



Presentation of Q3 2014 results

Safe Harbor Statement



Matters discussed in this presentation may constitute forward-looking statements.

Such statements reflect TORM's current expectations and are subject to certain risks and uncertainties that could negatively impact TORM's business.

To understand these risks and uncertainties, please read TORM's announcements to NASDAQ OMX Copenhagen.

The presentation may include statements and illustrations concerning risks, plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, TORM's examination of historical operating trends, data contained in our records and other data available from third parties. As many of these factors are subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM makes no warranties or representations about accuracy, sequence, timeliness or completeness of the content of this presentation.

Highlights for Q3 2014

Highlights
Tanker market
Dry bulk market
Finance

Q3 2014 Results

- EBITDA of USD 14m (USD 11m)
- Loss before tax of USD -26m (USD -40m)
- Positive operating cash flow of USD 6m (USD 9m) after full interest payment

Tanker

- The product tanker market saw further signs of recovery with especially the larger segments causing the freight rate improvements
- On average, TORM's freight rates for Q3 2014 improved by 19% y-o-y
- Divisional Q3 2014 EBITDA of USD 15m (USD 22m)

Bulk

- Freight rates remained under pressure throughout Q3 2014
- Divisional Q3 2014 EBITDA of USD -1m (USD -11m)

Sale & Purchase

- Price for modern tonnage slightly down in Q3 2014, but with few transactions

Restructuring process

- During October 2014, TORM has entered into an agreement with a group of its lenders, representing 61% of TORM's ship financing, and Oaktree Capital Management regarding a possible restructuring of TORM

Guidance for FY2014

- EBITDA forecast for 2014 upward adjusted to positive USD 70-80m
- Forecast on loss before tax upward adjusted to USD 280-290m
- Results include impairment of USD 193m



Q2 2014 results

Highlights
Tanker market
Dry bulk market
Finance



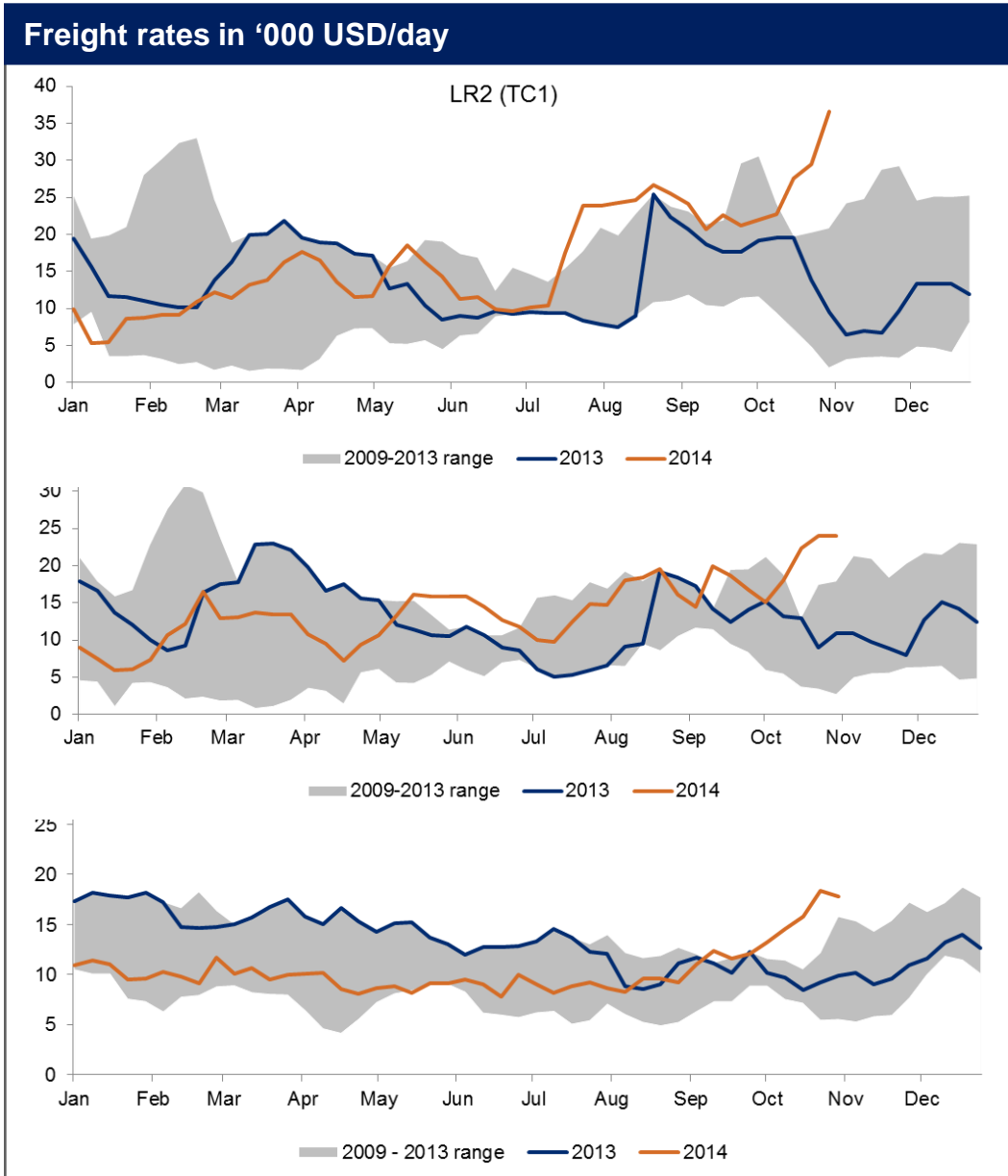
USDm	Q3 2014	Q3 2013	2013	2012	2011
P&L					
Gross profit	24	25	150	(93)	81
Sale of vessels	0	0	0	(26)	(53)
EBITDA	14	11	96	(195)	(44)
Profit before tax	(26)	(40)	(166)	(579)	(451)
Balance					
Equity	(150)	190	118	267	644
NIBD	1,376	1,725	1,718	1,868	1,787
Cash and cash equivalents	30	31	29	28	86
Cash flow statement					
Operating cash flow	6	9	68	(100)	(75)
Investment cash flow	(13)	121	93	0	168
Financing cash flow	(5)	(124)	(161)	42	(128)

