD 4 million, which primarily relates to the Company's reserves of DKK.

### Fair value adjustment of hedging instruments

Fair value adjustment of hedging instruments amounted to net USD -1 million (USD 55 million) in the first quarter, which primarily concerned unrealised loss on FFAs and bunker hedging contracts covering 2010-2011 as well as realised gains on FFAs. See also specification in note 2 to the financial statements. All contracts concern hedging of risks in connection with fluctuations in freight rates and bunker prices.

### Profit

The profit for the first quarter was USD 63 million (USD 73 million). The return on equity was 13.9% p.a (17.9%).

### Cash flows

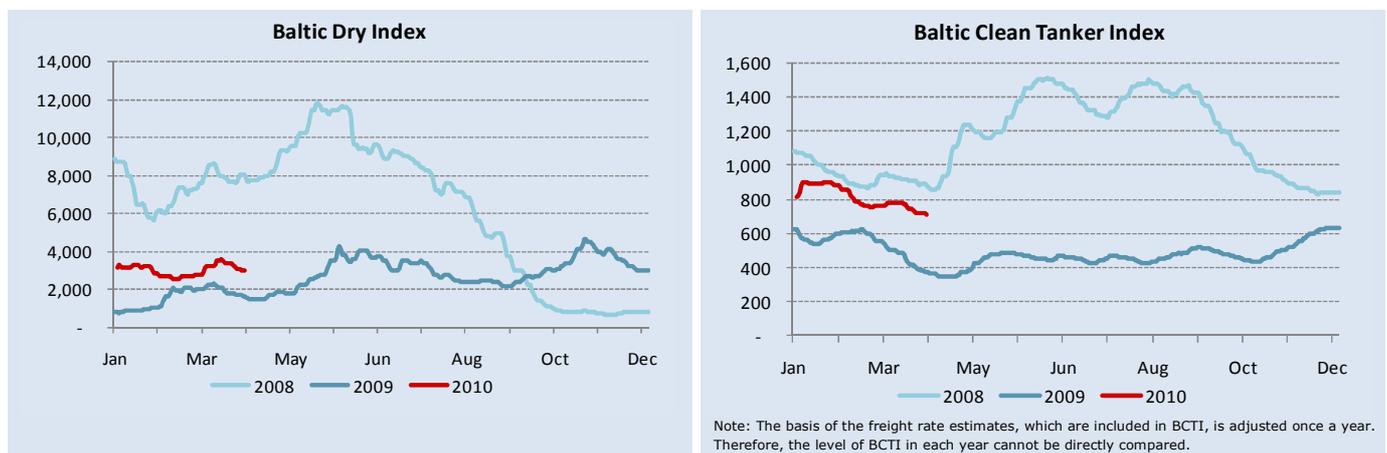
The change in cash and cash equivalents for the period amounted to USD -37 million (USD 52 million). The Company's operations generated positive cash flows of USD 30 million (USD 61 million). The cash flows from the investing and financing activities were USD -65 million (USD 4 million) and USD -3 million (USD -13 million), respectively.

The investing activity mainly relates to investments in vessels and newbuildings of USD 100 million and net proceeds from sale of vessels, etc. of USD 43 million.

At the end of the quarter, cash and securities amounted to USD 701 million (USD 875 million).

### Equity

The Company's equity amounted to USD 1,870 million (USD 1,744 million) at the end of the quarter. During the quarter, equity increased by USD 65 million, primarily due to the profit for the period of USD 64 million.





## INTERIM REPORT THE FIRST QUARTER OF 2010 - THE GROUP

### Statement

The Board of Directors and the Board of Management today reviewed and approved the interim report for the first quarter of 2010 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. In line with previous policies, the interim report is not audited or auditor-reviewed.

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 risk and uncertainty factors have occurred relative to what was disclosed in the consolidated annual report for 2009.

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

Furthermore, the management's review gives a true and fair account of the Group's activities and financial position as well as a description of material risks and uncertainties, which the Group faces.

