First quarter report 2015

"The combination of lower oil prices and wider refinery margins boosted the demand for transportation of refined oil products in the first quarter of 2015,"* says CEO Jacob Meldgaard and adds: *"TORM's operational platform captured the benefits of the stronger market and has delivered a positive net profit result for the first time since the first quarter of 2010. The operational performance and the new Restructuring Agreement provide a robust foundation for TORM."
In the first quarter of 2015, TORM realized a positive EBITDA of USD 53m and a profit before tax of USD 9m.

- EBITDA for the first quarter of 2015 was a gain of USD 53m (Q1 2014: USD 21m). The result before tax for the first quarter of 2015 was a gain of USD 9m (USD -222m incl. impairments of USD 195m). Cash flow from operating activities after full interest payments was positive with USD 46m in the first quarter of 2015 (USD 10m).

- During the first quarter of 2015, the product tanker market benefitted from a combination of lower oil prices and higher refinery margins, which led to both a higher end-consumer demand and a supplier-driven increase of transportation of refined products. TORM's largest segment, MRs, achieved spot rates of USD/day 25,275 in the first quarter of 2015, which is up by 66% year-on-year. The Tanker Division reported a gross profit of USD 63m in the first quarter of 2015 (USD 32m).

- In the first quarter of 2015, the Panamax segment incurred the lowest average freight rates recorded by the Baltic Exchange Panamax Index. TORM's bulk fleet achieved freight rates of USD/day 6,063, which is above the spot market but down by 63% compared to the first quarter of 2014. TORM's bulk segment reported a gross result in the first quarter of 2015 of USD -2m (USD 1m).

- With reference to announcement no. 9 of 20 April 2015, the new Restructuring Agreement has been signed by TORM, Oaktree Capital Management and a majority of the Lenders holding in aggregate 94% of TORM's existing loan facilities by value (as of 13 May 2015). The final implementation of the restructuring would be subject to certain conditions precedent, including required approvals from public authorities.

- The book value of the fleet was USD 1,200m as of 31 March 2015. Based on broker valuations, TORM's fleet excl. assets held-for-sale had a market value of USD 852m as of 31 March 2015. In accordance with IFRS, TORM estimates the product tanker fleet's total long-term earning potential each quarter based on discounted future cash flow, and the estimated value of the fleet as of 31 March 2015 supports the carrying amount.

- Net interest-bearing debt amounted to USD 1,367m as at 31 March 2015, compared to USD 1,394m as at 31 December 2014. The decrease in the first quarter of 2015 is primarily a result of cash flows before financing activities.

- As of 31 March 2015, TORM's available liquidity was cash and cash equivalents of USD 53m. There are no newbuildings on order or CAPEX commitments related hereto.

- The equity is negative at USD -153m as at 31 March 2015 (USD -103m).

- As of 31 March 2015, TORM had covered 5% of the remaining tanker earning days in 2015 at USD/day 25,757. 40% of the remaining bulk earning days in 2015 were covered at USD/day 8,299.

- The financial results for 2015 are subject to the completion of the new Restructuring Agreement. Consequently, TORM has decided not to provide earnings guidance for 2015.

Conference call

TORM will be hosting a conference call for financial analysts and investors at 3 pm CEST today. Please dial in 10 minutes before the conference is due to start on +45 3271 4611 (from Europe) or +1 866 803 8344 (from the USA). The presentation can be downloaded from www.torm.com.

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Key figures

		Q1 2015	Q1 2014	2014
Income statement (USDm)				
Revenue		154.2	182.9	624.1
Time charter equivalent earnings (TCE)		102.9	87.4	325.8
Gross profit		60.7	33.3	123.0
EBITDA		52.8	20.5	77.0
Operating profit (EBIT)		29.9	-203.1	-211.0
Profit/(loss) before tax		8.9	-222.0	-283.4
Net profit/(loss)		8.6	-222.6	-284.2
Balance sheet (USDm)				
Total assets		1,370.7	1,720.1	1,384.2
Equity		-153.1	-103.2	-164.0
Total liabilities		1,523.8	1,823.3	1,548.2
Invested capital		1,204.0	1,546.0	1,219.5
Net interest-bearing debt		1,366.6	1,661.5	1,394.4
Cash flow (USDm)				
From operating activities		46.2	9.8	26.9
From investing activities		-7.8	49.2	313.0
Thereof investment in tangible fixed assets		-7.8	-12.1	-42.3
From financing activities		-30.0	-70.3	-324.4
Total net cash flow		8.4	-11.3	15.5
Key financial figures				
Gross margins:				
TCE		66.7%	47.8%	52.2%
Gross profit		39.4%	18.2%	19.7%
EBITDA		34.2%	11.2%	12.3%
Operating profit		19.4%	-111.0%	-33.8%
Return on Equity (RoE) (p.a.)		-	-	-
Return on Invested Capital (RoIC) (p.a.)		9.9%	-48.2%	-13.9%
Equity ratio		-11.2%	-6.0%	-11.8%
Exchange rate USD/DKK, end of period		6.94	5.41	6.12
Exchange rate USD/DKK, average		6.72	5.45	5.62
Share-related key figures				
Earnings per share, EPS	USD	0.0	-0.3	-0.4
Diluted earnings per share, EPS	USD	0.0	-0.3	-0.4
Cash flow per share, CFPS	USD	0.1	0.0	0.0
Share price, end of period (per share of DKK 0.01 each)	DKK	0.5	1.5	0.3
Number of shares, end of period	Million	728.0	728.0	728.0
Number of shares (excl. treasury shares), average	Million	721.3	721.3	721.3

