



**CHAIRMAN'S REPORT BY CHAIRMAN MOGENS HUGO,
NORDEN'S ANNUAL GENERAL MEETING, 23 APRIL 2009**

INTRODUCTION

When we met at the last annual general meeting – in this hall exactly one year ago – I put much effort into describing NORDEN's business model and our opportunities for quickly and decisively adjusting to changes in the market.

At that time, we were experiencing a boom with historically high dry cargo rates and an almost equally strong tanker market. Today, the world and our markets are undeniably different. In short time, we have tested the flexibility in our business model during both a historical upturn and an unprecedented downturn, and I am happy to establish that we have passed this hard test. Let's look at what took place in 2008:

DRY CARGO: MARKET AND RESULTS IN 2008

First, the dry cargo market increased to all-time high levels in May, but then the market began to show signs of weakness, and from September, the Baltic Dry Index went into free fall down to a level of 700, a drop of 94% from the top. The collapse of the major investment bank Lehman Brothers – at that time, the largest bankruptcy ever – sent shockwaves through out the financial world and triggered an international finance crisis which quickly spread to the dry cargo market. Basically from one day to the next, banks stopped issuing letters of credit and financing the international trade in raw materials.

The crisis also affected the emerging markets and the raw material intensive industries which are very crucial for the dry cargo market. The industries turned down production and cut down the import of raw materials, which is typically done through shipping. China's import of iron ore slowed down severely and started decreasing in the third quarter together with the Chinese steel production. It did, however, straighten somewhat at year-end.

The transport volumes decreased, the bottle necks at the ports disappeared, the transportation distances fell – among other things due to a dive in Brazil's shipments of iron ore to China – and the financial crisis turned into a global real economic crisis. Following a good and sound growth rate during the first quarters of the year, demand for dry cargo transports therefore dropped by nearly 10% in the fourth quarter.

We jumped from the fire into the frying pan. We went from a roaring boom to recession in just a few months. We have never experienced a nosedive this rapid before.

NORDEN' Dry Cargo Department was negatively affected by the sudden changes.

During the fourth quarter, the Department agreed to postpone a number of contracted cargoes to help unfortunate costumers, while other cargoes were cancelled and some ended in legal disputes.



In total, this cost us expected earnings during the fourth quarter of close to USD 50 million USD. This is a significant figure, but it is naturally connected with the fact that it is the most profitable cargoes which are the first to go in such a situation. In addition, we are talking about cargoes valued at USD 2-3 million per cargo, and therefore it does not take many of these to go in order for it all to add up, and we still have the vessels at our disposal even though they are suddenly without cargo.

Also, we lost USD 9 million in expected earnings in the fourth quarter due to the bankruptcy of a counterparty, and in addition we wrote down USD 4 million on receivables due.

In addition, we had some open ship days, and earnings on these were naturally affected as the spot rates suddenly dropped 90%.

These circumstances combined meant that the fourth quarter ended in an unsatisfactory EBITDA of negative USD 4 million and a modest EBIT of USD 7 million.

For the year as a whole, the picture was more uplifting. The Dry Cargo Department had a high coverage where most ship days were employed at rates that were already agreed, and this provided us with sufficient protection well into the third quarter against the sudden drop in spot rates. Therefore, the Department ended the year with a considerable operating profit – EBITDA – of USD 455 million, and after substantial profits from the sale of vessels the operating profit – EBIT – increased by 26% to USD 687 million. Lower than expected, but satisfactory in light of a very bleak market at year-end.

PRODUCT TANKER: MARKET AND RESULTS IN 2008

Last year, the product tanker market was more robust than the dry cargo market. Measured by Baltic Exchange Clean Tanker Index, the rates were on average 18% higher than in 2007, but with high fluctuations and a clear downwards trend in the last months of the year.

The balance between supply and demand was again delicate, and isolated events therefore resulted in great rate fluctuations. We saw this when China in the time leading up to the Olympics closed down large parts of the heavy industry and refineries in order to reduce air pollution. In stead, China increased the imports of refined oil products by 2 million barrels per day. Also the USA had to increase the import for a period of time after the hurricane Ike had swept through the Gulf and rendered 50% of the refineries incapacitated. Again we are talking about large volumes, which provided a solid base under the rates.

However, the market settled at the end of the year, where the oil price dropped substantially, and where the economic crisis also started to have an impact. But the belief in the market was quite solid. The 1 and 3-year period rates, thus, only dropped by 10% during the year.

