

INTERIM REPORT

Second quarter and first half-year of 2016



- Adjusted result for the period* Q2 2016: USD -4 million (Q2 2015: USD 29 million). H1 2016: USD -9 million.
- EBIT Q2 2016: USD -34 million (USD 36 million), of which vessel sales make up USD -34 million.
- Minor improvements in a still weak dry cargo market driven by an increase in Chinese imports of especially iron ore and coal. Adjusted result for the period Q2: USD -11 million (USD 4 million).
- Tanker market weaker than expected. Adjusted result for the period Q2: USD 7 million (USD 25 million).
- Cash flows from operating activities Q2: USD -16 million (USD 65 million).
- Cash and securities: USD 345 million (USD 340 million).
- Average NORDEN TCE earnings still above benchmark: Dry Cargo: +31% and Tankers: +14%
- Ship values: Slightly upward trend in Dry Cargo over the quarter – drop in the Tanker segment. Total decrease of 3%.
- Expectations for the adjusted results for the year are narrowed within the guidance previously announced to USD -60 to -20 million.

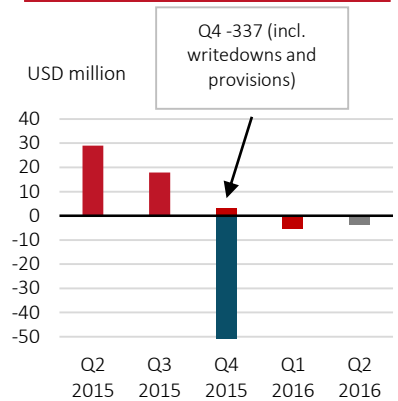
CEO Jan Rindbo in comment:

“NORDEN maintains its focus in Dry Cargo on the vessel types Supramax and Panamax. We have sold all our Capesize and Post-Panamax vessels, disposed of 4 Handysize vessels and in return bought 1 and long-term chartered 3 Supramax vessels. At the same time, we have further increased our short-term chartering of dry cargo vessels and adjusted our exposure to a tanker market where the rates, earlier than expected, have dropped significantly. Together with NORDEN’s cost focus, we are therefore well prepared for a dry cargo market which, despite slight improvements in the second quarter, still looks challenging and a tanker market which is expected to offer weaker rates in the second half-year compared to the second quarter.”

A telephone conference will be held today at 3:30 p.m. (CET), where CEO Jan Rindbo and CFO Martin Badstedt will comment on the report. It is requested that all participants have joined the meeting by latest 3:25 p.m. (CET) – Danish participants please dial in on +45 3848 7513, overseas participants please dial in on +44 (0) 20 3427 0503 or +1 646 254 3365. The telephone conference will be shown live at www.ds-norden.com, where the accompanying presentation will also be available.

For further information: CEO Jan Rindbo, tel. +45 3315 0451

Adjusted result for the period



* “Results for the period” adjusted for “Profits from the sale of vessels etc.” and “Fair value adjustment of certain hedging instruments”

Key figures and ratios for the group

USD million	1/1-30/6 2016	1/1-30/6 2015	Change H1 2015-2016	1/1-31/12 2015
Income statement				
Revenue	608,0	879.5	-31%	1.653.4
Costs	-584.3	-780.5	-25%	-1.632.9
Earnings before depreciation, etc. (EBITDA)	23.7	99.0	-76%	20.5
Profit from the sale of vessels, etc.	-33.0	3.2	-1.117%	-31.0
Depreciation and write-downs	-27.2	-34.2	-219%	-248.6
Earnings from operations (EBIT)	-35.2	65.8	-154%	-282.0
Fair value adjustment of certain hedging instruments	22.5	22.6	0%	9.1
Net financials	-5.1	-3.9	31%	-9.4
Results before tax	17.8	84.5	-121%	-282.3
Results for the period	-19.4	82.0	-124%	-284.9
Adjusted result for the period *	-8.9	56.2	-116%	-263.00
Statement of financial position				
Non-current assets	841.9	1,170.6	-28%	945.7
Total assets	1,512.8	1,754.2	-14%	1.604.7
Equity	834.6	1,221.9	-32%	856.1
Liabilities	678.2	532.2	27%	748.6
Invested capital	769.6	1,098.2	-30%	788.7
Net interest-bearing assets	65.0	123.7	-47%	67.3
Cash and securities	345.5	340.4	1%	365.7
Cash flows				
From operating activities	-9.4	62.1	-115%	76.9
From investing activities	-5.3	-51.6	-90%	-112.9
- hereof investments in property, equipment and vessels	-66,7	-76.7	-13%	-131.6
From financing activities	-19.0	-14.3	33%	67.5
Change in cash and cash equivalents for the period	-33.7	-3.8	794%	31.5
Financial and accounting ratios				
Share-related key figures and financial ratios:				
Number of shares of DKK 1 each (including treasury shares)	42,200,000	42,200,000	0%	42,200,000
Number of shares of DKK 1 each (excluding treasury shares)	40,467,615	40,467,615	0%	40,467,615
Number of treasury shares	1,732,385	1,732,385	0%	1,732,385
Earnings per share (EPS)(DKK)	-0.5 (-3)	2.0 (14)	-124%	-7.0 (-47)
Diluted earnings per share (diluted EPS)(DKK)	-0,5 (-3)	2.0 (14)	-124%	-7.0 (-47)
Book value per share (excluding treasury shares)(DKK) ²⁾	20.6 (138)	30.2 (201)	-32%	21.2 (144)
Share price at end of period, DKK	93.1	168.5	-45%	122.1
Price/book value (DKK) ²⁾	0.67	0.8	-19%	0.8
Other key figures and financial ratios:				
EBITDA-ratio ¹⁾	3.9%	11.3%	-65%	1.2%
ROIC	-9,0%	11.8%	-177%	-10.6%
ROE	-4,6%	13.9%	-133%	-28.6%
Equity ratio	55.2%	69.7%	-21%	53.3%
Total no. of ship days for the Group	38,759	38,753	0%	75,763
USD/DKK rate at end of period	669.64	666.76	0%	683.00
Average USD/DKK rate	667.39	669.22	0%	672.69

¹⁾ The ratios were computed in accordance with "Recommendations and Financial Ratios 2015" published by the Danish Society of Financial Analysts. However, "Profits from the sale of vessels, etc." has not been included in EBITDA.

²⁾ Converted at the USD/DKK rate at end of period.

* Adjusted result for the period was computed as "Results for the period" adjusted for "Profit from the sale of vessels, etc." and "Fair value adjustment of certain hedging instruments".

Comments on the development of the group for the period

- Adjusted result for the period: USD -4 million (USD 29 million)
- Cash and securities at 30 June USD 346 million (USD 340 million)
- Ship values decreased by 3%

Adjusted result for the period USD -4 million

In the second quarter, NORDEN realised an adjusted result for the period of USD -4 million (second quarter 2015: USD 29 million). The result corresponds to an EBIT of USD -34 million (USD 36 million), of which losses from the sale of vessels with delivery in the second half of 2016 make up USD 34 million.

NORDEN's tanker activities generated an adjusted result for the period of USD 7 million (USD 25 million), corresponding to an EBIT of USD 9 million (USD 32 million). The tanker result was partly affected by lower rates and partly by a deliberate choice to lower the exposure to the market by making fewer ship days available. In the dry cargo market, rates were higher than the historically low first quarter, although still only at the level of operating expenses (OPEX). The adjusted result for the period therefore ended at USD -11 million (USD 4 million), corresponding to an EBIT of USD -43 million (USD 4 million).