Results

The EBITDA result for the first quarter of 2015 was a gain of USD 53m (USD 21m). The profit before tax for the first quarter of 2015 was USD 9m (USD -222m).

The Tanker segment reported a gross result of USD 63m in the first quarter of 2015 (USD 32m).

The Bulk segment reported a gross result of USD -2m (USD 1m) in the first quarter of 2015.

	Q1 2015			
USDm	Tanker Segment	Bulk Segment	Not allocated	Total
Revenue	149.0	5.2	0.0	154.2
Port expenses, bunkers and commissions	-49.7	-1.6	0.0	-51.3
Freight and bunker derivatives	0.0	0.0	0.0	0.0
Time charter equivalent earnings	99.3	3.6	0.0	**102.9**
Charter hire	-6.5	-4.8	0.0	-11.3
Operating expenses	-29.9	-1.0	0.0	-30.9
Gross profit (Net earnings from shipping activities)	62.9	-2.2	0.0	**60.7**
Administrative expenses			-10.5	-10.5
Other operating income			2.7	2.7
Share of results of joint ventures			-0.1	-0.1
EBITDA			-7.9	**52.8**
Impairment losses on tangible and intangible assets			0.0	0.0
Amortizations and depreciation			-22.9	-22.9
Operating profit (EBIT)			-30.8	**29.9**
Financial income			3.0	3.0
Financial expenses			-24.0	-24.0
Profit/(loss) before tax			-51.8	**8.9**
Tax			-0.3	-0.3
Net profit/(loss) for the period			**-52.1**	**8.6**

Outlook and coverage

The financial results for 2015 are subject to the completion of the new Restructuring Agreement. Consequently, TORM has decided not to provide earnings guidance for 2015.

As at 31 March 2015, TORM had covered 5% of the remaining tanker earning days in 2015 at USD/day 25,757 and 40% of the bulk earning days in the same period at USD/day 8,299.

The table on the next page shows the figures for the period from 1 April to 31 December 2015. 2016 and 2017 are full year figures.

Covered and chartered-in days in TORM

Data as of 3/31/2015

	2015	2016	2017	2015	2016	2017
	Owned days					
LR2	1,325	1,815	1,825			
LR1	1,889	2,546	2,555			
MR	5,357	7,155	7,186			
Handysize	2,825	3,960	4,015			
Tanker Division	11,396	15,476	15,581			
Panamax	547	728	730			
Bulk activities	547	728	730			
Total	**11,943**	**16,204**	**16,311**			
	T/C-in days at fixed rate			T/C-in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	504	104	-	16,000	16,000	-
Handysize	-	-	-	-	-	-
Tanker Division	504	104	-	16,000	16,000	-
Panamax	576	364	365	12,749	11,000	11,000
Bulk activities	576	364	365	12,749	11,000	11,000
Total	**1,080**	**468**	**365**	**14,266**	**12,108**	**11,000**
	T/C-in days at floating rate					
LR2	547	684	730			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Tanker Division	547	684	730			
Panamax	-	-	-			
Bulk activities	-	-	-			
Total	**547**	**684**	**730**			
	Total physical days			Covered days		
LR2	1,873	2,499	2,555	135	-	-
LR1	1,889	2,546	2,555	88	-	-
MR	5,861	7,259	7,186	192	-	-
Handysize	2,825	3,960	4,015	222	15	-
Tanker Division	12,448	16,263	16,311	638	15	-
Panamax	1,123	1,092	1,095	452	-	-
Bulk activities	1,123	1,092	1,095	452	-	-
Total	**13,571**	**17,355**	**17,406**	**1,090**	**15**	**-**
	Covered, %			Coverage rates, USD/day		
LR2	7%	0%	0%	30,558	-	-
LR1	5%	0%	0%	25,068	-	-
MR	3%	0%	0%	29,950	-	-
Handysize	8%	0%	0%	19,487	17,246	-
Tanker Division	5%	0%	0%	25,757	17,246	-
Panamax	40%	0%	0%	8,299	-	-
Bulk activities	40%	0%	0%	8,299	-	-
Total	**8%**	**0%**	**0%**	**18,521**	**17,246**	**-**

Fair value of freight rate contracts that are mark-to-market in the income statement (USD m):

Contracts not included above	-1.3
Contracts included above	-0.1

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 segment

During the first quarter of 2015, the product tanker market benefitted from a combination of lower oil prices and higher refinery margins, which led to both a higher end-consumer demand and a supplier-driven increase of transportation of refined products.

