CHAIRMAN'S REPORT BY CHAIRMAN MOGENS HUGO, NORDEN'S ANNUAL GENERAL MEETING, 11 APRIL 2011

INTRODUCTION

When we met last year at the annual general meeting, NORDEN was in the process of definitively putting the financial crisis behind it. We had been through a period of trimming and adjusting, and we could start to look ahead. Last year, I said from this very spot that NORDEN now had to get back on the growth path, and I am happy to be able to announce today that 2010 was a year of progress and profitable growth.

After the adjustments of the fleet which took place at the end of 2008 and for a great part of 2009, we began growing the fleet again in 2010 with both owned and chartered vessels. We expanded the business, we concluded many new contracts, made considerable investments, optimised the order book and improved systems. And these efforts are reflected to a large extent in the financial statements which we present today.

KEY FIGURES FOR 2010

Revenue increased by 25% to USD 2.2 billion because more ship days were employed at higher rates. Operating earnings (EBITDA) increased even more, namely by 91% to USD 240 million – that is almost the double. It is a good deal above what we expected going into 2010, and it is in the upper end of the expectation range announced most recently in November.

In the operating profit is included non-recurring income in the first and second quarter amounting to a total of USD 78 million. This income is a result of a settlement with 1 customer and the cancellation of 2 agreements to charter out vessels whereby we received compensation covering lost earnings. Exclusive of this non-recurring income, NORDEN’s operating profit increased by 29%.

Profits from the sale of vessels amounted to USD 28 million as well as USD 4 million in joint ventures, and this is a good deal less than usual on that account. The reason for this is that we have taken advantage of the challenging markets to purchase vessels in order to build value and at the same time, the challenging markets made it less attractive for NORDEN to sell vessels.

Depreciation went up 25% to USD 50 million. This is also a result of NORDEN obtaining more owned vessels which we conservatively depreciate over 20 years.

Profit from operations – EBIT – was then USD 223 million – an increase of 42%. After fair value adjustment of certain hedging instruments, financial items and tax, the net profit was USD 245 million or approximately DKK 1.4 billion.

The profit generated a return on equity of 13%. The Board of Directors is of the opinion that this is quite reasonable in a challenging year – also in light of the fact that approximately one third of the equity is comprised of cash which in itself does not yield a considerable return. A return is not created before the money is used wisely and carefully; I will revert to that later.

SHAREHOLDER RETURN

The shareholders must of course receive their share in this increase in earnings – they should feel when things are going well for NORDEN. That is why we will distribute a little more than DKK 0.5 billion to the shareholders in the form of dividends and share buybacks.

The Board of Directors proposes that the dividend be raised to DKK 8 per share – DKK 1 more than last year. There have been a few years with higher dividends, but again those were years when the numbers on NORDEN's bottom line were a great deal higher. If the dividend is calculated as a percentage of the profit for the year, the proposed dividend will mean a distribution of approximately one fourth of the profit in 2010, corresponding to the average payout ratio in recent years. In total, we distribute DKK 330 million to the shareholders – who are becoming more numerous, we are pleased to see. After several years of growth, we are approaching 19,000 shareholders registered by name.

Besides the dividend, NORDEN has just at the end of March completed a share buyback, also as a means of creating shareholder value. We have purchased treasury shares worth approximately DKK 170 million and acquired a part of the share capital corresponding to 2%.

Later today, we will discuss a proposal from the Board of Directors to write down NORDEN's share capital by 3.6% by cancellation of treasury shares which the Company has repurchased this year and previous years. The idea behind the proposal is, popularly speaking, that there will be fewer people to share the cake so that also this way, we can create more shareholder value.

To the Board of Directors it is important that also in this area there is a guideline – that the shareholders can count on receiving a reasonable return on their investments in NORDEN in the long term. We have 3 means of creating this return: increasing share price, dividends and occasional share buybacks. Having realised that the share price has not contributed much to this lately, the Board of Directors has decided to focus extra on dividends and share buybacks this year. After all, if you put 3 horses in front of a cart and one horse does not pull, the 2 others will have to pull harder.