Copenhagen, 19 May 2010

#### Board of Management

Carsten Mortensen  
President & CEO

Michael Tønnes Jørgensen  
Executive Vice President & CFO

#### Board of Directors

Mogens Hugo  
Chairman

Alison J. F. Riegels  
Vice Chairman

Erling Højsgaard

Karsten Knudsen

Arvid Grundekjøn

Bent Torry Sørensen

Lars Enkegaard Biilmann

Benn Pyrmont Johansen



## Income statement

USD '000	2010	2009
	1/1-31/3	1/1-31/3
Revenue	472,444	415,296
Costs	-393,107	-400,170
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>79,337</b>	<b>15,126</b>
Profit from sale of vessels, etc.	-761	16,445
Depreciation and impairment	-9,886	-8,272
Share of results of joint ventures	-68	-1,691
<b>Profit from operations (EBIT)</b>	<b>68,622</b>	<b>21,608</b>
Fair value adjustment of certain hedging instruments <sup>note 2)</sup>	-887	54,882
Net financials	-3,544	-2,266
<b>Profit before tax</b>	<b>64,191</b>	<b>74,224</b>
Tax on the profit for the period	-1,274	-1,716
<b>Profit for the period</b>	<b>62,917</b>	<b>72,508</b>
<b>Attributable to:</b>		
Shareholders of NORDEN	62,917	72,509
Minority interests	0	-1
<b>Total</b>	<b>62,917</b>	<b>72,508</b>
<b>Earnings per share (EPS), USD</b>	<b>1.5</b>	<b>1.7</b>
<b>Diluted earnings per share, USD</b>	<b>1.5</b>	<b>1.7</b>

## Statement of comprehensive income

<b>Profit for the period, after tax</b>	<b>62,917</b>	<b>72,508</b>
Value adjustment of hedging instruments	-373	-16,122
Fair value adjustment of securities	1,151	-3,594
Income and expenses recognised directly in equity	778	-19,716
<b>Comprehensive income for the period, after tax</b>	<b>63,695</b>	<b>52,792</b>
<b>Attributable to:</b>		
Shareholders of NORDEN	63,695	52,793
Minority interests	0	-1
<b>Total</b>	<b>63,695</b>	<b>52,792</b>

**Income statement by quarter**

USD '000	2010	2009	2009	2009	2009
	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter
Revenue	472,444	470,469	399,356	390,742	415,296
Costs	-393,107	-417,165	-370,925	-361,956	-400,170
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>79,337</b>	<b>53,304</b>	<b>28,431</b>	<b>28,786</b>	<b>15,126</b>
Profit from sale of vessels, etc.	-761	17,926	12,538	22,667	16,445
Depreciation and impairment	-9,886	-9,685	-12,970	-8,567	-8,272
Share of results of joint ventures	-68	-85	370	2,371	-1,691
<b>Profit from operations (EBIT)</b>	<b>68,622</b>	<b>61,460</b>	<b>28,369</b>	<b>45,257</b>	<b>21,608</b>
Fair value adjustment of certain hedging instruments <sup>note 2)</sup>	-887	-11,029	6,899	10,012	54,882
Net financials	-3,544	-1,121	3,383	7,079	-2,266
<b>Profit before tax</b>	<b>64,191</b>	<b>49,310</b>	<b>38,651</b>	<b>62,348</b>	<b>74,224</b>
Tax on the profit for the period	-1,274	-1,539	-1,734	-2,338	-1,716
<b>Profit for the period</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>	<b>60,010</b>	<b>72,508</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	62,917	47,772	36,917	60,010	72,509
Minority interests	0	-1	0	0	-1
<b>Total</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>	<b>60,010</b>	<b>72,508</b>
<b>Earnings per share (EPS), USD</b>	<b>1.5</b>	<b>1.1</b>	<b>0.9</b>	<b>1.4</b>	<b>1.7</b>
<b>Diluted earnings per share, USD</b>	<b>1.5</b>	<b>1.1</b>	<b>0.9</b>	<b>1.4</b>	<b>1.7</b>

