Second quarter report 2015

"TORM has continued to benefit from the strong product tanker market that prevailed in the first half of 2015 where TORM generated an EBITDA of USD 100m," **says CEO Jacob Meldgaard and adds:** ***"I am very pleased that TORM finalized its restructuring on 13 July 2015, as the Company's strong operational platform now has financial and strategic flexibility."*** **In the second quarter of 2015, TORM realized a positive EBITDA of USD 47m and a result before tax of USD 0m.**

- EBITDA for the second quarter of 2015 was USD 47m (Q2 2014: USD 14m). The result before tax for the second quarter of 2015 was USD 0m (USD -24m) after non-recurring advisor costs of USD 10m. Cash flow from operating activities was positive with USD 54m in the second quarter of 2015 (USD 15m).

- During the second quarter of 2015, the product tanker market continued to benefit from high refinery margins that supported the demand for transportation of refined products.TORM's largest segment, MRs, achieved spot rates of USD/day 22,746 in the second quarter of 2015, which is up by 73% year-on-year. The Tanker segment reported a gross profit of USD 56m in the second quarter of 2015 (USD 26m).

- The bulk market remained at historically low levels during the second quarter of 2015 with average Panamax spot earnings at USD/day 5,189 (Baltic Panamax Index), or 18% below the level for the same period last year. In the second quarter of 2015, TORM's bulk segment reported a gross result of USD -1m (USD 1m).

- With reference to announcement no. 19 of 13 July 2015, TORM has completed its Restructuring including (i) a write-down of debt of USD 535m in exchange for warrants with an estimated fair value of USD 18m, (ii) a conversion of debt of USD 312m in exchange for approx. 35.7bn A shares to the converting lenders and (iii) a contribution by OCM Njord Holdings S.à.r.l. ("Njord") of 25 product tankers on water and six MR newbuildings in exchange for approx. 59.5bn A shares. As a consequence, Njord holds 61.99% of TORM's outstanding shares, while DW Partners, LP holds in excess of 5% of the outstanding shares (cf. company announcement no. 20 and no. 22 dated 13 July and 22 July 2015). TORM has published a listing prospectus to admit the new A shares to trading and official listing on Nasdaq Copenhagen (cf. company announcement no. 23 dated 24 July 2015).

- The book value of the fleet was USD 1,192m as of 30 June 2015. Based on broker valuations, TORM's fleet excl. assets held-for-sale had a market value of USD 861m as of 30 June 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 30 June 2015 supports the carrying amount.

- Net interest-bearing debt amounted to USD 1,337m as at 30 June 2015, compared to USD 1,367m as at 31 March 2015. The decrease in the second quarter of 2015 is primarily a result of positive cash flows before financing activities.

- As of 30 June 2015, TORM's available liquidity was cash and cash equivalents of USD 94m. There are no newbuildings on order or CAPEX commitments related hereto.

- The equity is negative at USD -152m as at 30 June 2015 (USD -125m).

- The Restructuring will be accounted for as a reverse acquisition, which means that for financial reporting purposes Njord is the continuing reporting entity. Consequently, the consolidated financial results and the guidance for the full year 2015 will reflect the activities of Njord only during the period from 1 January 2015 until 13 July 2015, whereas the remaining period of 2015 will reflect the combined activity of TORM and Njord. For the full year 2015, TORM has upward adjusted the expectations for the combined group to a positive EBITDA in the range of USD 190-230m (up from USD 170-210m) and a profit before tax in the range of USD 115-155m (up from USD 100-140m). The combined group had an estimated proforma equity of USD 890m as per the Restructuring Completion Date on 13 July 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

		Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	2014
Income statement (USDm)						
Revenue		139.6	148.6	293.8	331.5	624.1
Time charter equivalent earnings (TCE)		94.6	78.0	197.5	165.4	325.8
Gross profit		54.4	26.8	115.1	60.1	123.0
EBITDA		47.1	13.6	99.9	34.1	77.0
Operating profit (EBIT)		23.1	-6.4	53.0	-209.6	-211.0
Profit/(loss) before tax		-0.4	-23.9	8.5	-245.9	-283.4
Net profit/(loss)		-0.2	-22.8	8.4	-245.4	-284.2
Balance sheet (USDm)						
Total assets		1,397.4	1,419.1	1,397.4	1,419.1	1,384.2
Equity		-151.6	-124.5	-151.6	-124.5	-164.0
Total liabilities		1,549.0	1,543.6	1,549.0	1,543.6	1,548.2
Invested capital		1,175.0	1,230.0	1,175.0	1,230.0	1,219.5
Net interest bearing debt		1,336.6	1,366.7	1,336.6	1,366.7	1,394.4
Cash flow (USDm)						
From operating activities		53.5	14.5	99.7	24.3	26.9
From investing activities		-12.3	283.2	-20.1	332.4	313.0
Thereof investment in tangible fixed assets		-12.3	-10.8	-20.1	-22.9	-42.3
From financing activities		0.0	-272.5	-30.0	-342.8	-324.4
Total net cash flow		41.2	25.2	49.6	13.9	15.5
Key financial figures						
Gross margins:						
TCE		67.8%	52.5%	67.2%	49.9%	52.2%
Gross profit		39.0%	18.0%	39.2%	18.1%	19.7%
EBITDA		33.7%	9.2%	34.0%	10.3%	12.3%
Operating profit		16.5%	-4.3%	18.0%	-63.2%	-33.8%
Return on Equity (RoE) (p.a.)		-	-	-	-	-
Return on Invested Capital (RoIC) (p.a.)		7.7%	-1.7%	8.8%	-27.5%	-13.9%
Equity ratio		-10.9%	-8.8%	-10.9%	-8.8%	-11.8%
Exchange rate USD/DKK, end of period		6.67	5.46	6.67	5.46	6.12
Exchange rate USD/DKK, average		6.76	5.44	6.69	5.44	5.62
Share-related key figures						
Earnings per share, EPS	USD	0.0	0.0	0.0	-0.3	-0.4
Diluted earnings per share, EPS	USD	0.0	0.0	0.0	-0.3	-0.4
Cash flow per share, CFPS	USD	0.1	0.0	0.1	0.0	0.0
Share price, end of period (per share of DKK 0.01 each)	DKK	0.5	0.8	0.5	0.8	0.3
Number of shares, end of period	Million	728.0	728.0	728.0	728.0	728.0
Number of shares (excl. treasury shares), average	Million	721.3	721.3	721.3	721.3	721.3