The past 5 years, NORDEN has distributed more than DKK 3.5 billion to the shareholders through dividends and share buybacks. So I do think that we have a good and consistent story to tell: we create cash returns to the owners, and at the same time NORDEN is able to maintain the financial strength which is so important when you do business in a cyclical industry and want to be able to take advantage of the opportunities in the markets. And that is exactly what we want in NORDEN. We want room to manoeuvre. We want the strength to take acquisitive initiatives which in the long term can create value for the shareholders.

FINANCIAL POSITION

Last year, NORDEN invested USD 663 million in purchases of vessels and prepayments on newbuildings – the largest expense in one single year in the long history of the Company. Further emphasising the point that we invest with a long-term perspective in mind, last year we started purchasing product tankers because the prices were so low that the vessels will contribute to operating earnings and also gain value as freight rates and vessel prices go up in the product tanker business.

On the other hand, we also received money through sales of vessels – a total of USD 296 million. Another point in NORDEN's approach to growth is that we do not expand blindly. We seek to develop wisely and therefore, we are also optimizing our order book by, among other things, selling vessels in order to reinvest the money from the sales in new vessels with other or new specifications and with delivery times which suit the market outlook better.

Since the financial crisis broke out, we have increased the fleet of owned vessels by 75%. We have almost halved the T/C obligations. We have paid two thirds of our newbuilding liabilities. We have paid out USD 150 million in dividends (before today's dividend payout). But still, NORDEN had almost the same cash resources at the end of 2010 as in September 2008 at the breakout of the crisis. At the turn of the year, we had USD 613 million in cash and cash equivalents and easily transferable securities, and as both the bank debt and gearing of the equity continue to be insignificant and the equity ratio very high, it is safe to say that NORDEN is very well prepared for taking advantage of the opportunities that arise.

FLEET VALUES

At the turn of the year, NORDEN owned 28 vessels – the highest number ever. Every quarter, we ask 3 independent brokers to provide an impartial valuation of vessels and newbuildings, and according to the brokers, the market value of NORDEN's fleet amounted to USD 1.7 billion at the turn of the year.

This nearly corresponds to the value which the fleet is stated to have in NORDEN's books. The market values were just USD 5 million below the carrying amounts and costs but because of the difference, we performed – as is required – a test by which the carrying amounts and costs are compared to the cash flows expected to result from the vessels during their economic lives. This test showed that the values of the fleet were not found to be impaired.

To put things into perspective, we actually saw an addition in the value of the fleet last year. For the dry cargo vessels which we also owned the year before, the market values had increased by 9% on average according to the independent brokers. The market value of the tanker vessels were 7% higher on average.

This increase was calculated on a comparable basis – excluding the vessels we have purchased or had delivered in 2010. But it will probably be of interest to the shareholders to hear that the brokers concluded that our recently purchased tanker vessels at the turn of the year were worth USD 22 million more than we had paid for them. As mentioned previously, we expect further growth in the values on that account in future.

If we look at the value of NORDEN as a whole – the so-called theoretical Net Asset Value – we owned, at the turn of the year, dry cargo vessels corresponding to a little more than USD 1.2 billion and tanker vessels corresponding to approximately USD 0.5 billion. On the other hand, we had yet to pay USD 380 million on newbuildings. Returning to the credit side, we estimated the value of charter parties with purchase and extension options to be USD 316 million while the value of NORDEN's other assets – particularly the cash resources – amounted to approximately USD 680 million. This resulted in a total theoretical Net Asset Value of a little more than USD 2.3 billion, which was a good deal above NORDEN's market value at the stock exchange of approximately USD 1.5 billion. Assumptions and methodology behind this calculation are described in detail in the annual report.

REMUNERATION

When we met last year, I said that the Board of Directors was looking forward to being able to normalise the employee bonuses after a couple of years in which managers and employees had shown great modesty in the wake of the financial crisis. After all, a normalisation of the bonuses would be a sign of NORDEN's earnings going up again.

