

Interim report – third quarter 2012

Announcement no. 18
14 November 2012

Key figures and ratios (USD million)

	Q3 2012	1/1-30/9 2012
EBITDA		
Group	23	104
EBITDA		
Dry Cargo	26	96
Tankers	-1	15
EBIT (before write-downs)		
Group	-1	34
Theoretical NAV		
DKK per share		198
Coverage	2012	2013
Dry Cargo	109%	56%
Tankers	31%	12%
Outlook 2012		
EBITDA		110-150

Highlights:

Operating earnings (EBITDA) were USD 23 million (USD 36 million) in the third quarter. Market conditions in both Dry Cargo and Tankers were significantly worse than in the same period last year.

Cash flows from operations were USD 29 million in the third quarter.

Earnings in the Dry Cargo Department were on average 35% above the market due to high coverage at good rate levels. EBITDA in Dry Cargo was USD 26 million (USD 35 million) in the quarter, whereas earnings in Tankers were 7% below the 1-year T/C rates but still above the spot market. In the third quarter, the Tanker Department realised an operating loss of USD 1 million against a profit of USD 3 million in the same period last year.

In the first 9 months of the year, NORDEN generated a total EBITDA of USD 104 million (USD 124 million). Adjusted for non-recurring income, operating earnings are 11% down from last year.

As a result of lower earnings and higher depreciation, NORDEN realised an operating loss (EBIT) of USD 1 million in the third quarter. For the first 9 months of the year, EBIT (before write-downs) amounted to USD 34 million.

NORDEN continues to optimise the core fleet through sales and contracting of new fuel efficient tonnage. Since the beginning of the third quarter, the Company has sold 7 dry cargo vessels and contracted 2 Handysize tanker vessels and 1 ice-class Panamax dry cargo vessel.

The market values of vessels dropped by further 6% during the third quarter. NORDEN's total theoretical Net Asset Value (NAV) decreased by 13% to DKK 198 per share in the third quarter. However, this calculation is excluding significant coverage contracts which are estimated at a value of USD 215 million or DKK 30 per share. If the freight rate curve and vessel prices change by 10%, the theoretical NAV will change by 18%.

In the Dry Cargo Department, coverage for 2013 has increased from 44% to 56%, primarily in the two main vessel types Panamax and Handymax where total coverage is now approximately 100%. In Tankers, the Company is still very exposed to the spot market. However, it is expected that the winter market will provide an opportunity for increasing coverage for 2013.

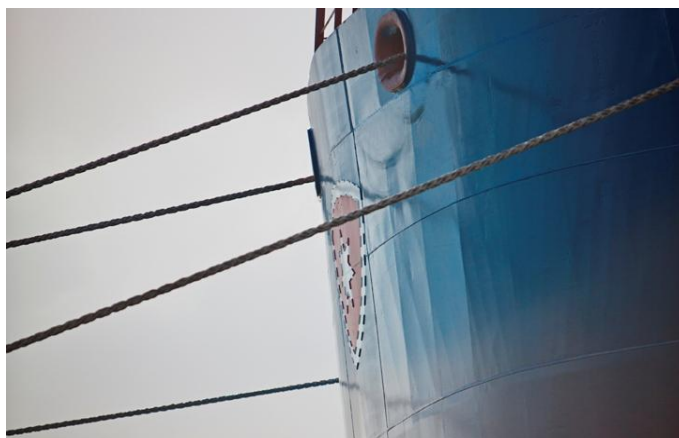
NORDEN maintains its expectations for a full-year EBITDA of USD 110-150 million.

President and CEO Carsten Mortensen in comment: *"I am very pleased that NORDEN generates a positive cash flow from operations of USD 29 million in the third quarter despite challenging market conditions. This is what counts in times like these. We are financially strong, and the Company continues to optimise the fleet through i.a. contracting yet another fuel efficient vessel – this time a Panamax ice-class vessel, which has been secured employment for 5 years."*

A telephone conference will be held today at 15:30 hours (CET) where CEO Carsten Mortensen, CFO Michael Tønnes Jørgensen and Executive Vice President Martin Badsted will comment on the report. By 15:25 hours (CET) at the latest, Danish participants should dial +45 3272 8018 while participants from abroad should dial +44 (0) 145 255 5131 or +1 866 682 8490. The telephone conference can be followed live at www.ds-norden.com where the accompanying presentation is also available.

Further information:

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Key figures and ratios for the Group

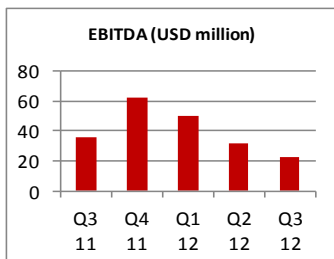
Key figures in USD '000	2012 1/1-30/9	2011 1/1-30/9	Change Q1-Q3 2011-2012	2011 1/1-31/12
INCOME STATEMENT				
Revenue	1,611,290	1,646,445	-2%	2,272,819
Costs	-1,507,640	-1,522,338	-1%	-2,086,373
Profit before depreciation, etc. (EBITDA) ¹⁾	103,650	124,107	-16%	186,446
Profits from the sale of vessels, etc.	-1,491	-249	-	-242
Depreciation	-68,169	-57,674	18%	-81,185
Profit from operations (EBIT before write-downs)	34,143	66,015	-48%	104,489
Write-downs	-300,000	0	-	0
Profit from operations (EBIT)	-265,857	66,015	-	104,489
Fair value adjustment of certain hedging instruments	-2,222	-7,920	-72%	-14,897
Net financials	880	4,583	-81%	3,742
Profit before tax	-267,199	62,678	-	93,334
Profit for the period	-271,549	58,045	-	87,793
STATEMENT OF FINANCIAL POSITION				
Non-current assets	1,325,266	1,607,386	-18%	1,634,426
Total assets	1,975,085	2,231,259	-11%	2,350,255
Equity (including minority interests)	1,692,518	1,963,381	-14%	1,994,419
Liabilities	282,567	267,878	5%	355,836
Invested capital	1,439,457	1,694,286	-15%	1,752,287
Net interest-bearing assets	253,061	269,095	-6%	242,132
Cash and securities	392,602	366,198	7%	407,192
CASH FLOWS				
From operating activities	101,333	77,885	30%	120,123
From investing activities	-79,316	-283,277	-72%	-355,211
- hereof investments in property, equipment and vessels	-124,689	-293,686	-58%	-357,669
From financing activities	-55,017	-56,582	-3%	18,381
Change in cash and cash equivalents for the period	-33,000	-261,974	-87%	-216,707
FINANCIAL AND ACCOUNTING RATIOS				
Share-related key figures and financial ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	41,275,102	41,212,702	0%	41,213,922
Earnings per share (EPS) (DKK ²⁾)	-6.6 (-38)	1.4 (7)	-	2.1 (11)
Diluted earnings per share (diluted EPS) (DKK ²⁾)	-6.6 (-38)	1.4 (7)	-	2.1 (11)
Book value per share (excluding treasury shares) (DKK ²⁾)	41.0 (236)	47.6 (263)	-14%	48.4 (278)
Share price at end of period, DKK	154.8	153.9	1%	134.5
Price/book value (DKK ²⁾)	0.65	0.59	10%	0.5
Net Asset Value per share excl. purchase options for vessels (DKK ²⁾)	37.4 (215)	43.3 (238)	-14%	43.1 (248)
Theoretical Net Asset Value per share ³⁾ (DKK ²⁾)	34.3 (198)	45.2 (249)	-24%	44.9 (258)
Other key figures and financial ratios:				
EBITDA ratio ¹⁾	6.4%	7.5%	15%	8.2%
ROIC (before write-downs)	2.9%	5.6%	-48%	6.5%
ROE	-19.6%	3.9%	-	4.4%
Equity ratio	85.7%	88.0%	-3%	84.9%
Total no. of ship days for the Group	62,550	55,215	13%	78,526
USD/DKK rate at end of period	576.60	551.11	5%	574.56
Average USD/DKK rate	581.04	530.37	10%	536.22