In the West, the freight rates maintained the positive momentum from the end of 2014. The MR market benefitted from a combination of increasing US consumer demand for gasoline and diesel and higher refinery margins that made the North American refineries increase their output of refined oil products. In addition, US refinery strikes and delays at the Panama Canal increased the demand for especially MR tonnage. The LR market was positively impacted by the open arbitrage of naphtha from the West to the East as well as higher-than-usual imports of gasoline and diesel into West Africa.

In the East, the LR freight rates were positively impacted by strong gasoil exports from North East Asia to West Africa yielding a high ton-mile effect. In addition, new refineries in Saudi Arabia and the United Arab Emirates generated considerable transportation of especially naphtha, diesel and jet fuel to Europe and Asia. The MR freight rates in the Middle East benefitted from regional distribution of refined products from e.g. the Yasref refinery in Saudi Arabia.

The global product tanker fleet (above 25,000 dwt) grew by 1.5% in the first quarter of 2015 (source: TORM).

The Tanker Division achieved LR2 spot rates of USD/day 25,055 in the first quarter of 2015, which was 102% higher than in the same period last year. The LR1 spot rates were at USD/day 28,935, up by 86% year-on-year, and the spot rates in TORM's largest segment, MR, were at USD/day 25,275, which is an increase of 66% year-on-year. The Handysize spot rates were at USD/day 20,098, which was up by 29% year-on-year.

The Tanker Division's gross profit for the first quarter of 2015 was USD 63m (USD 32m).

Tanker Division	Q1 14	Q2 14	Q3 14	Q4 14	**Q1 15**	Change Q1 14 - Q1 15	12 month avg.
LR2 (Aframax, 90-110,000 dwt)							
Available earning days	880	818	621	641	616	-30%	
Spot rates 1)	12,415	14,596	17,582	23,577	25,055	102%	19,214
TCE per earning day 2)	11,499	14,952	17,829	19,033	24,825	116%	18,841
Operating days	900	831	644	644	630	-30%	
Operating expenses per operating day 3)	6,925	7,579	8,875	9,277	8,168	18%	8,415
LR1 (Panamax 75-85,000 dwt)							
Available earning days	610	604	597	635	612	0%	
Spot rates 1)	15,579	17,258	19,172	22,274	28,935	86%	21,527
TCE per earning day 2)	15,067	15,927	17,963	21,110	28,276	88%	20,855
Operating days	630	637	644	644	630	0%	
Operating expenses per operating day 3)	6,513	7,244	8,235	7,393	7,415	14%	7,573
MR (45,000 dwt)							
Available earning days	3,115	2,554	2,244	2,275	2,022	-35%	
Spot rates 1)	15,207	13,130	14,295	18,574	25,275	66%	17,380
TCE per earning day 2)	14,141	13,481	14,049	17,461	24,895	76%	17,154
Operating days	3,041	2,352	1,840	1,840	1,800	-41%	
Operating expenses per operating day 3)	7,560	8,118	7,615	7,978	7,380	-2%	7,797
Handy (35,000 dwt)							
Available earning days	947	921	881	960	818	-14%	
Spot rates 1)	15,633	14,992	14,690	17,739	20,098	29%	16,674
TCE per earning day 2)	15,404	13,988	14,740	16,917	20,035	30%	16,340
Operating days	990	1,001	1,012	1,012	990	0%	
Operating expenses per operating day 3)	8,157	8,075	7,468	7,758	6,876	-16%	7,546

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 segment

In the first quarter of 2015, the Panamax segment incurred the lowest average freight rates recorded by the Baltic Exchange Panamax Index. This was primarily due to a continued decline in China's coal imports, a general slowdown in activity due to the Chinese New Year and tonnage oversupply. The Panamax spot freight rates started the year at roughly USD/day 6,000, but dropped sharply at the end of January to below USD/day 4,000, and then increased to USD/day ~5,000 during March, as the market was supported by South American grain exports.

Throughout the first quarter of 2015, the one-year time charter market for Panamax traded within a band of USD/day 7-8,000 with a downward trend.

In the first quarter of 2015, TORM's unadjusted bulk TCE earnings were USD/day 8,129, which was above the prevailing spot market. Following adjustments for mainly the redelivery of T/C-in vessels, the adjusted TCE earnings were USD/day 6,063 or down by 56% compared to the same period in 2014.