NORDEN's Tanker Department was only affected to a less extent by the turmoil on the global finance and raw material markets. The Department's earnings – EBITDA – for the fourth quarter were actually more the doubled to 15 million USD.



For the year as a whole, EBITDA increased by 26% to 67 million USD, which is the best result of the Department to date. We had several ship days at reasonable rates, even though earnings were somewhat strained by higher prices on fuel oil.

On the other hand, EBIT fell compared to 2007. This was solely due to lower earnings from the sale of vessels – the profits were approximately one-third of the level from the previous year. But an operating profit of nearly USD 100 million and a profit margin of nearly 40% are in every respect approved – and also better than expected.

KEY FIGURES AND RATIOS 2008

The two departments' results can be summed up in the following key figures for NORDEN:

The operating profit – EBITDA – decreased somewhat and ended at USD 506 million. As mentioned, Dry Cargo went back a little whereas Tankers continued the recent years' success.

Profits from the sale of vessels grew by 78% to USD 290 million. Throughout the year, we have been very apt at realising gains from the sale of vessel, also after the crisis broke out.

The net profit went up by 1% to USD 708 million or approximately DKK 3.6 billion.

In addition, operations generated USD 541 million in cash and cash equivalents while net investments amounted to USD 57 million. The cash flows from operating activities were stronger than expected, and NORDEN is therefore well equipped today in terms of liquidity to handle the trying times we are experiencing.

In the income statement I would like to emphasise that EBIT – the operating profit – of USD 773 million is the highest ever in the long history of NORDEN.

The net profit of USD 708 million is also a new all-time high, though only slightly better than in the previous year. We had hoped for somewhat more, and we had expected slightly more. But firstly, earnings were affected by the dry cargo market meltdown in the fourth quarter which I mentioned earlier. And secondly, net profit is pulled down by the IAS adjustments item of no less than USD 81 million. It is an unrealised loss on the value of bunker contracts in particular – that is contracts on future delivery of fuel for the vessel. We must include this item in the income statement, and when the oil price drops to the extent that it did in the last half of 2008, we get a large but unrealised value adjustment. If the oil price had been status quo from the beginning of the year, the net profit would have been USD 137 million higher. But let me emphasise that these value adjustments level out in time.

In light of this – and in light of the fact that the world economy was hit by the worst slump within living memory – we can stand by the net profit which we are presenting today. It has a return on equity of 47% while the return on invested capital was nearly 90%. That is continued high levels – also on that front.



RETURN TO THE SHAREHOLDERS

Today, the Board proposes a dividend of USD 100 million while the rest of the parent company's profit – more than USD 297 million – is transferred to reserves.

The proposed dividend equals DKK 13 per share, which is the second highest dividend ever – only exceeded by the dividend of DKK 35 last year.

Several have asked us why we pay a dividend at all when the world is currently so challenging – would it not be better to consolidate the company? Contrary to this, others have asked us why we do not pay more in dividends? The conflicting views are clear indicators that it is all about delicate balancing.

NORDEN's policy is to aim at providing the shareholders with a fair return on their investment – either by increasing share prices or by dividends or best of all both, and then we combine it from time to time with buy-back of treasury shares.

An all-time high profit is per se almost reason enough to pay dividends. On the other hand, NORDEN requires extra capital strength in the current turbulent markets – as a buffer and as a means to take advantage of opportunities arising from the crisis. We have sought to balance these considerations with the proposal of DKK 13 per share. This would be a decent dividend, and at the same time, it will allow NORDEN to consolidate the company.

The share price has not contributed to the shareholders' return. Last year, the share price dropped more than 67%, however, it did a bit better than Bloomberg DRYSHIP Index of comparable dry cargo shipping companies.

FINANCIAL MATTERS

Earlier on, I mentioned capital strength as something which is especially required today. And in that area, we are in a better position than most shipping companies.

Last year, we succeeded in strengthening the liquidity. In the challenging fourth quarter alone, we increased liquidity by USD 180 million, so that NORDEN at year-end had USD 807 million in cash and cash equivalents in addition to USD 22 million in easily negotiable securities.

The interest-bearing debt continues to be insignificant. We only have debt in 4 product tankers – all other vessels have been paid in cash.

The equity ratio has increased by a couple of percentage points to 83%.

And if we take the present value of all NORDEN's known future payments made to timecharters, yards and loan givers – and then deduct the known future income and our operating cash, then we end at a gearing of only 0.6. And the gearing has nearly halved in 2008.