¹⁾ The ratios were computed in accordance with "Recommendations and Financial Ratios 2010" published by the Danish Society of Financial Analysts except from theoretical Net Asset Value which is not defined in the guidelines. Furthermore, "Profits from the sale of vessels, etc." has not been included in EBITDA.

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

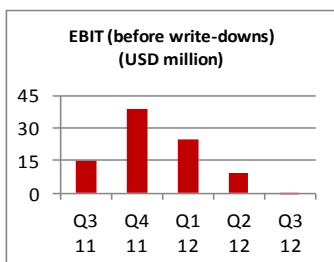
³⁾ Please note that the calculation is subject to significant uncertainty. See "Fleet values – Valuation methods for calculating theoretical NAV" on page 15 in the consolidated annual report for 2011 for supplementary information.

Comments on the development of the Group for the period



In the third quarter of 2012, NORDEN generated operating earnings before depreciation and profits from sale of vessels (EBITDA) of USD 23 million. The result is 37% down from the third quarter of 2011 due to weaker markets in both segments.

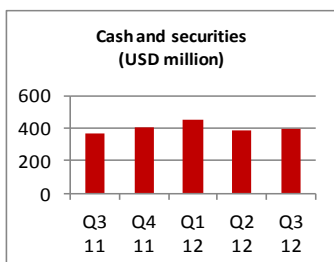
For the first 9 months of the year, NORDEN's EBITDA was USD 104 million against USD 124 million in the same period last year. Adjusted for non-recurring income of USD 2 million and USD 9 million in 2012 and 2011, respectively, EBITDA dropped by 11%.



The operating loss before write-downs (EBIT) amounted to USD 1 million in the third quarter, which is a decrease of USD 10 million from the second quarter of 2012.

Net results for the third quarter were USD 16 million (USD -21 million) and are affected by positive fair value adjustments of hedging instruments of USD 18 million primarily as a result of increasing bunker prices. See note 2 to the financial statements for further specification of fair value adjustments.

Strong financial position



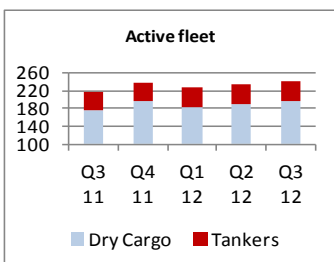
Cash flows from operations amounted to USD 29 million in the third quarter, while cash flows from investments and financing amounted to USD -28 million and USD -3 million, respectively. In total, this results in a change in cash and cash equivalents of USD -2 million.

At the end of the third quarter, the Company had bank debt of a total of USD 139 million of which USD 124 million is long-term (more than 1 year). The Company's debt is paid back up until 2021. The interest payments are fixed up until 2016 at levels between 3.05% and 3.93% including margin.

NORDEN continues to be in a strong financial position to take advantage of future investments opportunities. At the end of the quarter, the Company had cash and securities of USD 393 million, which is an increase of USD 7 million in the quarter, and undrawn credit facilities of USD 185 million. In comparison, there are outstanding payments on the newbuilding programme of USD 173 million, which will fall due in the period 2012-2014.

In the quarter, the Company's net commitments increased by USD 14 million to USD 636 million. The Company's strong financial position is underlined by the fact that total net commitments at the end of the quarter represented gearing of 0.37 of book equity.

Contracting of fuel efficient Panamax vessel



In Dry Cargo, the active fleet increased by 6 vessels of which the core fleet increased by 2 vessels to 75 vessels in the third quarter. During the quarter, NORDEN entered into a newbuilding contract of a Panamax ice-class vessel at a Japanese yard. The vessel, which will be delivered in 2014, is fuel efficient and contracted with an agreement on 5-year coverage with a solid counterpart. Changes in the core fleet during the quarter are shown in the table on page 4.

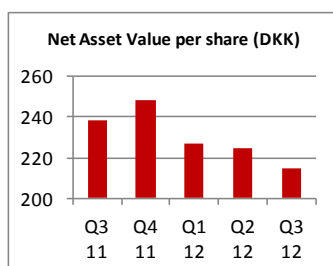
In Tankers, the active core fleet counted 26 vessels at the end of the third quarter, which is on par with the previous quarter. The number of charters without purchase option increased by 1 vessel, and the active fleet thus increased to 46 vessels. As mentioned in the interim report for the first half-year, NORDEN entered into agreement on 2 fuel efficient Handysize tanker newbuildings at a Chinese yard in the third quarter. As a result, the number of vessels for delivery to the core fleet increased by 2 vessels and thus counted 6 vessels at the end of the quarter.

In total, NORDEN's active core fleet increased by 2 vessels to 101 vessels during the third quarter. In addition, NORDEN had 140 chartered vessels at its disposal at the end of the third quarter. The order book counted 18 vessels at the end of the third quarter (see note 8 to the financial statements for an overview of deliveries to the core fleet).

After the end of the third quarter, NORDEN has sold 3 Korean built Handysize dry cargo vessels and 2 Panamax dry cargo vessels with a considerable positive cash flow effect. The sale will have a negative effect of USD 23.5 million on the results in the fourth quarter.