NORDEN's earnings increased last year, hard work was performed and good results were created. Therefore, the Board of Directors decided to award an extraordinary bonus of DKK 25,000 to all employees. In addition to this, we allotted individual bonuses to a number of employees and managers – in line with our remuneration policy and long-standing practice.

In total, we allotted bonuses of USD 6.9 million. I do not use the word pay out because all is not paid out in one go. For certain managers, the payout of a part of the bonus is subject to their continued employment with NORDEN in 2012 and 2013 and to the Company reaching specific earnings in those years. In total, the allotted bonuses correspond to 2.8% of NORDEN's net profit, and the rule of thumb in the remuneration policy is that bonuses may represent 3% of the net profit. And let me add to this that even if the bonuses increased, NORDEN's total costs of administration would not go up – even though it would be fair to mention that the currency exchange rates did contribute slightly in this matter.

We also use share-based programmes to ensure that employees and shareholders have the same interests. In January, all employees with 1 year of seniority received 122 so-called bonus shares and in March, we granted share options to 65 employees and managers. The number of options is unchanged but more people have been included in the programme, and we have made changes to one criterion: it is a principle to us that the options do not represent a value to the employees until the shareholders have received a return. We stand firm on this principle. But so far, we have ensured this principle by calculating an annual ”interest rate” of 8% from the time of grant up to the exercise of the options. From 2011, however, we have started calculating an addition of 20% once and for all. This means that the employees will only profit once the shareholders have received a return of 20%. It is easier to remember and administer, it reflects the general interest rate decrease in society and it incentivises the employees.

Therefore, this change is well-founded and does not alter the objective, which is to maintain focus on the long haul and the *long-term* solidarity between employees and owners.

REMUNERATION AND WORK OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors is part of the annual report which we present today and our proposal remains a total remuneration of USD 1 million for the 8 members. This is the third consecutive year of an unaltered remuneration and our present opinion is to maintain this remuneration in 2011, but we will revert to this at next year's annual general meeting when we will have assessed the year's workload, market level, etc.

Also last year, the Board of Directors worked hard. We held 13 meetings and at 4 of these meetings, we took care of the tasks that lie with the entire Board of Directors when acting as audit committee. In addition hereto, the Board of Directors has appointed a smaller remuneration committee which held 3 meetings.

In the annual report, we have presented the annual calendar of the Board of Directors. It is our almanac and check list that helps us discuss all the important issues during the course of the year and revise systems, policies, rules and procedures – the entire machinery of NORDEN. An important topic for the Board of Directors last year was the new strategy which I will touch upon in a little while, and we also spent a good deal of time dealing with new recommendations regarding corporate governance and increasing focus on corporate social responsibility. Our opinions on corporate governance have been systematically explained on the website and as regards corporate social responsibility, we published our first CSR report last year and a new CSR report has just been published.

PIRACY

I cannot stand here today without mentioning the escalating problems of piracy.

Early in the morning on 22 December last year, we experienced the abuse of the pirates all too closely when NORD STRAIT was attacked. The ship was on its way to Rotterdam carrying vegetable oil and was situated almost 1,800 kilometres from the coasts of Somalia when a suspicious ship was observed on the radar. It turned out to be pirates and after a while, their mother ship came so close that the pirates could put a fast speedboat – a skiff – in the water and from this they attempted to board NORD STRAIT.

The pirates shot with AK47 assault rifles and grenades (RPGs), which luckily did not detonate, and they tried from both sides of the ship to put up ladders. However, they could not scale the double layer of razor wire on NORD STRAIT where the crew also used water cannons and through a series of skilled actions created massive waves. After a couple of hours, the pirates gave up. The alarm on NORD STRAIT could be called off and the crew could leave the safe room where most of the crew members had stayed during the attack.

The crew on NORD STRAIT followed NORDEN's guidelines for pirate attacks to the letter and they acted in a composed and disciplined manner. I would like to praise Captain Kumar and the crew for the way they handled a highly difficult situation. And I would also like to give credit to the Technical Department for their constant focus on this area and for developing effective anti-piracy measures.

