



## TORM obtains waiver on working capital facility

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TORM has today received confirmation that its majority lenders have waived certain milestone events of default having occurred as further described in the company announcement no. 18 dated 21 November 2014.

The waiver forms part of the ongoing negotiations regarding the proposed restructuring agreement, which has been entered into by TORM, a group of its current lenders, representing 61% of TORM's ship financing, and Oaktree Capital Management (Oaktree) (cf. company announcement no. 16 dated 27 October 2014).

The final terms of the proposed transactions to implement a restructuring of TORM is subject to further negotiations between the relevant parties. At this stage, the restructuring is expected to result in lenders initially writing down the debt to current asset values in exchange for warrants and may elect to convert part of the remaining debt into new equity in the Company. Oaktree will contribute product tanker vessels in exchange for a controlling equity stake in the combined Company, which will reinforce TORM's position as one of the largest owners in the product tanker segment. The agreement also envisages a new working capital facility.

As stated in company announcement no. 16 dated 27 October 2014, it is expected that the restructuring will result in a substantial dilution of the existing shareholders in TORM. The exact consequences of the restructuring will be presented to the shareholders when the proposed implementation structure is agreed upon, however, it is currently anticipated that existing shareholders would retain approximately 1-2% of the ordinary share capital. The final implementation of any restructuring would be subject to stakeholder approvals and certain conditions precedent, including required approvals from public authorities.

TORM still expects to be able to present the final restructuring plan and transaction structure no later than first quarter of 2015.

*"The recent strong product tanker freight rates are naturally encouraging, but TORM will not be able to repay its debt through the ordinary course of business. Therefore, it is positive that the waiver will give TORM the opportunity to finalize a restructuring agreement in the first quarter of 2015,"* says Chairman Flemming Ipsen.

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### 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 90 modern vessels with a strong 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). For further information, please visit [www.torm.com](http://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



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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.