

# Interim report – first quarter 2011

Announcement no. 24  
12 May 2011

## Key figures and ratios (USD million)

	1 <sup>st</sup> quarter 2011
<b>EBITDA</b>	
Group	48
<b>EBITDA</b>	
Dry Cargo	44
Tankers	7
<b>EBIT</b>	
Group	30
<b>Theoretical NAV</b>	
DKK per share	275
<b>Coverage 2011</b>	
Dry Cargo	86%
Tankers	37%
<b>Outlook 2011</b>	
EBITDA	135-175
EBIT	55-95

## Highlights:

For the first quarter, NORDEN's operating earnings (EBITDA) were USD 48 million compared to USD 39 million for the fourth quarter of 2010 and USD 79 million for the same period last year, which was affected by large non-recurring income.

In the Dry Cargo Department, EBITDA was USD 44 million, whereas the Tanker Department generated an EBITDA of USD 7 million.

For the first quarter, the profit from operations (EBIT) was USD 30 million (USD 69 million). Net profit increased after fair value adjustments of hedging instruments to USD 69 million (USD 63 million).

Theoretical Net Asset Value was DKK 275 per share against DKK 308 per share at the beginning of the year.

The Dry Cargo Department continues to have a high degree of coverage for 2011 and had, at the end of the quarter, only 4,000 open ship days for the rest of the year. The Tanker Department has 6,500 open ship days for the rest of 2011.

NORDEN maintains its expectations of an EBITDA of USD 135-175 million and an EBIT of USD 55-95 million.

President and CEO Carsten Mortensen says in a comment:

"The dry cargo market in the first quarter was exactly as difficult as one could have feared revealing a 55% drop in spot rates. High coverage secured NORDEN reasonable operating earnings in Dry Cargo, and we improved the results in Tankers, where the market proved better than expected. All in all, we have had a reasonable start to the year, but this does not change the fact that 2011 is still expected to become a challenging year, and we have positioned the Company accordingly with high coverage in Dry Cargo."

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

Further information:  
CEO Carsten Mortensen, tel. +45 3315 0451.





## Key figures and ratios for the Group

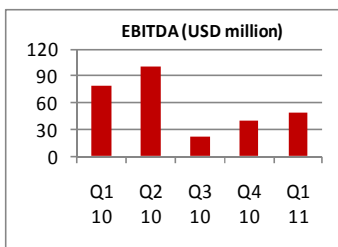
Key figures are in USD '000	2011 1/1-31/3	2010 1/1-31/3	Change 1 <sup>st</sup> quarter 2010-2011	2010 1/1-31/12
<b>INCOME STATEMENT</b>				
Revenue	548,056	516,251	6%	2,189,606
Costs	-500,221	-436,914	14%	-1,950,046
Profit before depreciation, etc. (EBITDA) <sup>1)</sup>	47,835	79,337	-40%	239,560
Profit from sale of vessels, etc.	-376	-761	-51%	28,148
Profit from operations (EBIT)	30,007	68,622	-56%	222,543
Fair value adjustment of certain hedging instruments	32,692	-887	N/A	30,384
Net financials	8,055	-3,544	N/A	-2,152
Profit before tax	70,754	64,191	10%	250,775
Profit for the period	69,151	62,917	10%	244,802
Profit for the period for the NORDEN shareholders	69,151	62,917	10%	244,802
<b>STATEMENT OF FINANCIAL POSITION</b>				
Non-current assets	1,454,757	1,069,192	36%	1,373,065
Total assets	2,227,821	2,030,302	10%	2,250,481
Equity (including minority interests)	2,030,992	1,869,917	9%	1,998,053
Liabilities	196,829	160,385	23%	252,428
Invested capital	1,564,327	1,229,467	27%	1,443,755
Net interest-bearing assets	466,665	640,450	-27%	554,298
Cash and securities	509,895	701,467	-27%	612,721
<b>CASH FLOWS</b>				
From operating activities	-1,999	30,115	N/A	298,388
From investing activities	-64,146	-64,859	-1%	-380,117
- hereof investments in property, plant and equipment	-99,146	-99,814	-1%	-663,001
From financing activities	-45,882	-2,594	N/A	-65,458
Change in cash and cash equivalents for the period	-112,027	-37,338	N/A	-147,187
<b>FINANCIAL AND ACCOUNTING RATIOS</b>				
Share related key figures and ratios:				
Number of shares of DKK 1 each (excluding treasury shares)	41,208,432	42,072,977	-2%	42,075,180
Earnings per share (EPS) (DKK <sup>2)</sup> )	1.7 (9)	1.5 (8)	11%	5.8 (33)
Diluted earnings per share (diluted EPS) (DKK <sup>2)</sup> )	1.7 (9)	1.5 (8)	11%	5.8 (33)
Book value per share (excluding treasury shares) (DKK <sup>2)</sup> )	49.3 (259)	44.4 (245)	11%	47.5 (267)
Share price at end of period, DKK	181.5	239.5	-24%	202.5
Price/book value (DKK <sup>2)</sup> )	0.70	0.98	-28%	0.76
Net Asset Value per share excl. purchase options for vessels (DKK <sup>2)</sup> )	47.5 (249)	43.0 (238)	10%	47.4 (266)
Theoretical Net Asset Value per share <sup>3)</sup> (DKK <sup>2)</sup> )	52.4 (275)	54.8 (303)	-4%	54.9 (308)
Other key figures and ratios:				
EBITDA ratio <sup>1)</sup>	8.7%	15.4%	-43%	10.9%
ROIC	8.0%	25.4%	-69%	17.3%
ROE	13.7%	13.9%	-1%	12.9%
Equity ratio	91.2%	92.1%	-1%	88.8%
Total no. of ship days for the Group	18,035	13,356	35%	66,044
USD/DKK rate at end of period	524.86	552.32	-5%	561.33
Average USD/DKK rate	545.67	538.41	1%	562.57

<sup>1)</sup> The ratios were computed in accordance with the "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, "Profit from sale of vessels, etc." has not been included in EBITDA.