Financial position

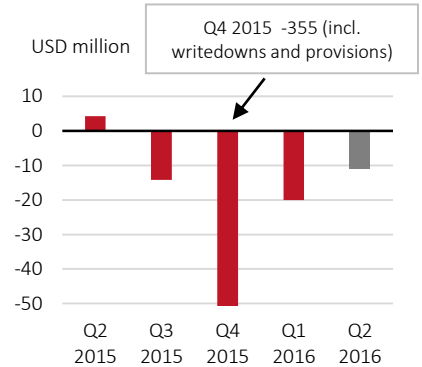
At the end of the quarter, NORDEN's cash and securities amounted to USD 345 million. To this should be added NORDEN's share of cash in joint ventures of USD 3 million and undrawn credit facilities which totalled USD 285 million at the end of the quarter. In comparison, outstanding net commitments (after income from the sale of vessels) concerning the Company's newbuilding programme including joint ventures constitute USD 157 million and are due for payment in the period 2016-2019.

NORDEN's total net commitments went down by USD 66 million this quarter to USD 908 million as a result of among, other things, lower T/C commitments and income from the sale of 8 dry cargo vessels.

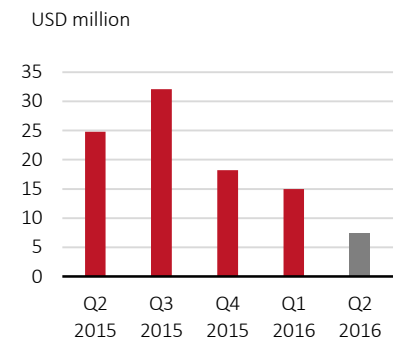
Changes to Executive Management

On 1 July, Executive Vice President and head of NORDEN's Dry Cargo Department Ejner Bonderup resigned from his position. The Company has initiated the process to recruit a new head of the Dry Cargo Department. After the resignation of Ejner Bonderup, the Executive Management of the Company consists of CEO Jan Rindbo and Executive Vice President & CFO Martin Badsted.

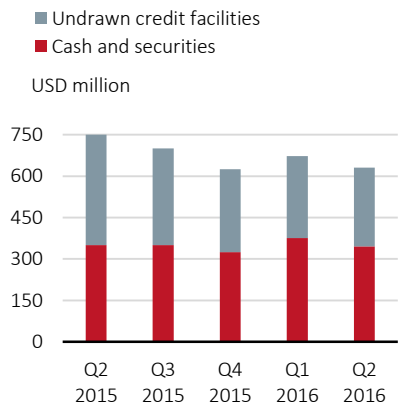
Adjusted result for the period Dry Cargo



Adjusted result for the period Tankers



Financial resources



Vessel sales in line with strategy

In the second quarter, the Company has sold 4 Post-Panamax vessels and 4 Handysize vessels. The vessels are expected to be delivered to the new owners during the second half of 2016.

The sales are carried out in response to NORDEN’s strategy of focusing ownership on Panamax and Supramax in the Dry Cargo segment with a view to utilise the Company’s expertise within these vessel types to offer customers even greater reliability and flexibility and, in this way, gain access to more cargoes and thus business opportunities.

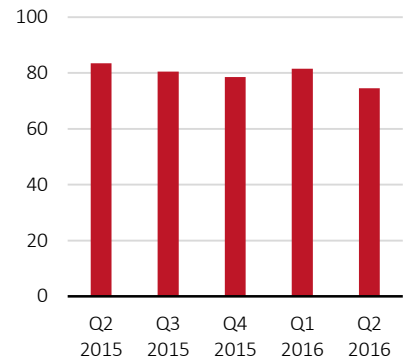
Development of vessel values

The value of the vessels that NORDEN owned throughout the quarter dropped by 3%. In Dry Cargo, the vessel values increased by 3% during the second quarter, whereas tanker vessels on average dropped by 8%. Based on the valuations of 3 independent brokers, the market value of NORDEN’s owned vessels and newbuildings (including vessels in joint ventures) is estimated at USD 989 million at the end of the quarter.

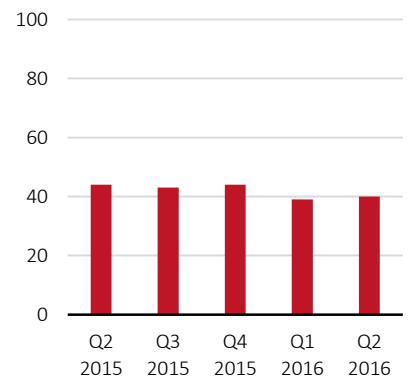
Based on the development in vessel values, the Company has carried out an assessment of the most significant assumptions used when determining the value in use at 31 December 2015, including the long-term rate expectations. Based on this, the Company has assessed that there are no changes in the assumptions which indicate a need for a write-down, however, the drop in tanker values entails an increased focus on the developments in this segment in preparation for a potential need for an impairment test.

The theoretical value of NORDEN’s purchase and extension options is estimated at USD 14 million at the end of the second quarter against USD 12 million at the end of the first quarter 2016. The change is due to a slight increase in T/C rates.

Active core fleet* Dry Cargo



Active fleet Tankers



*Core fleet is defined as owned vessels and vessels chartered for more than 13 months.

Strategy update

- Focusing ownership on fewer vessel types
- Annual savings of USD 12 million identified and realised

Utilising position of strength

NORDEN has continued the execution of its strategy *Focus & Simplicity*, which was formulated at the end of 2015. A recurring feature is that NORDEN focuses on areas where the Company is already well-positioned and can utilise its global organisation and strong customer relations to create the most value possible. In Dry Cargo, this means increased activity within the Supramax and Panamax vessel types while phasing out ownership of Capesize, Post-Panamax and Handysize vessels. In Tankers, NORDEN continues its activities within the MR and Handysize vessel types in commercial management in the product tanker pool Norient Product Pool (NPP), of which NORDEN owns 50%.

In the first half of the year, NORDEN has again utilised its financial position to enter into advantageous agreements on prepayments of hire for long-term chartered vessels. Since the beginning of 2015, the Company has prepaid a total of about USD 80 million and in this way achieved savings of more than USD 15 million.

Dry Cargo

In Dry Cargo, the aim is to make NORDEN Global Industry Leader within Supramax and Panamax. The Company has increased and improved customer relations further, for example through the new offices in Melbourne, Australia, and Santiago, Chile, which were both opened during 2015. After the end of the quarter, the Company has entered into 2 long-term contracts on transportation of biomass. The contracts concern a total of 11 million tons of biomass distributed over a 9-year contract starting in 2018 and a 15-year contract starting in 2019. The contracts have been concluded with the same strong counterparty. As part of the strategy to focus on fewer vessel types, the Company has carried out a number of transactions during the first half-year of 2016:

- The last owned Capesize vessel has been delivered to the buyer, and a 10-year long-term charter has been converted. During 2017, NORDEN will redeliver the last chartered Capesize vessel and so will no longer conduct activities within this vessel type.
- The 4 owned Post-Panamax vessels have been sold with delivery in the third quarter of 2016. After this, activities will consist of 4 chartered vessels until they are redelivered.
- 4 of the 12 owned Handysize vessels have been sold with delivery in the third quarter of 2016.

