



Third quarter report 2014

“The product tanker market was relatively soft in line with our expectations for the third quarter. Despite this, TORM’s fleet was able to capitalize on the market volatility, and the TCE earnings per day were on average up by 16% compared to the third quarter of 2013. TORM continued to generate positive cash flows from operations after full interest payment,” says CEO Jacob Meldgaard and adds “I am pleased that TORM has entered into an agreement with a group of its lenders and Oaktree Capital Management regarding a possible restructuring of TORM.”

TORM realized a positive EBITDA of USD 14m and a loss before tax of USD 26m in Q3 2014.

- EBITDA for the third quarter of 2014 was a gain of USD 14m (Q3 2013: USD 11m). The result before tax for the third quarter of 2014 was a loss of USD 26 (USD -40m). Cash flow from operating activities after full interest payments was positive with USD 6m in the third quarter of 2014 (USD 9m).
- During the third quarter of 2014, the product tanker market showed further signs of recovery despite a weak Atlantic basin with increasing naphtha demand in Asia during the period. TORM’s largest segment, MRs, achieved spot rates of USD/day 14,295 in the third quarter of 2014, which is down 2% year-on-year. The Tanker Division reported an EBITDA of USD 15m in the third quarter of 2014 (USD 22m).
- The bulk market remained under pressure during the third quarter of 2014 with spot freight rates for the Panamax segment averaging USD/day 5,860, or -34% compared to the same period last year. TORM’s largest segment, Panamax, achieved freight rates of USD/day 10,426 in the third quarter of 2014. The Bulk Division reported an EBITDA in the third quarter of 2014 of USD -1m (USD -11m).
- With reference to company announcement no. 16 dated 27 October 2014, TORM has entered into an agreement with a group of its lenders, representing 61% of TORM’s ship financing, and Oaktree Capital Management regarding a possible restructuring of TORM.
- The book value of the fleet was USD 1,232m as of 30 September 2014. Based on broker valuations, TORM’s fleet had a market value of USD 899m as of 30 September 2014. In accordance with IFRS, TORM estimates the product tanker fleet’s total long-term earning potential each quarter based on discounted future cash flow. The estimated value of the fleet as of 30 September 2014 supports the carrying amount.
- Net interest-bearing debt amounted to USD 1,376m as at 30 September 2014, compared to USD 1,367m as at 30 June 2014.
- As of 30 September 2014, TORM’s available liquidity was USD 75m consisting of USD 30m in cash and USD 45m in undrawn credit facilities. There are no newbuildings on order or CAPEX commitments related hereto.
- TORM’s equity is negative with USD 150m as at 30 September 2014.
- By 30 September 2014, TORM had covered 19% of the remaining tanker earning days in 2014 at USD/day 16,803 and 55% of the remaining bulk earning days in 2014 were covered at USD/day 9,673.
- For the full year 2014, TORM upward adjusts the forecasts to a positive EBITDA of USD 70-80m and a loss before tax of USD 280-290m. As at 30 September 2014, 3,910 earning days for 2014 were unfixed, where a change in freight rates of USD/day 1,000 would impact the forecasts by USD 4m. The forecasts are before any potential further vessel sales or impairment charges. TORM expects to be operational cash flow positive after full interest payments. By 30 September 2014, TORM was in compliance with its financial covenants.

Conference call

TORM will be hosting a conference call for financial analysts and investors at 3 pm CET today. Please dial in 10 minutes before the conference is due to start on +45 3271 4607 (from Europe) or +1 877 491 0064 (from the USA). The presentation can be downloaded from www.torm.com.

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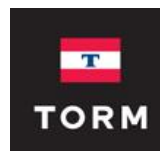


Key figures

	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Income statement (USDm)					
Revenue	140.0	231.7	471.5	799.3	992.3
Time charter equivalent earnings (TCE)	73.4	96.9	238.8	346.3	443.2
Gross profit	24.4	24.6	84.5	113.0	150.4
EBITDA	14.2	10.8	48.3	71.4	96.1
Operating profit (EBIT)	-8.3	-21.1	-217.9	-28.9	-90.6
Profit/(loss) before tax	-25.8	-40.0	-271.7	-86.0	-166.1
Net profit/(loss)	-26.0	-40.2	-271.4	-86.7	-162.2
Balance sheet (USDm)					
Total assets	1,382.3	2,103.4	1,382.3	2,103.4	2,007.6
Equity	-149.7	190.4	-149.7	190.4	117.7
Total liabilities	1,532.0	1,913.0	1,532.0	1,913.0	1,889.9
Invested capital	1,215.0	1,903.2	1,215.0	1,903.2	1,823.0
Net interest bearing debt	1,376.0	1,724.9	1,376.0	1,724.9	1,717.6
Cash flow (USDm)					
From operating activities	5.6	8.8	29.9	47.2	67.9
From investing activities	-13.2	120.8	319.2	105.1	93.4
Thereof investment in tangible fixed assets	-13.2	-13.2	-36.1	-29.6	-41.3
From financing activities	-5.0	-124.3	-347.8	-150.1	-160.5
Total net cash flow	-12.6	5.3	1.3	2.2	0.8
Key financial figures					
Gross margins:					
TCE	52.4%	41.8%	50.6%	43.3%	44.7%
Gross profit	17.4%	10.6%	17.9%	14.1%	15.2%
EBITDA	10.1%	4.7%	10.2%	8.9%	9.7%
Operating profit	-5.9%	-9.1%	-46.2%	-3.6%	-9.1%
Return on Equity (RoE) (p.a.)*	-	-70.3%	-	-75.8%	-84.3%
Return on Invested Capital (RoIC) (p.a.**)	-2.2%	-4.2%	-19.1%	-1.9%	-4.6%
Equity ratio	-10.8%	9.1%	-10.8%	9.1%	5.9%
Exchange rate USD/DKK, end of period	5.92	5.52	5.92	5.52	5.41
Exchange rate USD/DKK, average	5.63	5.63	5.50	5.66	5.62
Share-related key figures					
Earnings per share, EPS	USD	0.0	-0.1	-0.4	-0.1
Diluted earnings per share, EPS	USD	0.0	-0.1	-0.4	-0.1
Cash flow per share, CFPS	USD	0.0	0.0	0.0	0.1
Share price, end of period (per share of DKK 0.01 each)	DKK	0.5	1.5	0.5	1.4
Number of shares, end of period	Million	728.0	728.0	728.0	728.0
Number of shares (excl. treasury shares), average	Million	721.3	721.3	721.3	721.3

*) Earnings/losses from sale of vessels are not annualized when calculating the return on equity.