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

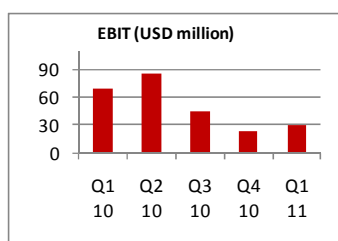
<sup>3)</sup> Please note that the calculation is subject to significant uncertainty. See "Financial review – Valuation methods for calculating theoretical NAV" on page 45 in the consolidated annual report for 2010 for supplementary information.

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



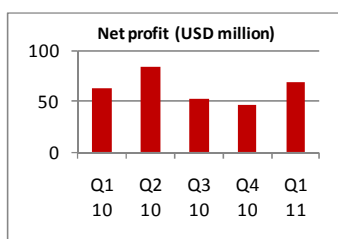
In the first quarter, NORDEN generated operating earnings before depreciation and profit from sale of vessels (EBITDA) of USD 48 million, including income of approximately USD 11 million from an arbitration award and the cancellation of a charter party on a tanker vessel.

The result is 40% lower than for the same period last year which included significant non-recurring income. Exclusive of non-recurring income, EBITDA was approximately 12% lower than last year, which is mainly attributable to a drop in rates realised by Dry Cargo.



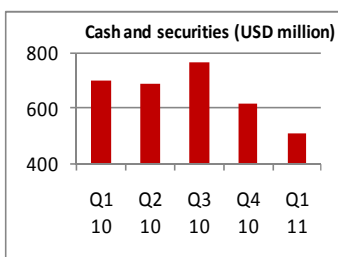
Additional newbuildings for the owned fleet in Dry Cargo as well as tonnage purchase in Tankers led to an increase in depreciation to USD 17 million (USD 10 million) during the period.

EBIT for the period was USD 30 million (USD 69 million). Exclusive of non-recurring income, this was a decrease of 41% compared to last year, and a decrease of 17% compared to the fourth quarter of 2010.



The net profit for the first quarter was USD 69 million (USD 63 million), yielding a return on equity of 14% p.a. (14%). The net profit is positively affected by fair value adjustments of hedging instruments of USD 33 million net as a result of increasing bunker prices and decreasing freight rates.

During the quarter, equity grew by USD 33 million to USD 2,031 million.



Cash flows from operating activities were an outflow of USD 2 million, while the Company's newbuilding programme required investments representing an outflow of USD 64 million (net). Cash flows from financing activities were an outflow of USD 46 million as a result of share buybacks and debt instalments.

The Company still finds itself in a financially strong position to take advantage of future investment opportunities. At the end of the quarter, NORDEN had cash and cash equivalents and securities of USD 510 million. In comparison, there are outstanding payments on the newbuilding programme of USD 290 million, which fall due mainly in 2011.

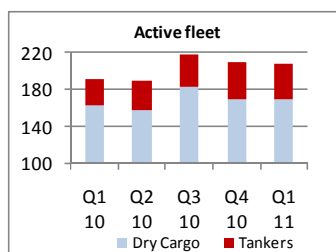
### Increasing net commitments

During the quarter, the Company's net commitments rose by USD 216 million to USD 551 million.

NORDEN's strong financial position is emphasised by the fact that the total net commitments at the end of the quarter represented a gearing of 0.27 of the booked equity.

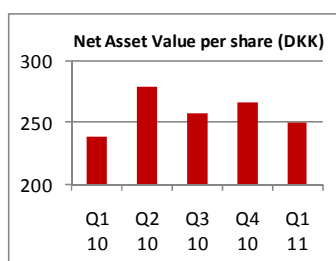
### Share buyback programme completed

The share buyback programme was completed at the end of March and covered acquisition of treasury shares at approximately DKK 170 million (USD 30.6 million), corresponding to 2% of the share capital. An extraordinary general meeting has been convened regarding a proposal to cancel 1.6 million treasury shares, corresponding to a reduction of the share capital by 3.6%.

**Continued growth in NORDEN's active core fleet**


The active core fleet had grown to 75 vessels at the end of the first quarter, compared to 70 vessels at the beginning of the year. The increase was due to the addition of 1 tanker vessel as well as 3 newbuildings and 2 vessels on long-term charter in Dry Cargo, whereas 1 sold Handymax bulk carrier was delivered to the new owner. The number of short-term chartered vessels remained practically unchanged during the period, and at the end of the quarter, the total active Dry Cargo fleet consisted of 170 units and the Tanker fleet of 37 units.

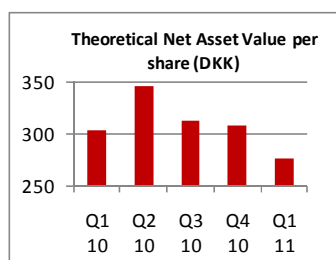
NORDEN supplemented the core fleet for delivery in Dry Cargo with 5 new agreements on long-term charter of vessels with purchase option. The chartered vessels are considered to have a significantly better potential for earnings than traditional designs as a result of better fuel economy. Generally, the number of vessels for delivery to the core fleet decreased following the transition of 6 units to the active fleet (see note 8 to the financial statements for an overview of deliveries to the core fleet).

**Net Asset Value of DKK 249 per share**


NORDEN's total theoretical NAV is calculated at DKK 275 per share at the end of the first quarter against DKK 308 per share at the end of 2010, corresponding to a decrease of 10%. The decrease is due to a combination of a 7% lower USD/DKK exchange rate and lower value of the owned fleet and purchase options as a result of the weaker T/C market.

The theoretical NAV is composed of booked equity of DKK 259 per share, added value of owned vessels and newbuildings based on estimates from 3 independent brokers of DKK -10 per share as well as the value of NORDEN's 63 charter parties with purchase and extension option of DKK 26 per share.