Results

The EBITDA result for the second quarter of 2015 was USD 47m (USD 14m). The result before tax for the second quarter of 2015 was USD 0m (USD -24m).

The Tanker segment reported a gross result of USD 56m in the second quarter of 2015 (USD 26m).

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

	Q2 2015				Q1-Q2 2015			
USDm	Tanker Segment	Bulk Segment	Not allocated	Total	Tanker Segment	Bulk Segment	Not allocated	Total
Revenue	136,5	3,1	0,0	139,6	285,5	8,3	0,0	293,8
Port expenses, bunkers and commissions	-44,5	-0,5	0,0	-45,0	-94,2	-2,1	0,0	-96,3
Freight and bunker derivatives	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Time charter equivalent earnings	92,0	2,6	0,0	**94,6**	191,3	6,2	0,0	**197,5**
Charter hire	-5,8	-3,1	0,0	-8,9	-12,3	-7,9	0,0	-20,2
Operating expenses	-30,4	-0,9	0,0	-31,3	-60,3	-1,9	0,0	-62,2
Gross profit (Net earnings from shipping activities)	55,8	-1,4	0,0	**54,4**	118,7	-3,6	0,0	**115,1**
Administrative expenses			-10,7	-10,7			-21,2	-21,2
Other operating income			3,4	3,4			6,1	6,1
Share of results of joint ventures			0,0	0,0			-0,1	-0,1
EBITDA			-7,3	**47,1**			-15,2	**99,9**
Impairment losses on tangible and intangible assets			0,0	0,0			0,0	0,0
Amortizations and depreciation			-24,0	-24,0			-46,9	-46,9
Operating profit (EBIT)			-31,3	**23,1**			-62,1	**53,0**
Financial income			0,1	0,1			3,1	3,1
Financial expenses			-23,6	-23,6			-47,6	-47,6
Profit/(loss) before tax			-54,8	**-0,4**			-106,6	8,5
Tax			0,2	0,2			-0,1	-0,1
Net profit/(loss) for the period			-54,6	**-0,2**			-106,7	**8,4**

Outlook

The Restructuring will be accounted for as a reverse acquisition in accordance with IFRS 3, "Business combinations", which means that for financial reporting purposes, funds managed by Oaktree Capital Management via OCM (Gibraltar) Njord Midco Ltd. ("Njord") and its subsidiaries are considered to be the accounting acquirer and as such, the continuing reporting entity. Consequently, the prospective consolidated financial information and the guidance for the full year 2015 will reflect the activities of Njord only during the period from 1 January 2015 and until completion of the Restructuring (being 13 July 2015), whereas the period from completion of the Restructuring and until 31 December 2015 will reflect the combined activity of TORM and Njord.

For the full year 2015, TORM has upward adjusted the expectations for the combined group to a positive EBITDA in the range of USD 190-230m (up from USD 170-210m) and a profit before tax in the range of USD 115-155m (up from USD 100-140m). The forecasts consist of a positive EBITDA forecast of USD 50-55m and a profit before tax of USD 30-35m for Njord from 1 January 2015 until 13 July 2015 and a positive EBITDA forecast of USD 140-180m and a profit before tax of USD 80-120m for the combined activities of TORM and Njord from the Restructuring Completion Date until 31 December 2015.

An updated coverage table for the combined group as per 13 July 2015 was provided in company announcement no. 19 dated 13 July 2015.

The combined group had an estimated proforma equity of USD 890m as per the Restructuring Completion Date on 13 July 2015.

Tanker segment

During the second quarter of 2015, the product tanker market continued to benefit from high refinery margins that supported the demand for transportation of refined products.

