

**CHAIRMAN'S REPORT BY CHAIRMAN MOGENS HUGO,  
NORDEN'S ANNUAL GENERAL MEETING, 23 APRIL 2014**

When we met one year ago, I said that NORDEN will be even stronger when we meet again. This was said in a half-year which proved to be the worst half-year in dry cargo since 1986. And it was said knowing full well that 2013 would be a difficult year earnings-wise. Nevertheless, I am sticking to my words as NORDEN stands stronger today than one year ago.

Because we have not been standing idly by. We have actively taken advantage of the opportunities which are always present in a cyclical business like shipping. And we made 2013 the greatest net investment year in the Company's history.

**KEY FIGURES**

The key figures for 2013 confirm that we are in a cyclical business. Profit before depreciation, etc. – what we call EBITDA – was USD 24 million or around DKK 135 million. This is not impressive, and especially not if we look back a few years. In 2007 and 2008 – that is before the financial crisis – our net profits were more than USD 700 million. So unfortunately, we have to admit that things go up and things go down. And at present, we are in a trough.

This is also reflected in the results for the year, which came to a disappointing loss of USD 48 million – that is a loss of around DKK 270 million, and it was especially the results in Dry Cargo, which had a negative effect. Of course, these results are not satisfactory! In short, 2013 was a bad year, but better times are coming. Because despite the results for the year, there are several good things to note in a 2013, which marked a change for the better in several areas.

NORDEN invested in 18.5 vessels during the year. To this should be added 7.5 vessels ordered in the beginning of 2014, resulting in a total order book of 37 vessels. We have thus taken advantage of the attractive newbuilding prices to continue the modernisation of the fleet with fuel efficient eco vessels.

Another positive development in 2013 was the results in Tankers. With great business talent, good positioning and a general improvement of the markets, the Tanker Department generated the best operating earnings in 5 years. In addition, there is reason to be pleased about the development in ship values. After several years of decreasing values, 2013 marked a change in this area as well. The value of our vessels increased – actually quite significantly. And this does not only indicate that newbuilding prices are on their way up. It is also an expression of the market generally expecting that it will become a better business owning vessels in the future. And that is a positive sign.

**SHAREHOLDER RETURN**

The positive development is also reflected in NORDEN's share price. At the beginning of 2013, the share price was DKK 163 – at the end of the year, it had increased to DKK 285. An increase of 75%. Since the turn of the year, it has somewhat settled and is now traded at around DKK 220.

The trading volume of the share also increased in 2013. On average, around 110,000 shares were traded daily on NASDAQ OMX in 2013 – an increase of 68% compared to the year before.

One of the targets of the strategy plan 2011-13 was for NORDEN to generate a better shareholder return than that of comparable shipping companies. NORDEN's peer group consists of 4 dry cargo shipping companies and 3 product tanker companies, the average return of which is weighted on a 60/40 basis so that there is an overweight in dry cargo similar to NORDEN's business. This offers a good insight into how we are doing compared to our competitors in the market.

The return is measured by the total value of dividend payments and share price increases. In the strategy period 2011-13, the return has amounted to 56%, which is above the approximately 13% generated by the peer group. And to this should be added that we have found it necessary to adjust the peer group along the way to get a more accurate picture. We continuously assess how cash flows are best distributed for the benefit of the shareholders. This assessment is based on actual and expected earnings, cash, market outlook, risks, investment opportunities and our liabilities. Last year, the general meeting adopted a dividend of DKK 3 per share excluding treasury shares corresponding to USD 22 million, and furthermore, a share buy-back programme of up to USD 30 million or approximately DKK 170 million was initiated.

This year, the Board of Directors proposes a dividend of DKK 5 per share, in total DKK 204 million, by which we ensure the shareholders a return, and at the same time, NORDEN maintains the opportunity to make further investments. Because it is important to us that we maintain considerable financial strength. And we do have financial strength. At year-end, NORDEN has cash and securities of USD 486 million and undrawn credit facilities of USD 211 million resulting in financial resources of USD 700 million – or more than DKK 3.8 billion.

## STRATEGY

I have already briefly mentioned our previous strategy covering the years 2011-13. It was named “Long-term Growth in Challenging Times”, and the title was appropriate. Our objective was to create long-term growth in challenging times. And that is what we have done in the strategy period.

If I should make a brief status of how we succeeded with the individual partial targets, we can conclude that we reached our targets by and large.