NORDEN is therefore in a unique position. We do not have trouble with expensive bank debt. We are not at the mercy of the banks. We are able to finance our entire newbuilding programme with the cash and cash equivalents we have today and with the known income from vessel sales and operations. In short, we can and we will do it ourselves.

For some years, we have been criticised for being over-capitalised, and time and again we have said to this that shipping is a cyclical business which requires a significant financial scope. In the recent 4-5 months, the critique has ceased. I believe it is save to establish that the truth of the philosophy has suddenly become apparent to everyone.

FLEET VALUES

Let me round off the financial matters by – briefly – going through the fleet values. Naturally, we have tested the values carefully in light of the crisis having cut down the market prices on tonnage. And the good news is that at year-end 2008 our owned vessels and our newbuilding orders in total were worth more than the carrying amounts.

The theoretical Net Asset Value at the end of 2008 is therefore combined of the following:

We have an intrinsic value of DKK 212 per share. Then we have the added values of the owned vessels and newbuildings compared to the carrying amount – that is USD 121 million or DKK 15 per share. And finally, we have the theoretical value of our many purchase and extension options, which we estimate to be USD 482 million or DKK 60 per share. Though the values have decreased compared to previous values, there were still considerable values left at year-end since far most of the option agreements were made years ago.

All in all, the total theoretical Net Asset Value is DKK 287 per share.

REMUNERATION AND MANAGEMENT

Last year, the general meeting decided on a Remuneration Policy for NORDEN, and in line with this policy, we have once again awarded employees and managers bonuses in 2008. We have awarded bonuses in appreciation of the hard work by the employees at creating an all-time high profit to the benefit of us all. On the other hand, we have naturally also taken into consideration that the uncertainty in the markets calls for restraint.

This is why we lowered the level of the bonuses. The collective bonus was reduced from 3 to 2 months' pay, and the sum distributed as individual bonuses was also reduced. In total, bonuses of USD 15.8 million were awarded – nearly USD 3 million less than the year before even though the number of employees has increased. The total bonus awarded equals 2.2% of NORDEN's net profit against 2.7% last year, and we have set 3% as a natural level – or limit if you please – in this area.



Let me clarify that part of the bonus awarded to the Board of Management and selected managers is conditional on continued employment with the Company. This stay-on bonus will thus only be awarded if the managers stay with the Company in future.

According to the Remuneration Policy, we also make use of share-based incentive programmes in NORDEN: in February this year, we have awarded bonus shares to all employees who fulfilled certain requirements. In addition, we have once again awarded share options in the beginning of March, but also in this area – like with the bonuses – we have adjusted the programme to fit the reality we are currently facing. So there are fewer options – this time the programme equals 0.85% of the share capital against former 1%. More employees have been included, the options can first be exercised in 3 years, and the exercise period has been extended to 3 years as well. In this way, we focus more on the long haul – and on creating long-term solidarity between employees and owners.

On the other hand, it is unchanged that the options only get a value when the shareholders have received an annual return of 8%, and that executives must reinvest a part of a possible profit in NORDEN shares.

The management group has got a couple of new faces after our former CFO went back to Norway and the Head of the Dry Cargo Department got an offer that he could not resist. As new CFO and member of the Board of Management, we have employed Michael Tønnes Jørgensen, who, in addition to his financial and accounting knowledge, also has considerable experience in shipping from his previous job. The new management in the Dry Cargo Department has been recruited internally, and that says something about the good skills which we have in the organisation. The new Head of the Dry Cargo Department is Peter Norborg, who is seconded by Peter Borup, who is responsible for the overseas offices.

Another important internal event was the relocation to a new and more effective and modern domicile. All of the Danish-based employees were gathered under the same roof in Hellerup in June.

BOARD REMUNERATION AND WORK

The Board's remuneration is part of the annual report, and we recommend an unchanged remuneration to each board member. Since the Board of Directors has been extended by 1 member, the remuneration has increased to a total of DKK 5.6 million. There is a printing error in the annual report as a somewhat smaller figure is stated on page 40 in the management's review. The correct figure is DKK 5.6 million.

Precisely the crisis has had a strong presence in the Board's work and has resulted in extra work and more meetings: last year, we held 7 ordinary meetings – including 2 strategy meetings – and 7 extraordinary meetings and teleconferences. In total 14 board meetings, and the meeting frequency increased during the second half-year after the crisis began and there was an extra need for discussing and deciding what NORDEN should do.



The Board has appointed a remuneration committee including the Vice Chairman, Einar Fredvik and I, and we met three times to ensure the implementation of NORDEN's remuneration policy. Among other things, we decide on the salary packages of the Board of Management, the grant of options and employee shares as well as the guiding lines of bonuses and salary and remuneration matters.