In February, we were reminded of the importance of these anti-piracy measures when NORD EXPRESS experienced a close call, which did not, however, turn into an actual attack.

It goes without saying that for NORDEN – and all other shipping companies – it is completely unacceptable that simple criminals can get away with threatening crew, vessels and cargoes. We are constantly seeking, through the Danish Shipowners' Association and the International Chamber of Shipping, ICS, and in direct dialogue with among others politicians and civil servants to maintain focus on the increasing problem of piracy. Fortunately, progress has been made and the Danish government deserves praise. But the steps forward are too small and when some politicians say that the only way to eliminate piracy is by establishing law and order in Somalia and develop social structures in the country, I have to say this: it is of course the right solution in the long term, but we do simply not have the time to wait several years for such an effort to be made. Here and now it is a question of only one thing; that is to eliminate the pirates' mother ships, limit their scope of operation and force them back to the coasts where an effective coastguard should be established.

This effort requires significant naval forces with a clear mandate. It is alpha and omega right now. Everything else is either stopgaps or pipe dreams.

Meanwhile, we continue on a case-by-case basis to evaluate how we in the best way possible can protect vessels and crew. In most cases, our comprehensive anti-piracy measures are sufficient. In specific cases, we take specially trained, certified guards on board and in extraordinary situations, it *may* be relevant to arm these guards. We do not want to do this because it is a sign of failure that corresponds to citizens claiming that they feel insecure when walking on the street and the authorities responding by saying "buy a gun". However, armed guards will be one of the tools in the box that we will use very carefully and in extraordinary situations.

QUEENSLAND

2011 got off to a rough start with several major climatic and political events.

First the Australian state Queensland suffered massive flooding at the turn of the year. The waters left cities devastated, flooded mines and destroyed railways, bridges, roads and ports. Queensland is one of the world's major manufacturers and exporters of coal, and temporarily it sent tremors through the dry cargo market that the coal exports suddenly disappeared. Spot rates dropped, and NORDEN was also affected, though only to a lesser extent. We had a few vessels assigned for coal transport from Queensland, but these voyages were cancelled as the cargo owners declared force majeure.

Queensland is fortunately recovering. Nearly all coal mines have reopened or partly opened, and the majority of roads and railways have been reconstructed. However, the state estimates that the flooding has cut 30 million tonnes off the coal production, and it will take some time before the situation is fully normalised.

OIL PRICE AND ARABIC COUNTRIES

In January-February, the revolutions in Tunisia and Egypt followed, resulting in political developments of variable magnitude in the Arabic world.

An immediate effect was the surge in the oil price causing the price of bunkers – fuel for the vessels – to increase as well. Fuel is NORDEN's largest variable cost, and it makes a difference when the price for one tonne of fuel has gone up by 20-25% since the turn of the year. But it is part of NORDEN's risk management to cover the fuel consumption for the entire contractual term when Dry Cargo enters into a COA, or there are mechanisms in the contract which will indemnify NORDEN if the fuel price increases. The major part of our business is therefore not affected by the increasing fuel prices – the effect is limited to the spot vessels, which we operate in Dry Cargo and Tankers.

The rising oil price and the war in Libya have benefitted the tanker market in the short term. Stocks have been reduced, interest in taking positions in the market has grown, and the transport distances have increased somewhat as other countries have taken over Libya's export.

The fine balance between supply and demand has shifted, and the product market west of Suez has been positive in general in recent weeks. A reason is also the fact that the ice in several Baltic ports has been so thick that the ports could only be called at by ice-strengthened vessels. We have several of these in Norient Product Pool, and though there has been waiting time and a shortage of icebreaker service in some ports, we have earned daily rates of USD 25,000-27,000 on several voyages with ice-class vessels. And it is expected that the ice season in the Baltic waters will last until end-April.

JAPAN

The destructions in Queensland, which I just described, are unfortunately nothing compared to the natural disaster which struck Japan a month ago. An earthquake caused a tsunami, which in itself led to terrible destructions, but which also triggered extensive consequential damage, including the problems at the nuclear power plants in Fukushima.