In the West, the freight rates continued at the same strength as in the previous quarter driven by high European refinery margins and utilization yielding export volumes to West Africa. The European export of gasoline to the US East Coast was considerable due to increasing US demand and capacity restrictions on the US pipelines and Jones Act tonnage. The refineries in the Mexican Gulf area contributed consistently high export volumes that headed for especially South and Latin America. The seasonal inventory build-up in the Red Sea also caused a surge in MR demand. The LR market was positively affected by the open arbitrage trade of naphtha from Europe to North East Asia.

In the East, the LR market benefitted from the ramp-up of refinery capacity in Saudi Arabia and the United Arab Emirates that generated strong demand for LR2 and LR1 tonnage going both east and west. At the same time, the Far East exported large volumes of gasoil to West Africa and North West Europe. The freight rates for trading of dirty oil products showed remarkable strength, which led to a significant number of LR2s switching into transportation of dirty oil products. The MR freight rates in the Middle East continued to benefit from regional distribution.

The global product tanker fleet (above 25,000 dwt) grew by 2.0% in the second quarter of 2015 (source: TORM).

The Tanker segment achieved LR2 spot rates of USD/day 28,217 in the second quarter of 2015, which was 93% higher than in the same period last year. The LR1 spot rates were at USD/day 24,974, up by 45% year-on-year, and the spot rates in TORM's largest segment, MR, were at USD/day 22,746, which is an increase of 73% year-on-year. The Handysize spot rates were at USD/day 19,751, which was up by 32% year-on-year.

The Tanker segment's gross profit for the second quarter of 2015 was USD 56m (USD 26m).

Tanker	Q2 14	Q3 14	Q4 14	Q1 15	**Q2 15**	Change Q2 14 - Q2 15	12 month avg.
LR2 (Aframax, 90-110,000 dwt)							
Available earning days	818	621	641	616	573	-30%	
Spot rates 1)	14,596	17,582	23,577	25,055	28,217	93%	22,881
TCE per earning day 2)	14,952	17,829	19,033	24,825	26,811	79%	22,002
Operating days	831	644	644	630	637	-23%	
Operating expenses per operating day 3)	7,579	8,875	9,277	8,168	8,616	14%	8,737
LR1 (Panamax 75-85,000 dwt)							
Available earning days	604	597	635	612	636	5%	
Spot rates 1)	17,258	19,172	22,274	28,935	24,974	45%	23,879
TCE per earning day 2)	15,927	17,963	21,110	28,276	25,369	59%	23,213
Operating days	637	644	644	630	637	0%	
Operating expenses per operating day 3)	7,244	8,235	7,393	7,415	6,926	-4%	7,494
MR (45,000 dwt)							
Available earning days	2,554	2,244	2,275	2,022	1,930	-24%	
Spot rates 1)	13,130	14,295	18,574	25,275	22,746	73%	19,841
TCE per earning day 2)	13,481	14,049	17,461	24,895	22,714	68%	19,528
Operating days	2,352	1,840	1,840	1,800	1,820	-23%	
Operating expenses per operating day 3)	8,118	7,615	7,978	7,380	7,645	-6%	7,656
Handy (35,000 dwt)							
Available earning days	921	881	960	818	888	-4%	
Spot rates 1)	14,992	14,690	17,739	20,098	19,751	32%	17,973
TCE per earning day 2)	13,988	14,740	16,917	20,035	18,762	34%	17,557
Operating days	1,001	1,012	1,012	990	1,001	0%	
Operating expenses per operating day 3)	8,075	7,468	7,758	6,876	6,531	-19%	7,162

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

The bulk market remained at historically low levels during the second quarter of 2015. The average Panamax spot earnings for the second quarter of 2015 were USD/day 5,189 (Baltic Panamax Index), which is 18% below the level for the same period last year. However, towards the end of the quarter the spot market increased to USD/day 6-7,000.

The bulk segment continues to be characterized by a structural oversupply of tonnage, but with an extraordinarily high rate of scrapping during the second quarter and fewer deliveries from yards, the capacity of the global bulk fleet decreased by 0.3% compared to the end of the second quarter of 2014. For the full year, demand growth in ton-miles is estimated to grow by 2.3%, while fleet growth is projected at 3.4%.

Throughout the second quarter, the one-year time charter market for Panamax traded within a band of USD/day 6-7,000, which is USD 1,000 down compared to the first quarter of 2015.

In the second quarter of 2015, TORM's bulk TCE earnings were USD/day 6,840, which was aligned with the prevailing spot market.

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

Bulk	Q2 14	Q3 14	Q4 14	Q1 15	**Q2 15**	Change Q2 14 - Q2 15	12 month avg.
Panamax / Handymax (40-80,000 dwt)							
Available earning days	734	730	706	580	386	-47%	
TCE per earning day 1)	11,866	9,880	7,502	6,063	6,840	-42%	7,770
Operating days	182	184	184	180	182	0%	
Operating expenses per operating day 2)	5,625	4,994	5,012	5,597	4,887	-13%	5,121

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 30 June 2015 is shown in the table below. In addition to the 45 owned vessels, TORM had chartered-in four product tankers and one bulk vessel on time charter contracts. Another 25 product tankers were under commercial management with TORM.

During the second quarter of 2015, TORM redelivered three Panamax T/C-in vessels as part of the Company's ambition to reduce exposure to the dry bulk segment.