We had a target of growth in cargoes carried of 15% p.a. – the target was not only reached but also surpassed as we achieved an average increase of more than 20% p.a.

We had a target of creating added value as operator in Dry Cargo. We succeeded in that. Thanks to thorough planning, profit from operator activities of USD 61 million – or more than DKK 330 million – has been generated in the years 2011-13.

We have also reached the target of outperforming market rates in Tankers. During the period, average earnings were 7% above the 1-year T/C rates.

At the same time, we have increased our owned fleet, and we now have 24 modern, fuel efficient product tankers. This is just one vessel below the target of 25, but we can still remedy this if the right offer comes our way. And that is a point. We do not adhere to a strategy at any price. We set some targets and pursue these but we always use our common sense. We do not want to buy vessels at any price – we want to buy them at the right price. And we feel certain that we have. Overall, the investments in new fuel efficient product tankers represent positive added value in relation to the present market level. In other words, we have purchased vessels when the prices were very attractive, and now, the vessels will generate value.

We also set a target of increasing the volume of contractually secured cargoes by 15% through COAs. It was actually a good target, but the market was not right for entering many long-term contracts. The rates were simply too low for this, and you then risk entering into contracts where earnings will be too low when the markets turn. Therefore, we deviated from this target early in the strategy period and only increased the volume by 2% p.a. in the period.

On the other hand, I would like to point out the efforts in relation to cost control, which is crucial in times with limited or no earnings. Administrative expenses per ship day on owned and operated vessels have decreased by more than 20% in the period. This means that we are significantly more efficient today than just 3 years ago.

This also goes for fuel efficiency. Fuel – or bunker – constitutes the largest single cost in connection with the vessels' voyages. We spent a total of USD 671 million on bunker in 2013, and therefore, this is an area, which we have great focus on. A dedicated Fuel Efficiency Team has been established consisting of skilled maritime engineers, who, in cooperation with other departments, monitor the consumption of the individual vessels and examine the possible causes if a vessel consumes more fuel than expected.

## BUSINESS MODEL

And exactly this in-house expertise is an integrated part of NORDEN's business model. In connection with the development of an updated strategy, the Board of Directors, together with the management, has carried out an extensive and thorough process where we have also had the opportunity to go through the business model.

It is not given that we have to both own and operate vessels. Some actors in the market only engage in owning vessels and let others manage the operation of these while others do not own any vessels but make a living from operating others' vessels. As we all know, we do both. We both buy and sell vessels and operate owned and others' vessels to create a return. And we do so because it creates synergy.

We can specifically look at e.g. optimising the vessels' fuel consumption. On the basis of actual experience, we can optimise design and specifications when we order new vessels. And with thorough planning and good operator skills, we can ensure constant flexibility and that we find the most suitable vessel for the individual voyages.

Thus, NORDEN does not only generate value by buying or selling vessels at the right time. We also generate value regardless of the state of the market being good or bad by carrying out the voyages just a bit better than our competitors. This is completely in tune with NORDEN's vision of being "Number One". If we constantly strive for and are capable of being the best within each of the areas included in our trade, NORDEN will continue to be able to generate higher returns than that of our competitors.

## NEW STRATEGY

And to help us reaching this objective, we have updated the strategy. We have named the new strategy "Capture value in improving markets", and similar to the previous strategy, the title covers the content really well. NORDEN will create and generate value in improving markets.

The conditions for reaching the objective seem to be good. We have prepared ourselves well and truly for the markets expectedly to turn to the better. Thanks to strong financial resources, we have been able to spend the time with the low rates and consequently low vessel prices constructively. We have invested carefully in both the short and the long term. And we have actually slightly jumped the gun on the new strategy.

In the short term, we have chartered in extra vessels and just as important: We have left many of the ship days open for us to be ready to take advantage of the expected upturn in the market and the rates. We entered 2014 with a total of more than 28,000 open ship days, which should be seen in relation to the just under 18,000 open ship days at our disposal at the beginning of 2013. In Dry Cargo, we have actually doubled the number of open ship days, which has also lowered the Dry Cargo Department's coverage for the coming year from 76% at the beginning of 2013 to 59% at the beginning of 2014.

The investments in the extra capacity are based on thorough analyses and projections.