Over time, the proceeds from the sales are expected to be reinvested in Supramax and Panamax vessels. NORDEN has so far bought a second-hand Supramax vessel and entered into agreements to charter 3 Supramax vessels for 5 years. Over time, the Company expects to undertake further investments in the core fleet within these vessel types.

Tankers

In Tankers, focus is of a tactical nature with the aim to optimise earnings in a market that is expected to be weaker than it has been over the past 18 months. On this basis, the Company has decided not to increase the number of ship days. At the same time, further coverage has been secured and a Handysize tanker vessel has been sold after the end of the quarter resulting in an accounting loss of USD 2 million. NORDEN continues its involvement and customer focus via the well-functioning collaboration with Interiorient Navigation Company (INC) in Norient Product Pool, which is now operated purely as a spot pool. In 2016, the number of vessels from the third pool participant, the American company Diamond S., has been increased from 8 to 15 vessels.

Cost focus and fuel efficiency

Concurrently with the above-mentioned, the Company has continued its cost-saving programme to ensure annual savings of USD 20 million within 3 years. So far, initiatives have been identified and completed resulting in annual savings of USD 12 million. At the same time, work continues to optimise fuel efficiency on board the vessels and to streamline processes in order to increase activity levels and improve the margins that are created by the organisation.



Since the beginning of 2015, the Company has prepaid a total of about USD 80 million and in this way achieved savings of more than USD 15 million



All owned Capesize and Post-Panamax vessels sold as a result of the strategy to focus ownership on Supramax and Panamax



In Tankers, NORDEN has reduced its exposure and secured coverage

Segment information

USD million	Q2 2016			Q2 2015		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Revenue – services rendered	235.5	76.3	311.8	302.4	121.2	423.6
Voyage costs	-123.0	-19.8	-142.8	-143.6	-37.6	-181.2
Contribution margin	112.5	56.5	169.0	158.8	83.6	242.4
Other operating income, net	4.9	0.1	5.0	1.4	0	1.4
Vessel operating costs	-112.8	-38.0	-150.8	-133.8	-46.9	-180.7
Costs	-9.1	-1.9	-11.0	-9.1	-2.3	-11.4
Earnings before depreciation, etc. (EBITDA)	-4.5	16.7	12.2	17.3	34.4	51.7
Profits from the sale of vessels, etc.	-33.8	0.0	-33.8	-3.8	5.6	1.8
Depreciation and write-downs	-4.9	-9.0	-13.9	-8.3	-8.7	-17.0
Share of results of joint ventures	0.7	0.8	1.5	-1.2	0.5	-0.7
Earnings from operations (EBIT)	-42.5	8.5	-34.0	4.0	31.8	35.8
Fair value adjustment of certain hedging instruments	13.4	0.0	13.4	12.6	0	12.6
Financial income	0.8	0.4	1.2	-0.3	-0.2	-0.5
Financial expenses	-2.3	-1.5	-3.8	-1.8	-1.2	-3.0
Tax for the period	-0.7	-0.1	-0.8	-1.5	-0.1	-1.6
Results for the period	-31.3	7.3	-24.0	13.0	30.3	43.3
Adjusted result for the period	-10.9	7.3	-3.6	4.2	24.7	28.9

USD million	H1 2016			H1 2015		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Revenue – services rendered	428.0	180.0	608.0	631.5	248.0	879.5
Voyage costs	-228.4	-53.5	-281.9	-300.3	-79.9	-380.2
Contribution margin	199.6	126.5	326.1	331.2	168.1	499.3
Other operating income, net	6.7	0.1	6.8	2.8	0	2.8
Vessel operating costs	-204.8	-81.8	-286.6	-284.1	-95.7	-379.8
Costs	-18.5	-4.1	-22.6	-18.7	-4.4	-23.3
Profit before depreciation, etc. (EBITDA)	-17.0	40.7	23.7	31.2	67.8	99.0
Profits from the sale of vessels, etc.	-33.0	0.0	-33.0	-3.8	7.0	3.2
Depreciation	-10.0	-17.2	-27.2	-17.7	-16.6	-34.2
Share of results of joint ventures	0.5	0.8	1.3	-2.9	0.7	-2.2
Profit before operations (EBIT)	-59.5	24.3	-35.2	6.8	59.0	65.8
Fair value adjustment of certain hedging instruments	22.5	0.0	22.5	22.6	0	22.6
Financial income	1.5	0.9	2.4	2.2	1.6	3.8
Financial expenses	-4.5	-3.0	-7.5	4.6	-3.1	-7.7
Tax for the period	-1.4	-0.2	-1.6	-2.3	-0.2	-2.5
Results for the period	-41.4	22.0	-19.4	24.7	57.3	82.0
Adjusted result for the period	-30.9	22.0	-8.9	5.9	50.3	56.2

USD million	H1 2016			H1 2015		
	Dry Cargo	Tankers	Total	Dry Cargo	Tankers	Total
Vessels	228.8	529.6	758.4	529.1	529.6	1,058.7
Prepayments on vessels and newbuildings	14.6	0	14.6	21.6	16.8	38.4
Other tangible assets	31.0	20.8	51.8	32.1	21.4	53.5
Investments in joint ventures	16.1	1.1	17.2	16.4	3.6	20.0
Non-current assets	290.6	551.5	842.0	599.2	571.4	1,170.6
Current assets (operating)	249.7	75.6	325.3	174.7	68.5	243.2
Cash and securities	-	-	345.5	-	-	340.4
- Of which tangible assets held for sale	69.8	0	69.8	2.0	0	2.0
Total assets	540.3	627.1	1,512.8	773.9	639.9	1,754.2

NORDEN has changed its accounting policies and does no longer have "Unallocated items". Please also see note 1 Significant accounting policies.

Dry Cargo

- Adjusted result for the period USD -11 million (USD 4 million)
- Earnings: 31% above market benchmark
- Continued challenging market conditions

In the second quarter of 2016, the Dry Cargo Department realised an adjusted result for the period of USD -11 million. This was down from the second quarter last year when the adjusted result for the period was USD 4 million. Besides the weak rates this year, the drop is also a result of coverage running out. NORDEN has utilised the increased activity in the market for example through the use of a higher number of non-core fleet vessels, which has contributed to TCE earnings in Dry Cargo of 31% above the benchmark in the second quarter. Over the last 4 quarters, NORDEN has on average generated extra earnings of USD 1,816 and USD 2,105 per core fleet day within Panamax and Supramax, respectively.

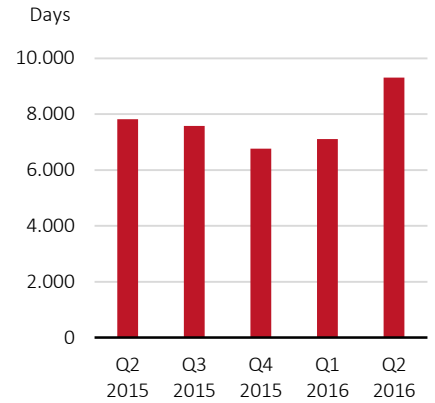
Increased Chinese imports

The oversupply of vessels continued to have a negative influence on the dry cargo market, and while rates improved from the first quarter of the year, they remain at historically low levels. In addition to the usual seasonal pick-up in demand for transportation, Chinese imports contributed with decent growth. On an overall level, these were 6% higher in the second quarter than the same period last year with iron ore leading the way at 11% growth. The growth was partly driven by the governmental stimulus initiated at the beginning of 2016, but the continuous decline in domestic production of iron ore also made room for further imports. As for coal, many quarters with declining imports were turned into an increase in imports. In the second quarter of 2016, the coal volumes transported to China were 11% higher than the same period last year due to an increased level of activity and a fall in domestic production.

