NORDEN

Interim report – first half-year 2013

Announcement no. 30
14 August 2013

Key figures and ratios (USD million)	Q2 2013	H1 2013
EBITDA		
Group	4	13
EBIT		
Group	-16	-23
EBITDA		
Dry Cargo	-2	-1
Tankers	8	20
Coverage	**2013**	**2014**
Dry Cargo	80%	42%
Tankers	34%	8%
Outlook 2013		
EBITDA		15-45

Highlights:

In the second quarter, NORDEN generated operating earnings (EBITDA) of USD 4 million (USD 31 million). The earnings were in line with expectations and contributed to an EBITDA of USD 13 million (USD 81 million) for the first half-year.

The market remains challenging, not least within dry cargo, but there are some signs of improvement i.a. in the form of an improved spot market. Cash flows from operating activities constituted USD 35 million (USD 72 million) for the first half-year.

NORDEN's utilisation of the attractive newbuilding prices is manifested in payments on newbuildings of USD 106 million in the first half-year. After accounting for proceeds from sale of vessels, cash flows from investing activities amounted to a total of negative USD 76 million (negative USD 51 million).

The Company continues to invest in fuel efficient ECO vessels. In addition to the newbuilding contracts mentioned in the interim report for the first quarter, the Company has long-term chartered an additional 3 Panamax vessels with purchase option of which 2 are owned in a joint venture. Thus, 19 newbuildings have been contracted since October 2012, and the total ECO fleet on order now comprises 28 vessels.

At the end of the quarter, NORDEN had cash and securities of USD 485 million and undrawn credit facilities of USD 197 million.

After depreciation of USD 19 million, EBIT constituted an expected loss of USD 16 million (profit of USD 10 million) in the second quarter.

The Dry Cargo Department capitalised on the positioning of vessels to the South American harvest, which was carried out in the first quarter of 2013. EBITDA constituted a loss of USD 2 million in the second quarter, reflecting higher underlying earnings than in the first quarter, which was positively affected by non-recurring income of USD 9 million. The improved earnings are expected to continue into the third quarter.

For the second quarter, the Tanker Department's EBITDA was USD 8 million, which was better than expected. The earnings are a result of an improved spot market where the recurring seasonal slowdown was less pronounced than usual. MR spot earnings were approximately USD 15,798 per day in the second quarter.

As a consequence of the improved spot market in both segments, ship values have stabilised. Broker valuations of vessels owned by NORDEN during the entire quarter are unchanged, and there are early signs in the market suggesting that ship values are increasing.

NORDEN expects gradually improved markets in both segments and has therefore not increased its coverage compared to the end of the first quarter. Especially the large vessel types Capesize and Post-Panamax are well positioned to benefit from an expected increasing market towards the end of the year and in 2014.

NORDEN maintains its expectations for the results for the year with a group EBITDA of USD 15-45 million.

President and CEO Carsten Mortensen in comment: *"As expected, 2013 is a challenging year. Following a brutal first quarter, earnings have, however, slightly improved in the second quarter, and this trend has continued into the third quarter. While rates are under pressure, NORDEN takes advantage of the low newbuilding prices and continues investing in new ECO vessels, which will provide a significant competitive advantage when they are delivered and rates have normalised."*

A telephone conference will be held today at 3:30 p.m. (CET) where CEO Carsten Mortensen, CFO Michael Tønnes Jørgensen and Executive Vice President Martin Badsted will comment on the report. By 3:25 p.m. (CET) at the latest, Danish participants should dial in on +45 3272 8018 while participants from abroad should dial in on +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:
CEO Carsten Mortensen, tel. +45 3315 0451.

Key figures and ratios for the Group

Key figures in USD '000	2013 1/1-30/6	2012 1/1-30/6	Change H1 2012-2013	2012 1/1-31/12
INCOME STATEMENT				
Revenue	1,023,989	1,056,067	-3%	2,131,439
Costs	-1,010,514	-975,102	4%	-1,983,508
Profit before depreciation, etc. (EBITDA)[1)]	13,475	80,965	-83%	147,931
Profits from the sale of vessels, etc.	2,136	-46	-	-23,944
Depreciation	-37,917	-46,846	-19%	-88,535
Profit from operations (EBIT before write-downs)	-22,638	34,723	-	34,611
Write-downs	0	-300,000	-	-300,000
Profit from operations (EBIT)	-22,638	-265,277	91%	-265,389
Fair value adjustment of certain hedging instruments	-6,175	-20,119	-69%	-10,132
Net financials	-2,167	600	-	1,662
Profit before tax	-30,980	-284,796	89%	-273,859
Profit for the period	-33,557	-287,687	88%	-278,849
STATEMENT OF FINANCIAL POSITION				
Non-current assets	1,228,136	1,340,344	-8%	1,149,752
Total assets	1,979,718	1,967,595	1%	2,033,392
Equity (including minority interests)	1,626,630	1,677,648	-3%	1,687,231
Liabilities	353,088	289,947	22%	346,161
Invested capital	1,336,360	1,434,481	-7%	1,314,242
Net interest-bearing assets	290,270	243,167	19%	372,989
Cash and securities	485,213	385,652	26%	528,614
CASH FLOWS				
From operating activities	35,027	72,190	-51%	122,077
From investing activities	-75,562	-50,994	48%	6,980
- hereof investments in property, equipment and vessels	-112,523	-50,144	-	-165,802
From financing activities	9,685	-51,899	-	-37,862
Change in cash and cash equivalents for the period	-30,850	-30,703	-	91,195
FINANCIAL AND ACCOUNTING RATIOS				
Share-related key figures and financial ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	40,982,651	41,271,077	-1%	41,277,839
Earnings per share (EPS) (DKK[2)])	-0.8 (-5)	-7.0 (-40)	88%	-6.8 (-39)
Diluted earnings per share (diluted EPS) (DKK[2)])	-0.8 (-5)	-7.0 (-40)	88%	-6.8 (-39)
Book value per share (excluding treasury shares) (DKK[2)])	39.7 (226)	40.6 (240)	-2%	40.9 (231)
Share price at end of period, DKK	194.6	155.4	25%	163.1
Price/book value (DKK[2)])	0.9	0.7	29%	0.7
Net Asset Value per share excl. purchase options for vessels (DKK[2)])	37.4 (213)	38.1 (225)	-2%	37.6 (213)
Other key figures and financial ratios:				
EBITDA ratio[1)]	1.3%	7.7%	-83%	6.9%
ROIC (before write-downs)	-3.4%	4.4%	-	2.3%
ROE	-4.1%	-31.3%	87%	-15.1%
Equity ratio	82.2%	85.3%	-4%	83.0%
Total no. of ship days for the Group	42,897	40,650	6%	84,028
USD/DKK rate at end of period	570.24	590.42	-3%	565.91
Average USD/DKK rate	567.70	573.20	-1%	579.72