**) Earnings/losses from sale of vessels are not annualized when calculating the Return on Invested Capital.



Results

The EBITDA result for the third quarter of 2014 was a gain of USD 14m (USD 11m). The result before tax for the third quarter of 2014 was a loss of USD 26m (USD -40m).

The Tanker Division reported an operating result (EBIT) of USD -7 in the third quarter of 2014 (USD -9m).

The Bulk Division reported an operating result (EBIT) in the third quarter of 2014 of USD -2m (USD -12m).

USDm	Q3 2014				Q1-Q3 2014			
	Tanker Division	Bulk Division	Not allocated	Total	Tanker Division	Bulk Division	Not allocated	Total
Revenue	132.1	7.9	0.0	140.0	445.6	25.9	0.0	471.5
Port expenses, bunkers and commissions	-65.8	-0.6	0.0	-66.4	-232.2	-0.2	0.0	-232.4
Freight and bunker derivatives	-0.2	0.0	0.0	-0.2	-0.1	-0.2	0.0	-0.3
Time charter equivalent earnings	66.1	7.3	0.0	73.4	213.3	25.5	0.0	238.8
Charter hire	-8.9	-6.5	0.0	-15.4	-18.7	-20.5	0.0	-39.2
Operating expenses	-32.6	-1.0	0.0	-33.6	-112.1	-3.0	0.0	-115.1
Gross profit (Net earnings from shipping activities)	24.6	-0.3	0.0	24.4	82.5	2.0	0.0	84.5
Administrative expenses	-11.0	-0.5	0.0	-11.5	-37.3	-1.8	0.0	-39.1
Other operating income	1.4	-0.1	0.0	1.3	2.8	-0.1	0.0	2.7
Share of results of joint ventures	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
EBITDA	15.0	-0.9	0.0	14.2	48.2	0.1	0.0	48.3
Impairment losses on tangible and intangible assets	-0.2	0.0	0.0	-0.2	-192.6	0.0	0.0	-192.6
Amortizations and depreciation	-21.6	-0.7	0.0	-22.3	-71.6	-2.0	0.0	-73.6
Operating profit (EBIT)	-6.8	-1.6	0.0	-8.3	-216.0	-1.9	0.0	-217.9
Financial income	-	-	1.0	1.0	-	-	2.0	2.0
Financial expenses	-	-	-18.5	-18.5	-	-	-55.8	-55.8
Profit/(loss) before tax	-	-	-17.5	-25.8	-	-	-36.3	-271.7
Tax	-	-	-0.2	-0.2	-	-	0.3	0.3
Net profit/(loss) for the period	-	-	-17.7	-26.0	-	-	-35.8	-271.4



Outlook and coverage

For the full year 2014, TORM upward adjusts the forecasts to a positive EBITDA of USD 70-80m from USD 50-70m and a loss before tax of USD 280-290m from USD 290-310m. TORM expects to be operating cash flow positive after full interest payments.

<u>2014 forecast</u>	<u>USDm</u>	
<u>EBITDA</u>	<u>70</u>	<u>to 80</u>
<u>Profit before tax</u>	<u>-280</u>	<u>to -290</u>
<u>A change in freight rates of USD/day</u>		
<u>1,000 would impact forecasts by</u>		<u>±4</u>

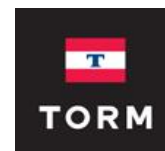
As at 30 September 2014, TORM had covered 19% of the remaining tanker earning days in 2014 at USD/day 16,803 and 55% of the remaining bulk earning days in the same period at USD/day 9,673.

The table on the next page shows the figures for the period from 1 October to 31 December 2014. 2015 and 2016 are full year figures.



	2014	2015	2016	2014	2015	2016
	Owned days					
LR2	458	1,782	1,815			
LR1	618	2,515	2,546			
MR	1,801	7,070	7,155			
Handysize	954	3,888	3,960			
Tanker Division	3,830	15,255	15,476			
Panamax	168	726	728			
Handymax	-	-	-			
Bulk Division	168	726	728			
Total	3,998	15,981	16,204			
	T/C-in days at fixed rate			T/C-in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	438	798	104	13,833	15,609	16,000
Handysize	-	-	-	-	-	-
Tanker Division	438	798	104	13,833	15,609	16,000
Panamax	457	1,554	760	12,492	12,048	11,000
Handymax	-	-	-	-	-	-
Bulk Division	457	1,554	760	12,492	12,048	11,000
Total	896	2,352	864	13,148	13,256	11,600
	T/C-in days at floating rate					
LR2	183	726	684			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Tanker Division	183	726	684			
Panamax	-	-	-			
Handymax	91	315	13			
Bulk Division	91	315	13			
Total	275	1,041	697			
	Total physical days			Covered days		
LR2	641	2,508	2,499	164	59	-
LR1	618	2,515	2,546	110	-	-
MR	2,239	7,868	7,259	459	34	-
Handysize	954	3,888	3,960	132	-	-
Tanker Division	4,452	16,779	16,263	865	93	-
Panamax	625	2,280	1,488	343	147	-
Handymax	91	315	13	50	-	-
Bulk Division	717	2,595	1,501	393	147	-
Total	5,168	19,374	17,764	1,258	240	-
	Covered, %			Coverage rates, USD/day		
LR2	26%	2%	0%	17,121	15,600	-
LR1	18%	0%	0%	21,168	-	-
MR	21%	0%	0%	14,663	16,690	-
Handysize	14%	0%	0%	20,224	-	-
Tanker Division	19%	1%	0%	16,803	16,001	-
Panamax	55%	6%	0%	9,761	7,429	-
Handymax	54%	0%	0%	9,064	-	-
Bulk Division	55%	6%	0%	9,673	7,429	-
Total	24%	1%	0%	14,576	10,744	-