The past years have seen record-high numbers of newbuilding deliveries, but deliveries are now slowing down. This means that the balance between supply and demand is improving, and this will, all things being equal, also have an effect on rates. For example, we saw very significant fluctuations in the rates on the large dry cargo vessel types in the fourth quarter last year. When rates can fluctuate with USD 10, 15 – or even 20,000 per day for a Capesize vessel within few weeks, it is evidence of the market being at a delicate

balance point and that demand for vessel capacity can therefore quickly speed up. If this happens, NORDEN will be able to significantly profit from this with 28,000 open ship days. A change in rates of an average of USD 1,000 would thus mean a difference of USD 28 million in the results.

But – because there is a but: With the lower coverage for the coming year, we have accepted more risk. We have invested in capacity in the expectation of improved rates especially within dry cargo. We have made calculations, analysed the market and acted accordingly. And we believe in the future. But we have to see improvement in rate levels in order to reach our target. Because no matter how good we are at operating vessels, getting the best cargoes, carrying out perfect voyages – well, we are of course still dependent on an improvement of the general rate level. And this has not happened yet. The first quarter of 2014 saw very low rates which have continued into the second quarter. So the expected upturn is taking its time.

But NORDEN has also made long-term investments in the form of newbuildings. When the rates are low, the vessel prices are also under pressure. We witnessed that ourselves when we decided to write down the value of our owned fleet by USD 300 million in 2012 in order to better level the carrying amount with the market value. But as I also pointed out at last year's general meeting, low vessel prices are not only a disadvantage. They can also be utilised. And this is exactly what we have done.

As mentioned, 2013 was a great investment year in the history of NORDEN. Already at the end of 2012, we changed our investment focus from Tankers to Dry Cargo, which has kept us busy. Of the 18.5 vessels ordered last year, 14.5 are dry cargo vessels. I should perhaps explain that when we calculate with half a vessel, it does not mean that we only buy the front part of one of the vessels. The half vessels indicate that we sometimes enter into joint ventures with external parties and e.g. invest jointly in a vessel. This is the reason why we calculate with half vessels.

The change in the investment focus from Tankers to Dry Cargo is based on our expectations of where the largest improvement potential is in the markets. Today, we can generally conclude that we invested in new product tankers at a good time, and there are indications that we may be able to repeat this in dry cargo. Buy vessels when the market is low and have them delivered when markets are improving. That is how you take advantage of the fluctuations in a cyclical business. You build up the fleet in times of recession and the capital in times of prosperity.

We now have a total of 37 vessels in the order book – an investment of more than USD 1 billion.

These major investments increase our gearing – that is our net commitments to book equity. In the previous strategy period, gearing was relatively low. Now, as the market outlook is improving, we can increase gearing – and this has already been done. We have gone from the lowest level in 2010 when gearing was a modest 0.13 to 0.84 at mid-February. In other words, we send the money out to work.

## FLEET DEVELOPMENT

As I mentioned earlier, the value of our vessels has increased. This also goes for the newbuildings contracted in 2013. If we had to order the exact same vessels in today's market, we would have to pay an extra USD 6 million per vessel. And as 9 of the 18.5 vessels ordered last year are ours all alone, this actually means added value of USD 56 million. It feels good to be able to conclude that we have timed the purchases well.

The new vessels are all fuel efficient eco vessels. They are thus vessels with lower operating costs, which we will be pleased with regardless of the markets improving as expected or continuing at a low level.

The new vessels are thus different from many of the vessels we ordered not least in the years 2006-2008. Those vessels were significantly more expensive to operate and therefore well suited for markets where fuel efficiency was less important. There are no signs of fuel prices decreasing so far, and the vessels' fuel

consumption will thus also be an important factor in the years to come – regardless of how the markets will develop.

At the turn of the year, the market value of NORDEN's 44 owned vessels and at the time 12 newbuilding orders was USD 1,540 million according to 3 independent brokers. That is just over DKK 8.5 billion. The values increased primarily in the second half-year, and the total increase of USD 228 million during 2013 means that the value of our fleet is actually USD 92 million above the carrying amounts.

#### DRY CARGO 2013/2014

Now I will turn to the markets which our vessels are operating in. Dry Cargo remains our main business segment and will continue to be so.

As I indicated earlier on, the first half-year of 2013 turned out to be the worst half-year marketwise in 27 years. Not since 1986 has the Baltic Dry Index, which is a fine benchmark for how things are going in dry cargo, had this low an average.

NORDEN, however, made it relatively mercifully through, for one thing because we entered the year with relatively high coverage of 76%. The coverage protects us from the whims of the spot market, and this is good if the rates buckle. In return, the coverage also locks you to contracts entered into. And this can get expensive, which the second half-year of 2013 proved.

