



Presentation of Q3 2010 results

Tele conference 18 November 2010

# Summary



## Results

- Loss before tax of USD 27m in Q3 2010
- Compared to profit of USD 4m in Q3 2009, which included a USD 21m profit from sale of vessels
- The result is not satisfactory and slightly below expectations

## Tanker Division

- Product tanker rates remained at a low level but were higher than in Q3 2009 and in Q2 2010
- Negatively impacted across segments by ample tonnage supply, absence of general arbitrage opportunities and limited use of vessels for floating storage

## Bulk Division

- The Panamax bulk rates have remained volatile in Q3 2010
- Significant influx of new tonnage

## Financial position

- Undrawn credit facilities and cash of approximately USD 500m
- Capex relating to the order book amounted to USD 310m
- During Q4, TORM has sold the two Kamsarmax newbuildings (delivery in Q1 2011) for USD 90m

## Coverage of earning days

- Covered 30% at USD/day 16,173 in Tanker Division and 87% at USD/day 19,791 in Bulk Division

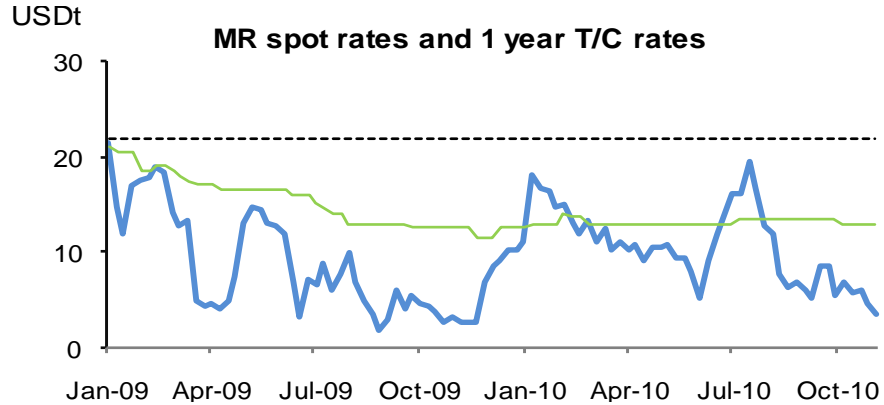
## 2010 guidance

- TORM forecasts a loss before tax of USD 75 to 85m

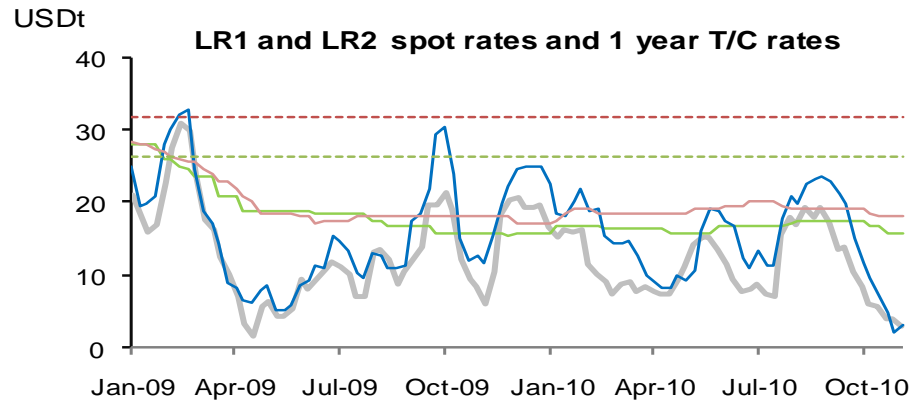
# Product tanker market



## Freight rates (MR and LR)



— MR spot rates (TC2)  
 — MR 1 year T/C rates  
 - - - TC2 spot 10 year avg



— LR1 spot rates (TC5)      — LR1 1 year T/C rates  
 — LR2 spot rates (TC1)      — LR2 1 year T/C rates  
 - - - LR1 (TC5) spot 10 year avg      - - - LR2 (TC1) spot 10 year avg

\*Source: Clarksons

TORM spot rates in Q3 2010 better than Q3 2009 and Q2 2010

Positive impacts:

- Continued naphtha demand
- Transatlantic MR strength late June as arbitrage opened

Negative impacts:

- Continued high influx of tonnage, 4% net fleet growth year-to-date
- Low level of floating storage
- Continued low US gasoline demand
- No support from weak dirty market

Into Q4 2010

- No arbitrage opportunities
- Decline in naphtha cargoes in October

LR2 vessel size (Long Range): Aframax tanker 85-120,000 dwt

LR1 vessel size (Long Range): Panamax tanker 60-85,000 dwt

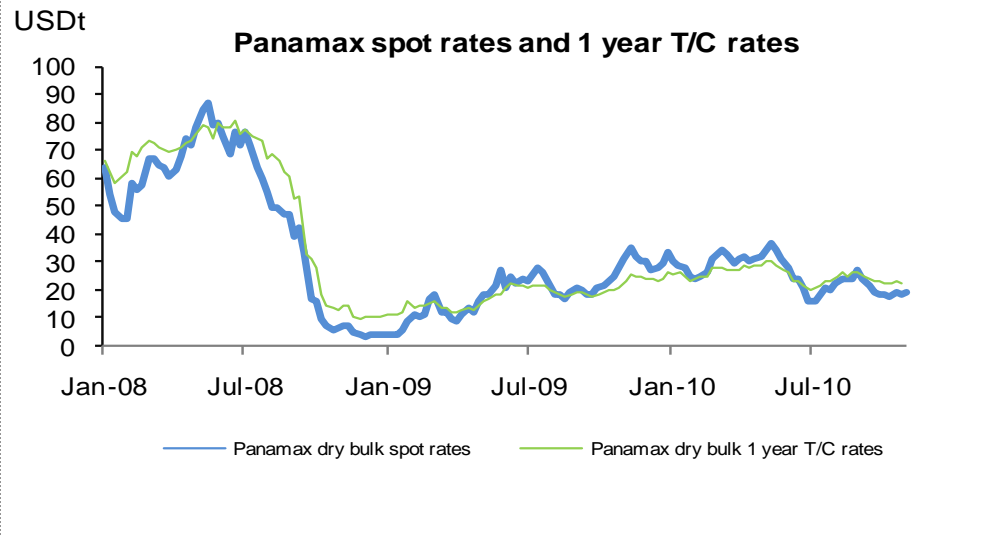
MR vessel size (Medium Range): Handymax tanker 40-60,000 dwt

SR vessel size (Short Range): Handysize tanker – 30-40,000 dwt

# Dry bulk market



## Freight rate development



Panamax rates continued to be volatile in Q3 2010 with an average spot rate (Clarksons) of USDt/day 23.9

Rates supported by

- Chinese coal and iron ore imports and
- High congestion

From mid-May and into Q3 significant rate decrease

- High influx of new tonnage
- Potential weaker demand for Chinese iron ore demand, which subsequently has eased off

TORM relatively unaffected by rate volatility

- At the end of September 2010, TORM have covered 87% of the remaining earning days in 2010

# Highlights

## Q3 result

- Loss before tax of USD 27m
- Below expectations

## Organisation

- Management team in place
- Strong team with significant shipping experience

## Market

- Q3 spot rates better than Q3 2009 and Q2 2010
- Current weak product tanker rates with short-term uncertainty

## Forecast

- TORM forecasts a loss before tax of USD 75-85 million for 2010
- Maintain long-term positive view on the product tanker segment



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