# of vessels	Current fleet		
	Q1 2015	Changes	Q2 2015
Owned vessels			
LR2	5.0	-	5.0
LR1	7.0	-	7.0
MR	20.0	-	20.0
Handysize	11.0	-	11.0
Tanker vessels	43.0	-	43.0
Panamax	2.0	-	2.0
Bulk vessels	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	2.0	-	2.0
Handysize	-	-	-
Tanker vessels	4.0	-	4.0
Panamax	4.0	-3.0	1.0
Bulk vessels	4.0	-3.0	1.0
Total	**8.0**	**-3.0**	**5.0**
Pools/commercial management	25.0	-	25.0
Total fleet	**78.0**	**-3.0**	**75.0**

Notes on the financial reporting

Accounting policies

The interim report for the period 1 January – 30 June 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 half of 2015 is unaudited, in line with the normal practice.

Income statement

The gross profit for the second quarter of 2015 was USD 54m (USD 27m).

Administrative costs in the second quarter of 2015 were down by USD 3m 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 second quarter of 2015 was USD 47m (USD 14m).

Depreciation in the second quarter of 2015 was USD 24m (USD 23m).

The primary operating result (EBIT) for the second quarter of 2015 was USD 23m (USD -7m).

The second quarter of 2015 had financial expenses of USD 24m (USD 18m) of which USD 10m were related to restructuring costs.

The result after tax for the second quarter of 2015 was USD 0m (USD -23m).

Assets

Total assets were increased from USD 1,371m as at 31 March 2015 to USD 1,397m as at 30 June 2015.

The book value of the fleet was USD 1,192m as of 30 June 2015. Based on broker valuations, TORM's fleet excl. assets held-for-sale had a market value of USD 861 m as of 30 June 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 30 June 2015 supports the carrying amount.

Debt

Net interest-bearing debt amounted to USD 1,337m as at 30 June 2015, compared to USD 1,367m as at 31 March 2015. The decrease in the second quarter of 2015 is primarily a result of positive cash flows before financing activities.

As at 30 June 2015, TORM was in compliance with financial covenants.

Equity

TORM's equity is negative at USD -152m as of 30 June 2015 compared to negative at USD -153m as of 31 March 2015.

TORM held 6,683,072 treasury shares as at 30 June 2015, equivalent to 0.9% of the Company's share capital. This is the same level as of 31 March 2015.

Liquidity

As of 30 June 2015, TORM's available liquidity was cash and cash equivalents of USD 94m. TORM has no newbuilding order book and therefore no CAPEX commitments related hereto.

Post balance sheet events

With reference to announcement no. 19 of 13 July 2015, TORM has completed its Restructuring including (i) a write-down of debt of USD 535m in exchange for warrants with an estimated fair value of USD 18m, (ii) a conversion of debt of USD 312m in exchange for approx. 35.7bn A shares to the converting lenders and (iii) contribution by OCM Njord Holdings S.à.r.l. ("Njord") of 25 product tankers on water and six MR newbuildings in exchange for approx. 59.5bn A shares. As a consequence, Njord holds 61.99% of TORM's outstanding shares, while DW Partners, LP holds in excess of 5% of the outstanding shares (cf. cf. company announcement no. 20 and no. 22 dated 13 July and 22 July 2015). The Restructuring will be accounted for as a reverse acquisition in accordance with IFRS 3, "Business combinations", which means that for financial reporting purposes, Njord and its subsidiaries are considered to be the accounting acquirer and as such, the continuing reporting entity. Consequently, the prospective consolidated financial information for the full year 2015 will reflect the activities of Njord only during the period from 1 January 2015 and until completion of the Restructuring (being 13 July 2015), whereas the period from completion of the Restructuring and until 31 December 2015 will reflect the combined activity of TORM and Njord.

TORM has published a listing prospectus to admit the new A shares to trading and official listing on Nasdaq Copenhagen (cf. company announcement no. 23 dated 24 July 2015).

As at close of business 13 July 2015, the combined group (TORM and Njord) had available liquidity in the form of cash and cash equivalents in excess of USD 125m (of which USD 55m represents an Oaktree cash injection) and a new undrawn Working Capital Facility of USD 75m (cf. company announcement no. 19 of 13 July 2015).

As stated in company announcement no. 25 of 3 August 2015, TORM has called for an extraordinary general meeting on 25 August 2015 with the purpose to implement certain terms agreed as part of the Restructuring including (i) election of new members of the Board of Directors, including the Chairman, the Deputy Chairman, and an alternate for the Deputy Chairman who shall also serve as the Board Observer, (ii) adoption of new remuneration levels for 2015 for the Board of Directors, (iii) adoption of new remuneration policy, including new overall guidelines for incentive pay, for the Board of Directors and the Executive Management, (iv) adoption of a share consolidation (reversed stock split) of all TORM's A shares with a ratio of 1,500:1 and (v) deletion of certain authorizations to the Board of Directors under Articles 3.1.1-3.1.6 granted for the purpose of the Restructuring as they are not needed after the completion of the Restructuring.