NORDEN is closely associated with Japan. We have sailed to and from the country for 134 years. We build on their yards, we have long-term charters with local shipowners, we have major cargo customers and relationships with brokers, banks and others. Fortunately, most of our partners are located in Tokyo and in the south or west of the country, which was not directly struck by the catastrophe, but our partners are naturally affected indirectly – as anyone else.

Our managers and employees were quick at expressing sympathy for the Company's partners in Japan. In close cooperation with the embassy in Tokyo, NORDEN has supported children in the worst affected areas financially, and the Danish ambassador personally saw to it that the money reached those most in need. In addition, our employees have also raised money in order to show their involvement.

One would expect that the earthquake would have a negative effect on the freight markets. Japan is after all the world's third largest economy, the world's third largest oil importer and the world's largest importer of natural gas and thermal coal. But the effect on the freight rates has been modest. In part, because most of the country is still running, and because there is widespread confidence that a country like Japan will recover and start rebuilding which it proved capable of following the massive earthquake in Kobe in 1995.

Such a rebuilding will require imports of iron ore, steel, lumber, cement, coal, fuel oil and other raw materials. What will happen in the long term depends on the Japanese's decision on nuclear power. After coal, nuclear power is the greatest energy source in Japan, and less nuclear power will inevitably lead to more import of coal and natural gas among other things.

2011 OUTLOOK

The events in the first months have not changed our overall view of 2011. In recent weeks, we have momentarily experienced reasonable rates in our vessel types in Tankers and Dry Cargo, but it is too early to draw any firm conclusions, and we also have to take stock of the fact that political unrest and high oil prices may dampen global growth.

In Dry Cargo, we continue to expect reasonable demand driven not least by the new emerging markets in Asia. On the other hand, the largest number ever of newbuildings will be delivered, and this strong growth in supply may cause lower spot rates. In NORDEN Dry Cargo, we expect operating earnings (EBITDA) of USD 125-155 million, and the drop from 2010 is partly due to the poorer market outlook and the fact that we had significant non-recurring income last year.

In Tankers, we expect that spot rates for the year in general will be higher than last year. Based on higher rates, greater capacity and lower fleet costs, we expect to increase EBITDA in Tankers from 0 last year to USD 55-95 million this year.

We do not expect any income from the sale of vessels as we have decided to expand the owned fleet. More owned vessels imply significantly higher depreciation of USD 75-80 million, which is why the forecast for the profit from operations (EBIT) is USD 55-95 million.

We have called 2011 a "mediocre year" in terms of results. With this we mean that earnings will be acceptable based on the market conditions to which we are subject this year. But NORDEN's long-term earnings potential will be far better when the markets improve.

First, the dry cargo market must digest massive growth in supply. At the turn of the year, the order book accounted for 46% of the global fleet – the order book being largest in Capesize, in which NORDEN is not very active, and smallest in Handysize, in which NORDEN invests the most. It is likely that this year we will experience the same thing as in 2008, 2009 and 2010 – that it will not go quite as bad as expected and that far from all vessels in the official order books will be delivered. But the global fleet will grow by up to 14% net, and this may put pressure on the rates. Hopefully, it will trigger much needed scrapping activities in the aging global fleet so that we once again may achieve balance between supply and demand.

Demand actually looks reasonable. The transported volumes in dry cargo increase satisfactorily year by year – probably close to 10% in 2011. China and India are importing more coal since their own deposits are either of too poor a quality or too difficult to extract and carry – and the Indian government talks of significant growth in coal exports in the future. In addition, China's important import of iron ore remains at a high level.

Just as important is the fact that raw materials are longer in transit. China is getting more ore from Australia and Brazil – at the expense of India – and this increases the transport distances. Particularly important is the export from Brazil, where the mining capacity will be increased by more than 30% until 2013, and it will have significant effect on the dry cargo market, when the major additional quantities of raw material are to be shipped all the way to China.