**Statement of comprehensive income by quarter**

<b>Profit for the period, after tax</b>	<b>62,917</b>	<b>47,771</b>	<b>36,917</b>	<b>60,010</b>	<b>72,508</b>
Value adjustment of hedging instruments	-373	-1,285	1,885	2,279	-16,122
Fair value adjustment of securities	1,151	217	2,122	3,793	-3,594
Tax of fair value adjustment of securities	0	395	0	0	0
Income and expenses recognised directly in equity	778	-673	4,007	6,072	-19,716
<b>Comprehensive income for the period, after tax</b>	<b>63,695</b>	<b>47,098</b>	<b>40,924</b>	<b>66,082</b>	<b>52,792</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	63,695	47,099	40,924	66,082	52,793
Minority interests	0	-1	0	0	-1
<b>Total</b>	<b>63,695</b>	<b>47,098</b>	<b>40,924</b>	<b>66,082</b>	<b>52,792</b>



## Statement of financial position

USD '000	2010	2009	2009
	31/3	31/3	31/12
<b>ASSETS</b>			
Property and equipment	55,965	55,388	55,841
Vessels <small>note 3 and note 6)</small>	594,606	432,142	497,613
Prepayments on vessels and newbuildings <small>note 4 and note 6)</small>	386,920	417,991	442,526
Investments in joint ventures	31,701	29,165	31,770
<b>Non-current assets</b>	<b>1,069,192</b>	<b>934,686</b>	<b>1,027,750</b>
Inventories	14,313	11,638	31,504
Receivables and prepayments	176,681	120,048	182,450
Receivables from joint ventures	1,363	183	0
Securities	25,714	18,428	24,563
Cash and cash equivalents	675,753	856,612	710,884
	<b>893,824</b>	<b>1,006,909</b>	<b>949,401</b>
Tangible assets held for sale <small>note 5)</small>	67,286	9,134	54,547
<b>Current assets</b>	<b>961,110</b>	<b>1,016,043</b>	<b>1,003,948</b>
<b>Total assets</b>	<b>2,030,302</b>	<b>1,950,729</b>	<b>2,031,698</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	7,087	7,087	7,087
Reserves	3,014	-7,170	2,236
Retained earnings	1,859,746	1,744,502	1,795,620
Equity (NORDEN's shareholders)	1,869,847	1,744,419	1,804,943
Minority interests	70	71	70
<b>Equity</b>	<b>1,869,917</b>	<b>1,744,490</b>	<b>1,805,013</b>
Bank debt	55,830	61,016	58,423
Prepayments received on vessels for resale	0	37,600	0
<b>Non-current liabilities</b>	<b>55,830</b>	<b>98,616</b>	<b>58,423</b>
Current portion of non-current debt	5,187	5,187	5,187
Trade payables	29,782	35,214	66,452
Liabilities with joint ventures	0	0	6,580
Other payables and deferred income	22,536	61,072	51,618
	<b>57,505</b>	<b>101,473</b>	<b>129,837</b>
Liabilities relating to tangible assets held for sale	47,050	6,150	38,425
<b>Current liabilities</b>	<b>104,555</b>	<b>107,623</b>	<b>168,262</b>
<b>Liabilities</b>	<b>160,385</b>	<b>206,239</b>	<b>226,685</b>
<b>Total equity and liabilities</b>	<b>2,030,302</b>	<b>1,950,729</b>	<b>2,031,698</b>



## Statement of cash flows

USD '000	2010	2009	2009
	1/1-31/3	1/1-31/3	1/1-31/12
Profit for the period	62,917	72,508	217,206
Reversal of items with no effect on available funds	8,791	-62,345	-92,817
Cash flows before change in working capital	71,708	10,163	124,389
Change in working capital	-41,593	50,603	35,824
<b>Cash flows from operating activities</b>	<b>30,115</b>	<b>60,766</b>	<b>160,213</b>
Investments in vessels, etc.	-34,592	-127,666	-269,174
Additions in prepayments on newbuildings	-65,222	-20,155	-263,497
Additions in prepayments received on sold vessels	8,625	-18,416	-23,741
Hereof held in restricted accounts	-8,500	-9,500	25,950
Acquisition of securities	0	0	-3
Proceeds from sale of vessels, etc.	34,830	179,820	450,508
<b>Cash flows from investing activities</b>	<b>-64,859</b>	<b>4,083</b>	<b>-79,957</b>
Dividend paid to shareholders	0	0	-97,624
Sale of treasury shares	0	0	143
Acquisition of treasury shares	0	-9,960	-9,960
Instalments on bank loans and vessel loans	-2,594	-2,594	-5,187
<b>Cash flows from financing activities</b>	<b>-2,594</b>	<b>-12,554</b>	<b>-112,628</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-37,338</b>	<b>52,295</b>	<b>-32,372</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>702,584</b>	<b>772,467</b>	<b>772,467</b>
Exchange rate adjustments	-6,293	-11,900	-37,511
Change in cash and cash equivalents for the period	-37,338	52,295	-32,372
<b>Cash and cash equivalents at period-end</b>	<b>658,953</b>	<b>812,862</b>	<b>702,584</b>
Tied-up cash and cash equivalents	16,800	43,750	8,300
<b>Cash and cash equivalents according to the statement of financial position</b>	<b>675,753</b>	<b>856,612</b>	<b>710,884</b>