The value of the theoretical NAV is sensitive to changes in freight rates and vessels prices. In a sensitivity analysis of +/- 10% in freight rates and vessel prices, the theoretical NAV changes by DKK 44 per share, corresponding to a percentage-wise change of +/- 16%.

**Theoretical Net Asset Value of DKK 275 per share**

**No indication of impairment**

At the end of the first quarter, the net selling price of NORDEN's fleet *excluding* vessels in joint venture and vessels held for sale was USD 77 million below the carrying amounts and costs. This difference is divided between Dry Cargo and Tankers with USD -57 million and USD -20 million, respectively. Consequently, an impairment test was carried out, and based on this, there was no indication of impairment and thus no need for write-downs (see note 1 "Significant accounting policies" in the consolidated annual report for 2010 for additional information).



## Segment information

USD '000	1 <sup>st</sup> quarter 2011				1 <sup>st</sup> quarter 2010			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Revenue – services rendered	482,027	66,029	0	548,056	457,450	58,801	0	516,251
Voyage costs	-173,170	-14,511	0	-187,681	-126,316	-21,114	0	-147,430
<b>Contribution margin I</b>	<b>308,857</b>	<b>51,518</b>	<b>0</b>	<b>360,375</b>	<b>331,134</b>	<b>37,687</b>	<b>0</b>	<b>368,821</b>
Other operating income, net	1,189	41	0	1,230	568	47	0	615
Vessel operating costs	-257,165	-43,019	0	-300,184	-242,503	-34,810	0	-277,313
Costs	-9,050	-1,597	-2,939	-13,586	-8,279	-1,471	-3,036	-12,786
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>43,831</b>	<b>6,943</b>	<b>-2,939</b>	<b>47,835</b>	<b>80,920</b>	<b>1,453</b>	<b>-3,036</b>	<b>79,337</b>
Profit from sale of vessels, etc.	60	-449	13	-376	-760	-3	2	-761
Depreciation and impairment	-9,144	-7,269	-665	-17,078	-4,776	-4,439	-671	-9,886
Share of results of joint ventures	-24	-350	0	-374	-35	-33	0	-68
<b>Profit from operations (EBIT)</b>	<b>34,723</b>	<b>-1,125</b>	<b>-3,591</b>	<b>30,007</b>	<b>75,349</b>	<b>-3,022</b>	<b>-3,705</b>	<b>68,622</b>
Fair value adjustment of certain hedging instruments	32,692	0	0	32,692	-887	0	0	-887
Financial income	0	0	9,242	9,242	0	0	1,385	1,385
Financial costs	0	0	-1,187	-1,187	0	0	-4,929	-4,929
Tax for the period	-1,311	-182	-110	-1,603	-1,065	-209	0	-1,274
<b>Profit for the period</b>	<b>66,104</b>	<b>-1,307</b>	<b>4,354</b>	<b>69,151</b>	<b>73,397</b>	<b>-3,231</b>	<b>-7,249</b>	<b>62,917</b>

USD '000	1 <sup>st</sup> quarter 2011				1 <sup>st</sup> quarter 2010			
	Dry Cargo	Tankers	Not allocated	Total	Dry Cargo	Tankers	Not allocated	Total
Vessels	600,202	404,084	0	1,004,286	279,215	315,391	0	594,606
Prepayments on vessels and newbuildings	300,989	58,722	0	359,711	351,550	35,370	0	386,920
Other tangible assets	1,492	0	54,417	55,909	1,397	0	54,568	55,965
Investments in joint ventures	31,282	3,569	0	34,851	27,193	4,508	0	31,701
<b>Non-current assets</b>	<b>933,965</b>	<b>466,375</b>	<b>54,417</b>	<b>1,454,757</b>	<b>659,355</b>	<b>355,269</b>	<b>54,568</b>	<b>1,069,192</b>
<b>Current assets</b>	<b>228,957</b>	<b>34,212</b>	<b>509,895</b>	<b>773,064</b>	<b>238,842</b>	<b>20,801</b>	<b>701,467</b>	<b>961,110</b>
- hereof tangible assets held for sale	0	0	0	0	67,286	0	0	67,286
<b>Total assets</b>	<b>1,162,922</b>	<b>500,587</b>	<b>564,312</b>	<b>2,227,821</b>	<b>898,197</b>	<b>376,070</b>	<b>756,035</b>	<b>2,030,302</b>



## Dry Cargo

### Good start to the year

With operating earnings (EBITDA) of USD 44 million, the Dry Cargo Department had, as expected, a good start to the year. Earnings were produced by means of high coverage at attractive rates, which provided sound protection in an otherwise weak spot market. Earnings were also affected by non-recurring income of just under USD 9 million from an arbitration award.

### Earnings above market levels

Spot rates in dry cargo developed negatively during the period with a drop in the Baltic Dry Index (BDI) of 14% compared to the index at the end of 2010. The average for the BDI in the first quarter was 55% below the average for the first quarter of 2010. In general, the Capesize vessels were hit the hardest, whereas the other vessel types performed relatively better. However, the pressure on the smaller vessel types appears to be increasing following the end of the quarter. The drop in rates during the period was caused by a combination of continued addition of newbuildings, declining coal exports from Queensland, Australia, due to flooding, and finally declining imports of raw material to Japan after the earthquake in the north-eastern part of the country.

NORDEN's high coverage provided sound protection in a difficult market, and the Company's earnings in Dry Cargo were approximately 40% above the spot market.