Furthermore, the Board has appointed an audit committee this year – which has become statutory. But we think that it is odd that it is only some members of the Board who are controlling and discussing important issues such as accounts, audit, financial management, risk management and other financial matters. Therefore, we have decided that the whole Board handles audit committee tasks, and we have earmarked 4 meetings for that purpose this year. If the Board had counted 14 members, it would perhaps have been relevant that only some members had been appointed to a special audit committee. But we have a small, active and hands-on Board of Directors.

I will come back to the composition of the Board under item D on the agenda.

NORDEN's RESPONSE TO THE CRISIS

The crisis has already had a strong presence in my review, and obviously, the crisis has been on the top of NORDEN's agenda the last 7 months one way or the other.

I have been asked a couple of times if NORDEN is particularly influenced by the crisis. When I ask them why anyone would think that, people point out all the things that the management has done in regards of adjusting activities and organisation, systematic risk management and so on. But they also refer to that NORDEN has been quite harsh in its statements and its estimates of the markets.

Let me comment on this: NORDEN's management quickly realised that we were heading into a crisis in the autumn. When some of our competitors still talked about the crisis as something momentary, we were already carrying out the necessary initiatives. And when you are the first one to react and you are also quite noticeable being a large and listed actor, you will be taking some of the rap. Our management tells it like it is. We do not idealise, and we act. We at NORDEN think that we have done the right things, and that we have shown efficiency and timeliness. Let us look at what we have done.

We have adjusted our capacity to the lower demand. In the summer of 2008, NORDEN's gross fleet including both active vessels and vessels for delivery numbered 317 units. At the end of the year, the gross fleet had been reduced by 59 to 258 vessels of which 50 were single trip vessels without residual risk.

The adjustment has mainly been done through redelivery of a large number of short-term chartered bulkcarriers, and we have thus gained advantage of the flexibility of our business model. We do not have a large number of owned vessels which we have to employ at rates that are much too low. We are primarily operator of chartered vessels, and when the demand drops, we redeliver the chartered vessels as soon as possible.



Since the turn of the year, we have redelivered even more short-term chartered units, so the active dry cargo fleet now numbers approximately 110 units compared to approximately 200 units in August. This is almost a halving – which of course has been carried out while complying with all agreements.

But the important thing is not only the number – costs are just as important. The vessels which we redeliver have cost us daily rates of USD 50,000 or more, and now we can change these into units which cost USD 5-15,000. In that way, we adjust the costs to the income level which is present today. However, we still have expensive chartered vessels, and thus, in the first quarter, we had to operate some expensive Panamax T/C vessels in the spot market, and that has resulted in loss. But 9 of these expensive Panamax vessels were redelivered in the beginning of the first quarter, and most of the expensive chartered vessels are gone now, so we are steadily working towards even lower average costs in dry cargo.

Last year, we were very cautious about ordering new vessels. In Tankers, we did not contract any newbuildings and long-term charters, and in Dry Cargo, we ordered significantly fewer vessels than earlier, and except from a single long-term charter, we were fortunately sitting on our hands in the whole second half of 2008. That was a very comfortable seat.

Last year, we only ordered 10 new vessels compared to 33 in 2007. We did not buy expensive vessels in bulk at the peak of the market even though we – with the benefit of hindsight – probably bought 5 vessels too many and should have sold 5 more vessels. But we are trying to even this out.

Last year, we entered into sales contracts for 14 vessels, and as the shareholders know, we have also sold vessels after the crisis began. We have estimated that it is wise to convert steel into cash and reduce exposure and funds tied up in assets in a declining market, and the sales have also strengthened the liquidity significantly. We are still going to sell vessels when we can get a good price and, moreover, can replace the capacity, and trading with vessels is a part of the business after all. In January 2009, we reported the sale of 6 bulkcarriers with a profit of USD 13 million, and last week, we sold another 2 bulkcarriers with a profit of USD 13 million.

We are also working on trimming our order book. We have cancelled 2 newbuilding orders and got our money back, and we are in constructive dialogue with other yards discussing postponement of deliveries and payments as well as converting the order to another vessel type or finding other solutions which are satisfactory for both us and the yard. All in respect of agreements entered into. NORDEN keeps its word!

On 1 April 2009, the entire order book of newbuildings and long-term charters with purchase option counted a total of 69 tankers and bulkcarriers of which 4 have been sold. And as mentioned before, we can finance the entire newbuilding programme ourselves.