Development in the core fleet in the third quarter

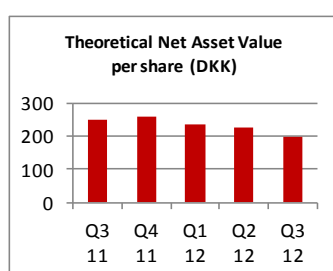
	Active vessels	Vessels for delivery
Beginning of third quarter	99	18
Delivery of owned vessels	+2	-2
2 vessels sold and converted to long-term charter	-2	
Delivery of long-term charter	+3	-1
Redelivery of long-term charter	-1	
Contracting of newbuilding		+3
End of third quarter	101	18

Net Asset Value of DKK 215 per share


Based on valuations from 3 independent brokers, the market value of NORDEN's owned vessels and newbuildings (including vessels in joint ventures and vessels held for sale) was estimated at USD 1,310 million at the end of the quarter. The value of vessels owned during the entire period decreased by 6% during the quarter as a consequence of a 6% drop in the value of NORDEN's dry cargo vessels and a 5% drop in the value of the Company's tanker vessels.

The theoretical value of NORDEN's 63 charter parties with purchase and extension option is estimated at USD -127 million at the end of third quarter against USD 23 million at the end of the second quarter.

NORDEN's total theoretical Net Asset Value (NAV) is calculated at DKK 198 per share at the end of the third quarter against DKK 228 per share at the end of the second quarter corresponding to a decrease of 13%. The decrease is due to a continued drop in T/C rates and vessel prices.

Theoretical Net Asset Value of DKK 198 per share


The theoretical NAV is composed of book equity of DKK 236 per share, added value of owned vessels and newbuildings of DKK -21 per share (based on valuations from 3 independent brokers) and the value of NORDEN's charter parties with purchase and extension option of DKK -17 per share.

The estimate of the theoretical NAV does not include the value of NORDEN's coverage besides a few contracts on owned vessels. Based on the forward curve at the end of the quarter, this coverage is estimated to have a value of USD 215 million or DKK 30 per share.

The value of the theoretical NAV is sensitive to changes in freight rates and vessel prices. In a sensitivity analysis of +/- 10% in freight rates and vessel prices, the theoretical NAV changes to DKK 233 and DKK 162 per share corresponding to a percentage-wise change of +/- 18%.

Impairment test

At the end of the third quarter, brokers estimated the net selling price of NORDEN's fleet (excluding 2 joint venture vessels and vessels held for sale) to be USD 149 million lower than the carrying amounts and costs of newbuildings. The difference is divided with USD -78 million in Dry Cargo and USD -71 million in Tankers. Therefore, an impairment test has been conducted. No indication of long-term impairment was found, and there is thus no need for additional write-downs (see note 5 "Write-down of vessels, etc." to the financial statements for additional information).



Segment information

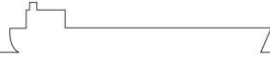
USD '000	Q3 2012				Q3 2011			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	439,515	115,708	0	555,223	458,600	78,636	0	537,236
Voyage costs	-203,639	-69,031	0	-272,670	-189,822	-33,741	0	-223,563
Contribution margin I	235,876	46,677	0	282,553	268,778	44,895	0	313,673
Other operating income, net	1,654	35	0	1,689	1,371	46	0	1,417
Vessel operating costs	-203,581	-46,361	0	-249,942	-225,859	-40,140	0	-265,999
Costs	-7,977	-1,339	-2,299	-11,615	-8,868	-1,529	-2,703	-13,100
Profit before depreciation, etc. (EBITDA)	25,972	-988	-2,299	22,685	35,422	3,272	-2,703	35,991
Profits from the sale of vessels, etc.	-1,407	0	-38	-1,445	108	1	0	109
Depreciation	-12,150	-8,426	-747	-21,323	-11,597	-8,513	-911	-21,021
Share of results of joint ventures	-654	157	0	-497	70	-256	0	-186
Profit from operations (EBIT)	11,761	-9,257	-3,084	-580	24,003	-5,496	-3,614	14,893
Fair value adjustment of certain hedging instruments	17,897	0	0	17,897	-29,183	0	0	-29,183
Financial income	0	0	2,115	2,115	0	0	-4,760	-4,760
Financial expenses	0	0	-1,835	-1,835	0	0	-567	-567
Tax for the period	-1,211	-169	-79	-1,459	-1,307	-176	-1	-1,484
Profit for the period	28,447	-9,426	-2,883	16,138	-6,487	-5,672	-8,942	-21,101



Segment information – continued

USD '000	Q1-Q3 2012				Q1-Q3 2011			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	1,312,966	298,324	0	1,611,290	1,399,143	247,302	0	1,646,445
Voyage costs	-610,550	-145,682	0	-756,232	-548,134	-96,521	0	-644,655
Contribution margin I	702,416	152,642	0	855,058	851,009	150,781	0	1,001,790
Other operating income, net	4,512	90	0	4,602	3,598	134	0	3,732
Vessel operating costs	-586,109	-133,171	0	-719,280	-716,423	-124,237	0	-840,660
Costs	-24,873	-4,458	-7,399	-36,730	-27,323	-4,751	-8,681	-40,755
Profit before depreciation, etc. (EBITDA)	95,946	15,103	-7,399	103,650	110,861	21,927	-8,681	124,107
Profits from the sale of vessels, etc.	-1,366	0	-125	-1,491	187	-449	13	-249
Depreciation	-39,405	-25,643	-3,121	-68,169	-31,162	-24,045	-2,467	-57,674
Share of results of joint ventures	-486	639	0	153	29	-198	0	-169
Profit from operations before write-downs	54,689	-9,901	-10,645	34,143	79,915	-2,765	-11,135	66,015
Write-downs of vessels and newbuildings	-250,000	-40,000	0	-290,000	0	0	0	0
Write-downs of joint ventures	-10,000	0	0	-10,000	0	0	0	0
Profit from operations (EBIT)	-205,311	-49,901	-10,645	-265,857	79,915	-2,765	-11,135	66,015
Fair value adjustment of certain hedging instruments	-2,222	0	0	-2,222	-7,920	0	0	-7,920
Financial income	0	0	7,297	7,297	0	0	8,704	8,704
Financial expenses	0	0	-6,417	-6,417	0	0	-4,121	-4,121
Tax for the period	-3,668	-516	-166	-4,350	-3,987	-534	-112	-4,633
Profit for the period	-211,201	-50,417	-9,931	-271,549	68,008	-3,299	-6,664	58,045

USD'000	Q1-Q3 2012				Q1-Q3 2011			
	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Vessels	701,690	454,767	0	1,156,457	729,464	515,895	0	1,245,359
Prepayments on vessels and newbuildings	25,488	73,486	0	98,974	213,197	58,657	0	271,854
Other tangible assets	983	0	54,944	55,927	1,379	0	54,503	55,882
Investments in joint ventures	10,494	3,414	0	13,908	2,955	31,336	0	34,291
Non-current assets	738,655	531,667	54,944	1,325,266	946,995	605,888	54,503	1,607,386
Current assets	209,594	47,623	392,602	649,819	218,971	38,704	366,198	623,873
Total assets	948,249	579,290	447,546	1,975,085	1,165,966	644,592	420,701	2,231,259



Dry Cargo

T/C earnings above the market

The Dry Cargo Department realised an EBITDA of USD 26 million in the third quarter, which was in line with expectations. Earnings were supported by high coverage in an otherwise very depressed spot market. Dry Cargo produced T/C earnings approximately 35% above the average 1-year T/C rates.