#### Employment and rates, Dry Cargo, first quarter 2011

Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total**
NORDEN ship days	356	496	7,434	4,803	1,454	14,542
NORDEN T/C (USD per day)	39,176	17,372	20,108	18,956	13,547	19,444
Spot T/C (USD per day) *	8,391	11,301	14,639	14,373	10,706	13,892
NORDEN vs. spot T/C	367%	54%	37%	32%	27%	40%

\* Source: Baltic Exchange

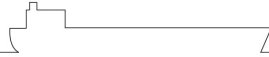
\*\* Weighted average (except ship days)

### Fleet growth puts pressure on rates

As expected, the addition of newbuildings to the dry cargo fleet continued at a high level. It is estimated that a total of 22 million dwt. was delivered, corresponding to a growth rate of approximately 16% on an annual basis. The majority of the tonnage was delivered to the global Capesize fleet, which increased by more than 4%, whereas the Handysize fleet only increased by 1.5%. The growth was counterbalanced by a major increase in the scrapping volumes which grew by nearly 5 million dwt. – corresponding to approximately 4% of the fleet on an annual basis (source: R.S. Platou). If the fleet development from the first quarter continues, the supply growth rate will amount to approximately 13% net, which is still estimated to be too high to be absorbed by an otherwise great increase in demand.

### New long-term contract in line with strategy

In line with the strategic focus to increase cargo volumes, which was announced in the annual report, the Company entered into its third largest COA ever during the quarter. The contract runs for 5 years and includes transportation of approximately 10 million tonnes of coal from Svalbard in Norway to the European continent.



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NORDEN's Dry Cargo fleet and values at 31 March 2011						
Vessel type	Capesize	Post-Panamax	Panamax	Handymax	Handysize	Total
<b>Vessels in operation</b>						
Owned vessels	3	4	3	3	3	16
Chartered vessels with purchase option	1	2	10	15	6	34
<b>Total active core fleet</b>	<b>4</b>	<b>6</b>	<b>13</b>	<b>18</b>	<b>9</b>	<b>50</b>
Chartered vessels without purchase option	0	0	66	42	12	120
<b>Total active fleet</b>	<b>4</b>	<b>6</b>	<b>79</b>	<b>60</b>	<b>21</b>	<b>170</b>
<b>Vessels for delivery</b>						
Owned vessels	0	0	2	2 <sup>A</sup>	14	18
Chartered vessels with purchase option	0	2	7	5	4	18
<b>Total for delivery to core fleet</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>7</b>	<b>18</b>	<b>36</b>
Chartered vessels over 3 years without purchase option	0	0	1	0	3	4
<b>Total for delivery</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>7</b>	<b>21</b>	<b>40</b>
<b>Total gross fleet</b>	<b>4</b>	<b>8</b>	<b>89</b>	<b>67</b>	<b>42</b>	<b>210</b>
A) 2 units in 50%-owned joint venture						
<b>Dry Cargo fleet values at 31 March 2011 (USD million)</b>						
Market value of owned vessels and newbuildings*	152	168	176	129	476	1,101
Added value of owned vessels and newbuildings	50	-38	-4	7	-69	-54
Value of charter parties with purchase and extension option	15	-30	78	144	-6	201
* Active vessels and newbuildings including joint ventures, assets held for sale and charter parties, if any.						

Capacity and coverage

The Dry Cargo Department's coverage for the rest of 2011 is at 86% at sound rate levels. Until 2013, average costs of the known fleet will decrease to approximately USD 10,500 per day, whereas average known earnings will keep a level of approximately USD 18,900 per day.

Capacity and coverage, Dry Cargo, at 31 March 2011								
	2011	2012	2013	2014+	2011	2012	2013	2014+
<b>Gross capacity</b>								
	Ship days				Costs for gross capacity (USD per day)			
Capesize	1,104	1,464	1,460	12,426	8,775	8,775	8,775	6,876
Post-Panamax	1,834	2,776	2,920	34,791	10,357	11,388	11,770	9,184
Panamax	9,965	6,597	5,926	45,214	15,245	12,215	11,725	10,417
Handymax	10,618	10,511	8,888	41,372	14,274	12,582	11,703	8,449
Handysize	5,329	10,079	11,010	125,142	10,217	9,195	8,861	5,338
<b>Total</b>	<b>28,850</b>	<b>31,427</b>	<b>30,204</b>	<b>258,945</b>	<b>13,400</b>	<b>11,136</b>	<b>10,536</b>	<b>7,313</b>
<b>Coverage</b>								
	Ship days				Revenue from coverage (USD per day)			
Capesize	1,131	732	553	0	36,178	45,899	45,554	0
Post-Panamax	913	0	0	0	19,536	0	0	0
Panamax	12,449	6,763	4,108	12,206	19,136	19,471	19,214	19,445
Handymax	7,997	5,441	2,335	3,077	16,885	20,276	15,385	15,006
Handysize	2,349	1,807	1,423	9,664	12,566	12,966	13,742	13,250
<b>Total</b>	<b>24,839</b>	<b>14,743</b>	<b>8,419</b>	<b>24,947</b>	<b>18,580</b>	<b>20,283</b>	<b>18,957</b>	<b>16,498</b>
<b>Coverage in %</b>								
Capesize	102%	50%	38%	0%				
Post-Panamax	50%	0%	0%	0%				
Panamax	125%	103%	69%	27%				
Handymax	75%	52%	26%	7%				
Handysize	44%	18%	13%	8%				
<b>Total</b>	<b>86%</b>	<b>47%</b>	<b>28%</b>	<b>10%</b>				

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





## Tankers

### Results better than expected

The quarter turned out better than expected for the Tanker Department. Strong arbitrage-driven demand in the Atlantic as well as a reduction of the efficient fleet utilization due to substantial ice formation in the Baltic Sea drove MR rates in the Atlantic through the roof. Higher spot rates and income from earlier concluded coverage generated an EBITDA of USD 7 million (USD 1 million).

#### Employment and rates, Tankers, first quarter 2011

Vessel type	MR	Handysize	Total**
NORDEN ship days	1,574	1,845	3,419
NORDEN T/C (USD per day)	14,669	13,665	14,124
1-year T/C (USD per day) *	13,409	12,386	12,854
NORDEN vs. 1-year T/C	9%	10%	10%

\* Source: ACM

\*\* Weighted average (except ship days)

### Decline in the demand for oil during the quarter

Growth in the global demand for oil started to decrease during the quarter after persistently high oil prices. IEA estimates that global demand for oil has decreased by 0.6 million barrels per day in the quarter compared to the fourth quarter of 2010. This is the first drop from quarter to quarter in demand since the second quarter of 2009. However, IEA predicts that global demand for oil will still increase by 1.6% in 2011 compared to last year.

