



Proposed capital decrease of TORM A/S at the annual general meeting on 23 April 2012

Further to company announcement no. 13 dated 30 March 2012 regarding the annual general meeting of TORM A/S to be held on Monday 23 April 2012, reference is made to proposal 6.c. set out in the agenda for the annual general meeting relating to a decrease of the share capital of the Company by transfer to a special reserve fund.

The Board of Directors has put forward a number of decisions to the annual general meeting that are motivated by the need to create flexibility and facilitate an equity issue amongst other initiatives as part of the Company's plan for a long-term, comprehensive financing solution. Pursuant to Danish corporate law, the Company may not issue new shares below nominal value. Given the current financial situation of the Company, a significant capital decrease is required to allow for an equity issue as contemplated under the agreement in principle as described in announcement no. 14 dated 4 April 2012 with the banks of the Coordination Committee and the Company's major time charter partners regarding a long-term financing solution.

The Board of Directors therefore proposes that the nominal amount per share (denomination) is decreased from nominal DKK 5.00 to nominal DKK 0.01, resulting in a decrease of the share capital of the Company from nominally DKK 364,000,000 to nominally DKK 728,000 (corresponding to 0.2% percent of the nominal share capital) by transfer of the reduction amount to a special reserve fund in accordance with Section 188(1)(3) of the Danish Companies Act.

Proposal 6.c. on the agenda is accordingly as follows:

Decision to decrease the share capital of the Company by transfer to a special reserve fund.

The Board of Directors proposes that the share capital of the Company is decreased by an amount of nominally DKK 363,272,000 (corresponding to 99.8% per cent of the nominal share capital) from nominally DKK 364,000,000 by decreasing the nominal amount per share (denomination) from DKK 5.00 to DKK 0.01 by transfer of the reduction amount to a special reserve fund in accordance with Section 188(1)(3) of the Danish Companies Act.

The transfer to the special reserve fund shall be in an amount of DKK 363,272,000 and the capital decrease hence occurs by rate 100, i.e. equalling the decreased nominal amount. Subsequent to the decrease, the share capital of the Company will amount to nominally DKK 728,000 and the nominal value of each share will be DKK 0,01.

Adoption of the proposal implies that Article 2.1 of the Articles of Association is amended to read as follows:

"The Company's share capital is DKK 728,000 divided into shares of DKK 0.01 each or any multiple thereof." and that Article 8.3 of the Articles of Association is amended to "Each share of DKK 0.01 carries one vote".

The proposal is motivated by the need to create flexibility for a potential equity issue as part of the Company's plan for a long-term, comprehensive financing solution.

Adoption of proposal 6.c. continues to be subject to at least two-thirds of the votes cast as well as of the share capital represented at the annual general meeting voting in favour of the proposal, cf. Section 106(1) of the Danish Companies Act.

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About TORM

TORM is one of the world's leading carriers of refined oil products as well as a significant player in the dry bulk market. The Company runs a fleet of approximately 140 modern vessels in cooperation with other respected shipping companies sharing TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM) and on NASDAQ in New York (ticker: TRMD). For further information, please visit www.torm.com.

Safe Harbor statements as to the future

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TORM believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the conclusion of definitive waiver documents with our lenders, the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "tonne miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TORM with the US Securities and Exchange Commission, including the TORM Annual Report on Form 20-F and its reports on Form 6-K.

Forward-looking statements are based on management's current evaluation, and TORM is only under an obligation to update and change the law.