As stated in company announcement no. 26 of 11 August 2015, the Danish Financial Supervisory Authority has issued an exemption from the Danish mandatory takeover rules to Oaktree Capital Management L.P. and certain subsidiaries.

Financial calendar

TORM's third quarter report for 2015 will be published on 11 November 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 Copenhagen (ticker: TORM A). 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 – 30 June 2015.

The interim report for the period 1 January – 30 June 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 half of 2015 is unaudited, in line with the normal practice.

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, 12 August 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	Note	Q2 2015	Q2 2014	2015 Q1-Q2	2014 Q1-Q2	2014
Revenue		139.6	148.6	293.8	331.5	624.1
Port expenses, bunkers and commissions		-45.0	-70.7	-96.3	-166.0	-298.1
Freight and bunker derivatives		0.0	0.1	0.0	-0.1	-0.2
Time charter equivalent earnings		94.6	78.0	197.5	165.4	325.8
Charter hire		-8.9	-12.1	-20.2	-23.8	-53.6
Operating expenses		-31.3	-39.1	-62.2	-81.5	-149.2
Gross profit (Net earnings from shipping activities)	4	54.4	26.8	115.1	60.1	123.0
Administrative expenses		-10.7	-14.1	-21.2	-27.6	-51.0
Other operating income		3.4	0.8	6.1	1.4	4.6
Share of results of joint ventures		0.0	0.1	-0.1	0.2	0.4
EBITDA		47.1	13.6	99.9	34.1	77.0
Impairment losses on tangible and intangible assets		0.0	2.6	0.0	-192.4	-191.7
Amortizations and depreciation		-24.0	-22.7	-46.9	-51.3	-96.3
Operating profit (EBIT)		23.1	-6.5	53.0	-209.6	-211.0
Financial income		0.1	0.7	3.1	1.0	3.8
Financial expenses		-23.6	-18.1	-47.6	-37.3	-76.2
Profit/(loss) before tax		-0.4	-23.9	8.5	-245.9	-283.4
Tax		0.2	1.1	-0.1	0.5	-0.8
Net profit/(loss) for the period		-0.2	-22.8	8.4	-245.4	-284.2
Earnings/(loss) per share, EPS						
Earnings/(loss) per share, EPS	USD	0.0	0.0	0.0	-0.3	-0.4
Earnings/(loss) per share, EPS	DKK*	0.0	-0.2	0.1	-1.9	-2.2
Diluted earnings/(loss) per share	USD	0.0	0.0	0.0	-0.3	-0.4
Diluted earnings/(loss) per share	DKK*	0.0	-0.2	0.1	-1.9	-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		Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Revenue		139.6	154.2	152.6	140.0	148.6
Port expenses, bunkers and commissions		-45.0	-51.3	-65.7	-66.4	-70.7
Freight and bunker derivatives		0.0	0.0	0.1	-0.2	0.1
Time charter equivalent earnings		94.6	102.9	87.0	73.4	78.0
Charter hire		-8.9	-11.3	-14.4	-15.4	-12.1
Operating expenses		-31.3	-30.9	-34.1	-33.6	-39.1
Gross profit (Net earnings from shipping activities)		54.4	60.7	38.5	24.4	26.8
Administrative expenses		-10.7	-10.5	-11.9	-11.5	-14.1
Other operating income		3.4	2.7	1.9	1.3	0.8
Share of results of joint ventures		0.0	-0.1	0.2	0.0	0.1
EBITDA		47.1	52.8	28.7	14.2	13.6
Impairment losses on tangible and intangible assets		0.0	0.0	0.9	-0.2	2.6
Amortizations and depreciation		-24.0	-22.9	-22.7	-22.3	-22.7
Operating profit (EBIT)		23.1	29.9	6.9	-8.3	-6.5
Financial income		0.1	3.0	1.8	1.0	0.7
Financial expenses		-23.6	-24.0	-20.4	-18.5	-18.1
Profit/(loss) before tax		-0.4	8.9	-11.7	-25.8	-23.9
Tax		0.2	-0.3	-1.1	-0.2	1.1
Net profit/(loss) for the period		-0.2	8.6	-12.8	-26.0	-22.8
Earnings/(loss) per share, EPS						
Earnings/(loss) per share, EPS	USD	0.0	0.0	0.0	0.0	0.0
Diluted earnings/(loss) per share	USD	0.0	0.0	0.0	0.0	0.0

Consolidated statement of comprehensive income

USDm	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	2014
Net profit/(loss) for the period	-0.2	-22.8	8.4	-245.4	-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	-0.1	0.0	-0.1	-0.1	-1.0
Reclassfication adjustment relating to disposed entities	0.0	0.0	0.0	0.0	-0.2
Fair value adjustment on hedging instruments	0.1	0.4	0.1	0.5	-2.3
Value adjustment on hedging instruments transferred to income statement	1.3	1.2	2.5	2.8	7.3
Fair value adjustment on available for sale investments	0.4	0.0	-0.9	-0.1	-1.4
Transfer to income statement on sale of available-for-sale investments	0.0	0.0	2.4	0.0	0.0
Other comprehensive income after tax	1.7	1.6	4.0	3.1	2.4
Total comprehensive income	**1.5**	-21.2	**12.4**	-242.3	**-281.8**