Note: Actual no. of days can vary from projected no. of days primarily due to vessel sales and delays of vessel deliveries. T/C-in days at fixed rate do not include effects from profit split arrangements. T/C-in days at floating rate determine rates at the entry of each quarter, and then TORM will receive approx. 10% profit/loss compared to this rate.



Tanker

During the third quarter of 2014, the product tanker market showed further signs of recovery despite a weak Atlantic basin with increasing naphtha demand in Asia.

In the West, the freight rates were negatively impacted by weak demand in Europe and refinery maintenance in the US. The Atlantic basin experienced an oversupply of tonnage and freight rates remained subdued for most of the third quarter of 2014 despite a spike in freight rates in the US Gulf in the middle of July. The LR vessels positioned in the US Gulf continued to cannibalize the MR market.

In the East, especially the LR freight rates in the Arabian Gulf improved as a result of increased demand in general and for naphtha in particular. The MR freight rates followed suit in the North East as well as in the Middle East due to new refinery capacity and growing demand. The East also saw an increase in palm oil activity towards the end of the third quarter of 2014.

The global product tanker fleet (above 25,000 dwt) grew by 1.2% in the third quarter of 2014 (source: TORM).

The Tanker Division achieved LR2 spot rates of USD/day 17,582 in the third quarter of 2014, which was 55% higher than in the same period last year. The LR1 spot rates were at USD/day 19,172, up by 25% year-on-year, and the spot rates in TORM's largest segment, MR, were at USD/day 14,295, which is a decrease of 2% year-on-year. The Handysize spot rates were at USD/day 14,690, which was up by 29% year-on-year.

The Tanker Division's operating loss for the third quarter of 2014 was USD 7m (USD -9m).

LR2 (Aframax, 90-110,000 dwt)							
Available earning days	874	847	880	818	621	-29%	
Spot rates 1)	11,350	11,711	12,415	14,596	17,582	55%	13,803
TCE per earning day 2)	10,775	12,230	11,499	14,952	17,829	65%	13,828
Operating days	920	920	900	831	644	-30%	
Operating expenses per operating day 3)	7,697	7,499	6,925	7,579	8,875	15%	7,632
LR1 (Panamax 75-85,000 dwt)							
Available earning days	644	624	610	604	597	-7%	
Spot rates 1)	15,282	11,231	15,579	17,258	19,172	25%	15,762
TCE per earning day 2)	16,124	12,413	15,067	15,927	17,963	11%	15,310
Operating days	644	644	630	637	644	0%	
Operating expenses per operating day 3)	6,568	7,067	6,513	7,244	8,235	25%	7,269
MR (45,000 dwt)							
Available earning days	3,583	3,320	3,115	2,554	2,244	-37%	
Spot rates 1)	14,585	15,338	15,207	13,130	14,295	-2%	14,591
TCE per earning day 2)	13,909	15,046	14,141	13,481	14,049	1%	14,240
Operating days	3,477	3,128	3,041	2,352	1,840	-47%	
Operating expenses per operating day 3)	6,999	7,279	7,560	8,118	7,615	9%	7,612
Handy (35,000 dwt)							
Available earning days	979	984	947	921	881	-10%	
Spot rates 1)	11,389	13,508	15,633	14,992	14,690	29%	14,692
TCE per earning day 2)	11,201	13,555	15,404	13,988	14,740	32%	14,411
Operating days	1,012	1,012	990	1,001	1,012	0%	
Operating expenses per operating day 3)	6,973	7,402	8,157	8,075	7,468	7%	7,772

1) Spot rates = Time Charter Equivalent Earnings for all charters with less than 6 months' duration = Gross freight income less bunker, commissions and port expenses.

2) TCE = Time Charter Equivalent Earnings = Gross freight income less bunker, commissions and port expenses.

3) Operating expenses are related to owned vessels.



Bulk

The bulk market remained under pressure during the third quarter of 2014. The average spot freight rates for the Panamax segment in the third quarter were USD/day 5,860, which is 34% lower than in the same period last year and 7% down from the previous quarter (source: Baltic Panamax Index).

The time charter market has consistently remained above the spot market and has been supported by expectations of a firming market towards the end of 2014. The average 1-year time charter rate during the third quarter of 2014 was USD/day 10,500 (source: Clarksons). The 1-year period market is at the beginning of the fourth quarter at USD/day 9,250 although with very limited trading activity.

The global bulk fleet grew by 0.9% in the third quarter of 2014 (source: TORM).

TORM's bulk fleet consists of seven Panamax vessels and one Handymax vessel – the latter is on floating charter hire. TORM continues to seek employment of its bulk fleet in the period market and has maintained a high fleet coverage throughout the third quarter of 2014. By the end of the third quarter, two vessels are employed on short-term period whilst the remaining vessels are on longer-term periods. TORM will continue to seek employment of its Panamax fleet on longer-term time charter periods.

TORM's Panamax time charter equivalent (TCE) earnings in the third quarter of 2014 were USD/day 10,426 or up by 28% compared to the same period in 2013. The realized TCE earnings for Handymax during the third quarter of 2014 were USD/day 6,097, which is 49% lower than in the same period of 2013.