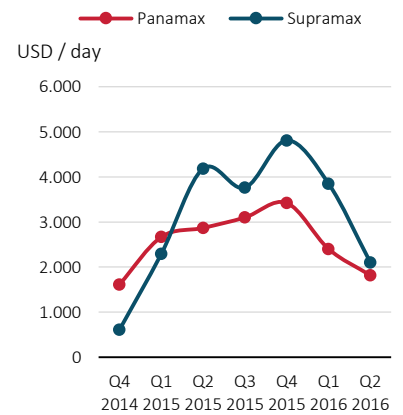
Weak coal export to Europe and India

However, export volumes to many other parts of the world disappointed – especially towards the end of the quarter. Most notable is the continued drop in coal exports to Europe. In total, coal exports to Europe have decreased by more than 20% this year due to competition from low gas prices and a continued environmental focus. Likewise, high stocks and an increase in domestic coal production have removed growth in coal exports to India, the market leader of global coal trade.

Non-core capacity Dry Cargo



4 quarter rolling NORDEN TCE over benchmark



Employment and rates, Dry Cargo, Q2 2016

Vessel type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total**
NORDEN total days	91	747	7,466	6,239	2,271	16,815
NORDEN core days	91	727	2,459	2,136	2,086	7,500
New NORDEN TCE (USD per day)	3,106	5,552	7,873	7,392	6,537	7,082
Benchmark*	5,947	5,463	5,342	5,849	4,937	5,393
NORDEN vs. Benchmark	-48%	2%	47%	26%	32%	31%

* 50% spot and 50% FFA from the previous 12 months deducted for commissions ** Weighted average

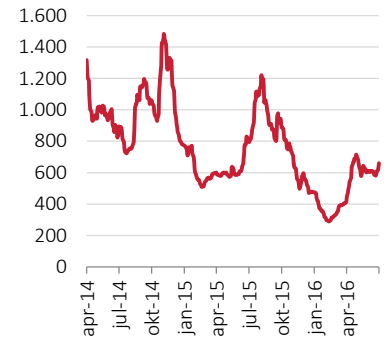
NORDEN TCE is calculated as freight income less voyage costs (such as broker commission, bunkers and port costs), but before payment of pool management fees in cases where the vessel type is operated in a pool, see also page 4.

Growing fleet due to less scrapping

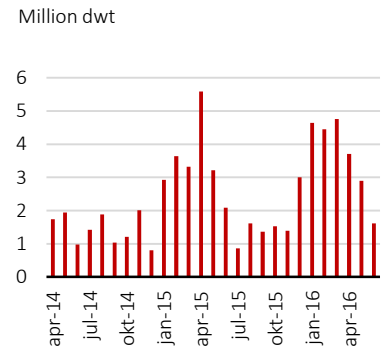
While rates did improve compared to the very poor first quarter, they failed to reach levels much higher than operating expenses. This was partly due to the available capacity in form of idled vessels which were brought back into service. Furthermore, the monsoon season in India and Bangladesh in combination with the improved rates during the second quarter have led to lower scrapping levels. The annualised scrap rate, however, is still expected to end on a high number at around 5% of the world fleet. Consequently, fleet growth for 2016 is predicted to end at around 2-3%.

In spite of the positive developments in Chinese import levels, overall the poor market conditions in the dry cargo market are expected to continue for the rest of 2016 due to the continued structural oversupply of vessels.

Baltic Exchange Dry Index



Dry Cargo Demolition



NORDEN's Dry Cargo fleet and values at 30 June 2016

Vessel Type	Capesize	Post-Panamax	Panamax	Supramax	Handysize	Total
Vessels in operation						
Owned vessels	0.0	4.0	4.0	5.5	12.0	25.5
Chartered vessels with a duration of more than 13 months	1.0	4.0	22.0	19.0	11.0	57.0
Total active core fleet	1.0	8.0	26.0	24.5	23.0	82.5
Chartered vessels with a duration of less than 13 months	0.0	1.2	60.0	65.6	16.1	142.9
Total active fleet	1.0	9.2	86.0	90.1	39.1	225.4
Vessels to be delivered						
Owned vessels	0.0	0.0	2.0	7.0	0.0	9.0
Chartered vessels with a duration of more than 13 months	0.0	0.0	2.5	10.0	0.0	12.5
Total delivery to core fleet	0.0	0.0	4.5	17.0	0.0	21.5
Dry Cargo fleet values at 30 June 2016 (USD million)						
Market value of owned vessels and newbuildings*	0	45	117	214	121	496
Theoretical value of purchase and extension options	0.6	2.2	4.8	5.1	0.1	12.8

* Active vessels and newbuildings including joint ventures, assets held for sale and charterparties, if any.

Positioning

At the end of the second quarter, the Dry Cargo Department's coverage for the rest of 2016 was at 75%, which corresponds to 5,106 open ship days.



5,106 open ship days

Coverage and capacity, Dry Cargo, at 30 June 2016

	Q3 2016	Q4 2016	2017	2018	Q3 2016	Q4 2016	2017	2018
Owned vessels	Ship days							
Capesize	0	0	0	0				
Post-Panamax	351	88	0	0				
Panamax	368	367	1,498	1,811				
Supramax	506	483	1,983	2,893				
Handysize	1,058	761	2,838	2,879				
Total	2,283	1,699	6,319	7,583				
Chartered vessels (core fleet)					Costs for T/C core capacity (USD per day)			
Capesize	92	92	212	0	12,234	12,234	11,387	-
Post-Panamax	368	368	1,460	1,460	5,332	5,843	6,740	8,776
Panamax	2,023	1,761	6,563	5,786	6,600	7,124	8,234	9,852
Supramax	1,824	1,658	5,339	4,822	7,736	7,819	7,645	8,940
Handysize	912	806	2,429	1,243	7,868	8,661	8,319	10,462
Total	5,220	4,685	16,003	13,311	7,228	7,634	7,956	9,461
Chartered vessels (non-core fleet)					Costs for T/C non-core capacity (USD per day)			
Capesize	0	0	0	0	-	-	-	-
Post-Panamax	0	0	0	0	-	-	-	-
Panamax	3,110	1,594	599	0	7,417	8,190	6,391	-
Supramax	1,607	288	200	0	7,068	5,798	5,871	-
Handysize	15	0	0	0	6,988	-	-	-
Total	4,732	1,882	799	0	7,297	7,824	6,261	-
Total capacity	12,234	8,267	23,121	20,894	6,889	7,208	7,174	7,958
					Costs for gross capacity (USD per day)*			
Coverage					Revenue from coverage (USD per day)			
Capesize	21	0	0	0	4,473	-	-	-
Post-Panamax	245	20	0	0	4,933	5,742	-	-
Panamax	5,068	2,238	3,758	2,879	8,081	9,530	12,644	14,822
Supramax	4,293	1,752	2,295	1,107	7,837	7,113	10,787	13,639
Handysize	1,171	588	1,267	989	7,817	10,553	12,997	14,456
Total	10,798	4,597	7,321	4,975	7,877	8,724	12,123	14,486
Coverage in %								
Capesize	23%	-	-	-				
Post-Panamax	34%	4%	-	-				
Panamax	92%	60%	43%	38%				
Supramax	109%	72%	31%	14%				
Handysize	59%	38%	24%	24%				
Total	88%	56%	32%	24%				

*Costs include the effect of the provisions for onerous contracts made in 2014 and 2015 and cash running costs for owned vessels. A statement excluding the provision can be found on NORDEN's website. Costs are excluding O/A. For segments which are operated in a pool the TCE is after management fee. With respect to the Dry Cargo pools NORDEN receives the management fee as "Other operating income".