### Moderate changes in the fleet

In NORDEN's 2 vessel types – Handysize and MR – the global fleet growth rate amounted to 1% in the first quarter. The Handysize fleet was reduced by 0.4%, whereas the MR fleet increased by 1.8%. During the quarter, the order books for 2012 and onwards within Handysize and MR grew by 6 and 4 vessels, respectively. At the end of the first quarter, the order book amounted to 6.4% of the Handysize fleet and 13.1% of the MR fleet (source: SSY).

### LR1 time charter cancelled

During the first quarter, the charter agreement for the Company's only LR1 vessel was cancelled. As the costs for the vessel were relatively high, the cancellation was positive for the Company. Consequently, the Tanker Department is currently only active within the MR and Handysize vessel types.

### New deliveries

In the quarter, the Tanker Department took delivery of 1 Handysize vessel with ice-class 1A, which was acquired in December 2010. The order book for deliveries to the core fleet hereafter includes 3 vessels, of which 2 are owned newbuildings.





INTERIM REPORT – FIRST QUARTER 2011

**NORDEN's Tanker fleet and values at 31 March 2011**

Vessel type	MR	Handysize	Total
<b>Vessels in operation</b>			
Owned vessels	4	11	15
Chartered vessels with purchase option	10	0	10
<b>Total active core fleet</b>	<b>14</b>	<b>11</b>	<b>25</b>
Chartered vessels without purchase option	3	9	12
<b>Total active fleet</b>	<b>17</b>	<b>20</b>	<b>37</b>
<b>Vessels for delivery</b>			
Owned vessels	2	0	2
Chartered vessels with purchase option	1	0	1
<b>Total for delivery to core fleet</b>	<b>3</b>	<b>0</b>	<b>3</b>
Chartered vessels over 3 years without purchase option	0	0	0
<b>Total for delivery</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total gross fleet</b>	<b>20</b>	<b>20</b>	<b>40</b>
<b>Tanker fleet values at 31 March 2011 (USD million)</b>			
Market value of owned vessels and newbuildings*	202	303	505
Added value of owned vessels and newbuildings	-15	-5	-20
Value of charter parties with purchase and extension option	0		0
* Active vessels and newbuildings including joint ventures, assets held for sale and charter parties, if any.			

**Capacity and coverage**

At the end of the first quarter, NORDEN had covered 37% of the ship days for the rest of 2011. Until 2013, average costs of the known fleet will decrease to approximately USD 10,300 per day, whereas average known earnings will amount to approximately USD 13,000 per day.

**Capacity and coverage, Tankers, at 31 March 2011**

	2011	2012	2013	2014+	2011	2012	2013	2014+
<b>Gross capacity</b>		Ship days			Costs for gross capacity (USD per day)			
MR	5,187	6,257	5,850	46,014	13,129	12,374	12,441	9,097
Handysize	5,127	4,698	4,015	54,231	9,102	7,759	7,088	7,088
<b>Total</b>	<b>10,314</b>	<b>10,955</b>	<b>9,865</b>	<b>100,245</b>	<b>11,127</b>	<b>10,395</b>	<b>10,263</b>	<b>8,010</b>
<b>Coverage</b>		Ship days			Revenue from coverage (USD per day)			
MR	1,700	689	327	0	15,397	13,377	13,041	0
Handysize	2,070	379	0	0	12,886	12,761	0	0
<b>Total</b>	<b>3,769</b>	<b>1,067</b>	<b>327</b>	<b>0</b>	<b>14,018</b>	<b>13,159</b>	<b>13,041</b>	<b>0</b>
<b>Coverage in %</b>								
MR	33%	11%	6%	0%				
Handysize	40%	8%	0%	0%				
<b>Total</b>	<b>37%</b>	<b>10%</b>	<b>3%</b>	<b>0%</b>				



## Expectations for 2011

### NORDEN maintains its expectations

Expectations for the profit for the year remain unchanged. As mentioned in the Company's most recent annual report, 2011 is expected to be marked by low freight rates in dry cargo, whereas rates in tankers are expected to be higher on average than in the 2 previous years. Keeping these market expectations in mind, NORDEN continues to be well positioned for the rest of 2011 with high coverage in Dry Cargo and free capacity in Tankers.

### Expectations for the full year

Expectations for 2011 USD million	Dry Cargo	Tankers	Total
<b>EBITDA</b>	125-155	20-30	135-175
Realised profit from sale of vessels			0
<b>EBIT</b>			55-95
<b>CAPEX</b>			260-300

### No sale of vessels

The expectations do not include profit from sale of vessels. The Company assesses the market on an ongoing basis for opportunities for purchase and sale of vessels, based on price, timing, adjustment of capacity and optimisation of fleet and order book.

### Risks and uncertainties

Expectations for earnings on open ship days are based on forward rates which are subject to market risks. A change of USD 1,000 per day in both Dry Cargo and Tankers would mean a change in earnings of approximately USD 10 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 2011 and the years to come naturally carry some uncertainty, and NORDEN's actual results may therefore differ from the expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively, 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 QUARTER OF 2011 - THE GROUP

### Statement

The Board of Directors and the Board of Management today reviewed and approved the interim report for the first quarter of 2011 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 auditor-reviewed.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the interim report to present a true and fair view.

Besides what has been disclosed in the interim report, no other significant changes in the Company's risk and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2010.