The Bulk Division's operating loss for the third quarter of 2014 was USD 2m (USD -12m).

Bulk	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14	Change Q3 13 - Q3 14	12 month avg.
Panamax (60-80,000 dwt)							
Available earning days	1,617	867	637	627	638	-61%	
TCE per earning day 1)	8,128	12,697	12,147	12,286	10,426	28%	11,954
Operating days	184	184	180	182	184	0%	
Operating expenses per operating day 2)	4,750	5,461	5,618	5,625	4,994	5%	5,423
Handymax (40-55,000 dwt)							
Available earning days	736	321	174	107	92	-88%	
TCE per earning day 1)	11,959	12,906	19,162	9,401	6,097	-49%	13,031
Operating days	-	-	-	-	-	-	-
Operating expenses per operating day 2)	-	-	-	-	-	-	-

1) Spot rates = Time Charter Equivalent Earnings for all charters with less than six months' duration = Gross freight income less bunker, commissions and port expenses.

2) Operating expenses are related to owned vessels.

Fleet development

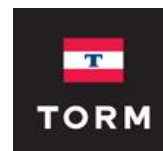
No sale or purchase of vessels was concluded in the third quarter of 2014, and TORM did not order any new newbuildings in this period.

As of 30 September 2014, TORM's owned fleet consists of 43 product tankers and two dry bulk vessels. TORM has no newbuilding order book and therefore no CAPEX commitments related hereto.

TORM's operated fleet as at 30 September 2014 is shown in the table below. In addition to the 45 owned vessels, TORM had chartered-in seven product tankers and six bulk vessels on longer time charter contracts (minimum one year contracts). Another 40 product tankers were either in pool or under commercial management with TORM.

TORM and Maersk Tankers have decided to dissolve the LR2 Pool with effect from 1 October 2014. Bringing the LR2 activities in-house on the One TORM platform will allow TORM to offer a full range of products and services to its customers.

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period >= 12 months		
	Q2 2014	Changes	Q3 2014	2014	2015	2016
Owned vessels						
LR2	5.0	-	5.0			
LR1	7.0	-	7.0			
MR	20.0	-	20.0			
Handysize	11.0	-	11.0			
Tanker Division	43.0	-	43.0	-	-	-
Panamax	2.0	-	2.0			
Handymax	-	-	-			
Bulk Division	2.0	-	2.0	-	-	-
Total	45.0	-	45.0	-	-	-
T/C-in vessels with contract period >= 12 months						
LR2	2.0	-	2.0			
LR1	-	-	-			
MR	5.0	-	5.0		-3.0	
Handysize	-	-	-			
Tanker Division	7.0	-	7.0	-	-3.0	-
Panamax	5.0	-	5.0			
Handymax	1.0	-	1.0			
Bulk Division	6.0	-	6.0	-	-	-
Total	13.0	-	13.0	-	-3.0	-
T/C-in vessels with contract period < 12 months						
LR2						
LR1						
MR						
Handysize						
Tanker Division	-	-	-	-	-	-
Panamax	-	-	-			
Handymax	-	-	-			
Bulk Division	-	-	-	-	-	-
Total	-	-	-	-	-	-
Pools/commercial management	40.0	-	40.0			
Total fleet	98.0	-	98.0			



Notes on the financial reporting

Accounting policies

The interim report for the period 1 January – 30 September 2014 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2013 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2014. New standards have not had any material effect on the interim report. The accounting policies are described in more detail in the Annual Report for 2013. The interim report for the first nine months of 2014 is unaudited, in line with the normal practice.

Income statement

The gross profit for the third quarter of 2014 was USD 24m (USD 25m).

Administrative costs in the third quarter of 2014 were down by 20% year-on-year at USD 12m primarily as a result of the Company's cost program.

The result before depreciation (EBITDA) for the third quarter of 2014 was a gain of USD 14m (USD 11m). The earnings were sustained despite having 29% fewer earning days.

Depreciation in the third quarter of 2014 was USD 22m (USD 32m) primarily due to fewer owned vessels than in the previous year.

The primary operating result (EBIT) for the third quarter of 2014 was a loss of USD 26m (USD -40m).

The third quarter of 2014 had financial expenses of USD 19m (USD 19m).

The result after tax for the third quarter of 2014 was a loss of USD 26m (USD -40m).

Assets

Total assets were down from USD 1,419m as at 30 June 2014 to USD 1,382m as at 30 September 2014. TORM has in the first half of 2014 recognized an impairment loss of USD 193m.

The book value of the fleet excl. assets held for sale was USD 1,232m as of 30 September 2014. Based on broker valuations, TORM's fleet had a market value of USD 899m as of 30 September 2014.

TORM estimates the product tanker fleet's total long-term earning potential each quarter based on future discounted cash flow in accordance with IFRS requirements. The estimated value of the fleet as of 30 September 2014 supports the carrying amount.

Debt

Net interest-bearing debt amounted to USD 1,376m as at 30 September 2014, compared to USD 1,367m as at 30 June 2014.

As at 30 September 2014, TORM was in compliance with its financial covenants.



Equity

As of 31 December 2013, TORM's equity amounted to USD 118m. The impairment charge of USD 195m and the negative operational results in 2014 have resulted in a negative equity of USD 150m as at 30 September 2014.

TORM held 6,683,072 treasury shares as at 30 September 2014, equivalent to 0.9% of the Company's share capital. This is the same level as of 30 June 2014.

Liquidity

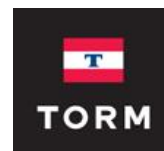
As of 30 September 2014, TORM's available liquidity was USD 75m consisting of USD 30m in cash and USD 45m in undrawn credit facilities. There are no newbuildings on order or CAPEX commitments related hereto.