Employment and rates, Dry Cargo, third quarter 2012

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total**
NORDEN ship days	368	736	6,025	8,226	2,525	17,880
NORDEN T/C (USD per day)	26,491	5,746	12,460	13,466	10,315	12,632
1-year T/C (USD per day)*	11,394	8,858	9,067	9,865	8,346	9,372
NORDEN vs. 1-year T/C	+132%	-35%	+37%	+37%	+24%	+35%

* Source: Clarksons

** Weighted average

Weak market in the large vessel types

After a severe drop in market rates in the first half of the year, market conditions continued to be challenging in the third quarter reflecting the significant oversupply of vessels. The Baltic Dry Index (BDI) posted its lowest average since the third quarter of 1998, dropping 24% in the third quarter and taking the decrease in BDI to 56% during the first 9 months of the year. The market weakness was most apparent in the large vessel sizes with Capesize spot rates averaging around USD 4,800 per day during the quarter, while Handymax and Handysize spot rates averaged around USD 10,300 and USD 8,000 per day, respectively. After the end of the quarter, Capesize rates have increased, while rates for smaller vessel sizes remain under pressure. The increase in Capesize rates has primarily been driven by iron ore inventory build-up in China and higher share of Chinese iron ore imports being sourced from Brazil resulting in a positive ton-mile effect (source: R.S. Platou).

Reasonable demand in dry cargo

Despite difficult economic conditions in many of the world's largest economies in recent quarters, dry cargo demand has been relatively reasonable. According to R.S. Platou, dry cargo demand grew by around 8% in the first half of 2012 and is expected to grow by around 7% for the full year. China has continued to drive the market, increasing its imports of dry cargo by 14% in the first 9 months of the year compared to the same period last year.

Fewer deliveries to the global dry cargo fleet

Deliveries to the global dry cargo fleet slowed considerably compared to the previous 2 quarters. Approximately 20 million dwt. were delivered during the period, which is the lowest amount delivered in a single quarter since the second quarter of 2010. This indicates that the delivery of new vessels has peaked as deliveries in the previous 4 quarters were on average around 28 million dwt. per quarter.

Scrapping on a continued high level

Scrapping remained high in the quarter with 8 million dwt. scrapped, and total scrapping for the first 9 months of the year reached 26 million dwt. Despite a high degree of scrapping this year, there is still considerable potential for further scrapping since approximately 19% of the fleet is older than 20 years. As long as freight rates continue to be under pressure and bunker prices are high, many older vessels will be unable to compete with modern vessels, forcing owners to lay them up or scrapping the vessels.

Lower fleet growth in 2013

After accounting for scrapping, the dry cargo fleet grew by 8.9% net in the first 9 months of the year, equal to 11.9% on an annual basis. Given the current order book and the low degree of new contracting this year, fleet supply is expected to slow in the coming quarters, and with a continued positive development in demand, this may result in an improvement in the balance between supply and demand towards the end of 2013.

**Dry Cargo fleet and values**

NORDEN's Dry Cargo fleet and values at 30 September 2012						
Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
Vessels in operation						
Owned vessels	3	4	5	5 ^A	13	30
Chartered vessels with purchase option	1	4	11	19	10	45
Total active core fleet	4	8	16	24	23	75
Chartered vessels without purchase option	0	0	45	62	13	120
Total active fleet	4	8	61	86	36	195
Vessels to be delivered						
Newbuildings (owned)	0	0	1	0	2	3
Chartered vessels with purchase option	0	0	7	1	1	9
Total for delivery to core fleet	0	0	8	1	3	12
Chartered vessels over 3 years without purchase option	0	0	2	0	0	2
Total to be delivered	0	0	10	1	3	14
Total gross fleet	4	8	71	87	39	209
A) Of which 2 units in 50%-owned joint venture.						
Dry Cargo fleet values at 30 September 2012 (USD million)						
Market value of owned vessels and newbuildings*	86	105	151	87	298	727
Value of charter parties with purchase and extension option	-3	-55	-22	-2	-42	-124
* Active vessels and newbuildings including joint ventures, assets held for sale and any charterparties.						

Capacity and coverage

At the end of the third quarter, the Dry Cargo Department had covered 109% of the capacity for the rest of 2012. This is an increase of 19 percentage points compared to the end of the second quarter. The stated days are minimum days, and as many vessels have been chartered with large optionality, there is a significant possibility to extend the charter in case of an increasing market. On the other hand, it would be beneficial to charter new vessels to cover the 9% of cargo exceeding the capacity in case of a decreasing market. During the quarter, coverage has increased by 13 percentage points to 56% for 2013 at a rate level of USD 13,800 per day compared to average costs of USD 10,700 per day.

Capacity and coverage, Dry Cargo, at 30 September 2012								
	2012	2013	2014	+2015	2012	2013	2014	+2015
Gross capacity								
	Ship days				Costs for gross capacity (USD per day)			
Capesize	364	1,460	1,460	10,548	8,974	8,974	8,974	6,878
Post-Panamax	728	2,920	2,920	31,903	11,841	11,841	11,841	9,057
Panamax	3,118	6,691	6,595	50,747	10,565	11,104	12,128	9,765
Handymax	3,956	8,749	6,915	34,694	11,664	11,731	11,214	8,629
Handysize	2,881	11,252	10,303	104,748	9,655	9,574	8,724	5,513
Total	11,047	31,072	28,193	232,640	10,753	10,696	10,467	7,453
Coverage								
	Ship days				Revenue from coverage (USD per day)			
Capesize	270	553	0	0	33,892	45,225	0	0
Post-Panamax	314	0	0	0	5,073	0	0	0
Panamax	4,646	8,032	4,407	13,594	14,040	13,835	16,661	18,596
Handymax	5,031	7,008	3,338	7,167	12,689	11,777	13,867	16,041
Handysize	1,755	1,921	806	8,930	9,137	11,782	13,695	13,175
Total	12,016	17,514	8,551	29,691	12,970	13,777	15,290	16,349
Coverage in %								
Capesize	74%	38%	0%	0%				
Post-Panamax	43%	0%	0%	0%				
Panamax	149%	120%	67%	27%				
Handymax	127%	80%	48%	21%				
Handysize	61%	17%	8%	9%				
Total	109%	56%	30%	13%				



Tankers

Lower earnings due to a low spot market

In the third quarter of 2012, the Tanker Department generated an EBITDA of USD -1 million. Earnings were 7% below the 1-year T/C rates, which was due to a very low spot market as a consequence of the continued weak global economic growth. NORDEN had average earnings of USD 11,787 per day in the third quarter, which is significantly above the spot market. NORDEN's two primary vessel types, MR and Handysize, generated earnings of USD 12,084 and USD 11,768 per day.