## Statement of changes in equity

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	The Group's equity
<b>Equity at 1 January 2010</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>
Total comprehensive income for the period	0	778	62,917	63,695	0	63,695
Share-based payment	0	0	1,209	1,209	0	1,209
<b>Changes in equity</b>	<b>0</b>	<b>778</b>	<b>64,126</b>	<b>64,904</b>	<b>0</b>	<b>64,904</b>
<b>Equity at 31 March 2010</b>	<b>7,087</b>	<b>3,014</b>	<b>1,859,746</b>	<b>1,869,847</b>	<b>70</b>	<b>1,869,917</b>
<b>Equity at 1 January 2009</b>	<b>7,087</b>	<b>12,546</b>	<b>1,680,673</b>	<b>1,700,306</b>	<b>72</b>	<b>1,700,378</b>
Total comprehensive income for the period	0	-19,716	72,509	52,793	-1	52,792
Purchase of treasury shares	0	0	-9,960	-9,960	0	-9,960
Share-based payment	0	0	1,280	1,280	0	1,280
<b>Changes in equity</b>	<b>0</b>	<b>-19,716</b>	<b>63,829</b>	<b>44,113</b>	<b>-1</b>	<b>44,112</b>
<b>Equity at 31 March 2009</b>	<b>7,087</b>	<b>-7,170</b>	<b>1,744,502</b>	<b>1,744,419</b>	<b>71</b>	<b>1,744,490</b>

**Statement of changes in equity (continued)**

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	The Group's equity
<b>Equity at 1 January 2009</b>	<b>7,087</b>	<b>12,546</b>	<b>1,680,673</b>	<b>1,700,306</b>	<b>72</b>	<b>1,700,378</b>
Total comprehensive income for the period	0	-10,310	217,208	206,898	-2	206,896
Purchase of treasury shares	0	0	-9,960	-9,960	0	-9,960
Sale of treasury shares	0	0	143	143	0	143
Distributed dividends	0	0	-103,117	-103,117	0	-103,117
Dividends, treasury shares	0	0	5,493	5,493	0	5,493
Share-based payment	0	0	5,180	5,180	0	5,180
<b>Changes in equity</b>	<b>0</b>	<b>-10,310</b>	<b>114,947</b>	<b>104,637</b>	<b>-2</b>	<b>104,635</b>
<b>Equity at 31 December 2009</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>



## Notes to the financial statements

### 1. 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 accounting policies are consistent with those applied to the consolidated annual report for 2009, prepared in accordance with the International Financial Reporting Standards (IFRS). For a full description of accounting policies, see pages 55-62 of the consolidated annual report for 2009.

#### *New IAS/IFRSs*

With effect from 1 January 2010, NORDEN has not implemented any new financial reporting standards or interpretations which are of importance to NORDEN.