Post balance sheet events

As stated in company announcement no. 16 dated 27 October 2014, TORM has entered into an agreement with a group of its lenders, representing 61% of TORM's ship financing, and Oaktree Capital Management regarding a possible restructuring of TORM.

Financial calendar

TORM's Annual Report for 2014 will be published on 4 March 2015. TORM's financial calendar can be found at www.torm.com/investor-relations.



About TORM

TORM is one of the world's leading carriers of refined oil products as well as a player in the dry bulk market. The Company operates a fleet of approximately 85 modern vessels with a strong commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889 and celebrated its 125 year anniversary earlier this year. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM). For further information, please visit www.torm.com.

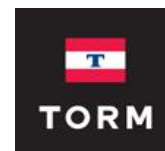
Safe Harbor statements as to the future

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 Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

Forward-looking statements in this company announcement 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 the Company 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, the Company 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 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.

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



Statement by the Board of Directors and Executive Management

The Board and Management have today discussed and adopted this interim report for the period 1 January – 30 September 2014.

The interim report for the period 1 January – 30 September 2014 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2013 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2014. New standards have not had any material effect on the interim report. The accounting policies are described in more detail in the Annual Report for 2013. The interim report for the first nine months of 2014 is unaudited, in line with the normal practice.

The Company's continuing operation is dependent on the outcome of the negotiations regarding the ongoing recapitalization process. Reference is made to company announcement no. 14 dated 16 September 2014 containing the Board of Directors' report at the Extraordinary General Meeting as well as announcement no.16 dated 27 October 2014 on TORM's agreement with a group of its lenders, representing 61% of TORM's ship financing, and Oaktree Capital Management regarding a possible restructuring of TORM.

We believe the accounting practices used are reasonable, and that this interim report gives a true and accurate picture of the Group's assets, debt, financial position, results and cash flow.

Copenhagen, 6 November 2014

Management

Jacob Meldgaard, CEO

Board of Directors

Flemming Ipsen, Chairman

Olivier Dubois, Deputy Chairman

Kari Millum Gardarnar

Alexander Green

Rasmus Johannes Hoffmann

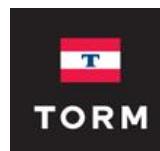
Jon Syvertsen



Consolidated income statement

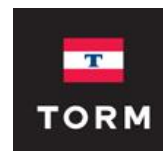
USDm	Q3 2014	Q3 2013	2014 Q1-Q3	2013 Q1-Q3	2013	
Revenue	140.0	231.7	471.5	799.3	992.3	
Port expenses, bunkers and commissions	-66.4	-135.4	-232.4	-453.7	-550.5	
Freight and bunker derivatives	-0.2	0.6	-0.3	0.7	1.4	
Time charter equivalent earnings	73.4	96.9	238.8	346.3	443.2	
Charter hire	-15.4	-28.6	-39.2	-102.1	-119.2	
Operating expenses	-33.6	-43.7	-115.1	-131.2	-173.6	
Gross profit (Net earnings from shipping activities)	24.4	24.6	84.5	113.0	150.4	
Administrative expenses	-11.5	-14.3	-39.1	-42.9	-56.5	
Other operating income	1.3	0.5	2.7	0.9	1.7	
Share of results of joint ventures	0.0	0.0	0.2	0.4	0.5	
EBITDA	14.2	10.8	48.3	71.4	96.1	
Impairment losses on tangible and intangible assets	-0.2	0.0	-192.6	-5.0	-59.8	
Amortizations and depreciation	-22.3	-31.9	-73.6	-95.3	-126.9	
Operating profit (EBIT)	-8.3	-21.1	-217.9	-28.9	-90.6	
Financial income	1.0	0.4	2.0	3.2	4.2	
Financial expenses	-18.5	-19.3	-55.8	-60.3	-79.7	
Profit/(loss) before tax	-25.8	-40.0	-271.7	-86.0	-166.1	
Tax	-0.2	-0.2	0.3	-0.7	3.9	
Net profit/(loss) for the period	-26.0	-40.2	-271.4	-86.7	-162.2	
Earnings/(loss) per share, EPS						
Earnings/(loss) per share, EPS	USD	0.0	-0.1	-0.4	-0.1	-0.2
Earnings/(loss) per share, EPS	DKK*	-0.2	-0.3	-2.1	-0.7	-1.3
Diluted earnings/(loss) per share	USD	0.0	-0.1	-0.4	-0.1	-0.2
Diluted earnings/(loss) per share	DKK*	-0.2	-0.3	-2.1	-0.7	-1.3

*) The key figures have been translated from USD to DKK using the average USD/DKK exchange change rate for the period in question.



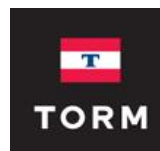
Consolidated income statement per quarter

USDm	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	
Revenue	140.0	148.6	182.9	193.0	231.7	
Port expenses, bunkers and commissions	-66.4	-70.7	-95.3	-96.8	-135.4	
Freight and bunker derivatives	-0.2	0.1	-0.2	0.6	0.6	
Time charter equivalent earnings	73.4	78.0	87.4	96.8	96.9	
Charter hire	-15.4	-12.1	-11.7	-17.1	-28.6	
Operating expenses	-33.6	-39.1	-42.4	-42.3	-43.7	
Gross profit (Net earnings from shipping activities)	24.4	26.8	33.3	37.4	24.6	
Administrative expenses	-11.5	-14.1	-13.5	-13.6	-14.3	
Other operating income	1.3	0.8	0.6	0.8	0.5	
Share of results of joint ventures	0.0	0.1	0.1	0.1	0.0	
EBITDA	14.2	13.6	20.5	24.7	10.8	
Impairment losses on tangible and intangible assets	-0.2	2.6	-195.0	-54.8	0.0	
Amortizations and depreciation	-22.3	-22.7	-28.6	-31.6	-31.9	
Operating profit (EBIT)	-8.3	-6.5	-203.1	-61.7	-21.1	
Financial income	1.0	0.7	0.3	1.0	0.4	
Financial expenses	-18.5	-18.1	-19.2	-19.4	-19.3	
Profit/(loss) before tax	-25.8	-23.9	-222.0	-80.1	-40.0	
Tax	-0.2	1.1	-0.6	4.6	-0.2	
Net profit/(loss) for the period	-26.0	-22.8	-222.6	-75.5	-40.2	
Earnings/(loss) per share, EPS						
Earnings/(loss) per share, EPS	USD	0.0	0.0	-0.3	-0.1	-0.1
Diluted earnings/(loss) per share	USD	0.0	0.0	-0.3	-0.1	-0.1