Consolidated balance sheet – Assets

USDm	Note	**30 June 2015**	30 June 2014	31 December 2014
NON-CURRENT ASSETS				
Intangible assets				
Goodwill		0.0	0.0	0.0
Other intangible assets		1.3	1.4	1.4
Total intangible assets	1	1.3	1.4	1.4
Tangible fixed assets				
Vessels and capitalized dry-docking	2	1,192.1	1,243.3	1,214.8
Other plant and operating equipment		2.5	3.4	3.0
Total tangible fixed assets	1	1,194.6	1,246.7	1,217.8
Financial assets				
Investment in joint ventures	1	0.3	0.7	0.9
Other investments		10.0	12.2	10.9
Total financial assets		10.3	12.9	11.8
TOTAL NON-CURRENT ASSETS		**1,206.2**	1,261.0	1,231.0
CURRENT ASSETS				
Bunkers		23.1	31.3	23.9
Freight receivables		59.8	62.8	71.8
Other receivables		6.3	8.5	5.2
Prepayments		7.8	12.5	7.7
Cash and cash equivalents		94.2	43.0	44.6
		191.2	158.1	153.2
TOTAL CURRENT ASSETS		**191.2**	158.1	153.2
TOTAL ASSETS		**1,397.4**	1,419.1	1,384.2

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Consolidated balance sheet – Equity and liabilities

USDm	Note	**30 June 2015**	30 June 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		6.9	6.8	5.4
Hedging reserves		-3.6	-7.9	-6.2
Translation reserves		2.5	3.7	2.6
Retained profit		-200.6	-170.3	-209.0
TOTAL EQUITY		-151.6	-124.5	-164.0
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred tax liability		45.1	45.1	45.0
Mortgage debt and bank loans	3	1,285.7	1,352.7	1,319.2
Finance lease liabilities		12.1	13.7	11.9
Deferred income		2.2	3.5	2.8
TOTAL NON-CURRENT LIABILITIES		1,345.1	1,415.0	1,378.9
CURRENT LIABILITIES				
Mortgage debt and bank loans	3	133.0	43.3	107.9
Trade payables		30.7	40.6	18.3
Current tax liabilities		1.4	1.2	2.0
Other liabilities		37.3	39.5	38.8
Deferred income		1.5	4.0	2.3
TOTAL CURRENT LIABILITIES		203.9	128.6	169.3
TOTAL LIABILITIES		**1,549.0**	1,543.6	1,548.2
TOTAL EQUITY AND LIABILITIES		**1,397.4**	1,419.1	1,384.2

Consolidated statement of changes in equity as at 1 January – 30 June 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	-	-	-	-	-	-	8.4	8.4
Other comprehensive income for the year	-	-	-	1.5	2.6	-0.1	-	4.0
Total comprehensive income for the year	**-**	**-**	**-**	**1.5**	**2.6**	**-0.1**	**8.4**	**12.4**
Share-based compensation	-	-	-	-	-	-	-	0.0
Total changes in equity Q1-Q2 2015	0.0	0.0	0.0	1.5	2.6	-0.1	8.4	12.4
Equity at 30 June 2015	1.2	61.0	-19.0	6.9	-3.6	2.5	-200.6	-151.6

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

USDm	Common shares	Special reserve	Treasury shares	Retained profit	Revaluation reserves	Hedging reserves	Translation reserves	**Total**
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	-	-	-	-245.4	-	-	-	-245.4
Other comprehensive income for the year	-	-	-	-	-0.1	3.3	-0.1	3.1
Total comprehensive income for the year	-	**-**	**-**	**-245.4**	**-0.1**	**3.3**	**-0.1**	**-242.3**
Share-based compensation	-	-	-	0.1	-	-	-	0.1
Total changes in equity Q1-Q2 2014	0.0	0.0	0.0	-245.3	-0.1	3.3	-0.1	-242.2
Equity at 30 June 2014	1.2	61.0	-19.0	-170.3	6.8	-7.9	3.7	**-124.5**

