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## **NORDEN adjusts expectations for 2008**

Dampskibsselskabet NORDEN A/S adjusts the expectations for 2008 to a net profit of USD 800-880 million. The adjustment is primarily due to the plunging freight rates in dry cargo in September, among other things caused by the financial crisis and to some extent by negative fair value adjustments on hedging instruments (IAS 39). On the other hand, the results in tankers continue to be better than expected, and the expectations for tankers are adjusted upwards.

At the same time, NORDEN has increased the coverage for 2009, now amounting to 65% in dry cargo in total and nearly 100% in the two segments which are affected the most by the current market disturbance. The coverage has been made at rates considerably above the current spot rates.

The changed expectations for 2008 should be seen against the fact that NORDEN on 20 August in the interim report for the half-year expected a net profit of USD 950-1,030 million. At that time, NORDEN had 4,259 open ship days in dry cargo in the rest of 2008, where the expected daily earnings have been reduced by USD 30-35,000 compared to August. NORDEN has now reduced the number of open ship days in dry cargo to approximately 1,600 in the rest of 2008.

In contrast, expectations to the Tanker Department's EBITDA are adjusted upwards with approximately USD 15 million as the department keeps benefiting from a surprisingly strong market.

Expectations in relation to profits from sale of vessels remain unchanged in both segments.

The fair value adjustment of certain hedging instruments (IAS 39) is expected to negatively affect the net profit by USD -10 million. Previously, a positive amount of USD 30 million was expected. The fluctuation of USD 40 million is mainly a result of the changed bunker prices.

The expected net profit of USD 800-880 million compared to USD 703 million in 2007 is satisfactory considering the difficult market conditions in dry cargo. An expected equity of USD 1.8 billion, expected cash positions of USD 7-800 million end 2008 as well as revenue from already realised coverage provide NORDEN with significant financial strength to both resist fluctuations in the global economy and to take advantage of the opportunities that may arise.



<b>New guidance</b> per 1 October (USD million)	Dry cargo	Tankers	Total	<b>Former guidance</b> per 20 August (USD million)	Dry cargo	Tankers	Total
<b>EBITDA</b>	500-570	60-70	540-620	<b>EBITDA</b>	625-695	45-55	650-730
Profits from the sale of vessels	233	36	269	Profits from the sale of vessels	233	36	269
<b>EBIT</b>	705-775	90-100	775-855	<b>EBIT</b>	840-910	75-85	895-975
Fair value adjustment of certain hedging instruments	-10	0	-10	Fair value adjustment of certain hedging instruments	30	0	30
<b>Net profit</b>			800-880	<b>Net profit</b>			950-1,030

### Future coverage and capacity

Recently, NORDEN has entered into a number of contracts in dry cargo for 2009 and ahead at levels which are significantly higher than the current spot rates. As a result, coverage of the known capacity in dry cargo in 2009 has increased to 65% compared to 53% in August. Coverage is close to 100% in the two segments which are most influenced by the market disturbance, i.e. the Capesize and Panamax segments. In the less volatile segments, Handymax and Handysize, the coverage is lower, but average expenses of only USD 13-16,000 per open ship day in those segments make earnings fairly robust.

The number of known ship days in dry cargo amounts to approximately 32,000 in 2009.

Kind regards,  
Dampskibsselskabet NORDEN A/S

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