We have also worked at the internal lines at adjusting costs. During the autumn, we introduced pay and hiring freezes and implemented a number of saving measures. Recently, we followed up by giving notice to some of the shore-based staff. It was painful having to say goodbye to competent



and dedicated employees, but it was required by the situation. I hope that the employees affected can agree that we did act respectable in that situation. And though it might sound harsh, the core competences in the organisation are deemed intact, and we are still able to handle growth in our business.

We have also reduced our investment rate and postponed or reset investments which were not absolutely necessary. Looking at the world today, we have no plans of contracting new vessels, but this might become relevant. In a cyclical business, it makes good sense to buy when prices have hit bottom.

We have increased our focus on cash flows – and on getting money home. This is evident from the fact that even though revenue grew by 45% last year, freight receivables only increased by 23%.

And we have stepped up our market surveillance, credit rating and systems to handle credit risk. I will return to this in a moment.

On the income side, we have sped up our work at increasing the coverage. From June last year until March this year, we have succeeded in doubling the 2009 coverage in Dry Cargo from 55% to 101%. To put it in popular terms, this year is thus sold out – the entire known capacity is employed if all counterparties live up to the agreements.

We enter into many Contracts of Affreightment (COAs), and it is safe to say that in times of crisis NORDEN with its financial strength and tradition for long-term partnerships has an advantage. This because in times of crisis, major industrial and raw material manufacturers have added preference for solid shipping companies which can ensure price and delivery. Last year, we entered into COAs of a total of 34,000 ship days, and new ones are entered into on an ongoing basis.

The coverage has also been increased in Tankers. In June last year, we had covered 16% of the known ship days in 2009, but on 1 March we had increased the coverage to 35% for 2009 and 25% for 2010. In March, Norient Product Pool – which operates all our product tankers – succeeded in chartering out more than 10 vessels on charters of approximately 2 years at reasonable rates, which is an example of how well good fortune and competence go together as agreements like these are impossible to make in the current tanker market.

The coverage provides us with a strong position in 2009 and going forward. Let me just emphasise here that the contribution margin per known and covered ship day in Dry Cargo will increase considerably in future since the fleet costs are decreasing. The costs are decreasing from more than USD 20,000 this year to below USD 10,000 from 2012.

The same is true in Tankers where the costs all things being equal will drop from more than USD 16,000 this year to less than USD 10,000 in 2012 and onwards.

Thus, we have an ever more competitive cost base going forward even though in the nature of things the picture is dynamic. But these were the figures at 1 March this year.



So are we where we are supposed to be? Have we done what is required in order to position NORDEN properly to a crisis of which none of us knows the duration and extent?

I would say that we are very close to where we should be. We have reacted promptly, and this has provided us with a fair launch pad. But we should not be known for what we have done. We should be known for whether we have the will to do what is required going forward. We have the will, I can promise you that– and the flexibility in our business model as well as the strength in our organisation justify this will.

OUTLOOK FOR 2009

Our greatest challenge – and the great unknown – is the counterparties, especially within dry cargo. Will they be able to live up to their part of the agreements and will they be willing to?

On paper, the starting point is sensible. During the whole dry cargo boom, we maintained a selective approach to the market and often turned down quick profits in order to avoid unnecessary risks. Since the autumn of 2008, we have become even more critical in Dry Cargo – in Tankers we have maintained the same approach – and this cautious approach naturally is paying off today.

Of the expected income in Dry Cargo in 2009-2012 approximately two-thirds – calculated at the turn of the year – came from counterparties, which in our own credit rating system are rated A. These are major industrial conglomerates, ship owners and operators which are transparent and which we assessed to be solid when entering into the agreements. But even counterparties which on paper look rock solid can run into problems, and the discipline of credit rating has undeniably become a lot harder the last couple of months. So counterparty risk is a concrete problem.

To date, we have only had one timecharter counterparty who has gone bankrupt, and in addition to the USD 9 million that NORDEN lost on counterparty bankruptcy last year, we are going to lose earnings of USD 17-19 million on that account this year. But we have had to renegotiate other timecharters, and we have had several COA counterparties who have not been able to or willing to perform contracts, and therefore, we have referred cases to arbitration or to the courts.

As mentioned earlier, we have helped several counterparties by postponing contracted cargoes, and we make special efforts to show empathy and flexibility where appropriate. But if there is no actual will on the other side of the table, we stand up for our rights and do what it takes to protect the shareholders' assets. Therefore, you can read in the press now and then that we have disputes with some of our trading partners.