The gross result for the first quarter of 2015 was USD -2m (USD 1m).

Bulk	Q1 14	Q2 14	Q3 14	Q4 14	**Q1 15**	Change Q1 14 - Q1 15	12 month avg.
Panamax / Handymax (40-80,000 dwt)							
Available earning days	811	734	730	706	580	-28%	
TCE per earning day 1)	13,652	11,866	9,880	7,502	6,063	-56%	8,994
Operating days	180	182	184	184	180	0%	
Operating expenses per operating day 2)	5,618	5,625	4,994	5,012	5,597	0%	5,305

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

TORM's operated fleet as at 31 March 2015 is shown in the table below. In addition to the 45 owned vessels, TORM had chartered-in four product tankers and four bulk vessels on time charter contracts. Another 25 product tankers were under commercial management with TORM.

As at 13 May 2015, TORM has redelivered a further two Panamax/Kamsarmax T/C-in vessels that were originally scheduled for redelivery in 2018. This is part of the Company's ambition to reduce exposure to the dry bulk segment.

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period ≥12 months		
	Q4 2014	Changes	Q1 2015	2015	2016	2017
Owned vessels						
LR2	5	-	5			
LR1	7	-	7			
MR	20	-	20			
Handysize	11	-	11			
Tanker	43	-	43	-	-	-
Panamax	2	-	2			
Handymax	-	-	-			
Bulk	2	-	2	-	-	-
Total	**45**	**-**	**45**	**-**	**-**	**-**
T/C-in vessels						
LR2	2	-	2			
LR1	-	-	-			
MR	5	-3	2			
Handysize	-	-	-			
Tanker	7	-3	4	-	-	-
Panamax	4	-	4	-2		
Handymax	1	-1	-			
Bulk	5	-1	4	-2	-	-
Total	**12**	**-4**	**8**	**-2**	**-**	**-**
Commercial management	22	3	25			
Total fleet	**79**	**-1**	**78**			

Notes on the financial reporting

Accounting policies

The interim report for the period 1 January – 31 March 2015 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 2014 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2015. 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 2014. The interim report for the first three months of 2015 is unaudited in line with the normal practice.

Income statement

The gross profit for the first quarter of 2015 was USD 61m (USD 33m).

Administrative costs in the first quarter of 2015 were down by 22% year-on-year at USD 11m as a result of the Company's cost program and currency effects.

The result before depreciation (EBITDA) for the first quarter of 2015 was a gain of USD 53m (USD 21m).

Depreciation in the first quarter of 2015 was USD 23m (USD 29m) primarily due to fewer owned vessels than in the previous year.

The primary operating result (EBIT) for the first quarter of 2015 was a gain of USD 30m (USD -203m incl. impairments of USD 195m).

The first quarter of 2015 had financial expenses of USD 24m (USD 19m) partly related to restructuring costs.

The result after tax for the first quarter of 2015 was a gain of USD 9m (USD -223m).

Assets

Total assets were down from USD 1,384m as at 31 December 2014 to USD 1,372m as at 31 March 2015.

The book value of the fleet was USD 1,200m as of 31 March 2015. Based on broker valuations, TORM's fleet excl. assets held-for-sale had a market value of USD 852m as of 31 March 2015.

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, and the estimated value of the fleet as of 31 March 2015 supports the carrying amount.

Debt

Net interest-bearing debt amounted to USD 1,367m as at 31 March 2015, compared to USD 1,394m as at 31 December 2014. The decrease in the first quarter of 2015 is primarily a result of cash flows before financing activities.

As at 31 March 2015, TORM was in compliance with the financial covenants.

Equity

TORM’s equity is negative at USD -153m as of 31 March 2015 compared to negative at USD -164m as of 31 December 2014.

TORM held 6,683,072 treasury shares as at 31 March 2015, equivalent to 0.9% of the Company's share capital. This is the same level as of 31 December 2014.

Liquidity

As of 31 March 2015, TORM’s available liquidity was cash and cash equivalents of USD 53m. TORM has no newbuilding order book and therefore no CAPEX commitments related hereto.

Post balance sheet events

As stated in company announcement no. 9 of 20 April 2015, the new Restructuring Agreement has been signed by TORM, Oaktree Capital Management and a majority of the Lenders holding in aggregate 94% of TORM’s existing loan facilities by value (as of 13 May 2015). The final implementation of the restructuring would be subject to certain conditions precedent, including required approvals from public authorities.

With reference to announcement no. 10 of 12 May 2015, TORM has initiated a Scheme of Arrangement under English law by filing an application at the High Court in London. The use of a Scheme of Arrangement will allow the new Restructuring Agreement to be implemented without 100% lender consent.

Financial calendar

TORM's second quarter report for 2015 will be published on 12 August 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 80 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.

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.