Tankers

- Adjusted result for the period USD 7 million (USD 25 million)
- Declining rates
- High fleet growth is expected to curb rates in the second half-year

Adjusted result for the period USD 7 million

Despite a continued decline in rates across all vessel segments, NORDEN's tanker fleet generated an adjusted result for the period of USD 7 million (USD 25 million) in the second quarter. The result corresponds to an EBIT of USD 9 million (USD 32 million). NORDEN's TCE earnings for the second quarter for the MR and Handysize fleet was USD 17,588 per day and USD 14,350 per day, respectively. NORDEN's average earnings over the past 4 quarters are above the market average with USD 2,904 per day and USD 1,505 per day for MR and Handysize, respectively, corresponding to 16% for MR and 9% for Handysize.

Declining rates throughout the quarter

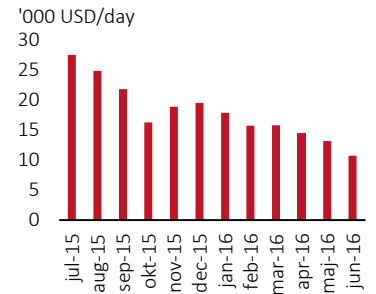
In the second quarter, the market did not live up to the Company's expectations. Rates decreased a little sooner and a little more than expected, and the decline has continued after the end of the quarter. Especially disappointing was the demand for gasoline, which has contributed to cargo opportunities and stable rate levels during the past couple of months. Product tanker rates decreased steadily throughout the quarter by approximately 20% compared to the first quarter (source: Clarksons Platou). The slowdown in freight rates is, above all, attributable to deteriorating refinery profitability, as the continued large stocks of refined oil products and crude oil across the globe have resulted in fewer export opportunities generally dampening the refineries' product margins.

According to the IEA, the world's demand for oil increased by 1.5% in the second quarter compared to the same quarter last year. Gasoline demand and production went up by 3% during the quarter (source: Wood Mackenzie), contributing significantly to the accumulated growth in oil demand for the second quarter. The increased gasoline production, however, mainly occurred in regions which have previously used imports in order to cover an eventual gasoline deficit. The extra production thus did not benefit export volumes and freight rates to the same extent as last year.

At the same time, the seasonal demand for gasoline has been covered to a higher degree by the refinery sector's maximisation of gasoline yield per barrel of crude oil – at the expense of diesel production, among others. The optimisation of gasoline production therefore brought a significant drop in refined by-products for export compared to the same quarter the previous year.

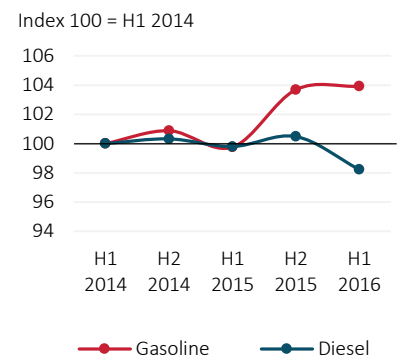
Beyond that, gasoline transportation was not sufficient to compensate for the lacking cargoes of other refined products. Barring gasoline, stockpiling of oil products has therefore also gone down substantially in step with decreased exports. The gasoline stocks on both sides of the Atlantic have also been larger than expected – especially in the USA – considerably reducing seasonal demand for gasoline from Europe.

Average MR market rate (CPP)



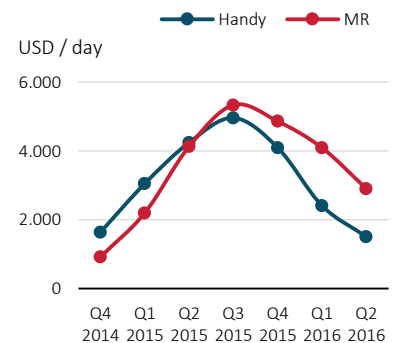
Source: Clarksons research

Global product yield per barrel of crude refined (Index)



Source: Wood Mackenzie

4 quarter rolling NORDEN TCE over benchmark



Employment and rates, Tankers, Q2 2016

Vessel type

	MR	Handysize	Total **
NORDEN's ship days	2,458	1,183	3,641
NORDEN spot TCE (USD per day, net)	17,664	14,028	16,451
NORDEN TCE (USD per day, net)	17,588	14,350	16,564
NORDEN TCE 12 months average (USD per day, net)	20,686	17,568	19,565
Benchmark 12 months average (USD per day, net)*	17,782	16,063	17,160
NORDEN vs. Benchmark (12 months average)	16%	9%	14%

* Previous 12 months average ** Weighted average

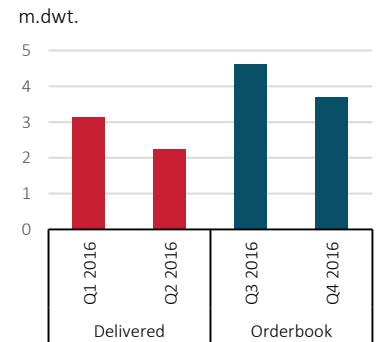
NORDEN TCE is calculated as freight income less voyage costs (such as broker commission, bunkers and port costs), but before payment of pool management fee.

Fleet growth is expected to dampen the second half-year

The drop in freight rates is also attributable to the fleet development, which has seen a significant increase in new tankers. This development is expected to continue into the second half-year, where the majority of newbuildings – especially the crude oil tankers – are due for delivery. Scrapping activity is likely to be limited, among other things due to the young world fleet. With the current fleet development, a net growth of about 7% in the product tanker fleet is expected this year, whereas the total tanker fleet is also expected to increase by 7%.

There are no indications of significant improvements in tanker market conditions in the very near future. In line with expectations, fleet growth looks likely to be high, and, despite an increase in oil demand, transportation requirements have not been sufficient to absorb the extra tonnage. The high stock levels and the slowdown in exports in combination indicate that a substantial part of the transportation requirements for 2016 was already satisfied in 2015, when falling prices and overproduction invited more trade and transportation. One positive factor is the limited order activity – so far, only 22 orders have been placed in 2016. This is likely to result in a somewhat lower fleet growth in the years to come. In addition, the stocks of refined products have stagnated, and are slightly decreasing in several regions, which may be a preliminary indication of the market balancing itself.

Global product tanker fleet - deliveries and order book 2016



Source: Clarksons Research

NORDEN's Tanker fleet and values at 30 June 2016

Vessel type	LR1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0	9	13	22
Chartered vessels with a duration of more than 13 months	0	16	0	16
Total active core fleet	0	25	13	38
Chartered vessels with a duration of less than 13 months	0	2	0	2
Total active fleet	0	27	13	40
Vessels to be delivered				
Owned vessels	0	0	0	0
Chartered vessels with a duration of more than 13 months	2	5	0	7
Total delivery to core fleet	2	5	0	7
Tanker fleet values at 30 June 2016 (USD million)				
Market value of owned vessels and newbuildings*	0	258	235	493
Theoretical value of purchase and extension options	0	1	0	1

* Active vessels and newbuildings including joint ventures, assets held for sale and charter parties, if any.