- Q3 EBITDA of USD 14m (USD 11m)

- Q3 2014 results before tax of USD -26m (USD -40m)

- Positive operating cash flow of USD 6m after full interest payment (USD 9m)

Product tanker freight rates



LR1 and LR2

- LR freight rates in the Arabian Gulf improved as a result of increased demand – especially for naphtha
- LR1s continued to “cannibalize” the MR market in the US Gulf

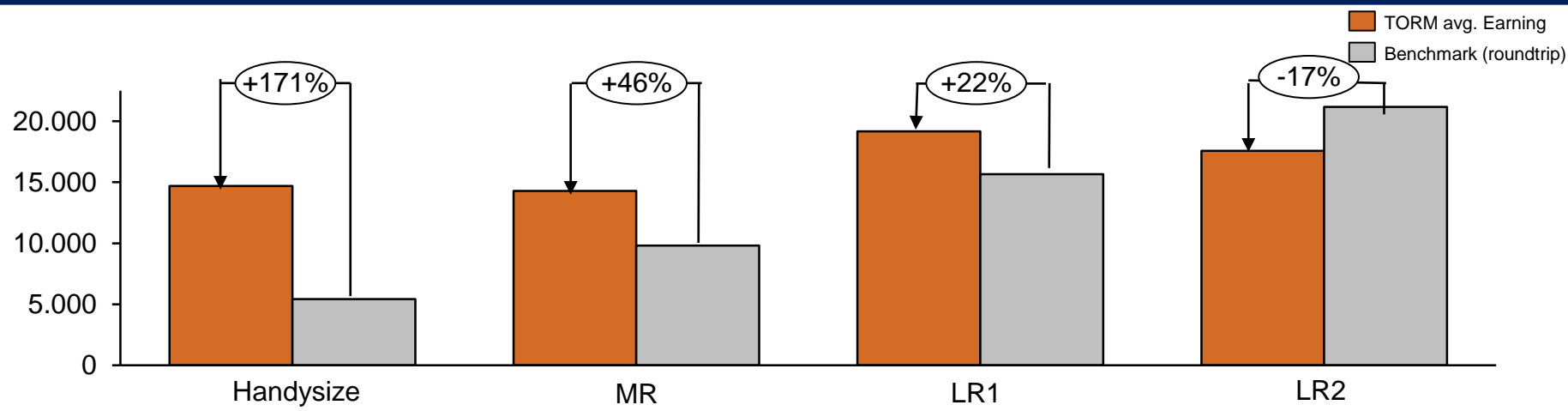
MR

- In the East, the MR freight rates benefitted from new refinery capacity and growing demand – especially in the North East and the Middle East
- In the West, freight rates were subdued due to weaker European demand, US refinery maintenance and an oversupply of tonnage in the Atlantic basin