Consolidated statement of cash flow

USDm	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	2014
Cash flow from operating activities					
Operating profit	23.1	-6.4	53.0	-209.6	-211.0
Adjustments:					
Reversal of amortizations and depreciation	24.0	22.7	46.9	51.3	96.3
Reversal of impairment of tangible and intangible assets	0.0	-2.6	0.0	192.4	191.7
Reversal of share of results of joint ventures	0.0	-0.1	0.1	-0.2	-0.4
Reversal of other non-cash movements	-1.4	-1.2	-1.2	-2.0	-6.6
Dividends received	0.0	0.9	2.3	0.9	0.9
Dividends received from joint ventures	0.5	0.5	0.5	0.5	0.5
Interest received and exchange rate gains	0.0	0.0	0.0	0.1	0.1
Interest paid and exchange rate losses	-1.0	-10.9	-4.9	-23.4	-34.7
Advisor fees related to financing and restructuring plan	-9.5	-1.2	-14.6	-2.1	-12.2
Income taxes paid/repaid	0.0	-0.5	-0.9	-1.3	-1.9
Change in bunkers, accounts receivables and payables	17.8	13.4	18.5	17.7	4.2
Net cash flow from operating activities	**53.5**	14.6	99.7	24.3	26.9
Cash flow from investing activities					
Investment in tangible fixed assets	-12.3	-10.8	-20.1	-22.9	-42.3
Sale of non-current assets	0.0	294.0	0.0	355.3	355.3
Net cash flow from investing activities	**-12.3**	283.2	**-20.1**	332.4	313.0
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	0.0	0.0	0.0	25.0
Repayment/redemption, mortgage debt	0.0	-272.5	-30.0	-342.8	-349.4
Net cash flow from financing activities	**0.0**	-272.5	**-30.0**	-342.8	-324.4
Net cash flow from operating, investing and financing activities	41.2	25.2	49.6	13.9	15.5
Cash and cash equivalents, beginning balance	53.0	17.8	44.6	29.1	29.1
Cash and cash equivalents, ending balance	**94.2**	43.0	**94.2**	43.0	44.6

Consolidated quarterly statement of cash flow

USDm	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**
Cash flow from operating activities					
Operating profit	23.1	29.9	6.9	-8.3	-6.4
Adjustments:					
Reversal of amortizations and depreciation	24.0	22.9	22.7	22.3	22.7
Reversal of impairment of tangible and intangible assets	0.0	0.0	-0.9	0.2	-2.6
Reversal of share of results of joint ventures	0.0	0.1	-0.2	0.0	-0.1
Reversal of other non-cash movements	-1.4	0.2	-4.2	-0.4	-1.2
Dividends received	0.0	2.3	0.0	0.0	0.9
Dividends received from joint ventures	0.5	0.0	0.0	0.0	0.5
Interest received and exchange rate gains	0.0	0.0	0.0	0.0	0.0
Interest paid and exchange rate losses	-1.0	-3.9	-1.5	-9.8	-10.9
Advisor fees related to financing and restructuring plan	-9.5	-5.1	-5.7	-4.4	-1.2
Income taxes paid/repaid	0.0	-0.9	-0.7	0.1	-0.5
Change in bunkers, accounts receivables and payables	17.8	0.7	-19.3	5.8	13.4
Net cash flow from operating activities	53.5	46.2	-3.0	5.6	14.5
Cash flow from investing activities					
Investment in tangible fixed assets	-12.3	-7.8	-6.2	-13.2	-10.8
Sale of non-current assets	0.0	0.0	0.0	0.0	294.0
Net cash flow from investing activities	**-12.3**	-7.8	-6.2	-13.2	283.2
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	0.0	25.0	0.0	0.0
Repayment/redemption, mortgage debt	0.0	-30.0	-1.6	-5.0	-272.5
Net cash flow from financing activities	**0.0**	-30.0	23.4	-5.0	-272.5
Net cash flow from operating, investing and financing activities	41.2	8.4	14.2	-12.6	25.2
Cash and cash equivalents, beginning balance	53.0	44.6	30.4	43.0	17.8
Cash and cash equivalents, ending balance	**94.2**	53.0	44.6	30.4	43.0

Notes

Note 1 - Impairment test
As at 30 June 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 30 June 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 of 30 June 2015 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% (30 June 2014: 7.7%) and 7.8% at 31 December 2014.

The 10-year historic average spot freight rates as of 30 June 2015 are as follows:

• LR2 USD/day 22,856 (30 June 2014: USD/day 24,404)
• LR1 USD/day 19,749 (30 June 2014: USD/day 21,061)
• MR USD/day 17,355 (30 June 2014: USD/day 18,453)
• Handysize USD/day 18,793 (30 June 2014: USD/day 20,444)

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 135m for the Tanker Segment

• An increase of the WACC of 1.0% would result in an additional impairment of USD 73m for the Tanker Segment.

• An increase of the operating expenses of 10.0% would result in an additional impairment of USD 114m 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 861m, which is USD 331m less than the carrying impaired amount.

Note 2 - Vessels and capitalized dry-docking

USDm	30 June 2015	30 June 2014	31 Dec. 2014
Cost:			
Balance at 1 January	2,129.4	2,575.9	2,575.9
Additions	23.2	17.4	33.7
Disposals	-6.2	-7.1	-10.4
Transferred to non-current assets held-for-sale	0.0	-468.7	-469.8
Balance	2,146.4	2,117.5	2,129.4
Depreciation and impairments:			
Balance at 1 January	914.6	883.2	883.2
Disposals	-6.2	-7.0	-9.2
Depreciation for the year	45.9	243.7	95.8
Impairment loss	0.0	0.0	191.7
Transferred to/from other items	0.0	-245.7	-246.9
Balance	954.3	874.2	914.6
Carrying amount	1,192.1	1,243.3	1,214.8

Note 3 - Mortgage debt and bank loans

USDm	**30 June 2015**	30 June 2014	31 Dec. 2014
Mortgage debt and bank loans			
To be repaid as follows:			
Falling due within one year	139.0	47.9	113.9
Falling due between one and two years	1,288.6	75.8	1,325.1
Falling due between two and three years	0.0	1,285.8	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	1,427.6	1,409.5	1,439.0

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of USD 8.9m (30 June 2014: 13.5m), which are amortized over the term of the loans.