Positioning

At the end of the quarter, 27% of ship days for the remainder of 2016 were covered, corresponding to 4,847 open ship days. The Company has chosen not to increase the number of ship days and is continuously examining the possibilities for taking long-term coverage at attractive rates.



4,847 open ship days

Capacity and coverage, Tankers, at 30 June 2016

	Q3 2016	Q4 2016	2017	2018	Q3 2016	Q4 2016	2017	2018
Owned vessels	Ship days							
LR1	0	0	0	0				
MR	828	824	3,237	3,229				
Handysize	1,196	1,192	4,674	4,671				
Total	2,024	2,016	7,911	7,900				
Chartered vessels					Costs for T/C capacity (USD per day)			
LR1	0	0	489	730	-	-	18,600	18,600
MR	1,542	1,069	2,293	2,106	15,848	16,169	16,414	16,564
Handysize	0	0	0	0	-	-	-	-
Total	1,542	1,069	2,782	2,836	15,848	16,169	16,798	17,088
Total capacity	3,566	3,085	10,693	10,736	10,480	9,795	9,055	9,268
Coverage					Revenue from coverage (USD per day)			
LR1	0	0	0	0	-	-	-	-
MR	791	550	1,450	332	15,461	17,330	17,208	17,179
Handysize	281	183	652	219	16,126	16,475	16,403	15,636
Total	1,072	732	2,102	551	15,635	17,117	16,959	16,565
Coverage in %								
LR1	-	-	-	-				
MR	33%	29%	26%	6%				
Handysize	23%	15%	14%	5%				
Total	30%	24%	20%	5%				

* Including cash running costs of owned vessels. Costs are excluding administrative expenses. For vessel types which are operated in a pool, the T/C equivalent is after management fee.

Outlook for 2016

NORDEN adjusts expectations

NORDEN adjusts and narrows its expectations for the adjusted results for the year to USD -60 to -20 million.

In Dry Cargo, the markets have developed as expected, and expectations are therefore narrowed to USD -65 to -45 million. Earnings in Tankers have been lower than anticipated at the beginning of the year, and expectations for the tanker market for the rest of the year have been reduced. The expectations for the adjusted result for the year in Tankers are therefore changed to USD 5 to 25 million.

Expectations for 2016

USD million	Dry Cargo	Tankers	Group
Adjusted results for the year	-65 to -45	5 to 25	-60 to -20

Risks and uncertainties

At the beginning of August, there are about 5,000 open ship days in Dry Cargo, which gives rise to a change in earnings of about USD 5 million at a change of USD 1,000 per day in expected T/C equivalents. Dry Cargo earnings are furthermore sensitive to any counterparty risks and changes in the rate level between regions and vessel types.

Earnings expectations in Tankers primarily depend on the development in the spot market. Based on about 4,000 open ship days in Tankers at the beginning of August, a change of USD 1,000 per day in expected T/C equivalents would mean a change in earnings of approximately USD 4 million.

Forward-looking statements

This report includes forward-looking statements reflecting management’s current perception of future trends and financial performance. The statements for the rest of 2016 and the years to come naturally carry some uncertainty, and NORDEN’s actual results may therefore differ from expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively, changes in the macroeconomic and political conditions – especially in the Company’s key markets – changes in NORDEN’s assumptions of rate development and operating costs, volatility in rates and vessel prices, changes in legislation, possible interruptions in traffic and operations as a result of external events, etc.

Management's statement

The Board of Directors and the Executive Management today reviewed and approved the interim report for the second quarter and first half-year of 2016 of Dampskibsselskabet NORDEN A/S.

The interim report is prepared in accordance with the International Financial Reporting Standard IAS 34 on interim reports and the general Danish financial disclosure requirements for listed companies. In line with previous policies, the interim report is not audited or reviewed by the auditors.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the interim report to present a true and fair view.

Besides what has been disclosed in the interim report, no other significant changes in the Company's risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2015

In our opinion, the interim report gives a true and fair view of the Group's assets, equity and liabilities, the financial position as well as the result of the Group's activities and cash flows for the interim period.

Furthermore, the management commentary gives a fair representation of the Group's activities and financial position as well as a description of the material risks and uncertainties which the Group is facing.

Hellerup, 17 August 2016

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Executive Vice President & CFO

Board of Directors

Klaus Nyborg
Chairman

Erling Højsgaard
Vice Chairman

Johanne Riegels Østergård

Karsten Knudsen

Arvid Grundekjøn

Lars Enkegaard Biilmann

Thorbjørn Joensen

Jonas Visbech Berg Nissen

Income statement

Note	USD '000	2016	2015	2015
		H1	H1	Q1-Q4
	Revenue	608,025	879,475	1,653,432
	Costs	-584,355	-780,522	-1,632,937
	Earnings before depreciation, etc. (EBITDA)	23,670	98,953	20,495
	Profits from the sale of vessels, etc.	-33,038	3,247	-31,013
	Depreciation and write-downs	-27,161	-34,218	-248,553
	Share of results of joint ventures	1,279	-2,136	-22,883
	Earnings from operations (EBIT)	-35,250	65,846	-281,954
2	Fair value adjustment of certain hedging instruments	22,541	22,568	9,108
	Net financials	-5,114	-3,916	-9,431
	Results before tax	-17,823	84,498	-282,277
	Tax for the period	-1,577	-2,502	-2,641
	Results for the period	-19,400	81,996	-284,918
	Attributable to:			
	Shareholders of NORDEN	-19,400	81,996	-284,918
	Adjusted result for the period	-8,903	56,181	-263,013
	Earnings per share (EPS), USD	-0.5	2.0	-7.0
	Diluted earnings per share, USD	-0.5	2.0	-7.0

Statement of comprehensive income

Note	USD '000	2016	2015	2015
		H1	H1	Q1-Q4
	Results for the period, after tax	-19,400	81,996	-284,918
	Items which will be reclassified to the income statement:			
	Value adjustment of hedging instruments	-862	191	713
	Fair value adjustment of securities	-1,570	-317	-1,031
	Tax on fair value adjustment of securities	0	0	150
	Other comprehensive income, total	-2,432	-126	-168
	Total comprehensive income for the period, after tax	-21,832	81,870	-285,086
	Attributable to:			
	Shareholders of NORDEN	-21,832	81,870	-285,086

Income statement by quarter

Note	USD '000	2016	2016	2015	2015	2015
		Q2	Q1	Q4	Q3	Q2
	Revenue	311,805	296,220	373,842	400,115	423,572
	Costs	-299,571	-284,784	-493,830	-358,585	-371,876
	Earnings before depreciation, etc. (EBITDA)	12,234	11,436	-119,988	41,530	51,696
	Profits from the sale of vessels, etc.	-33,828	790	-31,078	-3,182	1,824
	Depreciation and write-downs	-13,846	-13,315	-197,367	-16,968	-17,029
	Share of results of joint ventures	1,475	-196	-20,179	-568	-678
	Earnings from operations (EBIT)	-33,965	-1,285	-368,612	20,812	35,813
2	Fair value adjustment of certain hedging instruments	13,395	9,146	-8,769	-4,691	12,636
	Net financials	-2,622	-2,492	-655	-4,860	-3,372
	Results before tax	-23,192	5,369	-378,036	11,261	45,077
	Tax for the period	-798	-779	1,064	-1,203	-1,642
	Results for the period	-23,990	4,590	-376,972	10,058	43,435
	Attributable to:					
	Shareholders of NORDEN	-23,990	4,590	-376,972	10,058	43,435
	Adjusted result for the period	-3,557	-5,346	-337,125	17,931	28,975
	Earnings per share (EPS), USD	-0.6	0,1	-9,3	0,2	1,1
	Diluted earnings per share, USD	-0.6	0,1	-9,3	0,2	1,1