Some of the disputes can fortunately be settled out of court. Others drag on, and then we do what has to be done. But we should not forget the proportions. The vast majority of the 125 known counterparties in Dry Cargo this year keep their word, nominate the agreed cargoes and pay their bills on time. But it is only the problematic cases that you hear about.



The counterparty uncertainty affects the expectations for 2009, and our estimates are obviously also influenced by the general uncertainty around the world. This time, we have therefore provided a broader range of earnings guidance that we normally do at NORDEN.

In Dry Cargo, it is uncertain how much of the contract revenues we can actually achieve as mentioned before. This uncertainty results in an expected EBITDA of USD 100-300 million.

In Tankers, there are significant uncertainties attached to the market development, and here, we expect an EBITDA of USD 20-50 million. Thus, for the whole of NORDEN, an EBITDA – less group costs, etc. – of USD 100-340 million is expected.

We have earnings from agreed vessel sales of approximately USD 40 million in the book, and on the basis of this, we expect a primary operating profit – EBIT – of USD 100-325 million. We have just raised the lower range after the sale of the 2 bulkcarriers mentioned before.

Cash flows to investments are expected to be net USD 250-290 million. It is especially prepayments on newbuildings which we finance through operations and our cash funds, and they are partly counterbalanced by sales proceeds.

This is the prognosis today. It will be decent results in an extremely difficult period for the shipping business all over the world, and as soon as we find it sensible, we will be sharper on the figures and narrow the range. The first occasion for this is 26 May when we present the interim report for the first quarter of 2009.

DRY CARGO: FUTURE ASPECTS

It is easy to spot the challenges that we meet: counterpart risks, low freight rates, declining world trade, financial crisis, imbalance as a result of decreasing demand and increasing supply of vessels, etc. But there are also some bright spots. Let me mention some of them:

In dry cargo, scrapping of old vessels has accelerated. The low rates have taken away the incentive to keep old vessels going, and therefore, we will hopefully see a much needed redevelopment of a world fleet, where 30% of the vessels are more than 20 years old. The last 6 months, approximately 2.5% of the world fleet has been scrapped.

Furthermore, the newbuilding bomb is being dismantled. So many new vessels had been ordered – nearly 3,000, some analysts say – that they would make the world fleet increase by 70% in a few years which would have resulted in a serious imbalance between demand and supply. But things are not going to be like this. Not at all. Both yards and shipowners have encountered problems with financing, and a lot of new yards are not able to deliver as agreed. Therefore, there are reports of massive cancellations and postponement of orders with yards, and we will not be surprised if up to half of the ordered bulkcarriers will never be built.



Scrapping and massive cancellations of new vessels will result in quicker restoration of the balance in a market which will – even though it sounds harsh – be cleaned up somewhat because the speculative and sharply geared operators cannot resist the crisis. Seen in this light, it is positive that the crisis came so quickly and so roughly.

What is positive, is also the financial aid packages – especially China's plans to pump USD 585 billion into the economy, not least into the raw material demanding infrastructure. This and other packages will definitely stimulate the economy – but the question is when. And we should not forget that the long-term story in dry cargo is intact. It is the story about China's, India's, Brazil's and other emerging markets' need for raw material for development, infrastructure, housing, industrialisation, energy and so forth.

TANKERS: FUTURE ASPECTS

Also the product tanker market contains bright spots, even though it is mostly small glimpse right now. The spot market is doing poorly, and the demand from the USA is missing to a degree while president Obama is struggling to put an end to the downturn. But the long-term structural factors are intact: increased distances between refineries and consumption areas, increasing complexity in trading patterns, more strict and very different demands for standards, phase-out of single-hulled vessels and a development where it gets even more difficult to operate old vessels in the USA and Northern Europe, which definitely benefits NORDEN considering our modern vessels and high demands for safety and quality.

CONCLUSION

While we struggle with the challenges in our everyday life, we have to focus on these long-term opportunities in dry cargo and tankers. And we obviously also have to have an eye for the opportunities which the crisis provides for a financially strong shipping company as NORDEN.

I have seen several companies state that their goal is to get out of the crisis as winners. That is actually nonsense because the fact is that everyone will lose something on the crisis. But let there be no doubt that NORDEN's goal is to get out on the other side of the crisis with an even stronger global market position in both dry cargo and tankers, an even sharper and more experienced organisation and significant financial strength.

That is the goal of everything we do. We will succeed – and continue to be a winner!

Thank you for your attention.