In Tankers, supply does not pose a problem. The addition of MR and Handysize vessels peaked in 2009, and growth in the global fleet markedly weakened last year – in Handysize, the fleet was actually reduced due to scrapping. This year and the next, growth will decrease even further, as newbuilding orders were very scarce during the crisis.

Demand looks reasonable. Oil consumption will increase – driven especially by Asia, where the IEA this year expects a growth rate of 4% – and changes in the refinery sector also suggest increased growth. In Asia and the Middle East, refineries are being expanded and modernised, whereas capacity is being phased out in the West. As environmental requirements are tightened, Europe and the USA have to obtain more products from the modern refineries in the Middle East and Asia, whereas the older refineries in Europe and the USA will sell more products abroad. Trade in and transport of refined products will therefore increase.

NEW STRATEGY PLAN

With dry cargo and product tankers, NORDEN is in just the right 2 segments – both have growth potential, and we understand the markets. Currently, demand and supply within the two segments are reverse: In product tankers, supply is reasonable, but demand is not yet up to speed. In dry cargo, we experience the opposite. We must adapt our strategy to this – and take advantage of this making use of our strong financial position.

Let me remind you where we come from: during the past 10 years, NORDEN has grown. In some periods, we have slowed down or put the brakes on when the markets have demanded so. But this has not forced us to change course. The fleet has been expanded, our equity has multiplied and the workforce has increased. We have always had our long-term goal in view: profitable growth.

Profitable growth is also the goal of NORDEN's new strategy for 2011-2013. Long-term Growth in Challenging Times is the name of our plan, which will assist us in achieving solid, long-term earnings in spite of the uncertainties in the markets.

In Dry Cargo, the main priority is cargo. We must expand the cargo volumes which NORDEN is transporting. We must increase our market share among the solid, global mining and raw material companies, energy companies, food industries and construction groups. We must focus on the

COAs as we can bring NORDEN's competitive advantages into play particularly within that field. When a customer is looking for a shipping company for a multi-annual partnership, the customer does not only consider the price – but also the shipping company's financial position, fleet quality and size, organisational competences, transparency and corporate social responsibility. NORDEN has a lot to offer within all these areas. With 140 years of history, a strong brand and perhaps the strongest financial position in the industry, NORDEN is a force to reckon with.

At the turn of the year, we had contracts of more than 75 million tonnes of cargo with coal, wood/biomass and salt as the major raw materials – accounting for nearly 2 years of business. It is this contractually secured cargo book we will expand by 15% on average annually, at the same time as we increase the actual transported volumes by 15% on average. These ambitious cargo targets are linked to financial targets, which we keep in-house.

3 weeks ago we entered into a new contract of approximately 10 million tonnes with a Norwegian government-owned mining company, for which we will transport coal from Svalbard to the European continent. This is a fine example that we are making progress with our strategy and that we are not solely chosen for our price, but also for being NORDEN. The customer himself has informed us that in addition to the price they made the decision based on parameters such as the shipping companies' environmental efforts, fleet and position on corporate social responsibility.

Naturally, we must also continue to be active as operators and develop projects where we offer special vessels on long-term charters to industrial customers for a number of years, which is something we have done successfully in 2010. We will also enter into more joint ventures and partnerships with selected customers. But cargo remains our key priority.

In Tankers, we take a different approach. Roughly speaking, we estimate that if we have the vessels, cargoes will come. We will therefore expand NORDEN's owned fleet from the current 15 vessels to more than 25 vessels. The oil companies continue to tighten the requirements to the shipowners' safety and quality, and this is a very positive trend to which we position ourselves the best if we focus on quality, safety, internal and external environment as well as zero incidents at sea. This zero incidents culture is best promoted on board our owned vessels with our own crew.

More owned vessels will be a competitive advantage, and it will be possible to add value on board the vessels as freight rates and vessel prices go up. An expansion of the owned fleet will also create additional economies of scale.