Employment and rates, Tankers, third quarter 2012

Vessel type	LR-1	MR	Handysize	Total**
NORDEN ship days	183	2,147	1,689	4,019
NORDEN T/C (USD per day)	8,472	12,084	11,768	11,787
1-year T/C (USD per day)*	12,827	12,962	12,250	12,657
NORDEN vs. 1-year T/C	-34%	-7%	-4%	-7%

* Source: Clarksons

** Weighted average

Supply disruptions resulted in decreasing rates

The fire on one of the world's largest refineries in Amuay Bay in Venezuela and the hurricane Isaac's effect on the refinery sector around the U.S. Gulf led to a reduced supply of oil products for export, and the decreasing activity resulted in lower rates in the third quarter. Thus, BCTI (Baltic Clean Tanker Index) ended on average for the quarter 14% below the same period last year but improved somewhat towards the end of the quarter.

European refineries benefited from low-sulphur crude oil

Lower export volumes from especially the Black Sea and the Baltic States (Russia) to Europe and less stock building of oil products before the winter in Europe compared to the same period last year had a negative effect on the market. Europe's import of oil products generally decreased in the third quarter as the European refineries increased their own refining due to access to cheap low-sulphur West African crude oil which there was no longer a demand for in the USA. In the USA, the refineries increasingly used their own shale oil instead of importing West African crude oil.

USA net exporter of product oil

Over the last year, the USA has changed its status to a net exporter of product oil. The USA's total product oil export has almost doubled compared to the same period last year, and until now, the net export in 2012 has been above 900,000 barrels per day (bpd). The primary receiver of USA's export of oil products is Latin America, which reached almost 600,000 bpd in July (+44% year-on-year), while European import from the USA has increased by 100,000 bpd to 375,000 bpd (source: JBC Energy).

Increased refinery capacity

An essential element in the ton-mile demand in the product tanker market is the expansion of the export oriented refinery capacity in the Middle East and Asia. The refinery capacity is expected to be expanded by 5.4 million bpd until 2017 in these areas, which may lead to longer distances per transported ton (source: IEA). During 2012, India has increased its export of oil products to Europe and the USA by 5% and 8%, respectively, and in total, India has increased its export by 9% corresponding to 6 million tons of which the main part, however, continues to be exported to other Asian countries (source: Danish Shipfinance).

Low growth in the global fleet

As in previous quarters, there was very limited growth in the global product tanker fleet. In total, the fleet grew by 0.5% in NORDEN's two primary vessel types in the third quarter, distributed with 1% fleet growth in MR and a reduction of 0.8% in Handysize. At the end of the quarter, the order book comprised 15% of the existing MR fleet and only 4% of the Handysize fleet (source: SSY).



Tanker fleet and values

NORDEN's Tanker fleet and values at 30 September 2012				
Vessel type	LR-1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0	6	11	17
Chartered vessels with purchase option	0	9	0	9
Total active core fleet	0	15	11	26
Chartered vessels without purchase option	2	9	9	20
Total active fleet	2	24	20	46
Vessels to be delivered				
Newbuildings (owned)	0	4	2	6
Chartered vessels with purchase option	0	0	0	0
Total for delivery to core fleet	0	4	2	6
Chartered vessels over 3 years without purchase option	0	0	0	0
Total to be delivered	0	4	2	6
Total gross fleet	2	28	22	52
Tanker fleet values at 30 September 2012 (USD million)				
Market value of owned vessels and newbuildings*	0	293	290	583
Value of charter parties with purchase and extension option	0	-3	0	-3

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

Capacity and coverage

At the end of the third quarter, NORDEN had covered 31% of the ship days in Tankers for the rest of 2012, which is an increase of 3 percentage points compared to the previous quarter. The drop in the number of covered days for MR tanker vessels is due to the termination of a contract with a counterpart. The Tanker Department is expected to use the winter market to increase coverage for 2013, but overall, the Department will maintain a predominance of exposure to the spot market.

Capacity and coverage, Tankers, at 30 September 2012								
	2012	2013	2014	+2015	2012	2013	2014	+2015
Gross capacity								
	Ship days				Costs for gross capacity (USD per day)			
LR-1	54	0	0	0	11,900	0	0	0
MR	2,166	8,614	7,523	64,766	12,641	11,764	11,261	7,790
Handysize	1,595	4,895	4,596	64,245	8,744	7,745	6,836	6,832
Total	3,815	13,509	12,119	129,011	11,002	10,308	9,583	7,313
Coverage								
	Ship days				Revenue from coverage (USD per day)			
LR-1	54	0	0	0	15,550	0	0	0
MR	272	191	0	0	15,210	13,049	0	0
Handysize	839	1,457	136	0	11,808	13,355	13,028	0
Total	1,165	1,648	136	0	12,776	13,320	13,028	0
Coverage in %								
LR-1	100%	0%	0%	0%				
MR	13%	2%	0%	0%				
Handysize	53%	30%	3%	0%				
Total	31%	12%	1%	0%				



Expectations for 2012

NORDEN maintains its full-year estimate

NORDEN maintains its expectations for operating earnings (EBITDA) of USD 110-150 million.

With a total EBITDA of USD 104 million in the first 9 months of the year, NORDEN's earnings are in line with expectations. Earnings in Dry Cargo were USD 96 million, while they amounted to USD 15 million in Tankers.

For the full year, earnings in Dry Cargo are expected to be USD 105-125 million and thus in the high end of the previous interval (USD 85-125 million), where expectations for Tankers are reduced to USD 15-25 million (USD 25-45 million).

Expectations for the full year

Expectations for 2012 USD million	Dry Cargo	Tankers	Total
EBITDA	105-125	15-25	110-150
Ordinary depreciation			90-95
Realised profits from the sale of vessels			-25
CAPEX			10-20

Sale of vessels

After the sale of 5 Handysize and 2 Panamax dry cargo vessels with a loss of USD 8 million and USD 17 million, respectively, in and after the quarter, a total loss of USD 25 million from sale of vessels is now expected. The positive cash flow effect from the sales will cover a considerable part of newbuilding installments in 2012, and CAPEX (net) is now expected to be USD 10-20 million (against previous USD 80-100 million).

The expectations do not include additional sale of vessels.