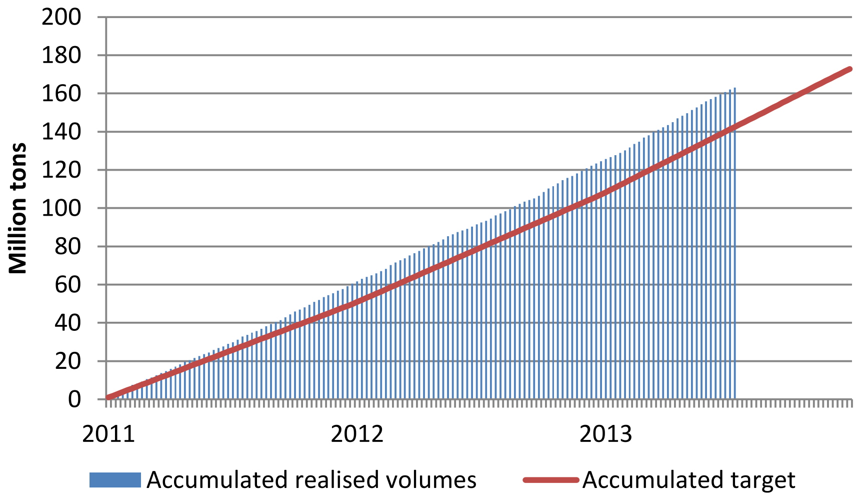
[1)] The ratios were computed in accordance with "Recommendations and Financial Ratios 2010" published by the Danish Society of Financial Analysts except from theoretical Net Asset Value which is not defined in the guidelines. Furthermore, "Profits from the sale of vessels, etc." has not been included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

Strategic update: Continued implementation of strategy plan 2011-2013

NORDEN's strategic focus is still to increase cargo volumes in Dry Cargo by an annual average of 15% over the period, to create added value as operator in Dry Cargo, to outperform the market rates in Tankers and to increase the number of owned tankers to 25 vessels. In 2013, the Company has also focused on taking advantage of its strong financial position and the low newbuilding prices to secure new tonnage in Dry Cargo.

Realised cargo volumes increased by 18% p.a. during the strategy period

The annualised growth rate in the Dry Cargo Department's transported cargo volumes has been 12% for the first half-year of 2013, which is higher than the same period last year, and since the beginning of the strategy period, annual average growth has been 18%. In contrast, there has been no growth in terms of long-term contractually secured cargo volumes where the target was also 15%. The low spot market rates continue to add significant price pressure on multi-year cargo contracts, and the Company continues to prioritise profitability above the target of volume growth and therefore deselects contracts with poor profitability and high counterparty risk. Also in 2013, the Dry Cargo Department is expected to realise the target of generating a profit from operator activities.



Tanker Department close to target

The Tanker Department is close to reaching the target of 25 owned vessels as the current fleet consists of 17 active vessels and 7 newbuildings. In the first quarter, NORDEN's earnings in Tankers were 17% higher than the 1-year T/C market, while they were 3% higher in the second quarter. For the half-year, earnings were on average 10% above the 1-year T/C market.

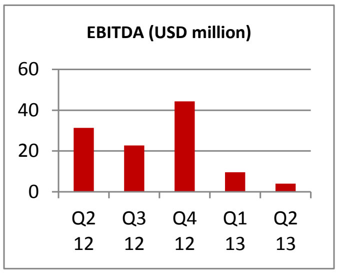
Investments in Dry Cargo

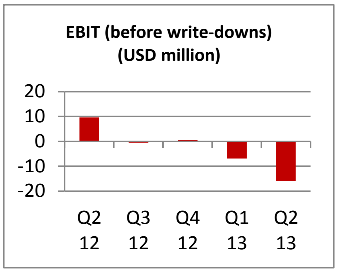
The dry cargo market is expected to improve in the next few years, and NORDEN will use its financial capacity to benefit from the historical low newbuilding prices. During the first half-year, NORDEN has contracted 5 newbuildings (4 Handymax and 1 Panamax) and entered into new long-term charters of an additional 4 vessels (2 Handymax and 2 Panamax) with attractive purchase options. Following the end of the second quarter, NORDEN has long-term chartered an additional 3 Panamax vessels with purchase option of which 2 are owned in a 50/50 joint venture. Further investments in Dry Cargo are expected to take place in the second half-year of 2013.

Share buy-back according to plan

In the first half-year of 2013, NORDEN initiated a share buy-back programme of up to DKK 170 million, and the programme is progressing as planned. At the beginning of August 2013, share buy-back at a value of nearly DKK 66 million had been realised. In the first half-year, dividend payments at a total of USD 22 million (DKK 124 million) have also been made. Even though the share price has gone up by more than 10% since the launch of the latest phase of the buy-back programme, it is estimated that a continuation of the programme will generate an attractive shareholder return.

Comments on the development of the Group for the period





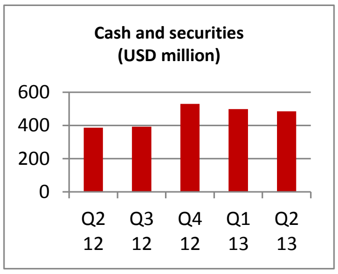
In the second quarter of 2013, NORDEN generated a profit before depreciation and profits from sale of vessels (EBITDA) of USD 4 million against USD 10 million in the first quarter of 2013. Adjusted for non-recurring income, EBITDA was on par with the previous quarter. EBITDA in Dry Cargo was a negative USD 2 million due to a very challenging market whereas EBITDA in Tankers was USD 8 million, which was significantly better than the same period last year.

For the half-year, NORDEN achieved an EBITDA of USD 13 million, which was 83% down from the same period last year.

As a result of the lower EBITDA, EBIT for the second quarter of 2013 constituted a loss of USD 16 million against a loss of USD 7 million in the first quarter of 2013. For the first half-year of 2013, EBIT constituted a loss of USD 23 million against a profit of USD 35 million before write-downs in the same period last year.

Results for the second quarter of 2013 were a loss of USD 22 million (loss of USD 32 million) while results for the first half-year of 2013 were a loss of USD 34 million (loss of USD 288 million).

Strong financial position



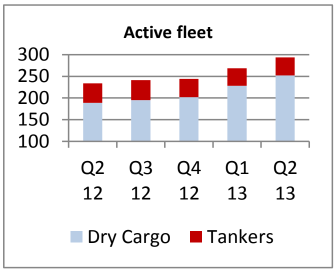
In the first half-year of 2013, NORDEN had an overall change in liquidity of negative USD 31 million (negative USD 31 million). Cash flows from operations were USD 35 million (USD 72 million) while cash flows from investing activities were a negative USD 76 million (negative USD 51 million) due to prepayments on newbuildings. Cash flows from financing activities amounted to USD 10 million (negative USD 52 million) resulting from addition of long-term debt and payment of dividends to the shareholders.

At the end of the period, NORDEN had cash and securities of USD 485 million as well as undrawn credit facilities of USD 197 million.