Consolidated statement of comprehensive income

USDm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Net profit/(loss) for the period	-26.0	-40.2	-271.4	-86.7	-162.2
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustment arising on translation of entities using a measurement currency different from USD	0.0	-0.2	-0.1	-0.4	-0.3
Fair value adjustment on hedging instruments	-0.1	0.1	0.4	0.1	0.0
Value adjustment on hedging instruments transferred to income statement	1.8	2.4	4.6	9.2	11.5
Fair value adjustment on available for sale investments	-0.9	0.4	-1.1	0.3	0.6
Other comprehensive income after tax	0.8	2.7	3.9	9.2	11.8
Total comprehensive income	-25.2	-37.5	-267.6	-77.5	-150.4



Consolidated balance sheet – Assets

USDm	30 September 2014	30 September 2013	31 December 2013
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	0.0	0.0	0.0
Other intangible assets	1.4	1.6	1.5
Total intangible assets	1.4	1.6	1.5
Tangible fixed assets			
Vessels and capitalized dry-docking	1,232.2	1,879.7	1,692.7
Other plant and operating equipment	3.2	5.0	4.7
Total tangible fixed assets	1,235.4	1,884.7	1,697.4
Financial assets			
Investment in joint ventures	0.7	1.0	1.1
Other investments	11.2	12.1	12.3
Total financial assets	11.9	13.1	13.4
TOTAL NON-CURRENT ASSETS	1,248.8	1,899.4	1,712.3
CURRENT ASSETS			
Bunkers	31.9	58.7	46.1
Freight receivables	56.4	89.1	79.7
Other receivables	8.3	14.5	13.3
Prepayments	6.6	11.2	7.6
Cash and cash equivalents	30.4	30.5	29.1
	133.6	204.0	175.8
Non-current assets held for sale	0.0	0.0	119.5
TOTAL CURRENT ASSETS	133.6	204.0	295.3
TOTAL ASSETS	1,382.3	2,103.4	2,007.6

Consolidated balance sheet – Equity and liabilities

USDm	30 September 2014	30 September 2013	31 December 2013
EQUITY			
Common shares	1.2	1.2	1.2
Special reserve	61.0	61.0	61.0
Treasury shares	-19.0	-19.1	-19.0
Revaluation reserves	5.8	6.6	6.9
Retained profit	-196.3	150.5	75.0
Hedging reserves	-6.2	-13.4	-11.2
Translation reserves	3.7	3.6	3.8
TOTAL EQUITY	-149.7	190.4	117.7
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	45.0	52.8	46.3
Mortgage debt and bank loans	1,335.9	1,678.8	1,565.2
Finance lease liabilities	12.9	13.5	12.9
Deferred income	3.2	4.3	4.1
TOTAL NON-CURRENT LIABILITIES	1,397.0	1,749.4	1,628.5
CURRENT LIABILITIES			
Mortgage debt and bank loans	57.5	63.1	168.6
Trade payables	29.3	63.2	43.9
Current tax liabilities	1.9	0.9	1.6
Other liabilities	43.1	32.8	43.5
Deferred income	3.1	3.6	3.8
TOTAL CURRENT LIABILITIES	134.9	163.6	261.4
TOTAL LIABILITIES	1,532.0	1,913.0	1,889.9
TOTAL EQUITY AND LIABILITIES	1,382.3	2,103.4	2,007.6

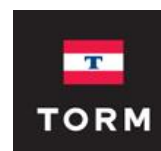


Consolidated statement of changes in equity as at 1 January – 30 September 2014

	Common shares	Special reserve	Treasury shares	Retained profit	Revaluation reserves	Hedging reserves	Translation reserves	Total
USDm								
Equity at 1 January 2014	1.2	61.0	-19.0	75.0	6.9	-11.2	3.8	117.7
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-	-271.4	-	-	-	-271.4
Other comprehensive income for the year	-	-	-	-	-1.1	5.0	-0.1	3.9
Total comprehensive income for the year	-	-	-	-271.4	-1.1	5.0	-0.1	-267.6
Share-based compensation	-	-	-	0.1	-	-	-	0.1
Total changes in equity Q1-Q3 2014	0.0	0.0	0.0	-271.3	-1.1	5.0	-0.1	-267.5
Equity at 30 September 2014	1.2	61.0	-19.0	-196.3	5.8	-6.2	3.7	-149.7

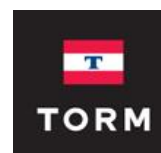
Consolidated statement of changes in equity as at 1 January – 30 September 2013