Risks and uncertainties

The uncertainty regarding earnings in Dry Cargo in the fourth quarter relates to changes in rate levels during the fourth quarter. Handymax and Panamax are excessively covered with 49% and 27%, respectively, compared to minimum capacity. To a significant extent, NORDEN has the possibility of extending chartered tonnage so that contractual coverage can be met at previously agreed rate levels, and thus, the exposure to increasing rates in these vessel types is limited.

Earnings expectations in Tankers primarily depend on the development in the spot market. Based on 2,600 open ship days in Tankers, a change of USD 1,000 per day would mean a change in earnings of approximately USD 2-3 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 2012 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.



INTERIM REPORT FOR THE THIRD QUARTER OF 2012 – THE GROUP

Statement

The Board of Directors and the Executive Management today reviewed and approved the interim report for the third quarter of 2012 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 2011.

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 faithful 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, 14 November 2012

Executive Management

Carsten Mortensen
President & CEO

Michael Tønnes Jørgensen
Executive Vice President & CFO

Lars Bagge Christensen
Executive Vice President

Martin Badsted
Executive Vice President

Ejner Bonderup
Executive Vice President

Board of Directors

Mogens Hugo
Chairman

Alison J. F. Riegels
Vice Chairman

Erling Højsgaard

Karsten Knudsen

Arvid Grundekjøn

Klaus Nyborg

Benn Pymont Johansen

Ole Clausen

Jacob Koch Nielsen



Income statement

USD '000	2012	2011	2012	2011	2011
	Q1-Q3	Q1-Q3	Q3	Q3	Q1-Q4
Revenue	1,611,290	1,646,445	555,223	537,236	2,272,819
Costs	-1,507,640	-1,522,338	-532,538	-501,245	-2,086,373
Profit before depreciation, etc. (EBITDA)	103,650	124,107	22,685	35,991	186,446
Profits from the sale of vessels, etc.	-1,491	-249	-1,445	109	-242
Depreciation	-68,169	-57,674	-21,323	-21,021	-81,185
Share of results of joint ventures	153	-169	-497	-186	-530
Profit from operations before write-downs	34,143	66,015	-580	14,893	104,489
Write-down of vessels and newbuildings ^{note 5)}	-290,000	0	0	0	0
Write-down of joint ventures ^{note 5)}	-10,000	0	0	0	0
Operating profit (EBIT)	-265,857	66,015	-580	14,893	104,489
Fair value adjustment of certain hedging instruments ^{note 2)}	-2,222	-7,920	17,897	-29,183	-14,897
Net financials	880	4,583	280	-5,327	3,742
Profit before tax	-267,199	62,678	17,597	-19,617	93,334
Tax on the profit for the period	-4,350	-4,633	-1,459	-1,484	-5,541
Profit for the period	-271,549	58,045	16,138	-21,101	87,793
Attributable to:					
Shareholders of NORDEN	-271,551	58,046	16,136	-21,101	87,795
Minority interests	2	-1	2	0	-2
Total	-271,549	58,045	16,138	-21,101	87,793
Earnings per share (EPS), USD	-6.6	1.4	0.4	-0.5	2.1
Diluted earnings per share, USD	-6.6	1.4	0.4	-0.5	2.1

Statement of comprehensive income

Profit for the period, after tax	-271,549	58,045	16,138	-21,101	87,793
Value adjustment of hedging instruments	-5,962	-11,634	-2,459	-2,422	-12,026
Fair value adjustment of securities	1,888	11,142	199	-1,711	11,720
Total	-4,074	-492	-2,260	-4,133	-306
Total comprehensive income for the period, after tax	-275,623	57,553	13,878	-25,234	87,487
Attributable to:					
Shareholders of NORDEN	-275,625	57,554	13,876	-25,234	87,489
Minority interests	2	-1	2	0	-2
Total	-275,623	57,553	13,878	-25,234	87,487



Income statement by quarter

USD '000	2012	2012	2012	2011	2011
	Q3	Q2	Q1	Q4	Q3
Revenue	555,223	523,460	532,607	626,374	537,236
Costs	-532,538	-492,125	-482,977	-564,035	-501,245
Profit before depreciation, etc, (EBITDA)	22,685	31,335	49,630	62,339	35,991
Profits from the sale of vessels, etc.	-1,445	-260	214	7	109
Depreciation	-21,323	-21,688	-25,158	-23,511	-21,021
Share of results of joint ventures	-497	231	419	-361	-186
Profit from operations before write-downs	-580	9,618	25,105	38,474	14,893
Write-down of vessels and newbuildings ^{note 5)}	0	0	-290,000	0	0
Write-down of joint ventures ^{note 5)}	0	0	-10,000	0	0
Operating profit (EBIT)	-580	9,618	-274,895	38,474	14,893
Fair value adjustment of certain hedging instruments ^{note 2)}	17,897	-39,850	19,731	-6,977	-29,183
Net financials	280	-137	737	-841	-5,327
Profit before tax	17,597	-30,369	-254,427	30,656	-19,617
Tax on the profit for the period	-1,459	-1,410	-1,481	-908	-1,484
Profit for the period	16,138	-31,779	-255,908	29,748	-21,101
Attributable to:					
Shareholders of NORDEN	16,136	-31,779	-255,908	29,749	-21,101
Minority interests	2	0	0	-1	0
Total	16,138	-31,779	-255,908	29,748	-21,101
Earnings per share (EPS), USD	0.4	-0.8	-6.2	0.7	-0.5
Diluted earnings per share, USD	0.4	-0.8	-6.2	0.7	-0.5

Statement of comprehensive income by quarter

Profit for the period, after tax	16,138	-31,779	-255,908	29,748	-21,101
Value adjustment of hedging instruments	-2,459	-2,955	-548	-392	-2,422
Fair value adjustment of securities	199	85	1,604	578	-1,711
Total	-2,260	-2,870	1,056	186	-4,133
Total comprehensive income for the period, after tax	13,878	-34,649	-254,852	29,934	-25,234
Attributable to:					
Shareholders of NORDEN	13,876	-34,649	-254,852	29,935	-25,234
Minority interests	2	0	0	-1	0
Total	13,878	-34,649	-254,852	29,934	-25,234