NORDEN's net commitments increased by USD 120 million to USD 832 million in the quarter due to contracting of new ECO vessels. The Company's total net commitments represented gearing of 0.51 of book equity at the end of the quarter.

Contracting of dry cargo vessels

As mentioned in the interim report for the first quarter, NORDEN entered into long-term charter agreements of 2 Handymax vessels with purchase option and contracted 4 Handymax newbuildings at the beginning of the second quarter. All vessels are Japanese-built ECO vessels. This has increased the gross core fleet from 113 vessels at the end of the first quarter to 119 vessels at the end of the second quarter, divided with 93 in the active core fleet and 26 on order. As 4 vessels were delivered to the core fleet during the quarter, the active core fleet increased from 89 to 93 vessels. NORDEN's total active fleet increased by 25 vessels to 293 vessels at the end of the second quarter.

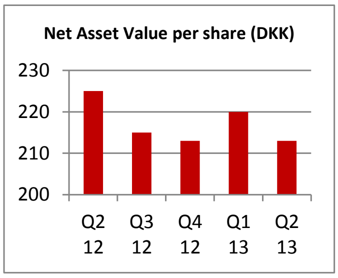


As a result of the above mentioned contracting, the Dry Cargo gross core fleet increased by 6 vessels while the active part of the core fleet increased by 2 vessels due to delivery of 2 Handysize vessels. In total, NORDEN's active Dry Cargo fleet increased by 24 vessels compared to the end of the first quarter and counted 252 vessels at the end of the quarter. This is the largest active Dry Cargo fleet which NORDEN has ever had at the end of a quarter.

In Tankers, 2 of the 4 MR ECO vessels ordered in 2011 were delivered in the second quarter. The active core fleet thus increased by 2 vessels while the gross core fleet was unchanged compared to the first quarter.

Net Asset Value

Based on valuations from 3 independent brokers, the market value of NORDEN's owned vessels and newbuildings (including vessels in joint ventures) was estimated at USD 1,385 million at the end of the quarter. The value of vessels owned during the entire period was unchanged compared to the beginning of the quarter.



NORDEN's Net Asset Value (NAV) is calculated at DKK 213 per share at the end of the second quarter against DKK 220 per share at the end of the first quarter corresponding to a decrease of 3%. NAV is calculated excluding the value of purchase and extension options, the T/C fleet and cargo coverage. The decrease is mainly a result of a decreasing USD rate compared to DKK as well as a drop in book equity. NAV is composed of book equity of DKK 226 per share and added value of owned vessels and newbuildings of negative DKK 13 per share (based on valuations from 3 independent brokers).

As a consequence of the improved spot market in both segments, ship values have stabilised. Even though NORDEN's broker valuations were unchanged during the quarter, there are early signs in the market suggesting that ship values are increasing.

Impairment test

The theoretical value of NORDEN's purchase and extension options is estimated at USD 89 million at the end of the second quarter against USD 83 million at the end of the first quarter. A sensitivity analysis shows that a drop in T/C rates and vessel prices of 10% would mean a decrease of 22% to USD 70 million, whereas an increase of 10% would mean an increase of 28% to USD 114 million.

At the end of the second quarter, brokers estimated the net selling price of NORDEN's fleet (excluding 4 vessels in joint ventures) to be USD 97 million lower than the carrying amounts and costs of newbuildings. The difference is divided with negative USD 41 million in Dry Cargo and negative USD 56 million in Tankers. Therefore, an impairment test has been conducted with no indication of impairment, and there is thus no need for additional write-downs (see note 1 "Significant accounting policies" in the consolidated annual report for 2012 for additional information).

Segment information

	Second quarter 2013				Second quarter 2012			
USD '000	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	438,757	84,889	0	523,646	447,050	76,410	0	523,460
Voyage costs	-223,558	-34,018	0	-257,576	-220,413	-28,470	0	-248,883
Contribution margin I	**215,199**	**50,871**	**0**	**266,070**	**226,637**	**47,940**	**0**	**274,577**
Other operating income, net	2,015	34	0	2,049	1,591	21	0	1,612
Vessel operating costs	-210,810	-41,298	0	-252,108	-190,569	-42,540	0	-233,109
Costs	-8,528	-1,370	-2,215	-12,113	-7,728	-1,476	-2,541	-11,745
Profit before depreciation, etc. (EBITDA)	**-2,124**	**8,237**	**-2,215**	**3,898**	**29,931**	**3,945**	**-2,541**	**31,335**
Profits from the sale of vessels, etc.	-18	-40	26	-32	-177	0	-83	-260
Depreciation	-10,402	-8,215	-684	-19,301	-12,159	-8,344	-1,185	-21,688
Share of results of joint ventures	-328	46	0	-282	193	38	0	231
Profit from operations (EBIT)	**-12,872**	**28**	**-2,873**	**-15,717**	**17,788**	**-4,361**	**-3,809**	**9,618**
Fair value adjustment of certain hedging instruments	-7,130	0	0	-7,130	-39,850	0	0	-39,850
Financial income	0	0	273	273	0	0	1,945	1,945
Financial expenses	0	0	1,476	1,476	0	0	-2,082	-2,082
Tax for the period	-1,069	-156	-60	-1,285	-1,197	-170	-43	-1,410
Profit for the period	**-21,071**	**-128**	**-1,184**	**-22,383**	**-23,259**	**-4,531**	**-3,989**	**-31,779**

	First half-year 2013				First half-year 2012			
USD '000	Dry Cargo	Tankers	Un-allocated	Total	Dry Cargo	Tankers	Un-allocated	Total
Revenue – services rendered	843,822	180,167	0	1,023,989	873,451	182,616	0	1,056,067
Voyage costs	-441,892	-73,538	0	-515,430	-406,911	-76,651	0	-483,562
Contribution margin I	**401,930**	**106,629**	**0**	**508,559**	**466,540**	**105,965**	**0**	**572,505**
Other operating income, net	3,603	68	0	3,671	2,858	55	0	2,913
Vessel operating costs	-389,792	-84,292	0	-474,084	-382,528	-86,810	0	-469,338
Costs	-17,133	-2,844	-4,694	-24,671	-16,896	-3,119	-5,100	-25,115
Profit before depreciation, etc. (EBITDA)	**-1,392**	**19,561**	**-4,694**	**13,475**	**69,974**	**16,091**	**-5,100**	**80,965**
Profits from the sale of vessels, etc.	-83	2,183	36	2,136	41	0	-87	-46
Depreciation	-20,964	-15,389	-1,564	-37,917	-27,255	-17,217	-2,374	-46,846
Share of results of joint ventures	-531	199	0	-332	168	482	0	650
Profit from operations before write-downs	**-22,970**	**6,554**	**-6,222**	**-22,638**	**42,928**	**-644**	**-7,561**	**34,723**
Write-downs of joint ventures	0	0	0	0	-10,000	0	0	-10,000
Write-downs of vessels and newbuildings	0	0	0	0	-250,000	-40,000	0	-290,000
Profit from operations (EBIT)	**-22,970**	**6,554**	**-6,222**	**-22,638**	**-217,072**	**-40,644**	**-7,561**	**-265,277**
Fair value adjustment of certain hedging instruments	-6,175	0	0	-6,175	-20,119	0	0	-20,119
Financial income	0	0	3,589	3,589	0	0	5,182	5,182