Statement of comprehensive income by quarter

Note	USD '000	2016	2016	2015	2015	2015
		Q2	Q1	Q4	Q3	Q2
	Results for the period, after tax	-23,990	4,590	-376,972	10,058	43,435
	Items which will be reclassified to the income statement:					
	Value adjustment of hedging instruments	-211	-651	1,768	-1,246	1,124
	Fair value adjustment of securities	-1,643	73	-575	-139	-194
	Tax on fair value adjustment of securities		0	150	0	0
	Other comprehensive income, total	-1,854	-578	1,343	-1,385	930
	Total comprehensive income for the period, after tax	-25,844	4,012	-375,629	8,673	44,365
	Attributable to:					
	Shareholders of NORDEN	-25,844	4,012	-375,629	8,673	44,365

Statement of financial position

Note	USD '000	2016	2015	2015
		30/6	30/6	31/12
	ASSETS			
3	Vessels	758,394	1,058,703	864,251
	Property and equipment	51,801	53,507	51,910
4	Prepayments on vessels and newbuildings	14,457	38,404	12,075
	Investments in joint ventures	17,242	20,017	17,469
	Non-current assets	841,894	1,170,631	945,705
	Inventories	39,979	65,792	43,607
	Receivables from joint ventures	3,663	6,933	3,111
	Receivables and accruals	211,943	168,416	212,919
	Securities	33,523	37,956	36,778
	Cash and cash equivalents	311,938	302,460	328,919
		601,046	581,557	625,334
5	Tangible assets held for sale	69,839	1,974	33,644
	Current assets	670,885	583,531	658,978
	Total assets	1,512,779	1,754,162	1,604,683
	EQUITY AND LIABILITIES			
	Share capital	6,706	6,706	6,706
	Reserves	4,911	7,385	7,343
	Retained earnings	822,967	1,207,856	842,014
	Equity	834,584	1,221,947	856,063
	Bank debt	244,025	189,053	262,036
	Provisions	132,837	106,039	191,745
	Prepayments received on vessels for resale	0		5,100
	Non-current liabilities	376,862	295,092	458,881
	Bank debt	36,477	27,647	36,319
	Provisions	111,868	76,307	116,867
	Trade payables	53,592	65,507	48,780
	Liabilities in joint ventures	0	0	509
	Other payables, deferred income and company tax	76,646	52,662	72,208
		278,583	222,123	274,683
	Liabilities relating to tangible assets held for sale	22,750	15,000	15,056
	Current liabilities	301,333	237,123	289,739
	Liabilities	678,195	532,215	748,620
	Total equity and liabilities	1,512,779	1,754,162	1,604,683

Statement of cash flows

Note	USD '000	2016	2015	2016	2015	2015
		H1	H1	Q2	Q2	Q1-Q4
	Results for the period	-19,400	81,996	-23,990	43,435	-284,918
	Change in provisions	-51,193	-40,155	-25,836	-20,187	64,499
	Reversal of items without effect on cash flow	39,706	4,443	34,915	5,829	287,378
	Cash flows before change in working capital	-30,887	46,284	-14,911	29,077	66,959
	Change in working capital	21,520	15,800	-1,073	35,969	9,931
	Cash flows from operating activities	-9,367	62,084	-15,984	65,046	76,890
	Investments in vessels, etc.	-64,335	-34,618	-12,382	-4,557	-87,505
	Additions in prepayments on newbuildings	-2,382	-42,130	-2,378	-22,314	-72,011
	Additions in prepayments received on sold vessels	2,594	15,000	17,650	15,000	20,156
	Investments in joint ventures	-2,247	-4,342	-2,247	-4,342	-9,909
	Net proceeds from the sale of vessels, etc.	73,907	111,699	95	72,236	136,495
	Sale of securities	3,612	0	0	0	0
	Change in cash and cash equivalents with rate agreements of more than 3 months etc.	-16,455	-97,161	-14,139	-94,929	-100,130
	Cash flows from investing activities	-5,306	-51,552	-13,401	-38,906	-112,904
	Raising of non-current debt	0	0	0	0	99,764
	Instalments on/payment of debt	-19,028	-14,359	-13,559	-11,223	-32,287
	Cash flows from financing activities	-19,028	-14,359	-13,559	-11,223	67,477
	Change in cash and cash equivalents for the period	-33,701	-3,827	-42,944	14,917	31,463
	Cash and cash equivalents at beginning of period	167,774	137,379	178,097	119,308	137,379
	Exchange rate adjustments	265	10,732	-815	10,059	-1,068
	Change in cash and cash equivalents for the period	-33,701	-3,827	-42,944	14,917	31,463
	Cash and cash equivalents at the end of the period	134,338	144,284	134,338	144,284	167,774
	Cash and cash equivalents with rate agreements of more than 3 months etc.	177,600	158,176	177,600	158,176	161,145
	Cash and cash equivalents according to the statement of financial position	311,938	302,460	311,938	302,460	328,919

Statement of changes in equity

Note USD '000

	Shareholders of NORDEN			
	Share capital	Reserves	Retained earnings	Group equity
Equity at 1 January 2016	6,706	7,343	842,014	856,063
Total comprehensive income for the period	0	-862	-19,400	-20,262
Adjustment of treasury shares in joint ventures	0	-1,570	0	-1,570
Share-based payment	0	0	353	353
Changes in equity	0	-2,432	-19,047	-21,479
Equity at 30 June 2016	6,706	4,911	822,967	834,584
Equity at 1 January 2015	6,706	7,511	1,125,074	1,139,291
Total comprehensive income for the period	0	-126	81,996	81,870
Share-based payment	0	0	786	786
Changes in equity	0	-126	82,782	82,656
Equity at 30 June 2015	6,706	7,385	1,207,856	1,221,947
Equity at 1 January 2015	6,706	7,511	1,125,074	1,139,291
Total comprehensive income for the period	0	-168	-284,918	-285,086
Share-based payment	0	0	1,858	1,858
Changes in equity	0	-168	-283,060	-283,228
Equity at 31 December 2015	6,706	7,343	842,014	856,063

Notes

1. Significant accounting policies

Basis of accounting

The interim report comprises the summarised consolidated financial statements of Dampskibsselskabet NORDEN A/S.

Accounting policies

The interim report has been prepared in accordance with the international financial reporting standard IAS 34 on interim reports and additional Danish disclosure requirements for the financial statements of listed companies.

The consolidated annual report for 2015 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Accounting policies have not changed in relation to this except that NORDEN from 1 January 2016 has changed the presentation of the income statement under segment information, and now distributes all revenue and costs to one of the 2 segments Dry Cargo and Tankers. It concerns certain administration costs and depreciation, financials and tax. The distribution is based on an estimate of the resource consumption within the 2 segments. The change is of no significance to the Group's results and equity. The comparative figures have been adjusted accordingly. The distribution of items in the balance sheet remains unchanged.