#### *New financial reporting standards*

For a description of the IFRS and IFRIC, which become effective on 1 January or later, see page 55 of the consolidated annual report for 2009. Additionally, no new standards or interpretation contributions have subsequently been published

#### *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 pages 55-57 of the consolidated annual report for 2009.



## 2. Fair value adjustment of certain hedging instruments

USD '000	2010	2009
	1/1-31/3	1/1-31/3
<b>Bunker hedging:</b>		
Fair value adjustment for:		
2009	0	10,991
2010	-2,474	2,312
2011	-832	892
2012	165	415
2013	23	-188
2014	15	0
	-3,103	14,422
Realised fair value adjustment reclassified to "Vessel operating costs"*	-1,870	18,961
<b>Total</b>	<b>-4,973</b>	<b>33,383</b>
<b>Forward Freight Agreements:</b>		
Fair value adjustment for:		
2009	0	-706
2010	-3,951	8,976
2011	2,866	12,728
	-1,085	20,998
Realised fair value adjustment reclassified to "Revenue"*	5,171	501
<b>Total</b>	<b>4,086</b>	<b>21,499</b>
<b>Total</b>	<b>-887</b>	<b>54,882</b>

\* 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 2009.



## 3. Vessels

<b>USD '000</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Cost at 1 January	569,023	488,697	488,697
Transferred during the period from prepayments on vessels and newbuildings	107,980	0	187,746
Transferred during the period to tangible assets held for sale	-40,270	0	-146,581
Additions for the period	25,608	2,718	39,161
Disposals for the period	-3,088	0	0
<b>Cost</b>	<b>659,253</b>	<b>491,415</b>	<b>569,023</b>
Depreciation at 1 January	-71,410	-51,832	-51,832
Depreciation for the period	-9,111	-7,441	-32,484
Reversed depreciation on vessels disposed of	3,088	0	0
Reversed depreciation on tangible assets held for sale	12,786	0	12,906
<b>Depreciation</b>	<b>-64,647</b>	<b>-59,273</b>	<b>-71,410</b>
<b>Carrying amount</b>	<b>594,606</b>	<b>432,142</b>	<b>497,613</b>

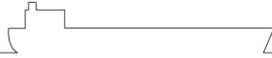
For the development of the fleet and added value, see the interim review.

## 4. Prepayments on vessels and newbuildings

<b>USD '000</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Cost at 1 January	442,526	397,836	397,836
Additions for the period	65,222	20,155	263,497
Disposals for the period	0	0	0
Transferred during the period to vessels	-107,980	0	-187,746
Transferred during the period to other items	-87	0	-234
Transferred during the period to tangible assets held for sale	-12,761	0	-30,827
<b>Carrying amount</b>	<b>386,920</b>	<b>417,991</b>	<b>442,526</b>

## 5. Tangible assets held for sale

<b>USD '000</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Carrying amount at 1 January	54,547	46,852	46,852
Additions for the period from prepayments on vessels and newbuildings	12,761	0	30,827
Additions for the period to tangible assets held for sale	8,054	124,322	227,462
Additions for the period from vessels	27,484	0	133,675
Disposals for the period	-35,560	-162,040	-380,869
Impairment for the period	0	0	-3,400
<b>Carrying amount</b>	<b>67,286</b>	<b>9,134</b>	<b>54,547</b>



## 6. Impairment test for vessels and newbuildings

If there are indications that the carrying amount of assets exceeds the value of future cash flows from the asset (recoverable amount), an impairment test must be carried out. The recoverable amount is calculated as the highest value of the net selling price (fair value less cost to sell) and the value in continued use.

If the net selling price (fair value less cost to sell) of the Company's vessels and newbuildings, expressed by the average of three broker estimates, is lower than the carrying amounts and the contract values, an impairment test must thus be carried out. The impairment test is carried out within NORDEN's two cash flow generating units (CGUs), Dry Cargo and Tankers, as the vessels within these two segments can usually be handled on a portfolio basis. The impairment test is done by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows during the rest of the vessels' economic lives including entered COAs, timecharters and by using estimated rates on the basis of historical data for uncovered capacity. If the value in use is lower than the carrying amounts, the asset is written down for impairment. See also note 1 "Significant accounting policies" in the consolidated annual report for 2009 for a more detailed description.

## 7. Related party transactions

In addition, no significant changes have occurred to closely related parties or types and scale of transactions with these parties other than disclosed in the consolidated annual report for 2009.

## 8. Contingent assets and liabilities

Since 31 December 2009, no significant changes have occurred to contingent assets and liabilities other than those referred to in the interim report.

## 9. Significant events after the balance sheet 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.