	First half-year 2013				First half-year 2012			
USD '000	**Dry Cargo**	**Tankers**	**Un-allocated**	**Total**	**Dry Cargo**	**Tankers**	**Un-allocated**	**Total**
Financial expenses	0	0	-5,756	-5,756	0	0	-4,582	-4,582
Tax for the period	-2,136	-318	-123	-2,577	-2,457	-347	-87	-2,891
Profit for the period	**-31,281**	**6,236**	**-8,512**	**-33,557**	**-239,648**	**-40,991**	**-7,048**	**-287,687**

	First half-year 2013				First half-year 2012			
USD'000	**Dry Cargo**	**Tankers**	**Un-allocated**	**Total**	**Dry Cargo**	**Tankers**	**Un-allocated**	**Total**
Vessels	595,908	476,035	0	1,071,943	732,941	462,396	0	1,195,337
Other tangible assets	351	0	54,166	54,517	1,039	0	54,615	55,654
Prepayments on vessels and newbuildings	8,619	75,567	0	84,186	24,372	50,575	0	74,947
Investments in joint ventures	13,826	3,664	0	17,490	11,149	3,257	0	14,406
Non-current assets	**618,704**	**555,266**	**54,166**	**1,228,136**	**769,501**	**516,228**	**54,615**	**1,340,344**
Current assets	**219,502**	**46,867**	**485,213**	**751,582**	**199,821**	**41,778**	**385,652**	**627,251**
Total assets	**838,206**	**602,133**	**539,379**	**1,979,718**	**969,322**	**558,006**	**440,267**	**1,967,595**

Dry Cargo

T/C earnings above the market

In the second quarter, the Dry Cargo Department realised an EBITDA of a negative USD 2 million, which was significantly down from the same period last year. The vessel positioning for the South American harvest season in the first quarter contributed positively to the second quarter, and the effect has continued into the third quarter.

Average T/C earnings for all NORDEN's vessel types were 24% higher than the 1-year T/C market.

Employment and rates, Dry Cargo, Q2 2013

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total**
NORDEN ship days	359	697	7,162	7,786	2,656	18,660
NORDEN T/C (USD per day)	31,747	10,406	10,186	12,266	8,490	11,236
1-year T/C (USD per day)*	12,365	8,977	8,779	9,500	7,942	9,037
NORDEN vs. 1-year T/C	+157%	+16%	+16%	+29%	+7%	+24%

* Source: Clarksons ** Weighted average

NORDEN T/C is gross amount to make the amount comparable to the market T/C. The following percentages are used as standard broker commission: Capesize, Post-Panamax and Panamax: 3.75%, Handymax and Handysize: 5%. In case the vessel type is operated in a pool, the pool management fee is added.

Continued low spot rates but beginning progress

The average Baltic Dry Index (BDI) continued the positive development from the previous quarter and was 12% higher in the second quarter compared to the first quarter, but at the same time, it was 13% down from the same period last year.

The general spot rate level is still low, but all vessel types saw progress in the second quarter. Average Capesize spot rates were still low at around USD 6,200 per day, but experienced great increases towards the end of the quarter as the spot rate tripled to USD 15,000 per day following increases in Chinese import of Brazilian iron ore. The smaller vessel types benefitted from the strong export of grain from South America where especially the export of soybeans from Brazil affected the market positively. Average Handysize and Handymax spot rates were USD 8,000 and USD 9,300, respectively, per day, while average Panamax spot rates were USD 7,800 per day (source: Baltic Exchange).

Highest level of Chinese iron ore import

In spite of continued minor slowdown in China where the GDP growth rate decreased to 7.5% in the second quarter from 7.7% in the first quarter, Chinese commodity imports increased by 9% during the same period. Iron ore imports were at the highest level ever quarter-wise and increased by 6% compared to the previous quarter primarily as a result of inventory build-up. Coal imports only increased by 1.5% during the same period as a high production level at hydroelectric plants reduced the demand for coal-based power.

Deliveries to the global dry cargo fleet

Generally, demand is as expected, but utilisation of the global fleet is still low due to the many deliveries in previous years. Net growth in the global dry cargo fleet continued the low trend from the first quarter. During the second quarter, nearly 14 million dwt. were delivered bringing total deliveries in the first half-year to 35 million dwt. This is 45% down from the same period last year but on a par with deliveries in the second half-year of 2012. There continues to be a significant share of the order book which is not delivered as planned.

Significant drop in scrapping

Scrapping of vessels in the second quarter was nearly 5 million dwt., which is 50% down from the same period last year. It is especially within the vessel types Panamax and Capesize that the scrapping level was not maintained. Total scrapping in the first half-year thus amounted to nearly 13 million dwt., which is approximately 30% down from the same period last year and 17% down from the second half-year of 2012.

Fleet growth as expected

After scrapping, the dry cargo fleet grew by 3.3% in the first half of 2013, which supports the expectation for an annual net fleet growth rate of 4-7%. The Handysize fleet saw zero growth, Capesize grew by 3%, while Panamax and Handymax grew by 4.8% and 3.9%, respectively, in the first half-year (source: Clarksons).

Newbuilding contracts and order book

In the second quarter, 160 newbuildings were contracted for delivery in 2015-2017 corresponding to nearly 13 million dwt. and 1.8% of the fleet (source: Clarksons). Subsequently, the order book constitutes 18% of the existing fleet, which is the lowest level in 10 years. This supports increased optimism for improved global utilisation in the coming years.

Dry Cargo fleet and values

NORDEN's Dry Cargo fleet and values at 30 June 2013						
Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
Vessels in operation						
Owned vessels	3.0	4.0	3.0	4.0	12.0	**26.0**
Chartered vessels with purchase option	1.0	4.0	10.0	16.0	11.0	**42.0**
Total active core fleet	**4.0**	**8.0**	**13.0**	**20.0**	**23.0**	**68.0**
Chartered vessels without purchase option	0.0	0.0	72.5	80.0	31.3	**183.8**
Total active fleet	**4.0**	**8.0**	**85.5**	**100.0**	**54.3**	**251.8**
Vessels to be delivered						
Newbuildings (owned)	0.0	0.0	2.0	4.0	0.0	**6.0**
Chartered vessels with purchase option	0.0	0.0	8.0	5.0	0.0	**13.0**
Total for delivery to core fleet	**0.0**	**0.0**	**10.0**	**9.0**	**0.0**	**19.0**
Chartered vessels over 3 years without purchase option	0.0	0.0	0.5	0.0	0.0	**0.5**
Total to be delivered	**0.0**	**0.0**	**10.5**	**9.0**	**0.0**	**19.5**
Total gross fleet	**4.0**	**8.0**	**96.0**	**109.0**	**54.3**	**271.3**
Dry Cargo fleet values at 30 June 2013 (USD million)						
Market value of owned vessels and newbuildings*	74	99	135	201	236	**745**
Value of purchase and extension options	5	9	31	37	4	**86**

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

Capacity and coverage

Coverage in the Dry Cargo Department for the rest of 2013 and 2014 is basically unchanged compared to the end of the first quarter. This reflects the Company’s expectation for a gradual market improvement and a desire to keep the large vessel types Capesize and Post-Panamax open to benefit from expected increasing rates.