For a complete description of accounting policies, see also pages 50-51 in the consolidated annual report for 2015.

New financial reporting standards (IFRS) and interpretations (IFRIC)

NORDEN has implemented the new standards and interpretations which are in force for financial years starting on 1 January 2016 or later. The changes relevant to NORDEN comprise IASB's yearly minor improvements drawn up 2012-2014 and changes to IAS 1 comprising minor changes to the presentation of the financial statements.

The changes are of no importance to NORDEN's results or equity in the interim report and disclosure in the notes.

At the end of April 2016, IASB has issued the following new financial reporting standards and interpretations, which have not been adopted by the EU, but which are estimated to be of relevance to NORDEN:

- IFRS 15 regarding revenue recognition – New common standard regarding revenue recognition. Revenue is recognised as control is transferred to the buyer.
- IFRS 16 Leasing – For the lessee, the distinction between financial and operating leases is raised. In the future, operating leases must be recognised in the balance sheet with an asset and a corresponding lease commitment. The standard takes effect in 2019.
- IFRS 9 regarding financial instruments – The number of categories of financial assets is reduced to three; amortised cost category, fair value through other comprehensive income category or fair value through income statement category. Simplified rules on hedge accounting will be introduced, and writing down of receivables must be based on expected loss.

It is expected that IFRS 16 in particular can have an effect on NORDEN's financial reporting.

NORDEN is currently assessing the potential effect of these standards. NORDEN expects to implement the changed and new standards as well as interpretations, when they become compulsory.

Significant choices and assessments in the accounting policies and significant accounting estimates

Management's choices and assessments in the accounting policies in respect of vessel leases, recognition of revenue and voyage costs, impairment test and onerous contracts are significant. Management's accounting estimates of receivables, contingent assets and liabilities and useful lives and residual values of tangible assets are also significant. For a description of these, see page 50 of the consolidated annual report for 2015.

Risks

For a description of NORDEN's risks, see note 2 "Risk management" in the consolidated annual report for 2015 pages 51-53.

Notes

2. Fair value adjustment of certain hedging instruments

USD '000	2016	2015	2016	2015	2015
	H1	H1	Q2	Q2	Q1-Q4
Bunker hedging					
Fair value adjustment for:					
2015	0	6,530	0	5,756	-2,313
2016	7,265	693	6,998	894	-11,306
2017	1,663	94	2,183	199	-2,338
2018-2019	536	13	1,076	92	-1,940
	9,463	7,330	10,256	6,941	-17,897
Realised fair value adjustment reclassified to "Vessel operating costs"	8,348	17,817	469	4,358	29,611
Total	17,811	25,147	10,725	11,299	11,714
Forward Freight Agreements:					
Fair value adjustment for:					
2015	0	-4,918	0	-634	-4,343
2016	-162	-3,979	-1,474	-1,616	-8,677
	-162	-8,897	-1,474	-2,250	-13,020
Realised fair value adjustment reclassified to "Revenue"	4,892	6,318	4,144	3,587	10,414
Total	4,730	-2,579	2,670	1,337	-2,606
Total	22,541	22,568	13,395	12,636	9,108

* As the hedging instruments are realised, the accumulated fair value adjustments are reclassified to operations in the same item as the hedged transaction. For further information, see the section "Significant accounting policies" in the consolidated annual report for 2015.

Notes

3. Vessels

USD '000	2016	2015	2015
	30/6	30/6	31/12
Cost at 1 January	1,618,772	1,618,544	1,618,544
Additions for the period	23,923	33,703	59,354
Disposals for the period	0	-21,086	-21,086
Transferred during the period from prepayments on vessels and newbuildings	0	95,689	128,237
Transferred during the period to tangible assets held for sale	-342,491	-76,634	-166,277
Cost	1,300,204	1,650,216	1,618,772
Depreciation at 1 January	-377,642	-344,870	-344,870
Depreciation for the period	-59,719	-33,097	-66,415
Transferred during the year to tangible assets held for sale	109,105	5,924	33,643
Depreciation	-328,256	-372,043	-377,642
Write-downs at 1 January	-376,879	-223,610	-223,610
Write-downs for the period	0	0	-168,683
Transferred during the year to tangible assets held for sale	163,325	4,140	15,414
Write-downs	-213,554	-219,470	-376,879
Carrying amount	758,394	1,058,703	864,251

4. Prepayments on vessels

USD '000	2016	2015	2015
	30/6	30/6	31/12
Cost at 1 January	23,392	97,845	97,845
Additions for the period	2,382	42,130	72,011
Transferred during the period to vessels	0	-95,689	-128,237
Transferred during the period to tangible assets held for sale	0	-175	-17,967
Transferred during the period to other items	0	-5,707	-260
Cost	25,774	38,404	23,392
Write-downs at 1 January	-11,317		0
Write-downs for the period			-11,317
Write-downs	-11,317		-11,317
Carrying amount	14,457	38,404	12,075

Notes

5. Tangible assets held for sale

USD '000	2016	2015	2015
	30/6	30/6	31/12
Carrying amount at 1 January	33,644	16,954	16,954
Additions for the period to tangible assets held for sale	39,371	66,570	27,914
Additions for the period from prepayments on vessels and newbuildings	0	5,707	17,967
Additions for the period from vessels	70,061	108	117,220
Disposals for the period	-73,237	-83,525	-111,397
Write-downs for the period	0	-3,840	-35,014
Carrying amount	69,839	1,974	33,644

6. Related party transactions

No significant changes have occurred to closely related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2015.

7. Contingent assets and liabilities

Since the end of 2015, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

Notes

8. Overview of deliveries of owned vessels and fleet values

Expected delivery of NORDEN's newbuildings at 30 June 2016

	2016		2017		2018		2019		Total
	Q3	Q4	Q1	Q2	Q3	Q4			
Dry Cargo									
Capesize									-
Panamax						1	1	1	2
Supramax					1		4	2	7
Tankers									
LR1									-
MR									-
Handysize									-
Total	-	-	-	-	1	1	5	2	9

Note: The figures are adjusted for ownership share. The overview includes 1 Supramax sold with delivery from yard in 2017.

Payments related to own vessels at 30 June 2016

USD mill.	2016	2017	2018	2019	Total
Newbuilding payments	3	61	140	25	229

Future payments to NORDEN from assets held for sale: USD 72 million, of which the majority will be received during the second half-year.

Fleet values at 30 June 2016

USD mill.	Number	Average dwt.	Carrying amount/cost	Broker estimated value of owned vessels*	Broker estimated value of charter party	Added value
Dry Cargo						
Post-Panamax	4.0	114,000	45	45	0	0
Panamax	6.0	79,000	127	87	30	-10
Supramax	12.5	65,000	257	214	0	-44
Handysize	12.0	35,000	141	100	20	-21
Tankers						
MR	9.0	50,000	287	257	1	-29
Handysize	13.0	39,000	275	235	0	-40
Total	56.5		1,132	938	51	-143

* Including joint ventures and assets held for sale but excluding charter party, if any.

9. Significant events after the reporting date

Between the end of the quarter and the publication of this interim report, other than the developments disclosed in the interim review, no significant events have occurred which have not been recognised and adequately disclosed and which materially affect the results for the period or the statement of financial position.