	Common shares	Special reserve	Treasury shares	Retained profit	Revaluation reserves	Hedging reserves	Translation reserves	Total
USDm								
Equity at 1 January 2013	1.2	61.0	-19.1	236.6	6.3	-22.7	4.0	267.3
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-	-86.7	-	-	-	-86.7
Other comprehensive income for the year	-	-	-	-	0.3	9.3	-0.4	9.2
Total comprehensive income for the year	-	-	-	-86.7	0.3	9.3	-0.4	-77.5
Share-based compensation	-	-	-	0.6	-	-	-	0.6
Total changes in equity Q1-Q3 2013	0.0	0.0	0.0	-86.1	0.3	9.3	-0.4	-76.9
Equity at 30 September 2013	1.2	61.0	-19.1	150.5	6.6	-13.4	3.6	190.4



Consolidated statement of cash flow

USDm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Cash flow from operating activities					
Operating profit	-8.3	-21.1	-217.9	-28.9	-90.6
Adjustments:					
Reversal of amortizations and depreciation	22.3	31.9	73.6	95.3	126.9
Reversal of impairment of tangible and intangible assets	0.2	0.0	192.6	5.0	59.8
Reversal of share of results of joint ventures	0.0	0.0	-0.2	-0.4	-0.5
Reversal of other non-cash movements	-0.4	4.9	-2.4	6.5	5.2
Dividends received	0.0	0.0	0.9	0.5	0.5
Dividends received from joint ventures	0.0	0.0	0.5	0.5	0.5
Interest received and exchange rate gains	0.0	0.1	0.1	0.1	0.1
Interest paid and exchange rate losses	-9.8	-14.2	-33.2	-42.6	-55.1
Advisor fees related to financing and restructuring plan	-4.4	0.0	-6.5	0.0	-1.2
Income taxes paid/repaid	0.1	0.0	-1.2	-0.6	-1.9
Change in bunkers, accounts receivables and payables	5.8	7.2	23.6	11.8	24.2
Net cash flow from operating activities	5.6	8.8	29.9	47.2	67.9
Cash flow from investing activities					
Investment in tangible fixed assets	-13.2	-13.2	-36.1	-29.6	-41.3
Sale of non-current assets	0.0	134.0	355.3	134.7	134.7
Net cash flow from investing activities	-13.2	120.8	319.2	105.1	93.4
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	3.0	0.0	18.0	18.0
Repayment/redemption, mortgage debt	-5.0	-127.3	-347.8	-167.0	-177.5
Transaction costs share issue	0.0	0.0	0.0	-1.1	-1.1
Purchase/disposals of treasury shares	0.0	0.0	0.0	0.0	0.1
Net cash flow from financing activities	-5.0	-124.3	-347.8	-150.1	-160.5
Net cash flow from operating, investing and financing activities	-12.6	5.3	1.3	2.2	0.8
Cash and cash equivalents, beginning balance	43.0	25.2	29.1	28.3	28.3
Cash and cash equivalents, ending balance	30.4	30.5	30.4	30.5	29.1



Consolidated quarterly statement of cash flow

USDm	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Cash flow from operating activities					
Operating profit	-8.3	-6.5	-203.1	-61.7	-21.1
Adjustments:					
Reversal of amortizations and depreciation	22.3	22.7	28.6	31.6	31.9
Reversal of impairment of tangible and intangible assets	0.2	-2.6	195.0	54.8	0.0
Reversal of share of results of joint ventures	0.0	-0.1	-0.1	-0.1	0.0
Reversal of other non-cash movements	-0.4	-1.2	-0.8	-1.3	4.9
Dividends received	0.0	0.9	0.0	0.0	0.0
Dividends received from joint ventures	0.0	0.5	0.0	0.0	0.0
Interest received and exchange rate gains	0.0	0.0	0.1	0.0	0.1
Interest paid and exchange rate losses	-9.8	-10.9	-12.5	-12.5	-14.2
Advisor fees related to financing and restructuring plan	-4.4	-1.2	-0.9	-1.2	0.0
Income taxes paid/repaid	0.1	-0.5	-0.8	-1.3	0.0
Change in bunkers, accounts receivables and payables	5.8	13.4	4.3	12.4	7.2
Net cash flow from operating activities	5.6	14.5	9.8	20.7	8.8
Cash flow from investing activities					
Investment in tangible fixed assets	-13.2	-10.8	-12.1	-11.7	-13.2
Sale of non-current assets	0.0	294.0	61.3	0.0	134.0
Net cash flow from investing activities	-13.2	283.2	49.2	-11.7	120.8
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	0.0	0.0	0.0	3.0
Repayment/redemption, mortgage debt	-5.0	-272.5	-70.3	-10.5	-127.3
Transaction costs share issue	0.0	0.0	0.0	0.0	0.0
Purchase/disposals of treasury shares	0.0	0.0	0.0	0.1	0.0
Net cash flow from financing activities	-5.0	-272.5	-70.3	-10.4	-124.3
Net cash flow from operating, investing and financing activities	-12.6	25.2	-11.3	-1.4	5.3
Cash and cash equivalents, beginning balance	43.0	17.8	29.1	30.5	25.2
Cash and cash equivalents, ending balance	30.4	43.0	17.8	29.1	30.5

Notes

Note 1 - Impairment test

As at 30 September 2014, Management performed a review of the recoverable amount of the assets by assessing the recoverable amount for the significant assets within the Tanker Division and the Bulk Division.

Based on the review, Management concluded that:

- Assets within the Bulk Division were not impaired as the fair value less costs to sell equals the carrying amount
- Assets within the Tanker Division were not further impaired as of 30 September 2014 as the value in use exceeds the carrying amount

Tanker Division

The methodology used for calculating the value in use is unchanged compared to the Annual Report for 2013 and accordingly the freight rate estimates in the period 2014 to 2016 are based on the Company's business plans. Beyond 2016, the freight rates are based on the 10-year historical average freight rates from Clarksons adjusted by the inflation rate.

The WACC is 7.7% (30 September 2013: 8.7%) and 8.3% as at 31 December 2013.