Capacity and coverage, Dry Cargo, at 30 June 2013						
	2013	2014	2015	2013	2014	2015
Owned vessels	Ship days					
Capesize	552	1,095	1,095			
Post-Panamax	736	1,460	1,460			
Panamax	552	1,119	1,415			
Handymax	736	1,460	2,010			
Handysize	2,208	4,380	4,380			
Total	**4,784**	**9,514**	**10,360**			
Chartered vessels				Costs for T/C capacity (USD per day)		
Capesize	184	365	365	18,550	18,537	18,500
Post-Panamax	736	1,460	1,460	18,690	18,675	18,675
Panamax	6,856	5,981	5,269	9,832	13,280	15,331
Handymax	6,880	6,778	5,543	10,967	12,247	12,930
Handysize	3,431	5,161	3,995	13,515	13,625	12,603
Total	**18,087**	**19,745**	**16,632**	**11,412**	**13,512**	**14,239**
				Costs for gross capacity (USD per day)*		
Total capacity	**22,871**	**29,259**	**26,992**	**10,125**	**10,803**	**10,765**
Coverage				Revenue from coverage (USD per day)		
Capesize	333	0	0	31,163	0	0
Post-Panamax	599	73	0	7,540	4,332	0
Panamax	7,813	6,071	3,574	11,489	14,115	16,117
Handymax	6,358	4,323	1,884	10,240	12,251	13,099
Handysize	3,256	1,706	1,111	8,989	13,200	14,751
Total	**18,359**	**12,173**	**6,569**	**10,841**	**13,266**	**15,020**
Coverage in %						
Capesize	45%	0%	0%			
Post-Panamax	41%	3%	0%			
Panamax	105%	86%	53%			
Handymax	83%	52%	25%			
Handysize	58%	18%	13%			
Total	**80%**	**42%**	**24%**			

* Including cash runing costs of owned vessels.

Costs are excluding O/A.

Tankers

Higher earnings than in the same period last year

In the second quarter, the Tanker Department realised an EBITDA of USD 8 million, which was significantly better than in the same period last year. Average total T/C earnings for NORDEN's two vessel types were approximately 3% higher than the 1-year T/C market in both vessel types. NORDEN's spot earnings for MR were around USD 15,798 per day in the second quarter.

The market was marked by significant regional differences in the second quarter, but was in general considerably better than the same period last year, which was also reflected in NORDEN's T/C earnings. Average T/C earnings in MR and Handysize were 12% and 9%, respectively, higher than in the same period last year.

Employment and rates, Tankers, Q2 2013

Vessel type	MR	Handysize	Total**
NORDEN ship days	2,182	1,486	3,668
NORDEN T/C (USD per day)	14,519	13,358	14,048
1-year T/C (USD per day)*	14,231	12,865	13,678
NORDEN vs. 1-year T/C	+2%	+4%	+3%

* Source: Clarksons ** Weighted average

NORDEN T/C is gross amount to make the amount comparable to the market T/C. A standard broker commission of 2.5% is used in the Tanker segment. In addition, the pool management fee is added.

Export out of the US Gulf contributed positively to earnings

In the second quarter, the product tanker market was mainly driven by strong export out of the US Gulf as a result of a combination of the following; completed refinery maintenance, which reactivated capacity of 1 million barrels per day, a drop in US consumption of refined oil products and an increase in the refineries' rate of utilisation. The higher rates of utilisation, which were close to maximum in the second quarter, are a result of the USA's increased production of shale oil and gas, which has provided US refineries with a competitive advantage. It is believed that the US export market for refined oil products today has a demand for 15% of the total MR fleet which illustrates its importance to the market (source: Poten and Partners).

Record high export of Russian diesel with low sulphur content

Conversely, European refineries have operated at reduced capacity due to the increased pressure from both the USA and Russia. In Russia, increasing refinery capacity as well as improved quality has contributed to increasing the export of diesel with low sulphur content to Europe.

Large drop in the Asian market

Contrary to the Atlantic market, there was a large drop in the Asian market. China's import of refined oil products decreased by 15% in the month of June to 770,000 barrels per day, which could not be counterbalanced by Australia's increasing import as a consequence of refinery shutdowns earlier this year.

Decrease in deliveries and scrapping

In the second quarter, 1.2 million dwt. were delivered, which brings total deliveries in the first half-year up to 2.9 million dwt. This is approximately 120,000 dwt. less than in the same period last year. The level of scrapping for the first half-year was also around 150,000 dwt. lower than last year when close to 1 million dwt. were scrapped. It was particularly in the second quarter that the level of scrapping decreased – only 200,000 dwt. were scrapped, which is a drop of 61% compared to the same period last year.

Fleet growth as expected

As expected, annualised fleet growth in product tankers is around 3.5%, pulled up by fleet growth in the MR vessel type, which experienced higher than expected fleet growth of 4.2% in the first half-year. On the other hand, fleet growth in the Handysize vessel type has declined more than expected, and overall, the Handysize fleet has declined by 1.1% in the first half-year (source: SSY).

Newbuilding contracts and order book

In the second quarter, a total of 49 newbuildings were contracted for delivery in 2015-2017, corresponding to almost 4 million dwt. and comprising 3.4% of the fleet. The newbuilding contracts consist primarily of LR2 vessels where close to 3 million dwt. have been contracted. In total, the order book constitutes 14% of the active product tanker fleet, which is close to being the lowest level in 10 years (source: Clarksons).

Tanker fleet and values

NORDEN's Tanker fleet and values at 30 June 2013

Vessel type	MR	Handysize	Total
Vessels in operation			
Owned vessels	6.0	11.0	**17.0**
Chartered vessels with purchase option	8.0	0.0	**8.0**
Total active core fleet	**14.0**	**11.0**	**25.0**
Chartered vessels without purchase option	11.5	5.0	**16.5**
Total active fleet	**25.5**	**16.0**	**41.5**
Vessels to be delivered			
Newbuildings (owned)	5.0	2.0	**7.0**
Chartered vessels with purchase option	0.0	0.0	**0.0**
Total for delivery to core fleet	**5.0**	**2.0**	**7.0**
Chartered vessels over 3 years without purchase option	0.0	0.0	**0.0**
Total to be delivered	**5.0**	**2.0**	**7.0**
Total gross fleet	**30.5**	**18.0**	**48.5**
Tanker fleet values at 30 June 2013 (USD million)			
Market value of owned vessels and newbuildings*	359	280	**639**
Value of purchase and extension options	3	0	**3**

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

Capacity and coverage

At the end of the second quarter, NORDEN had covered 34% of the ship days in Tankers for the rest of 2013. This is an increase of 4 percentage points compared to the first quarter. The rate level is USD 13,100 per day compared to average costs of USD 10,700 per day.