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 "ton 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, 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 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 – 31 March 2015.

The interim report for the period 1 January – 31 March 2015 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 2014 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2015. 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 2014. The interim report for the first three months of 2015 is unaudited in line with the normal practice.

The Company's continuing operation is dependent on the completion of the ongoing recapitalization process. Reference is made to company announcement no. 9 of 20 April 2015, that states that the new Restructuring Agreement has been signed by TORM, Oaktree Capital Management and a majority of the Lenders. The final implementation of the restructuring would be subject to certain conditions precedent, including required approvals from public authorities.

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, 13 May 2015

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		2015 Q1	2014 Q1	2014
Revenue		154.2	182.9	624.1
Port expenses, bunkers and commissions		-51.3	-95.3	-298.1
Freight and bunker derivatives		0.0	-0.2	-0.2
Time charter equivalent earnings		102.9	87.4	325.8
Charter hire		-11.3	-11.7	-53.6
Operating expenses		-30.9	-42.4	-149.2
Gross profit (Net earnings from shipping activities)		60.7	33.3	123.0
Administrative expenses		-10.5	-13.5	-51.0
Other operating income		2.7	0.6	4.6
Share of results of joint ventures		-0.1	0.1	0.4
EBITDA		52.8	20.5	77.0
Impairment losses on tangible and intangible assets		0.0	-195.0	-191.7
Amortizations and depreciation		-22.9	-28.6	-96.3
Operating profit (EBIT)		29.9	-203.1	-211.0
Financial income		3.0	0.3	3.8
Financial expenses		-24.0	-19.2	-76.2
Profit/(loss) before tax		8.9	-222.0	-283.4
Tax		-0.3	-0.6	-0.8
Net profit/(loss) for the period		8.6	-222.6	-284.2
Earnings/(loss) per share, EPS				
Earnings/(loss) per share, EPS	USD	0.0	-0.3	-0.4
Earnings/(loss) per share, EPS	DKK*	0.1	-1.7	-2.2
Diluted earnings/(loss) per share	USD	0.0	-0.3	-0.4
Diluted earnings/(loss) per share	DKK*	0.1	-1.7	-2.2

*) 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		Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue		154.2	152.6	140.0	148.6	182.9
Port expenses, bunkers and commissions		-51.3	-65.7	-66.4	-70.7	-95.3
Freight and bunker derivatives		0.0	0.1	-0.2	0.1	-0.2
Time charter equivalent earnings		102.9	87.0	73.4	78.0	87.4
Charter hire		-11.3	-14.4	-15.4	-12.1	-11.7
Operating expenses		-30.9	-34.1	-33.6	-39.1	-42.4
Gross profit (Net earnings from shipping activities)		60.7	38.5	24.4	26.8	33.3
Administrative expenses		-10.5	-11.9	-11.5	-14.1	-13.5
Other operating income		2.7	1.9	1.3	0.8	0.6
Share of results of joint ventures		-0.1	0.2	0.0	0.1	0.1
EBITDA		52.8	28.7	14.2	13.6	20.5
Impairment losses on tangible and intangible assets		0.0	0.9	-0.2	2.6	-195.0
Amortizations and depreciation		-22.9	-22.7	-22.3	-22.7	-28.6
Operating profit (EBIT)		29.9	6.9	-8.3	-6.5	-203.1
Financial income		3.0	1.8	1.0	0.7	0.3
Financial expenses		-24.0	-20.4	-18.5	-18.1	-19.2
Profit/(loss) before tax		8.9	-11.7	-25.8	-23.9	-222.0
Tax		-0.3	-1.1	-0.2	1.1	-0.6
Net profit/(loss) for the period		8.6	-12.8	-26.0	-22.8	-222.6
Earnings/(loss) per share, EPS						
Earnings/(loss) per share, EPS	USD	0.0	0.0	0.0	0.0	-0.3
Diluted earnings/(loss) per share	USD	0.0	0.0	0.0	0.0	-0.3

Consolidated statement of comprehensive income

USDm	**Q1 2015**	Q1 2014	2014
Net profit/(loss) for the period	8.6	-222.6	-284.2
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	-0.1	-1.0
Reclassification adjustments relating to disposed entities	0.0	0.0	-0.2
Fair value adjustment on hedging instruments	0.0	0.1	-2.3
Value adjustment on hedging instruments transferred to income statement	1.2	1.6	7.3
Fair value adjustment on available for sale investments	-1.3	0.0	-1.4
Transfer to income statement on sale of available for sale investments	2.4	0.0	0.0
Other comprehensive income after tax	2.3	1.6	2.4
Total comprehensive income	**10.9**	-221.0	-281.8