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

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

Copenhagen, 12 May 2011

#### Board of Management

Carsten Mortensen  
President & CEO

Michael Tønnes Jørgensen  
Executive Vice President & CFO

#### Board of Directors

Mogens Hugo  
Chairman

Alison J. F. Riegels  
Vice Chairman

Erling Højsgaard

Karsten Knudsen

Arvid Grundekjøn

Bent Torry Sørensen

Lars Enkegaard Biilmann

Benn Pyrmont Johansen



## Income statement

USD '000	2011	2010
	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter
Revenue	548,056	516,251
Costs	-500,221	-436,914
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>47,835</b>	<b>79,337</b>
Profit from sale of vessels, etc.	-376	-761
Depreciation and impairment	-17,078	-9,886
Share of results of joint ventures	-374	-68
<b>Profit from operations (EBIT)</b>	<b>30,007</b>	<b>68,622</b>
Fair value adjustment of certain hedging instruments <sup>note 2)</sup>	32,692	-887
Net financials	8,055	-3,544
<b>Profit before tax</b>	<b>70,754</b>	<b>64,191</b>
Tax on the profit for the period	-1,603	-1,274
<b>Profit for the period</b>	<b>69,151</b>	<b>62,917</b>
<b>Attributable to:</b>		
Shareholders of NORDEN	69,151	62,917
Minority interests	0	0
<b>Total</b>	<b>69,151</b>	<b>62,917</b>
<b>Earnings per share (EPS), USD</b>	<b>1.7</b>	<b>1.5</b>
<b>Diluted earnings per share, USD</b>	<b>1.7</b>	<b>1.5</b>

## Statement of comprehensive income

<b>Profit for the period, after tax</b>	<b>69,151</b>	<b>62,917</b>
Value adjustment of hedging instruments	-7,264	-373
Fair value adjustment of securities	976	1,151
Income and expenses recognised directly in equity	-6,288	778
<b>Comprehensive income for the period, after tax</b>	<b>62,863</b>	<b>63,695</b>
<b>Attributable to:</b>		
Shareholders of NORDEN	62,864	63,695
Minority interests	-1	0
<b>Total</b>	<b>62,863</b>	<b>63,695</b>



## Income statement by quarter

USD '000	2011	2010	2010	2010	2010
	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter
Revenue	548,056	591,755	496,115	585,485	516,251
Costs	-500,221	-552,950	-474,264	-485,918	-436,914
<b>Profit before depreciation, etc. (EBITDA)</b>	<b>47,835</b>	<b>38,805</b>	<b>21,851</b>	<b>99,567</b>	<b>79,337</b>
Profit from sale of vessels, etc.	-376	-543	31,670	-2,218	-761
Depreciation and impairment	-17,078	-15,623	-13,169	-10,859	-9,886
Share of results of joint ventures	-374	-104	4,574	-30	-68
<b>Profit from operations (EBIT)</b>	<b>30,007</b>	<b>22,535</b>	<b>44,926</b>	<b>86,460</b>	<b>68,622</b>
Fair value adjustment of certain hedging instruments <sup>note 2)</sup>	32,692	24,942	4,382	1,947	-887
Net financials	8,055	33	5,087	-3,728	-3,544
<b>Profit before tax</b>	<b>70,754</b>	<b>47,510</b>	<b>54,395</b>	<b>84,679</b>	<b>64,191</b>
Tax on the profit for the period	-1,603	-1,307	-2,059	-1,333	-1,274
<b>Profit for the period</b>	<b>69,151</b>	<b>46,203</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	69,151	46,204	52,337	83,346	62,917
Minority interests	0	-1	-1	0	0
<b>Total</b>	<b>69,151</b>	<b>46,203</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>
<b>Earnings per share (EPS), USD</b>	<b>1.7</b>	<b>1.0</b>	<b>1.3</b>	<b>2.0</b>	<b>1.5</b>
<b>Diluted earnings per share, USD</b>	<b>1.7</b>	<b>1.0</b>	<b>1.3</b>	<b>2.0</b>	<b>1.5</b>

## Statement of comprehensive income by quarter

<b>Profit for the period, after tax</b>	<b>69,151</b>	<b>46,203</b>	<b>52,336</b>	<b>83,346</b>	<b>62,917</b>
Value adjustment of hedging instruments	-7,264	240	3,233	1,239	-373
Fair value adjustment of securities	976	-731	910	-901	1,151
Income and expenses recognised directly in equity	-6,288	-491	4,143	338	778
<b>Comprehensive income for the period, after tax</b>	<b>62,863</b>	<b>45,712</b>	<b>56,479</b>	<b>83,684</b>	<b>63,695</b>
<b>Attributable to:</b>					
Shareholders of NORDEN	62,863	45,713	56,480	83,684	63,695
Minority interests	0	-1	-1	0	0
<b>Total</b>	<b>62,863</b>	<b>45,712</b>	<b>56,479</b>	<b>83,684</b>	<b>63,695</b>