The second main target in Tankers is for the daily earnings to remain higher than the market rates. Norient Product Pool has excellent performance history when it comes to beating the market, and this is something the Pool should continue. The means for doing so are chartering out vessels, spot market activities as well as cultivation of new business and new markets to name a few. But also ongoing efficiency improvement and optimisation have been – and still are – part of the Pool's success.

We expect that the mentioned measures will result in ongoing improvement of Tankers' profit from operations until 2013.

In both Dry Cargo and Tankers, we also continue making our vessels more fuel efficient as this is both positive for NORDEN's bottom line and for the environment. On board existing vessels, we have a climate plan, which has reduced fuel consumption and CO_2 emissions by 4.7% compared to no action taken. The measures were implemented during half of the year's ship months, and the implementation continues. We also work at optimising voyages. Last year, we succeeded in cutting 16% off the fuel consumption and CO_2 emissions on board Norient Product Pool's spot vessels by using a new operating system, and the cost reduction really made a difference in a poor market. We are currently implementing a similar version of this operating system in Dry Cargo.

Fuel efficiency is also in focus when we decide on new vessels – owned newbuildings or long-term charters. In recent months, we have chartered 5 vessels on long-term charters designed to consume 15-20% less fuel. We also work on own ideas and knowledge-building in the project NORDEN Eco Vessel of the Future and by joining external research and development projects.

NORDEN's new strategy is based on our vision. We want to be the Preferred Partner to our customers so that we in Dry Cargo can expand our cargo base and bring more customers closer to us through joint ventures and partnerships. And in Tankers, we want to get closer to the customers by offering them more owned quality vessels.

The prerequisite for succeeding in this is having first-grade people in NORDEN. We must be able to attract, maintain and develop talented employees, and we must also be an attractive employer by global standards. These are big words, but we carry them into action. And we are well on our way with dynamic and competent staff in addition to our pipeline of young people being trained at sea and ashore.

Finally, we want to be Number One. We aim to and work at ensuring NORDEN's shareholders a better return in 2011-2013 than what they would obtain at comparable shipping companies. This is the overall goal of the new strategy; that we produce a high yield during the period by uniting share price, dividend and share buybacks.

CAPITAL STRUCTURE

Let this be my cue to say a few words on the Company's capital structure: Presently, NORDEN is very well padded, but you also have to have a little extra when you operate within a capital intensive and cyclical business, when you have considerable obligations and when you both want to invest in the long term *and* act acquisitively on the opportunities presented. But the little extra must not turn into too much.

As mentioned, we spend half a billion DKK on dividend and share buybacks in 2011, and we have known investments amounting to DKK 1.6 billion net. This in itself is quite an expense, but investments may grow larger as we would like to purchase more vessels, especially within Tankers. The banks have started selling the vessels they took ownership of from overturned shipping companies and kept afloat. This is good for shipping and potentially very good for NORDEN if we can buy so-called distressed assets at a reasonable price. For this purpose, we must also earmark cash resources. We must not sit on the money – let alone on our hands.

CONCLUSION

I would like to conclude by saying the following: 2011 may very well turn out to be a challenging year with a tanker market which is slowly recovering from being down for the count after a couple of years – and with a dry cargo market which must absorb massive growth in supply.

We have positioned us accordingly. In Dry Cargo, a coverage of 85% means that we will only be affected to a lesser extent if market rates drop – and on the other hand we can take short positions in the market in those periods when spot rates go up. In Tankers, we have lower coverage allowing us to benefit from the gradually increasing spot rates.

We are ready to handle the challenges of 2011. But we are equally as focused on the long-term development – on implementing NORDEN’s strategy. The footing is strong: the Company’s business model has proven its strength both in times of prosperity and recession. The core fleet is modern and competitive – the costs in the known core fleet in Dry Cargo are thus reduced by nearly 30% in the coming years, and in Tankers the costs decrease by approximately 10%. We have one of the industry’s strongest financial positions. Our customer focus and quality makes us the ideal partner. And we have a well-trimmed organisation with excellent systems.

Everything can be done better, and we must always strive to improve. But we have the qualifications to succeed – and to release NORDEN’s true potential in the long term.

Thank you for listening.