Consolidated balance sheet – Assets

USDm	31 March 2015	31 March 2014	31 December 2014
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	0.0	0.0	0.0
Other intangible assets	1.3	1.5	1.4
Total intangible assets	1.3	1.5	1.4
Tangible fixed assets			
Vessels and capitalized dry-docking	1,199.9	1,258.3	1,214.8
Other plant and operating equipment	2.8	4.3	3.0
Total tangible fixed assets	1,202.7	1,262.6	1,217.8
Financial assets			
Investment in joint ventures	0.8	1.1	0.9
Other investments	9.6	12.3	10.9
Total financial assets	10.4	13.4	11.8
TOTAL NON-CURRENT ASSETS	**1,214.4**	1,277.5	1,231.0
CURRENT ASSETS			
Bunkers	22.6	43.2	23.9
Freight receivables	66.8	80.7	71.8
Other receivables	6.4	10.2	5.2
Prepayments	7.5	7.9	7.7
Cash and cash equivalents	53.0	17.8	44.6
	156.3	159.8	153.2
Non-current assets held for sale	0.0	282.8	0.0
TOTAL CURRENT ASSETS	**156.3**	442.6	153.2
TOTAL ASSETS	**1,370.7**	1,720.1	1,384.2

Consolidated balance sheet – Equity and liabilities

USDm	**31 March 2015**	31 March 2014	31 December 2014
EQUITY			
Common shares	1.2	1.2	1.2
Special reserve	61.0	61.0	61.0
Treasury shares	-19.0	-19.0	-19.0
Revaluation reserves	6.5	6.9	5.4
Retained profit	-200.4	-147.5	-209.0
Hedging reserves	-5.0	-9.5	-6.2
Translation reserves	2.6	3.7	2.6
TOTAL EQUITY	-153.1	-103.2	-164.0
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	45.0	46.3	45.0
Mortgage debt and bank loans	1,302.4	1,360.0	1,319.2
Finance lease liabilities	12.1	13.3	11.9
Deferred income	2.6	3.7	2.8
TOTAL NON-CURRENT LIABILITIES	1,362.1	1,423.3	1,378.9
CURRENT LIABILITIES			
Mortgage debt and bank loans	105.1	306.0	107.9
Trade payables	20.5	40.3	18.3
Current tax liabilities	1.9	1.6	2.0
Other liabilities	32.3	48.4	38.8
Deferred income	1.8	3.7	2.3
TOTAL CURRENT LIABILITIES	161.6	400.0	169.3
TOTAL LIABILITIES	**1,523.8**	1,823.3	1,548.2
TOTAL EQUITY AND LIABILITIES	**1,370.7**	1,720.1	1,384.2

Consolidated statement of changes in equity as at 1 January – 31 March 2015

USDm	Common shares	Special reserve	Treasury shares	Revaluation reserves	Hedging reserves	Translation reserves	Retained profit	Total
Equity at 1 January 2015	1.2	61.0	-19.0	5.4	-6.2	2.6	-209.0	**-164.0**
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-	-	-	-	8.6	8.6
Other comprehensive income for the year	-	-	-	1.1	1.2	0.0	-	2.3
Total comprehensive income for the year	**-**	**-**	**-**	**1.1**	**1.2**	**0.0**	**8.6**	**10.9**
Share-based compensation	-	-	-	-	-	-		0.0
Total changes in equity Q1 2015	0.0	0.0	0.0	1.1	1.2	0.0	8.6	10.9
Equity at 31 March 2015	1.2	61.0	-19.0	6.5	-5.0	2.6	-200.4	-153.1

Consolidated statement of changes in equity as at 1 January – 31 March 2014

USDm	Common shares	Special reserve	Treasury shares	Revaluation reserves	Hedging reserves	Translation reserves	Retained profit	Total
Equity at 1 January 2014	1.2	61.0	-19.0	6.9	-11.2	3.8	75.0	**117.7**
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-	-	-	-	-222.6	-222.6
Other comprehensive income for the year	-	-	-	0.0	1.7	-0.1	-	1.6
Total comprehensive income for the year	-	**-**	**-**	**0.0**	**1.7**	**-0.1**	**-222.6**	**-221.0**
Share-based compensation	-	-	-	-	-	-	0.1	0.1
Total changes in equity Q1 2014	0.0	0.0	0.0	0.0	1.7	-0.1	-222.5	-220.9
Equity at 31 March 2014	1.2	61.0	-19.0	6.9	-9.5	3.7	-147.5	**-103.2**