Because that was when the market bared its teeth. Within only a few weeks, the rates jumped up and down. And you can benefit from this if you are in the right position with the right vessel and the right cargo. But it is very expensive if the opposite is the case. And it was within Dry Cargo in a number of contracts.

Dry Cargo was impacted by having entered into contracts which were fine at the time they were made, but due to the major fluctuations and regional imbalances, they proved to be expensive to fulfill. And the counterparties – naturally – took advantage of this. We had to charter in expensive vessels in order to perform low value contracts. At the same time, we were directed to transport cargoes to areas where it was more than difficult to find reasonable employment for the vessels.

In total, the fourth quarter therefore became very expensive for the Dry Cargo Department, which also affected the results for the year. The fourth quarter constituted a loss of USD 14 million, and Dry Cargo EBITDA for the year was a loss of USD 5 million.

At the same time, a number of the profitable contracts we had made before 2008 expired. Granted: I would have liked to have continued with these contracts which have generated earnings for us that have been 3, 4, 5 times above today's market levels. But on the other hand, I am also glad not having to pay for some of the not so good contracts which we made back then. These were vessels we chartered in expensively and which, for years, have burdened us with high expenses. The few expensive vessel contracts which remain will expire shortly.

And when all is said and done, and all has been settled, it is also worth noting that NORDEN's Dry Cargo earnings were after all 17% above the market. This says something about how challenging the dry cargo market was in 2013.

But there is hope ahead. Demand is rising. The USA is speeding up the engine, Europe is climbing out of the recession and China continues its growth, albeit at a somewhat lower level than we have been used to. However, this does not change the fact that China also in the years to come will be the most important factor within dry cargo demand. Coal cargoes alone going into China increased by 13.4% in 2013 amounting to an imported total of 267 million tonnes.

In terms of supply, net fleet growth in 2014 is expected to amount to 4-6% whereas demand is expected to amount to 7-9%. This will thus eat away at the overcapacity which we have had to endure in the dry cargo

market in recent years. Dry Cargo entered 2014 with more than 16,500 open ship days and the earlier mentioned coverage of 59%.

It is true that 2014 has started out with weak rates as the challenge from the fourth quarter with regional imbalance has continued into the first and second quarters of 2014. Among other things, this has greatly affected the Panamax vessels. Since New Year, the Atlantic Ocean, which as a rule is a good position to be with your vessels, has taken a serious plunge and is now at such a low level which has only been seen once before within the past decade. And this is naturally challenging if you as NORDEN have considerable capacity tied up in the Atlantic.

The period market and the forward rates are, however, still marked by strong expectations, whereas the spot market is standing still. There is thus an imbalance between what we can get for sailing and what it costs to charter a vessel. We expect this imbalance to even out in the course of the year, and this will fit in with more and more of our coverage running out thus putting us in a position to take advantage of an improving market best possibly.

#### TANKERS 2013/2014

We have done the same in our other large business segment, Tankers. In this segment, the gradual market improvement continued in 2013 resulting in our employees in Tankers being able to provide us with the best operating profit in 5 years. This was in fact also part of our old strategy that we in Tankers would generate ever growing earnings from primary operations, so we also succeeded with this. EBITDA amounted to USD 39 million, which was in the high end of our expectations within Tankers.

The timing has also been crucial. We ordered most of our newbuildings when prices were low, and now they are being delivered in an improving market. The job is now for Tankers to make the most out of the new vessels and have them perform best possibly.

The prerequisites are there. In 2013, the market was strengthened by fleet growth of a modest 3%. This was markedly lower than the average for the last 10 years which has been 9%.

Another crucial factor in the improvement of the tanker market has been the American export of shale oil. This is extracted by use of a new technique releasing oil and gas from the American shale subsurface. We do not have to go many years back to when the USA was among the world's largest net importers of refined oil products. The shale oil reversed this. In October, exports from the USA broke new records when 3.9 million barrels were exported per day, which is 26% more than the year before. We are therefore looking at significant growth, which has impacted the market in many ways. For instance, in 2013, we saw how trips over the Atlantic have turned. Where we for decades have seen the route from Europe to the USA with gasoline being a fronthaul trip, we saw this route functioning as a backhaul trip in 2013.

At the same time, other routes for refined products are also changing. This takes place as especially the Middle East is building new efficient refineries. These will make it possible for the oil producing countries in the Middle East to export already refined oil products to Europe for instance. Here, refineries are older, and it is expected that it will become increasingly difficult for European refineries to compete with the import from the Middle East.