The 10-year historical average spot freight rates as of 30 September 2014 are as follows:

- LR2 USD/day 24,057 (30 September 2013: USD/day 25,692)
- LR1 USD/day 20,736 (30 September 2013: USD/day 22,004)
- MR USD/day 18,170 (30 September 2013: USD/day 19,307)
- Handysize USD/day 19,954 (30 September 2013: USD/day 22,077)

Management believes that these major assumptions are reasonable.

The calculation of the value in use is very sensitive to changes in the key assumptions, which are considered to be related to the future development in freight rates, the WACC applied as discounting factor in the calculations and the development in operating expenses. The sensitivities have been assessed as follows, all other things being equal:

- A decrease in the tanker freight rates of USD/day 1,000 would result in an additional impairment of USD 138m for the Tanker Division
- An increase of the WACC of 1.0% would result in an additional impairment of USD 86m for the Tanker Division
- An increase of the operating expenses of 10.0% would result in an additional impairment of USD 120m for the Tanker Division

As outlined above, the impairment tests have been prepared on the basis that the Company will continue to operate its vessels as a fleet in the current set-up. In comparison, the market value of TORM's vessels was USD 899m, which is USD 333m less than the carrying impaired amount.

Note 2 - Vessels and capitalized dry-docking

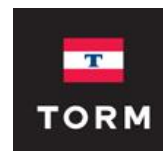
USDm	30 September 2014	30 September 2013	31 Dec. 2013
Cost:			
Balance at 1 January	2,575.9	2,752.0	2,752.0
Additions	27.9	23.2	41.2
Disposals	-9.5	-3.9	-19.4
Transferred to non-current assets held for sale	-468.7	0.0	-197.9
Balance	2,125.6	2,771.3	2,575.9
Depreciation and impairments:			
Balance at 1 January	883.2	803.7	803.7
Disposals	-9.5	-3.8	-19.4
Depreciation for the year	265.4	91.7	122.5
Impairment loss	0.0	0.0	54.8
Transferred to/from other items	-245.7	0.0	-78.4
Balance	893.4	891.6	883.2
Carrying amount	1,232.2	1,879.7	1,692.7

Note 3 - Mortgage debt and bank loans

USDm	30 September 2014	30 September 2013	31 Dec. 2013
Mortgage debt and bank loans			
To be repaid as follows:			
Falling due within one year	61.8	67.1	172.9
Falling due between one and two years	75.8	81.9	87.8
Falling due between two and three years	1,267.6	93.6	1,488.9
Falling due between three and four years	0.0	1,516.3	0.0
Falling due between four and five years	0.0	0.0	0.0
Falling due after five years	0.0	0.0	0.0
Total	1,405.2	1,758.9	1,749.6

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of USD 11.8m (30 September 2013: 17.0m), which are amortized over the term of the loans.

As at 30 September 2014, TORM was in compliance with its financial covenants.



Note 4 - Segment information

USDm	Q1-Q3 2014				Q1-Q3 2013			
	Tanker Division	Bulk Division	Not allocated	Total	Tanker Division	Bulk Division	Not allocated	Total
Revenue	445.6	25.9	0.0	471.5	600.8	198.5	0.0	799.3
Port expenses, bunkers and commissions	-232.2	-0.2	0.0	-232.4	-318.2	-135.5	0.0	-453.7
Freight and bunker derivatives	-0.1	-0.2	0.0	-0.3	0.1	0.6	0.0	0.7
Time charter equivalent earnings	213.3	25.5	0.0	238.8	282.7	63.6	0.0	346.3
Charter hire	-18.7	-20.5	0.0	-39.2	-17.2	-84.9	0.0	-102.1
Operating expenses	-112.1	-3.0	0.0	-115.1	-128.5	-2.7	0.0	-131.2
Gross profit (Net earnings from shipping activities)	82.5	2.0	0.0	84.5	137.0	-24.0	0.0	113.0
Administrative expenses	-37.3	-1.8	0.0	-39.1	-36.1	-6.8	0.0	-42.9
Other operating income	2.8	-0.1	0.0	2.7	0.8	0.1	0.0	0.9
Share of results of joint ventures	0.2	0.0	0.0	0.2	0.4	0.0	0.0	0.4
EBITDA	48.2	0.1	0.0	48.3	102.1	-30.7	0.0	71.4
Impairment losses on tangible and intangible assets	-192.6	0.0	0.0	-192.6	-5.0	0.0	0.0	-5.0
Amortizations and depreciation	-71.6	-2.0	0.0	-73.6	-93.1	-2.2	0.0	-95.3
Operating profit (EBIT)	-216.0	-1.9	0.0	-217.9	4.0	-32.9	0.0	-28.9
Financial income	-	-	2.0	2.0	-	-	3.2	3.2
Financial expenses	-	-	-55.8	-55.8	-	-	-60.3	-60.3
Profit/(loss) before tax	-	-	-53.8	-271.7	-	-	-57.1	-86.0
Tax	-	-	0.3	0.3	-	-	-0.7	-0.7
Net profit/(loss) for the period	-	-	-53.5	-271.4	-	-	-57.8	-86.7
BALANCE SHEET								
Total non-current assets	1,203.7	33.8	11.3	1,248.8	1,852.3	35.0	12.1	1,899.4

During the year, there have been no transactions between the Tanker Division and the Bulk Division, and therefore all revenue derives from external customers.

Note 5 - Subsequent events

As stated in company announcement no. 16 dated 27 October 2014, TORM has entered into an agreement with a group of its lenders, representing 61% of TORM's ship financing, and Oaktree Capital Management regarding a possible restructuring of TORM.

Note 6 - Accounting policies

The interim report for the period 1 January – 30 September 2014 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2013 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2014. New standards have not had any material effect on the interim report. The accounting policies are described in more detail in the Annual Report for 2013. The interim report for the first nine months of 2014 is unaudited, in line with the normal practice.