Consolidated statement of cash flow

USDm	Q1 2015	Q1 2014	2014
Cash flow from operating activities			
Operating profit	29.9	-203.1	-211.0
Adjustments:			
Reversal of amortizations and depreciation	22.9	28.6	96.3
Reversal of impairment of tangible and intangible assets	0.0	195.0	191.7
Reversal of share of results of joint ventures	0.1	-0.1	-0.4
Reversal of other non-cash movements	0.2	-0.8	-6.6
Dividends received	2.3	0.0	0.9
Dividends received from joint ventures	0.0	0.0	0.5
Interest received and exchange rate gains	0.0	0.1	0.1
Interest paid and exchange rate losses	-3.9	-12.5	-34.7
Advisor fees related to financing and restructuring plan	-5.1	-0.9	-12.2
Income taxes paid/repaid	-0.9	-0.8	-1.9
Change in bunkers, accounts receivables and payables	0.7	4.3	4.2
Net cash flow from operating activities	**46.2**	9.8	26.9
Cash flow from investing activities			
Investment in tangible fixed assets	-7.8	-12.1	-42.3
Sale of non-current assets	0.0	61.3	355.3
Net cash flow from investing activities	**-7.8**	49.2	313.0
Cash flow from financing activities			
Borrow ing, mortgage debt	0.0	0.0	25.0
Repayment/redemption, mortgage debt	-30.0	-70.3	-349.4
Net cash flow from financing activities	**-30.0**	-70.3	-324.4
Net cash flow from operating, investing and financing activities	8.4	-11.3	15.5
Cash and cash equivalents, beginning balance	44.6	29.1	29.1
Cash and cash equivalents, ending balance	**53.0**	17.8	44.6

Consolidated quarterly statement of cash flow

USDm	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Cash flow from operating activities					
Operating profit	29.9	6.9	-8.3	-6.5	-203.1
Adjustments:					
Reversal of amortizations and depreciation	22.9	22.7	22.3	22.7	28.6
Reversal of impairment of tangible and intangible assets	0.0	-0.9	0.2	-2.6	195.0
Reversal of share of results of joint ventures	0.1	-0.2	0.0	-0.1	-0.1
Reversal of other non-cash movements	0.2	-4.2	-0.4	-1.2	-0.8
Dividends received	2.3	0.0	0.0	0.9	0.0
Dividends received from joint ventures	0.0	0.0	0.0	0.5	0.0
Interest received and exchange rate gains	0.0	0.0	0.0	0.0	0.1
Interest paid and exchange rate losses	-3.9	-1.5	-9.8	-10.9	-12.5
Advisor fees related to financing and restructuring plan	-5.1	-5.7	-4.4	-1.2	-0.9
Income taxes paid/repaid	-0.9	-0.7	0.1	-0.5	-0.8
Change in bunkers, accounts receivables and payables	0.7	-19.3	5.8	13.4	4.3
Net cash flow from operating activities	46.2	-3.0	5.6	14.5	9.8
Cash flow from investing activities					
Investment in tangible fixed assets	-7.8	-6.2	-13.2	-10.8	-12.1
Sale of non-current assets	0.0	0.0	0.0	294.0	61.3
Net cash flow from investing activities	**-7.8**	-6.2	-13.2	283.2	49.2
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	25.0	0.0	0.0	0.0
Repayment/redemption, mortgage debt	-30.0	-1.6	-5.0	-272.5	-70.3
Net cash flow from financing activities	**-30.0**	23.4	-5.0	-272.5	-70.3
Net cash flow from operating, investing and financing activities	8.4	14.2	-12.6	25.2	-11.3
Cash and cash equivalents, beginning balance	44.6	30.4	43.0	17.8	29.1
Cash and cash equivalents, ending balance	**53.0**	44.6	30.4	43.0	17.8

Notes

Note 1 - Impairment test
As at 31 March 2015, Management performed a review of the recoverable amount of the assets by assessing the recoverable amount for the significant assets within the cash generating units: The Tanker Segment and the Bulk Segment. As of 31 March 2015, the recoverable amount of the Tanker Segment was the value in use, whereas the recoverable amount of the Bulk Segment was the net selling price.

Based on the review, Management concluded that:

- Assets within the Bulk Segment were not impaired as the selling price was in line with the carrying amount
- Assets within the Tanker Segment were not further impaired as the value in use exceeds the carrying amount

In the assessment of the net selling price of the Bulk Segment, Management included a review of market values calculated as the average of valuations from two internationally acknowledged shipbrokers.

The assessment of the value in use of the Tanker Segment was based on the present value of the expected future cash flows. The methodology used for calculating the value in use is unchanged compared to the Annual Report for 2014 and accordingly the freight rate estimates in the period 2015 to 2017 are based on the Company's business plans. Beyond 2017, the freight rates are based on the 10-year historical average freight rates from Clarksons adjusted by the inflation rate.

The WACC is 7.6% (31 March 2014: 8.1%) and 7.8% at 31 December 2014.