## Statement of financial position

USD '000	2011	2010	2010
	31/3	31/3	31/12
<b>ASSETS</b>			
Property and equipment	55,909	55,965	55,626
Vessels <sup>note 3)</sup>	1,004,286	594,606	880,330
Prepayments on vessels and newbuildings <sup>note 4)</sup>	359,711	386,920	401,884
Investments in joint ventures	34,851	31,701	35,225
<b>Non-current assets</b>	<b>1,454,757</b>	<b>1,069,192</b>	<b>1,373,065</b>
Inventories	69,108	14,313	45,861
Receivables and prepayments	194,061	176,681	182,731
Receivables from joint ventures	0	1,363	726
Securities	39,950	25,714	38,150
Cash and cash equivalents	469,945	675,753	574,571
	<b>773,064</b>	<b>893,824</b>	<b>842,039</b>
Tangible assets held for sale <sup>note 5)</sup>	0	67,286	35,377
<b>Current assets</b>	<b>773,064</b>	<b>961,110</b>	<b>877,416</b>
<b>Total assets</b>	<b>2,227,821</b>	<b>2,030,302</b>	<b>2,250,481</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	7,087	7,087	7,087
Reserves	716	3,014	7,004
Retained earnings	2,023,121	1,859,746	1,983,894
Equity (NORDEN's shareholders)	2,030,924	1,869,847	1,997,985
Minority interests	68	70	68
<b>Equity</b>	<b>2,030,992</b>	<b>1,869,917</b>	<b>1,998,053</b>
Bank debt	0	55,830	14,666
<b>Non-current liabilities</b>	<b>0</b>	<b>55,830</b>	<b>14,666</b>
Current portion of non-current debt within 1 year	43,230	5,187	43,757
Trade payables	71,450	29,782	90,068
Liabilities with joint ventures	33,257	0	35,896
Other payables and deferred income	48,892	22,536	60,717
	<b>196,829</b>	<b>57,505</b>	<b>230,438</b>
Liabilities relating to tangible assets held for sale	0	47,050	7,324
<b>Current liabilities</b>	<b>196,829</b>	<b>104,555</b>	<b>237,762</b>
<b>Liabilities</b>	<b>196,829</b>	<b>160,385</b>	<b>252,428</b>
<b>Total equity and liabilities</b>	<b>2,227,821</b>	<b>2,030,302</b>	<b>2,250,481</b>



## Statement of cash flows

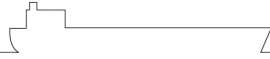
USD '000	2011	2010	2010
	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	31/12
Profit for the period	69,151	62,917	244,802
Reversal of items with no effect on available funds	-20,948	8,791	-20,396
Cash flows before change in working capital	48,203	71,708	224,406
Change in working capital	-50,202	-41,593	73,982
<b>Cash flows from operating activities</b>	<b>-1,999</b>	<b>30,115</b>	<b>298,388</b>
Investments in vessels, etc.	-29,655	-34,592	-398,658
Additions in prepayments on newbuildings	-69,491	-65,222	-264,343
Additions in prepayments received on sold vessels	0	8,625	-31,101
Held in restricted accounts	0	-8,500	8,300
Acquisition of securities	0	0	-14,207
Sale of securities	0	0	970
Proceeds from sale of vessels, etc.	35,000	34,830	318,922
<b>Cash flows from investing activities</b>	<b>-64,146</b>	<b>-64,859</b>	<b>-380,117</b>
Dividend paid to shareholders	0	0	-52,705
Acquisition of treasury shares	-30,689	0	-7,566
Instalments on bank loans and vessel loans	-15,193	-2,594	-5,187
<b>Cash flows from financing activities</b>	<b>-45,882</b>	<b>-2,594</b>	<b>-65,458</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-112,027</b>	<b>-37,338</b>	<b>-147,187</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>574,571</b>	<b>702,584</b>	<b>702,584</b>
Exchange rate adjustments	7,401	-6,293	19,174
Change in cash and cash equivalents for the period	-112,027	-37,338	-147,187
<b>Cash and cash equivalents at end of period</b>	<b>469,945</b>	<b>658,953</b>	<b>574,571</b>
Restricted cash and cash equivalents	0	16,800	0
<b>Cash and cash equivalents according to the statement of financial position</b>	<b>469,945</b>	<b>675,753</b>	<b>574,571</b>





## Statement of changes in equity

USD '000	Share capital	Reserves	Retained earnings	Equity (NORDEN's shareholders)	Minority interests	Group equity
<b>Equity at 1 January 2011</b>	<b>7,087</b>	<b>7,004</b>	<b>1,983,894</b>	<b>1,997,985</b>	<b>68</b>	<b>1,998,053</b>
Total comprehensive income for the period	0	-6,288	69,151	62,863	0	62,863
Acquisition of treasury shares	0	0	-30,689	-30,689	0	-30,863
Share-based payment	0	0	765	765	0	765
<b>Changes in equity</b>	<b>0</b>	<b>-6,288</b>	<b>39,227</b>	<b>32,939</b>	<b>0</b>	<b>32,939</b>
<b>Equity at 31 March 2011</b>	<b>7,087</b>	<b>716</b>	<b>2,023,121</b>	<b>2,030,924</b>	<b>68</b>	<b>2,030,992</b>
<b>Equity at 1 January 2010</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>
Total comprehensive income for the period	0	778	62,917	63,695	0	63,695
Share-based payment	0	0	1,209	1,209	0	1,209
<b>Changes in equity</b>	<b>0</b>	<b>778</b>	<b>64,126</b>	<b>64,904</b>	<b>0</b>	<b>64,904</b>
<b>Equity at 31 March 2010</b>	<b>7,087</b>	<b>3,014</b>	<b>1,859,746</b>	<b>1,869,847</b>	<b>70</b>	<b>1,869,917</b>
<b>Equity at 1 January 2010</b>	<b>7,087</b>	<b>2,236</b>	<b>1,795,620</b>	<b>1,804,943</b>	<b>70</b>	<b>1,805,013</b>
Total comprehensive income for the period	0	4,768	244,804	249,572	-2	249,570
Acquisition of treasury shares	0	0	-7,568	-7,566	0	-7,566
Distributed dividends	0	0	-55,621	-55,621	0	-55,621
Dividends, treasury shares	0	0	2,916	2,916	0	2,916
Share-based payment	0	0	3,741	3,741	0	3,741
<b>Changes in equity</b>	<b>0</b>	<b>4,768</b>	<b>188,274</b>	<b>193,042</b>	<b>-2</b>	<b>193,040</b>
<b>Equity at 31 December 2010</b>	<b>7,087</b>	<b>7,004</b>	<b>1,983,894</b>	<b>1,997,985</b>	<b>68</b>	<b>1,998,053</b>



## 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 2010 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Accounting policies have not changed in relation to this.

For a complete description of accounting policies, see also pages 55-63 in the consolidated annual report for 2010.

#### *New IAS/IFRSs*

With effect from 1 January 2011, NORDEN has not implemented any new financial reporting standards or interpretations which are of importance to NORDEN.