Together with continued improvement of the world economy, the increased export from the USA and the Middle East will imply increased demand for product tankers. Other players have noticed this as well, but NORDEN has a head start as we were able to trade and purchase vessels when others had difficulties obtaining financing. At the same time, the Tanker Department has also increased the number of open ship days in order to take advantage of the continued improvement of the market which we are expecting. NORDEN's Tanker Department therefore entered 2014 with a total coverage of 24% of its approximately 15,000 ship days which leaves more than 11,500 open ship days for the market in 2014.



## BOARD WORK

The general meeting also gives me a great opportunity to tell you about the work of the Board of Directors in more detail. I have already mentioned one of the larger tasks we have undertaken – that is the strategy update – but in addition to this, there are a number of tasks we have dealt with over the course of the year.

Our work is based on an annual wheel to ensure that we cover all grounds. The annual wheel can be seen in the annual report on page 36, and it depicts how we follow up on the strategy on an ongoing basis and decide on policies, targets and budgets in cooperation with the Executive Management.

In 2013, the Board held 11 board meetings, and during the year, we have said hello and goodbye to several board members. These were changes in the employee-elected representatives as 2 members decided to find other work places. Instead, alternates Crew Rotation Manager Anne-Katrine Nedergaard, who already joined when last year's general meeting took place, and Captain Lars Enkegaard Biilmann, who has joined since, have entered the board. The latter, thus, only had a 1-year break from the board work as he was also an employee representative from 2008-2012.

The Board's total remuneration is disclosed in the annual report on page 37 and will be approved when the management commentary and annual report are approved by the general meeting. I can inform you that the remuneration remains unchanged at USD 1.1 million, and we have also not changed our target of 16% of the Board being shareholder-elected women and that we would like to increase this to 33% by 2017. This year, however, 2 men are up for election as Erling Højsgaard's and Arvid Grundekjøn's terms are expiring. The Board proposes re-election of both.

## ORGANISATION

If we turn our attention towards the organisation, this is growing along with the business. And this is positive, but not always easy. Like the other shipping companies, we experience increased competition for experienced seafarers with the right competences. NORDEN's business model is based on also operating some of our owned vessels. This provides us with a good daily and tangible idea of the challenges and makes it possible for us to quickly share best practices or, if necessary, to correct procedures and other practices.

But as for instance the offshore sector is growing, many, not least Danish seafarers, have gone that way. This increases the competition, and we are fully aware that you must be able to offer something exceptional in order to be an attractive workplace. I do believe that this is also what we do at NORDEN. We are, as I have already mentioned, a strong shipping company in growth, and we base our business on healthy values of Empathy, Reliability, Flexibility and Ambition.

Fortunately, most of the employees share my perception. In an employee satisfaction survey, more than 90% of the employees at the head office would thus warmly recommend NORDEN as a workplace. I find this very impressive, not least in a challenging time when nothing is given freely and you have to fight for every good cargo and voyage.

This can also be felt in our Technical Department, which manages a host of tasks in connection with the operation and maintenance of our many vessels. The tasks have not only grown in number, but many have also gotten more complex. With the help of external consultants, we have therefore gone through all work procedures and analysed where, for instance, we would be able to make economies of scale, to streamline and to ensure that the department offers a developing working environment for the many talented employees also in the future. The department will have new management as Lars Lundegaard after 12 years at the office has accepted to take on new challenges. He will fortunately stay with NORDEN.

The new head of the department will be Asger Lauritsen, who has more than 20 years of experience within the business. Asger will join the Company on 5 May.

This is a fine example of how we are hiring new competent employees on an ongoing basis. This is partly done in connection with business growth and development and partly as an integrated part of our desire to train new young talents. For several years, we have wanted more women to find it attractive to join the world of shipping. Firstly, as there is no reason why women should not do at least as well as men, and secondly, as this offers a wider basis for hiring – both here and now, but just as important in the long term for executive positions.

We do not take gender into consideration, but qualifications, and it would be quite silly to miss half of a year's talent pool due to a misconception that shipping is only for men. At our offices in Singapore and Shanghai, the majority of the 5 trainee positions this year will thus be filled by women.

## CSR

This is also a great opportunity for me to say a few words about our corporate social responsibility. As you know, NORDEN does business solidly based on values. Throughout the years, we have always sought to act in a way that protects and develops NORDEN's reputation as a decent and trustworthy shipping company, and fortunately, there is regard for these efforts and our name.