Capacity and coverage, Tankers, at 30 June 2013

	2013	2014	2015	2013	2014	2015
Owned vessels	Ship days					
MR	1,257	2,619	3,777			
Handysize	1,982	4,632	4,745			
Total	**3,239**	**7,251**	**8,522**			
Chartered vessels				Costs for T/C capacity (USD per day)		
MR	3,438	5,260	3,373	14,052	14,588	15,489
Handysize	913	960	0	12,435	12,684	0
Total	**4,351**	**6,220**	**3,373**	**13,713**	**14,294**	**15,489**
				Costs for gross capacity (USD per day)*		
Total capacity	**7,590**	**13,471**	**11,895**	**10,716**	**10,253**	**9,217**
Coverage				Revenue from coverage (USD per day)		
MR	1,565	633	57	13,408	13,255	13,218
Handysize	979	457	44	12,597	12,430	12,362
Total	**2,544**	**1,090**	**101**	**13,096**	**12,909**	**12,847**
Coverage in %						
MR	33%	8%	1%			
Handysize	34%	8%	1%			
Total	**34%**	**8%**	**1%**			

* Including cash runing costs of owned vessels.

Costs are excluding O/A.

Expectations for 2013

NORDEN maintains its full-year estimate

NORDEN maintains its expectations for operating earnings (EBITDA) of USD 15-45 million.

In Dry Cargo, EBITDA for the rest of the year is expected to be at break-even level resulting in total EBITDA of around 0 for 2013. In Tankers, a positive EBITDA of USD 25-45 million is still expected.

Expectations for CAPEX are maintained at USD 120-140 million.

Expectations for the full year

Expectations for 2013 USD million	**Dry Cargo**	**Tankers**	**Total**
EBITDA	~ 0	25-45	15-45
Profit from the sale of vessels			3
CAPEX			120-140

Sale of vessels

The expectations do not include profit from additional sale of vessels. The Company regularly assesses the market for purchase and sale of vessels based on pricing, timing, capacity adjustment and optimisation of fleet and order book.

Risks and uncertainties

Earnings expectations on open ship days are based on current forward rates in Dry Cargo and budget rates in Tankers (USD 13,800 per day in MR and USD 13,100 per day in Handysize), which is on par with current 1-year T/C rates.

There are approximately 1,700 open ship days in Dry Cargo, and a change of USD 1,000 per day would mean a change in earnings of approximately USD 2 million. Earnings in Dry Cargo are also sensitive to changes in the rate level between vessel types and possible counterparty risks.

Earnings expectations in Tankers primarily depend on the development in the spot market. Based on 4,100 open ship days in Tankers, a change of USD 1,000 per day would mean a change in earnings of approximately USD 4 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 2013 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 FIRST HALF-YEAR OF 2013 – THE GROUP

Statement

The Board of Directors and the Executive Management today reviewed and approved the interim report for the first half-year of 2013 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 2012.

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 August 2013

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	Klaus Nyborg Vice Chairman	Alison J. F. Riegels
Erling Højsgaard	Karsten Knudsen	Arvid Grundekjøn
Ole Clausen	Jacob Koch Nielsen	Anne-Katrine Nedergaard

Income statement

USD '000	2013 H1	2012 H1	2013 Q2	2012 Q2	2012 Q1-Q4
Revenue	1,023,989	1,056,067	523,646	523,460	2,131,439
Costs	-1,010,514	-975,102	-519,748	-492,125	-1,983,508
Profit before depreciation, etc. (EBITDA)	**13,475**	**80,965**	**3,898**	**31,335**	**147,931**
Profits from the sale of vessels, etc.	2,136	-46	-32	-260	-23,944
Depreciation	-37,917	-46,846	-19,301	-21,688	-88,535
Share of results of joint ventures	-332	650	-282	231	-841
Profit from operations before write-downs	**-22,638**	**34,723**	**-15,717**	**9,618**	**34,611**
Write-down of vessels and newbuildings note 6)	0	-10,000	0	0	-10,000
Write-down of joint ventures note 6)	0	-290,000	0	0	-290,000
Profit from operations (EBIT)	**-22,638**	**-265,277**	**-15,717**	**9,618**	**-265,389**
Fair value adjustment of certain hedging instruments note 2)	-6,175	-20,119	-7,130	-39,850	-10,132
Net financials	-2,167	600	1,749	-137	1,662
Profit before tax	**-30,980**	**-284,796**	**-21,098**	**-30,369**	**-273,859**
Tax on the profit for the period	-2,577	-2,891	-1,285	-1,410	-4,990
Profit for the period	**-33,557**	**-287,687**	**-22,383**	**-31,779**	**-278,849**
Attributable to:					
Shareholders of NORDEN	-33,555	-287,687	-22,381	-31,779	-278,847
Minority interests	-2	0	-2	0	-2
Total	**-33,557**	**-287,687**	**-22,383**	**-31,779**	**-278,849**
Earnings per share (EPS), USD	**-0.8**	**-7.0**	**-0.5**	**-0.8**	**-6.8**
Diluted earnings per share, USD	**-0.8**	**-7.0**	**-0.5**	**-0.8**	**-6.8**

Statement of comprehensive income

Profit for the period, after tax	-33,557	-287,687	-22,383	-31,779	-278,849
Items which will be reclassified to the income statement:					
Value adjustment of hedging instruments	3,668	-3,503	3,034	-2,955	-5,285
Fair value adjustment of securities	-526	1,689	-362	85	2,607
Tax on fair value adjustment of securities	0	0	0	0	-473
Other comprehensive income, total	3,142	-1,814	2,672	-2,870	-3,151
Total comprehensive income for the period, after tax	**-30,415**	**-289,501**	**-19,711**	**-34,649**	**-282,000**
Attributable to:					
Shareholders of NORDEN	-30,413	-289,501	-19,709	-34,649	-281,998
Minority interests	-2	0	-2	0	-2
Total	**-30,415**	**-289,501**	**-19,711**	**-34,649**	**-282,000**