Statement of financial position

USD '000	2012	2011	2011
	30/9	30/9	31/12
ASSETS			
Property and equipment	55,927	55,882	55,937
Vessels ^{note 3)}	1,156,457	1,245,359	1,387,189
Prepayments on vessels and newbuildings ^{note 4)}	98,974	271,854	170,025
Investments in joint ventures	13,908	34,291	21,275
Non-current assets	1,325,266	1,607,386	1,634,426
Inventories	78,349	70,581	89,280
Receivables and prepayments	176,745	187,094	213,040
Receivables from joint ventures	2,123	0	6,317
Securities	68,323	72,268	71,324
Cash and cash equivalents	324,279	293,930	335,868
Current assets	649,819	623,873	715,829
Total assets	1,975,085	2,231,259	2,350,255
EQUITY AND LIABILITIES			
Share capital	6,833	6,833	6,833
Reserves	2,624	6,512	6,698
Retained earnings	1,682,993	1,949,969	1,980,822
Equity (NORDEN's shareholders)	1,692,450	1,963,314	1,994,353
Minority interests	68	67	66
Equity	1,692,518	1,963,381	1,994,419
Bank debt	124,098	73,759	135,017
Non-current liabilities	124,098	73,759	135,017
Current portion of non-current debt within 1 year	15,443	23,344	30,043
Trade payables	85,154	91,127	135,672
Liabilities with joint ventures	0	31,890	0
Other payables and deferred income	57,872	47,758	55,104
Current liabilities	158,469	194,119	220,819
Liabilities	282,567	267,878	355,836
Total equity and liabilities	1,975,085	2,231,259	2,350,255



Statement of cash flows

USD '000	2012	2011	2012	2011	2011
	Q1-Q3	Q1-Q3	Q3	Q3	Q1-Q4
Profit for the period	-271,549	58,045	16,138	-21,101	87,793
Reversal of items without effect on cash flow	373,974	91,250	7,338	75,599	95,969
Cash flows before change in working capital	102,425	149,295	23,476	54,498	183,762
Change in working capital	-1,092	-71,410	5,667	-42,936	-63,639
Cash flows from operating activities	101,333	77,885	29,143	11,562	120,123
Investments in vessels, etc.	-11,426	-61,203	-3,541	-7,546	-64,327
Additions in prepayments on newbuildings	-113,263	-232,495	-71,004	-92,187	-293,354
Additions in prepayments received on sold vessels	0	0	0	0	-7,324
Investments in associates	-2,500	0	0	0	0
Acquisition of securities	-42,548	-29,631	-8,296	0	-35,010
Sale of securities	48,173	4,815	12,543	0	9,595
Proceeds from the sale of vessels, etc.	42,248	35,237	41,976	190	35,209
Cash flows from investing activities	-79,316	-283,277	-28,322	-99,543	-355,211
Dividend paid to shareholders	-29,146	-63,706	0	0	-63,706
Acquisition of treasury shares	0	-31,556	0	0	-31,556
Installments on/payment of non-current debt	-25,871	-48,095	-3,118	-19,672	-48,095
Additions of non-current debt	0	86,775	0	0	161,738
Cash flows from financing activities	-55,017	-56,582	-3,118	-19,672	18,381
Change in cash and cash equivalents for the period	-33,000	-261,974	-2,297	-107,653	-216,707
Cash and cash equivalents at beginning of period	335,868	574,571	314,356	421,536	574,571
Exchange rate adjustments	21,411	-18,667	12,220	-19,953	-21,996
Change in cash and cash equivalents for the period	-33,000	-261,974	-2,297	-107,653	-216,707
Cash and cash equivalents according to the statement of financial position	324,279	293,930	324,279	293,930	335,868

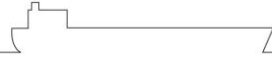


Statement of changes in equity

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	Group equity
Equity at 1 January 2012	6,833	6,698	1,980,822	1,994,353	66	1,994,419
Total comprehensive income for the period	0	-4,074	-271,551	-275,625	2	-275,623
Distributed dividends	0	0	-30,368	-30,368	0	-30,368
Dividends, treasury shares	0	0	1,222	1,222	0	1,222
Share-based payment	0	0	2,868	2,868	0	2,868
Changes in equity	0	-4,074	-297,829	-301,903	2	-301,901
Equity at 30 September 2012	6,833	2,624	1,682,993	1,692,450	68	1,692,518

Equity at 1 January 2011	7,087	7,004	1,983,894	1,997,985	68	1,998,053
Total comprehensive income for the period	0	-492	58,046	57,554	-1	57,553
Acquisition of treasury shares	0	0	-31,556	-31,556	0	-31,556
Distributed dividends	0	0	-68,946	-68,946	0	-68,946
Dividends, treasury shares	0	0	5,240	5,240	0	5,240
Capital reduction	-254	0	254	0	0	0
Share-based payment	0	0	3,037	3,037	0	3,037
Changes in equity	-254	-492	-33,925	-34,671	-1	-34,672
Equity at 30 September 2011	6,833	6,512	1,949,969	1,963,314	67	1,963,381

Equity at 1 January 2011	7,087	7,004	1,983,894	1,997,985	68	1,998,053
Total comprehensive income for the period	0	-306	87,795	87,489	-2	87,487
Acquisition of treasury shares	0	0	-31,556	-31,556	0	-31,556
Distributed dividends	0	0	-68,946	-68,946	0	-68,946
Dividends, treasury shares	0	0	5,240	5,240	0	5,240
Capital reduction	-254	0	254	0	0	0
Share-based payment	0	0	4,141	4,141	0	4,141
Changes in equity	-254	-306	-3,072	-3,632	-2	-3,634
Equity at 31 December 2011	6,833	6,698	1,980,822	1,994,353	66	1,994,419



Notes to the financial statements

1. Significant accounting policies

Basis of accounting

The interim report comprises the summarised consolidated financial statements of Dampskibsselskabet NORDEN A/S.

Accounting policies

The interim report has been prepared in accordance with the international financial reporting standard IAS 34 on interim reports and additional Danish disclosure requirements for the financial statements of listed companies.

The consolidated annual report for 2011 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Accounting policies have not changed in relation to this.

For a complete description of accounting policies, see also pages 55-63 in the consolidated annual report for 2011.

New IAS/IFRSs

NORDEN has implemented the new financial reporting standards or interpretations which were effective from 1 January 2012. The changes relate to some of IFRS 7's information requirements and are of no importance to NORDEN's results or equity in the interim report.

New financial reporting standards

For a description of the IFRS and IFRIC which became effective on 1 January 2012 or later, see page 55 of the consolidated annual report for 2011. No new or changed standards have been issued besides those mentioned in the consolidated annual report for 2011. The standards have still yet to be adopted by the EU. NORDEN will assess the effect on the financial statements but has at the time of writing not completed this assessment.

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 56-57 of the consolidated annual report for 2011.