As at 30 June 2015, TORM was in compliance with financial covenants. TORM expects to remain in compliance with the financial covenants for 2015.

Note 4 – Segment information

USDm	Q1-Q2 2015 Tanker segment	 Bulk segment	 Not allocated	 Total	Q1-Q2 2014 Tanker segment	 Bulk segment	 Not allocated	 **Total**
Revenue	285.5	8.3	0.0	293.8	313.5	18.1	0.0	331.6
Port expenses, bunkers and commissions	-94.2	-2.1	0.0	-96.3	-166.4	0.4	0.0	-166.0
Freight and bunker derivatives	0.0	0.0	0.0	0.0	0.1	-0.2	0.0	-0.1
Time charter equivalent earnings	191.3	6.2	0.0	**197.5**	147.2	18.3	0.0	**165.5**
Charter hire	-12.3	-7.9	0.0	-20.2	-9.8	-14.0	0.0	-23.8
Operating expenses	-60.3	-1.9	0.0	-62.2	-79.5	-2.0	0.0	-81.5
Gross profit (Net earnings from shipping activities)	118.7	-3.6	0.0	**115.1**	57.9	2.3	0.0	**60.2**
Administrative expenses			-21.2	-21.2	-	-	-27.6	-27.6
Other operating income			6.1	6.1	-	-	1.4	1.4
Share of results of joint ventures			-0.1	-0.1	-	-	0.2	0.2
EBITDA			-15.2	**99.9**	57.9	2.3	-26.0	**34.2**
Impairment losses on tangible and intangible assets			0.0	0.0	-192.4	-	-	-192.4
Amortizations and depreciation			-46.9	-46.9	-	-	-51.3	-51.3
Operating profit (EBIT)			-62.1	**53.0**	-134.5	2.3	-77.3	**-209.6**
Financial income			3.1	3.1			1.0	1.0
Financial expenses			-47.6	-47.6			-37.3	-37.3
Profit/(loss) before tax			-106.6	**8.5**			-113.6	**-245.9**
Tax			-0.1	-0.1			0.5	0.5
Net profit/(loss) for the period			**-106.7**	**8.4**			**-113.1**	**-245.4**

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

With reference to announcement no. 19 of 13 July 2015, TORM has completed its Restructuring including (i) a write-down of debt of USD 535m in exchange for warrants with an estimated fair value of USD 18m, (ii) a conversion of debt of USD 312m in exchange for approx. 35.7bn A shares to the converting lenders and (iii) contribution by OCM Njord Holdings S.à.r.l. ("Njord") of 25 product tankers on water and six MR newbuildings in exchange for approx. 59.5bn A shares. As a consequence, Njord holds 61.99% of TORM's outstanding shares, while DW Partners, LP holds in excess of 5% of the outstanding shares (cf. cf. company announcement no. 20 and no. 22 dated 13 July and 22 July 2015). The Restructuring will be accounted for as a reverse acquisition in accordance with IFRS 3, "Business combinations", which means that for financial reporting purposes, Njord and its subsidiaries are considered to be the accounting acquirer and as such, the continuing reporting entity. Consequently, the prospective consolidated financial information for the full year 2015 will reflect the activities of Njord only during the period from 1 January 2015 and until completion of the Restructuring (being 13 July 2015), whereas the period from completion of the Restructuring and until 31 December 2015 will reflect the combined activity of TORM and Njord.

TORM has published a listing prospectus to admit the new A shares to trading and official listing on Nasdaq Copenhagen (cf. company announcement no. 23 dated 24 July 2015).

As at close of business 13 July 2015, the combined group (TORM and Njord) had available liquidity in the form of cash and cash equivalents in excess of USD 125m (of which USD 55m represents an Oaktree cash injection) and a new undrawn Working Capital Facility of USD 75m (cf. company announcement no. 19 of 13 July 2015).

As stated in company announcement no. 25 of 3 August 2015, TORM has called for an extraordinary general meeting on 25 August 2015 with the purpose to implement certain terms agreed as part of the Restructuring including (i) election of new members of the Board of Directors, including the Chairman, the Deputy Chairman, and an alternate for the Deputy Chairman who shall also serve as the Board Observer, (ii) adoption of new remuneration levels for 2015 for the Board of Directors, (iii) adoption of new remuneration policy, including new overall guidelines for incentive pay, for the Board of Directors and the Executive Management, (iv) adoption of a share consolidation (reversed stock split) of all TORM's A shares with a ratio of 1,500:1 and (v) deletion of certain authorizations to the Board of Directors under Articles 3.1.1-3.1.6 granted for the purpose of the Restructuring as they are not needed after the completion of the Restructuring.

As stated in company announcement no. 26 of 11 August 2015, the Danish Financial Supervisory Authority has issued an exemption from the Danish mandatory takeover rules to Oaktree Capital Management L.P. and certain subsidiaries.

Note 6 - Accounting policies

The interim report for the period 1 January – 30 June 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 half of 2015 is unaudited, in line with the normal practice.