Income statement by quarter

USD '000	2013	2013	2012	2012	2012
	Q2	Q1	Q4	Q3	Q2
Revenue	523,646	500,343	520,149	555,223	523,460
Costs	-519,748	-490,766	-475,868	-532,538	-492,125
Profit before depreciation, etc., (EBITDA)	**3,898**	**9,577**	**44,281**	**22,685**	**31,335**
Profits from the sale of vessels, etc.	-32	2,168	-22,453	-1,445	-260
Depreciation	-19,301	-18,616	-20,366	-21,323	-21,688
Share of results of joint ventures	-282	-50	-994	-497	231
Profit from operations before write-downs	**-15,717**	**-6,921**	**468**	**-580**	**9,618**
Write-down of vessels and newbuildings note 6)	0	0	0	0	0
Write-down of joint ventures note 6)	0	0	0	0	0
Profit from operations (EBIT)	**-15,717**	**-6,921**	**468**	**-580**	**9,618**
Fair value adjustment of certain hedging instruments note 2)	-7,130	955	-7,910	17,897	-39,850
Net financials	1,749	-3,916	782	280	-137
Profit before tax	**-21,098**	**-9,882**	**-6,660**	**17,597**	**-30,369**
Tax on the profit for the period	-1,285	-1,292	-640	-1,459	-1,410
Profit for the period	**-22,383**	**-11,174**	**-7,300**	**16,138**	**-31,779**
Attributable to:					
Shareholders of NORDEN	-22,381	-11,174	-7,296	16,136	-31,779
Minority interests	-2	0	-4	2	0
Total	**-22,383**	**-11,174**	**-7,300**	**16,138**	**-31,779**
Earnings per share (EPS), USD	**-0.5**	**-0.3**	**-0.2**	**0.4**	**-0.8**
Diluted earnings per share, USD	**-0.5**	**-0.3**	**-0.2**	**0.4**	**-0.8**

Statement of comprehensive income by quarter

Profit for the period, after tax	-22,383	-11,174	-7,300	16,138	-31,779
Items which will be reclassified to the income statement:					
Value adjustment of hedging instruments	3,034	634	677	-2,459	-2,955
Fair value adjustment of securities	-362	-164	719	199	85
Tax on fair value adjustment of securities	0	0	-473	0	0
Other comprehensive income, total	2,672	470	923	-2,260	-2,870
Total comprehensive income for the period, after tax	**-19,711**	**-10,704**	**-6,377**	**13,878**	**-34,649**
Attributable to:					
Shareholders of NORDEN	-19,709	-10,704	-6,375	13,878	-34,649
Minority interests	-2	0	-2	0	0
Total	**-19,711**	**-10,704**	**-6,377**	**13,878**	**-34,649**

Statement of financial position

USD '000	2013	2012	2012
	30/6	30/6	31/12
ASSETS			
Vessels note 3)	1,071,943	1,195,337	967,219
Property and equipment	54,517	55,654	55,801
Prepayments on vessels and newbuildings note 4)	84,186	74,947	113,817
Investments in joint ventures	17,490	14,406	12,915
Non-current assets	**1,228,136**	**1,340,344**	**1,149,752**
Inventories	88,077	82,788	110,783
Receivables from joint ventures	1,259	5,335	4,953
Receivables and prepayments	177,033	153,476	193,411
Securities	75,379	71,296	74,876
Cash and cash equivalents	409,834	314,356	453,738
	751,582	**627,251**	**837,761**
Tangible assets held for sale note 5)	0	0	45,879
Current assets	**751,582**	**627,251**	**883,640**
Total assets	**1,979,718**	**1,967,595**	**2,033,392**
EQUITY AND LIABILITIES			
Share capital	6,833	6,833	6,833
Reserves	6,689	4,884	3,547
Retained earnings	1,613,108	1,665,865	1,676,787
Equity (NORDEN's shareholders)	1,626,630	1,677,582	1,687,167
Minority interests	0	66	64
Equity	**1,626,630**	**1,677,648**	**1,687,231**
Bank debt	173,566	127,109	138,240
Non-current liabilities	**173,566**	**127,109**	**138,240**
Current portion of non-current debt within 1 year	21,377	15,376	17,385
Trade payables	119,926	100,673	117,536
Other payables, deferred income and company tax	38,219	46,789	68,153
	179,522	**162,838**	**203,074**
Liabilities relating to tangible assets held for sale	0	0	4,847
Current liabilities	**179,522**	**162,838**	**207,921**
Liabilities	**353,088**	**289,947**	**346,161**
Total equity and liabilities	**1,979,718**	**1,967,595**	**2,033,392**

Statement of cash flows

USD ’000	2013	2012	2013	2012	2012
	H1	H1	Q2	Q2	Q1-Q4
Profit for the period	-33,557	-287,687	-22,383	-31,779	-278,849
Reversal of items without effect on cash flow	44,617	366,636	24,907	63,309	422,396
Cash flows before change in working capital	11,060	78,949	2,524	31,530	143,547
Change in working capital	23,967	-6,759	52,738	232	-21,470
Cash flows from operating activities	**35,027**	**72,190**	**55,262**	**31,762**	**122,077**
Investments in vessels, etc.	-6,398	-7,885	-3,443	-4,812	-16,011
Additions in prepayments on newbuildings	-106,125	-42,259	-79,461	-32,600	-149,791
Additions in prepayments received on sold vessels	-4,847	0	0	0	4,847
Investments in associates	-5,000	-2,500	-5,000	0	-2,500
Proceeds from the sale of vessels, etc.	48,812	272	242	-150	169,184
Acquisition of securities	-8,516	-34,252	0	-15,295	-46,922
Sale of securities	6,512	35,630	6,512	29,542	48,173
Cash flows from investing activities	**-75,562**	**-50,994**	**-81,150**	**-23,315**	**6,980**
Dividend paid to shareholders	-21,919	-29,146	-21,919	-29,146	-29,146
Acquisition of treasury shares	-9,356	0	-9,356	0	0
Sale of treasury shares	48	0	0	0	0
Winding up of minority interests	-62	0	-62	0	0
Additions of non-current debt	50,000	0	50,000	0	25,240
Installments on/payment of non-current debt	-9,026	-22,753	-7,974	-17,747	-33,956
Cash flows from financing activities	**9,685**	**-51,899**	**10,689**	**-46,893**	**-37,862**
Change in cash and cash equivalents for the period	**-30,850**	**-30,703**	**-15,199**	**-38,446**	**91,195**
Cash and cash equivalents at beginning of period, non-restricted	**453,738**	**335,868**	**417,432**	**362,282**	**335,868**
Exchange rate adjustments	-13,054	9,191	7,601	-9,480	26,675
Change in cash and cash equivalents for the period	-30,850	-30,703	-15,199	-38,446	91,195
Cash and cash equivalents, non-restricted	**409,834**	**314,356**	**409,834**	**314,356**	**453,738**

Statement of changes in equity

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	Group equity
Equity at 1 January 2013	**6,833**	**3,547**	**1,676,787**	**1,687,167**	**64**	**1,687,231**
Total comprehensive income for the period	0	3,142	-33,555	-30,413	-2	-30,415
Acquisition of treasury shares	0	0	-9,356	-9,356	0	-9,356
Sale of treasury shares	0	0	48	48	0	48
Distributed dividends	0	0	-22,883	-22,883	-62	-22,945
Dividends, treasury shares	0	0	964	964	0	964
Share-based payment	0	0	1,103	1,103	0	1,103
Changes in equity	**0**	**3,142**	**-63,679**	**-60,537**	**-64**	**-60,601**
Equity at 30 June 2013	**6,833**	**6,689**	**1,613,108**	**1,626,630**	**0**	**1,626,630**

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	-1,814	-287,687	-289,501	0	-289,501
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	1,876	1,876	0	1,876
Changes in equity	**0**	**-1,814**	**-314,957**	**-316,771**	**0**	**-316,771**
Equity at 30 June 2012	**6,833**	**4,884**	**1,665,865**	**1,677,582**	**66**	**1,677,648**

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	-3,151	-278,847	-281,998	-2	-282,000
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	3,958	3,958	0	3,958
Changes in equity	**0**	**-3,151**	**-304,035**	**-307,186**	**-2**	**-307,188**
Equity at 31 December 2012	**6,833**	**3,547**	**1,676,787**	**1,687,167**	**64**	**1,687,231**

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 2012 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 53-61 in the consolidated annual report for 2012.