It is a central part of NORDEN's work with corporate social responsibility that our many suppliers, just like NORDEN, live up to UN regulations on human rights, working conditions, environment and anti-corruption. This is called responsible supply chain management and is gaining currency. This naturally puts added pressure on suppliers if they have to complete a jumble of forms documenting their efforts within the area depending on who they are suppliers for. In cooperation with the shipping company J. Lauritzen and the International Marine Purchasing Association (IMPA), NORDEN has therefore led the way and developed a standard, which can be used throughout the industry.

The system is called IMPA ACT, and it is a system, which other companies in the shipping business now can purchase. By acquiring the system, the companies gain access to a joint database with names of all the suppliers who have already been through the approval process and who therefore live up to a supplier code of conduct covering UN regulations.

It is the first time that such an industrial standard for supply chain management is introduced, and in this way, this initiative also aptly reflects how NORDEN takes part in setting the course.

Also within our climate reporting, we seek to be a frontrunner, and for the fourth consecutive year, NORDEN improved its ranking on the list compiled by the internationally recognised organisation Carbon Disclosure Project – CDP. NORDEN now ranks as number 5 on the list of more than 260 Nordic companies and is the highest ranking shipping company.

## REMUNERATION

Usually, I also take time in my report today to inform you of the implementation of the remuneration policy. The challenging markets have also in 2013 called for restraint in relation to pay increases in the organisation.

In order to promote the joint interests between shareholders and employees, we grant share options to selected employees and executives. Last month, we thus granted a total of 400,000 options to 60 employees. The option programmes are described in detail in the annual report on pages 39, 40 and 85. Common for all the programmes is the fact that the shareholders receive a return of at least 10% before the option recipients can make a profit.

In addition to this, the remuneration policy also includes the possibility of awarding bonuses if certain targets are reached. Total bonus for the 5 members of the Executive Management amounted to USD 600,000 in 2013. CEO Carsten Mortensen's share of this was zero. In return, he has entered into a new agreement that can trigger a bonus for him if 4 specific targets for 2014 are reached. The agreement is conditional on the



remuneration policy being updated, and the Board therefore presents a proposal to be addressed and hopefully approved later on.

## EXPECTATIONS

But before getting to this, I would like to conclude my report by taking a look into 2014. Because it will be an exciting year. A year which is expected to be a breaking year. Where balance between supply and demand will improve, and rates will increase. Where NORDEN with an updated strategy, many open ship days and a streamlined organisation will work to ensure a good return for the shareholders. We have done a lot to prepare for this. And on these grounds, we have invested and are now initiating a controlled expansion drive, but we are dependent on the conditions being in our favour in order for the results in earnest to be beautiful.

We have started the year on what can best be described as a ploughed field. There are many bumps, but our skills will surely guarantee that we will score a goal. Whether it will be a goal worthy of song writing is an entirely different matter – as this will require the exact right foundation.

We believe that this foundation will form. The analyses, forward rates and period markets are all looking reasonable. And now we are waiting to see the significantly improving markets in reality. But as already mentioned: We start off the year on a difficult note. The Atlantic Ocean is extremely challenging, the increase in rates is still not materialising, so it is an expected improved market in the second half-year which is to offer us the opportunities.

But due to the fact that do we have many open ship day, we also enter the year with a somewhat greater range in our expectations than normal. We expect group EBITDA to amount to USD 20-120 million. Granted: A range of USD 100 million sounds like a lot. But we are operating with a turnover of more than USD 2 billion, and bear in mind that a change in daily rates of USD 1,000 will imply a change in earnings of USD 28 million. Based on this, it is more understandable that we are operating with a relatively large range.

Results include expected profit from operator activities of USD 20 million, and with this, our Dry Cargo Department is expected to generate EBITDA of USD 0-50 million. The Tanker Department is expected to continue on the positive notes from 2013 and, with additional eco vessels in the fleet, to deliver EBITDA of USD 30-80 million.

## CONCLUSION

As some of you may have noticed, there have been vessels at the bottom left on several of the slides which I have shown you today. A total of 37 actually. This is the number of vessels which are currently in our order book. So this is how 37 vessels look grouped together. With an investment value of more than USD 1 billion, this imagery reflects how much NORDEN believes in the future. And it also reflects how NORDEN has spent its time in order for us today to be well prepared for future challenges. Stronger than one year ago.

Thank you for listening.