#### *New financial reporting standards*

For a description of the IFRS and IFRIC which become effective on 1 January or later, see page 55 of the consolidated annual report for 2010. Additionally, no new standards or interpretation contributions have been published subsequently.

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

Management's choices and assessments in the accounting policies in respect of vessel leases, recognition of revenue and voyage costs, impairment test and onerous contracts are significant. Management's accounting estimates of receivables, contingent assets and liabilities and useful lives and residual values of tangible assets are also significant. For a description of these, see pages 56-57 of the consolidated annual report for 2010.

## 2. Fair value adjustment of certain hedging instruments

USD '000	2011	2010
	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter
<b>Bunker hedging:</b>		
Fair value adjustment for:		
2010	0	-2,474
2011	28,752	-832
2012	6,683	165
2013	1,023	23
2014	316	15
	36,774	-3,103
Realised fair value adjustment reclassified to "Vessel operating costs"*	-6,714	-1,870
<b>Total</b>	<b>30,060</b>	<b>-4,973</b>
<b>Forward Freight Agreements:</b>		
Fair value adjustment for:		
2010	0	-3,951
2011	31,410	2,866
2012	424	0
	31,834	-1,085
Realised fair value adjustment reclassified to "Revenue"*	-29,202	5,171
<b>Total</b>	<b>2,632</b>	<b>4,086</b>
<b>Total</b>	<b>32,692</b>	<b>-887</b>

\* As the hedging instruments are realised, the accumulated fair value adjustments are reclassified to operations in the same item as the hedged transaction. For further information, see the section "Significant accounting policies" in the consolidated annual report for 2010.



### 3. Vessels

<b>USD '000</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Cost at 1 January	979,509	569,023	569,023
Transferred during the period from prepayments on vessels and newbuildings	111,665	107,980	249,902
Transferred during the period to tangible assets held for sale	0	-40,270	-134,448
Additions for the period	28,600	25,608	298,399
Disposals for the period	0	-3,088	-3,367
<b>Cost</b>	<b>1,119,774</b>	<b>659,253</b>	<b>979,509</b>
Depreciation at 1 January	-99,179	-71,410	-71,410
Depreciation for the period	-16,309	-9,111	-46,379
Reversed depreciation of disposed vessels	0	3,088	3,366
Reversed depreciation of tangible assets held for sale	0	12,786	15,244
<b>Depreciation</b>	<b>-115,488</b>	<b>-64,647</b>	<b>-99,179</b>
<b>Carrying amount</b>	<b>1,004,286</b>	<b>594,606</b>	<b>880,330</b>

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

### 4. Prepayments on vessels and newbuildings

<b>USD '000</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Cost at 1 January	401,884	442,526	442,526
Additions for the period	69,492	65,222	264,343
Disposals for the period	0	0	-87
Transferred during the period to vessels	-111,665	-107,980	-242,982
Transferred during the period to other items	0	-87	-6,920
Transferred during the period to tangible assets held for sale	0	-12,761	-54,996
<b>Carrying amount</b>	<b>359,711</b>	<b>386,920</b>	<b>401,884</b>

### 5. Tangible assets held for sale

<b>USD '000</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>31/3</b>	<b>31/3</b>	<b>31/12</b>
Carrying amount at 1 January	35,377	54,547	54,547
Additions for the period from prepayments on vessels and newbuildings	12	12,761	54,996
Additions for the period to tangible assets held for sale	0	8,054	97,277
Additions for the period from vessels	0	27,484	119,203
Disposals for the period	-35,389	-35,560	-290,646
Impairment losses for the period	0	0	0
<b>Carrying amount</b>	<b>0</b>	<b>67,286</b>	<b>35,377</b>

### 6. Related party transactions

No significant changes have occurred to closely related parties or types and scale of transactions with these parties other than those disclosed in the consolidated annual report for 2010.

## 7. Contingent assets and liabilities

Since end-December 2010, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

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

### Expected delivery of the Company's core fleet at 31 March 2011

	2011			2012				2013				2014			Total
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>Dry Cargo</b>															
Post-Panamax		(1)			(1)										<b>2</b>
Panamax	1 (1)	1					(1)			(1)			(2)	(2)	<b>9</b>
Handymax	(2)		1 (1)		1	(1)		(1)							<b>7</b>
Handysize	3 (1)	1	5	1 (1)		2 (1)	1		1				(1)		<b>18</b>
<b>Tankers</b>															
MR	1	1					(1)								<b>3</b>
Handysize															<b>0</b>
<b>Total</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>39</b>

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

### Fleet values (before tax) at 31 March 2011

USD million					Calculated value of charter parties with purchase and extension option			
Owned (active and newbuildings)								
	Number	Carrying amount/cost	Market value*	Added value	Number	Charter party	Purchase and extension option	Value of charter party and purchase option
<b>Dry Cargo</b>								
Capesize	3	102	152	50	1	6	9	15
Post-Panamax	4	206	168	-38	4	-45	15	-30
Panamax	5	180	176	-4	17	20	58	78
Handymax	5	122	129	7	20	86	58	144
Handysize	17	545	476	-69	10	-11	5	-6
<b>Tankers</b>								
MR	6	217	202	-15	11	-7	7	0
Handysize	11	308	303	-5	0	0	0	0
<b>Total</b>	<b>51</b>	<b>1,680</b>	<b>1,606</b>	<b>-74</b>	<b>63</b>	<b>49</b>	<b>152</b>	<b>201</b>

### NAV at 31 March 2011

	USD million	DKK per share
Equity excl. minority interests per share	2,031	259
Added value owned vessels	-74	-10
<b>NAV</b>	<b>1,957</b>	<b>249</b>
Calculated value of charter parties w/ purchase and extension option	201	26
<b>Total theoretical NAV</b>	<b>2,158</b>	<b>275</b>

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

## 9. Significant events after the balance sheet date

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