New IAS/IFRSs
NORDEN has implemented the new financial reporting standards or interpretations which were effective from 1 January 2013. The changes 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 2013 or later, see pages 53-54 of the consolidated annual report for 2012. No new or changed standards have been issued in 2013 besides those mentioned in the consolidated annual report for 2012.

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 54-55 of the consolidated annual report for 2012.

Risks
For a description of NORDEN’s risks, see note 2 "Risk management" in the consolidated annual report for 2012 pages 61-64.

2. Fair value adjustment of certain hedging instruments

USD '000	2013	2012	2013	2012	2012
	H1	H1	Q2	Q2	Q1-Q4
Bunker hedging:					
Fair value adjustment for:					
2012	0	263	0	-22,237	8,314
2013	-1,597	-2,501	-5,519	-7,664	-870
2014	-1,757	-960	-1,876	-2,869	1,264
2015	-303	-138	-269	-208	23
2016-2018	-140	-65	-128	-209	181
	-3,797	-3,401	-7,792	-33,187	8,912
Realised fair value adjustment reclassified to "Vessel operating costs"*	-822	-15,365	879	-6,516	-18,952
Total	**-4,619**	**-18,766**	**-6,913**	**-39,703**	**-10,040**
Forward Freight Agreements:					
Fair value adjustment for:					
2012	0	7,550	0	4,157	9,731
2013	-265	813	254	405	2,642
2014	639	0	544	0	526
	374	8,363	798	4,562	12,899
Realised fair value adjustment reclassified to "Revenue"*	-1,930	-9,716	-1,015	-4,709	-12,991
Total	**-1,556**	**-1,353**	**-217**	**-147**	**-92**
Total	**-6,175**	**-20,119**	**-7,130**	**-39,850**	**-10,132**

* 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 2012.

3. Vessels

USD '000	2013 30/6	2012 30/6	2012 31/12
Cost at 1 January	1,415,146	1,566,925	1,566,925
Additions for the period	5,211	5,361	11,134
Disposals for the period	0	0	-275,669
Transferred during the period from prepayments on vessels and newbuildings	146,669	105,518	168,525
Transferred during the period to tangible assets held for sale	0	0	-55,769
Cost	1,567,026	1,677,804	1,415,146
Depreciation at 1 January	-237,217	-179,736	-179,736
Depreciation for the period	-36,243	-44,357	-83,916
Reversed depreciation of disposed vessels	0	0	16,545
Transferred depreciation of tangible assets held for sale	0	0	9,890
Depreciation	-273,460	-224,093	-237,217
Write-downs at 1 January	-210,710	0	0
Write-downs for the period	0	-258,374	-258,371
Transferred during the year	-10,913	0	-18,729
Reversed write-downs of disposed vessels	0	0	66,390
Write-downs	-221,623	-258,374	-210,710
Carrying amount	**1,071,943**	**1,195,337**	**967,219**

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

4. Prepayments on vessels and newbuildings

USD '000	2013 30/6	2012 30/6	2012 31/12
Cost at 1 January	126,717	170,025	170,025
Additions for the period	106,125	42,259	149,791
Disposals for the period	0	0	0
Transferred during the period to vessels	-146,669	-105,518	-168,525
Transferred during the period to other items	0	-193	-24,574
Transferred during the period to tangible assets held for sale	0	0	0
Costs	86,173	106,573	126,717
Write-downs at 1 January	-12,900	0	0
Write-downs for the period	0	-31,626	-31,629
Transferred during the year	10,913	0	18,729
Write-downs	-1,987	-31,626	-12,900
Carrying amount	**84,186**	**74,947**	**113,817**

5. Tangible assets held for sale

USD '000	2013	2012	2012
	30/6	30/6	31/12
Carrying amount at 1 January	45,879	0	0
Additions for the period from vessels	0	0	45,879
Additions for the period	190	0	0
Disposals for the period	-46,069	0	0
Carrying amount	**0**	**0**	**45,879**

6. 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 94 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 41 million, negative USD 56 million and positive USD 3 million, respectively.

Accordingly, an impairment test has been conducted for the 2 CGUs, Dry Cargo and Tankers, 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 2 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 2 CGUs has been estimated by applying "normalised" 20-year average rates, where the 3 and 4 best and worst years have been excluded.

The assumptions in the impairment test for the period, including the discount factor of 8%, are unchanged in relation to the consolidated annual report for 2012.

On the basis of the impairment test conducted at the end of the second quarter, management estimates that there is no need for 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 134 million in Dry Cargo and USD 92 million in Tankers.

7. 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 2012.

8. Contingent assets and liabilities

Since the end of 2012, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

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

Expected delivery of the Company's core fleet at 30 June 2013

	2013		2014				2015				2016				Total
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Dry Cargo															
Panamax		(1.0)			(5.0)	0.5 (2.0)	0.5				1.0				**10.0**
Handymax				(1.0)	(1.0)			2.0		(1.0)	1.0	1.0 (2.0)			**9.0**
Tankers															
MR	1.0					2.0	1.0	1.0							**5.0**
Handysize			1.0	1.0											**2.0**
Total	**1.0**	**1.0**	**1.0**	**2.0**	**6.0**	**4.5**	**1.5**	**3.0**	**0.0**	**1.0**	**2.0**	**3.0**	**0.0**	**0.0**	**26.0**

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

Fleet values at 30 June 2013

USD million		Owned (active and newbuildings)			
Dry Cargo	Number	Carrying amount/ cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
Capesize	3.0	76	71	3	-2
Post-Panamax	4.0	130	99		-31
Panamax	5.0	109	108	27	26
Handymax	8.0	192	201		9
Handysize	12.0	277	228	9	-40
Tankers					
MR	11.0	382	359		-23
Handysize	13.0	313	280		-33
Total	**56.0**	**1,479**	**1,346**	**39**	**-94**

			Sensitivity	
Net Asset Value at 30 June 2013	**USD million**	**DKK per share**	**+10%**	**-10%**
Equity excl. minority interests	1,627	226	226	226
Added value owned vessels	-94	-13	6	-32
Net Asset Value	**1,533**	**213**	**232**	**194**

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

10. 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.