2. Fair value adjustment of certain hedging instruments

USD '000	2012	2011	2012	2011	2011
	Q1-Q3	Q1-Q3	Q3	Q3	Q1-Q4
Bunker hedging:					
Fair value adjustment for:					
2011	0	27,869	0	-412	31,440
2012	11,488	3,515	11,225	-3,980	6,746
2013	4,202	64	6,703	-1,123	370
2014	1,254	54	2,214	-284	41
2015	26	0	164	0	-32
2016	47	0	88	0	-41
2017	43	0	55	0	-44
2018	43	0	55	0	-48
	17,103	31,502	20,504	-5,799	38,432
Realised fair value adjustment reclassified to "Vessel operating costs"*	-17,715	-30,454	-2,350	-10,557	-39,636
Total	-612	1,048	18,154	-16,356	-1,204
Forward Freight Agreements:					
Fair value adjustment for:					
2011	0	33,550	0	-5,030	32,193
2012	9,209	1,859	1,659	84	1,979
2013	1,437	181	624	77	474
	10,646	35,590	2,283	-4,869	34,646
Realised fair value adjustment reclassified to "Revenue"*	-12,256	-44,558	-2,540	-7,958	-48,339
Total	-1,610	-8,968	-257	-12,827	-13,693
Total	-2,222	-7,920	17,897	-29,183	-14,897

* 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 2011.



3. Vessels

USD '000	2012	2011	2011
	30/9	30/9	31/12
Cost at 1 January	1,566,925	982,875	982,875
Transferred during the period from prepayments on vessels and newbuildings	128,114	361,868	524,102
Transferred during the period to tangible assets held for sale	0	0	0
Additions for the period	7,629	58,064	59,948
Disposals for the period	-62,250	0	0
Cost	1,640,418	1,402,807	1,566,925
Depreciation at 1 January	-179,736	-102,545	-102,545
Depreciation for the period	-64,876	-54,903	-77,191
Reversed depreciation of disposed vessels	3,568	0	0
Reversed depreciation of tangible assets held for sale	0	0	0
Depreciation	-241,044	-157,448	-179,736
Write-downs at 1 January	0	0	0
Write-downs for the period	-258,374	0	0
Reversed write-downs of disposed vessels	15,457	0	0
Write-downs	-242,917	0	0
Carrying amount	1,156,457	1,245,359	1,387,189

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

4. Prepayments on vessels and newbuildings

USD '000	2012	2011	2011
	30/9	30/9	31/12
Cost at 1 January	170,025	401,884	401,884
Additions for the period	113,263	232,495	293,354
Transferred during the period to vessels	-128,114	-361,868	-524,102
Transferred during the period to other items	-24,574	-657	-1,111
Transferred during the period to tangible assets held for sale	0	0	0
Costs	130,600	271,854	170,025
Write-downs at 1 January	0	0	0
Write-downs for the period	-31,626	0	0
Write-downs	-31,626	0	0
Carrying amount	98,974	271,854	170,025



5. Write-down of vessels, etc.

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

Based on estimates from 3 independent brokers, the market value of NORDEN's fleet (net selling price excluding COAs) including vessels in joint venture is estimated at USD 151 million below the carrying amounts at the end of the quarter. The difference is divided between NORDEN's 3 CGUs, Dry Cargo, Tankers and a joint venture, with negative USD 78 million, negative USD 71 million and negative USD 2 million, respectively.

Accordingly, an impairment test has been conducted for all 3 CGUs by estimating the value in use.

The impairment test is conducted by comparing the carrying amounts with the value in use of the fleet of the 3 CGUs. Value in use is calculated as the present value of total expected cash flows over the remaining useful lives of the vessels, including time charter fleet, coverage and estimated rates for uncovered capacity.

As part of the basis for estimation of the long-term values, the value in use of the 3 CGUs has been estimated by applying "normalised" 20-year average rates, where the 3 and 4 best and worst years have been excluded. The normalisation of rates is new in relation to the consolidated annual report 2011 (see note 5 to the financial statements in the interim report for the first quarter of 2012 for additional information).

Except from the updated freight rate scenarios, other assumptions in the impairment test for the period, including the discount factor of 8%, are unchanged in relation to the consolidated annual report for 2011.

Based on the impairment test at the end of the first quarter, management estimated that there was need for write-downs of the total fleet of USD 300 million. The write-downs totalling USD 300 million based on value in use were distributed with USD 250 million in Dry Cargo, USD 40 million in Tankers and USD 10 million in a joint venture. In company announcement no. 11 of 15 May 2012 regarding the interim report for the first quarter of 2012, reasons for the write-downs etc. have been further accounted for.

On the basis of the impairment test conducted at the end of the third quarter, management estimates that there is no need for further write-downs.

Due to the large number of open ship days, the value in use calculation is very sensitive to even small fluctuations in freight rates. As an indication of this sensitivity, a fluctuation of USD 1,000 per day in long-term freight rates would change the CGU values by USD 131 million in Dry Cargo and USD 91 million in Tankers.

6. Related party transactions

No significant changes have occurred to closely related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2011.

7. Contingent assets and liabilities

Since the end of 2011, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.



8. Overview of deliveries to the core fleet and fleet values

Expected delivery of the Company's core fleet at 30 September 2012

	2012	2013				2014				Total
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Dry Cargo										
Post-Panamax					(1)		(2)	(2)	1 (1)	0
Panamax	(1)						(1)			8
Handymax										1
Handysize	1		1 (1)							3
Tanker										
MR		3	1							4
Handysize					1	1				2
Total	2	3	3	0	1	1	4	2	2	18

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

Fleet values (before tax) at 30 September 2012

USD million					Calculated value of charter parties with purchase and extension option			
Owned (active and newbuildings)					Value of charter party and purchase option			
	Number	Carrying amount/cost	Market value*	Added value	Number	Charter party	Purchase and extension option	Value of charter party and purchase option
Dry Cargo								
Capesize	3	81	86	5	1	-4	1	-3
Post-Panamax	4	134	105	-29	4	-56	1	-55
Panamax	6	144	151	7	18	-46	24	-22
Handymax	5	92	87	-5	20	-39	37	-2
Handysize	15	356	298	-58	11	-45	3	-42
Tankers								
MR	10	333	293	-40	9	-14	11	-3
Handysize	13	321	290	-31	0	0	0	0
Total	56	1,461	1,310	-151	63	-204	77	-127
Net Asset Value (NAV) at 30 September 2012					Sensitivity			
		USD million			DKK per share	+10%	-10%	
Equity excl. minority interests per share		1,692			236	236	236	
Added value own fleet		-151			-21	-3	-39	
NAV		1,541			215	233	197	
Calculated value of charter parties with purchase and extension option		-127			-17	0	-35	
Total theoretical NAV		1,414			198	233	162	

Note: *Including joint ventures, assets held for sale and any charterparties.

9. Significant events after the reporting date

Between the end of the quarter and the publication of this interim report, other than the developments disclosed in the interim review, no significant events have occurred which have not been recognised and adequately disclosed and which materially affect the profit for the period or the statement of financial position.