The 10-year historical average spot freight rates as of 31 March 2015 are as follows:

- LR2 USD/day 22,835 (31 March 2014: USD/day 24,785)
- LR1 USD/day 19,736 (31 March 2014: USD/day 21,350)
- MR USD/day 17,516 (31 March 2014: USD/day 18,311)
- Handysize USD/day 19,050 (31 March 2014: USD/day 20,998)

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 137m for the Tanker Segment
- An increase of the WACC of 1.0% would result in an additional impairment of USD 78m for the Tanker Segment
- An increase of the operating expenses of 10.0% would result in an additional impairment of USD 115m for the Tanker Segment

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 852m, which is USD 348m less than the carrying impaired amount.

Note 2 - Vessels and capitalized dry-docking

USDm	31 March 2015	31 March 2014	31 Dec. 2014
Cost:			
Balance at 1 January	2,129.4	2,575.9	2,575.9
Additions	7.5	10.8	33.7
Disposals	-0.7	-3.8	-10.4
Transferred to non-current assets held-for-sale	0.0	-468.7	-469.8
Balance	2,136.2	2,114.2	2,129.4
Depreciation and impairments:			
Balance at 1 January	914.6	883.2	883.2
Disposals	-0.7	-3.7	-9.2
Depreciation for the year	22.4	27.1	95.8
Impairment loss	0.0	195.0	191.7
Transferred to/from other items	0.0	-245.7	-246.9
Balance	936.3	855.9	914.6
Carrying amount	1,199.9	1,258.3	1,214.8

Note 3 - Mortgage debt and bank loans

USDm	**31 March 2015**	31 March 2014	31 Dec. 2014
Mortgage debt and bank loans			
To be repaid as follows:			
Falling due within one year	111.0	310.9	113.9
Falling due between one and two years	1,306.9	66.4	1,325.1
Falling due between two and three years	0.0	1,304.0	0.0
Falling due between three and four years	0.0	0.0	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	1,417.9	1,681.3	1,439.0

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of USD 10.4m (31 March 2014: 15.3m), which are amortized over the term of the loans.

As at 31 March 2015, TORM was in compliance with the financial covenants. TORM expects to remain in compliance with the financial covenants for 2015.

Note 4 – Segment information

USDm	Q1 2015 Tanker Segment	Q1 2015 Bulk Segment	Q1 2015 Not allocated	Q1 2015 Total	Q1 2014 Tanker Segment	Q1 2014 Bulk Segment	Q1 2014 Not allocated	Q1 2014 Total
Revenue	149.0	5.2	0.0	154.2	173.1	9.8	0.0	182.9
Port expenses, bunkers and commissions	-49.7	-1.6	0.0	-51.3	-95.2	-0.1	0.0	-95.3
Freight and bunker derivatives	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	-0.2
Time charter equivalent earnings	99.3	3.6	0.0	**102.9**	77.9	9.5	0.0	**87.4**
Charter hire	-6.5	-4.8	0.0	-11.3	-4.2	-7.5	0.0	-11.7
Operating expenses	-29.9	-1.0	0.0	-30.9	-41.4	-1.0	0.0	-42.4
Gross profit (Net earnings from shipping activities)	62.9	-2.2	0.0	**60.7**	32.3	1.0	0.0	**33.3**
Administrative expenses			-10.5	-10.5	-	-	-13.5	-13.5
Other operating income			2.7	2.7	-	-	0.6	0.6
Share of results of joint ventures			-0.1	-0.1	-	-	0.1	0.1
EBITDA			-7.9	**52.8**	32.3	1.0	-12.8	**20.5**
Impairment losses on tangible and intangible assets			0.0	0.0	-195.0	-	0.0	-195.0
Amortizations and depreciation			-22.9	-22.9	-	-	-28.6	-28.6
Operating profit (EBIT)			-30.8	**29.9**	-162.7	1.0	-41.4	**-203.1**
Financial income			3.0	3.0	-	-	0.3	0.3
Financial expenses			-24.0	-24.0	-	-	-19.2	-19.2
Profit/(loss) before tax			-51.8	**8.9**	-	-	-60.3	**-222.0**
Tax			-0.3	-0.3	-	-	-0.6	-0.6
Net profit/(loss) for the period			**-52.1**	**8.6**	**-**	**-**	**-60.9**	**-222.6**

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

Note 5 – Subsequent events

As stated in company announcement no. 9 of 20 April 2015, the new Restructuring Agreement has been signed by TORM, Oaktree Capital Management and a majority of the Lenders holding in aggregate 94% of TORM's existing loan facilities by value (as of 13 May 2015). The final implementation of the restructuring would be subject to certain conditions precedent, including required approvals from public authorities.

With reference to announcement no. 10 of 12 May 2015, TORM has initiated a Scheme of Arrangement under English law by filing an application at the High Court in London. The use of a Scheme of Arrangement will allow the new Restructuring Agreement to be implemented without 100% lender consent.

Note 6 - Accounting policies

The interim report for the period 1 January – 31 March 2015 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 2014 including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2015. 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 2014. The interim report for the first three months of 2015 is unaudited in line with the normal practice.