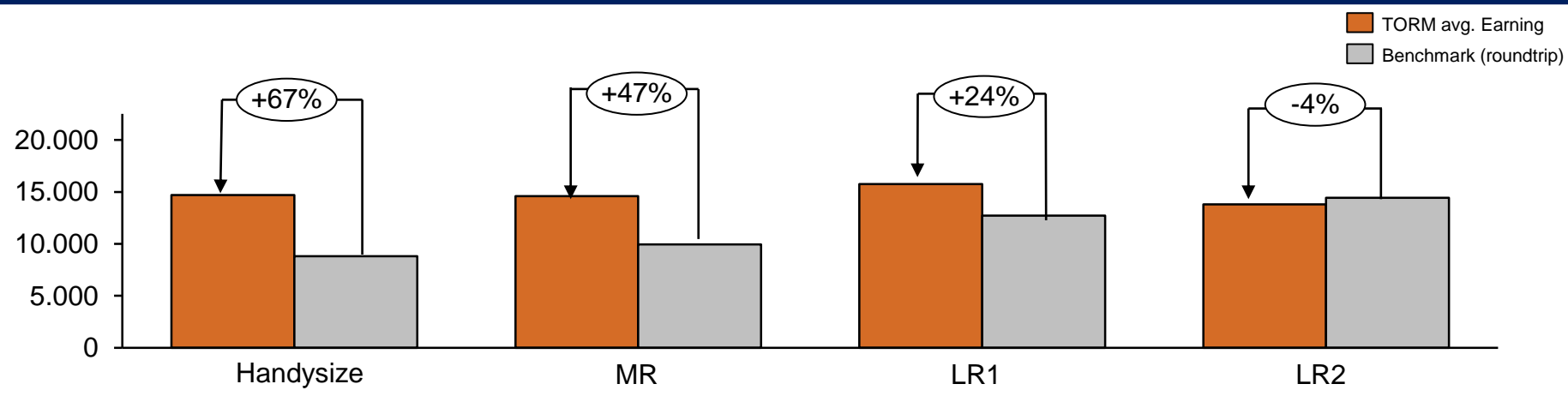
Tanker Division spot rates versus benchmark



TORM spot vs. benchmark Q3 2014 (USD/day)



TORM spot vs. benchmark last 12 months (USD/day)



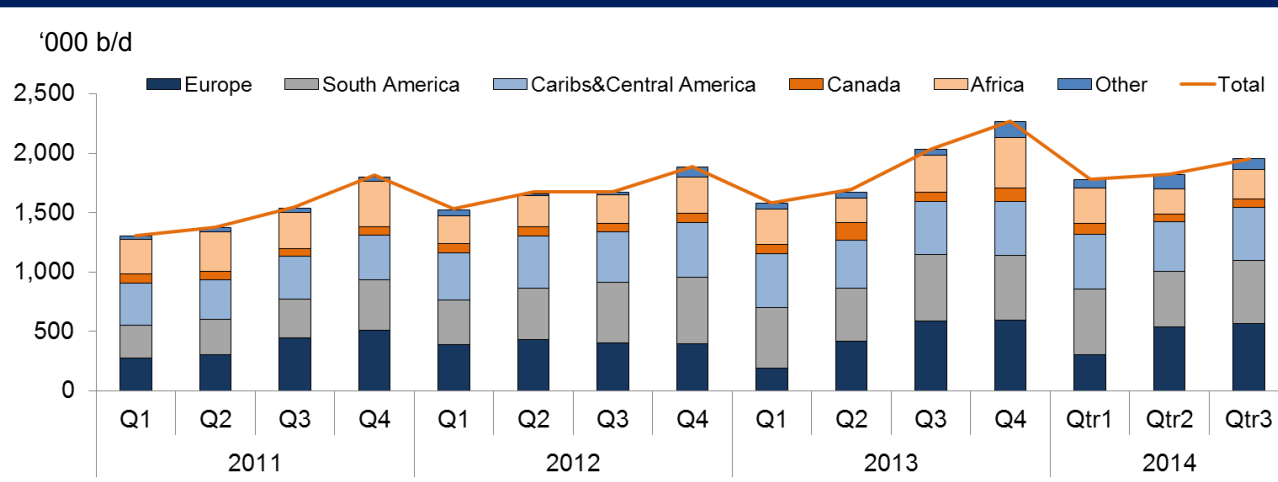
Note: Benchmarks are not one-to-one comparisons as they do not take broker commission, armed guards and low sulphur fuel costs into account.

Source: Clarksons, Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba), MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sidney, Handysize: average basket of Augusta->Lavera, Tuapse->Agioi Theodoroi

Demand outlook for the product tanker market

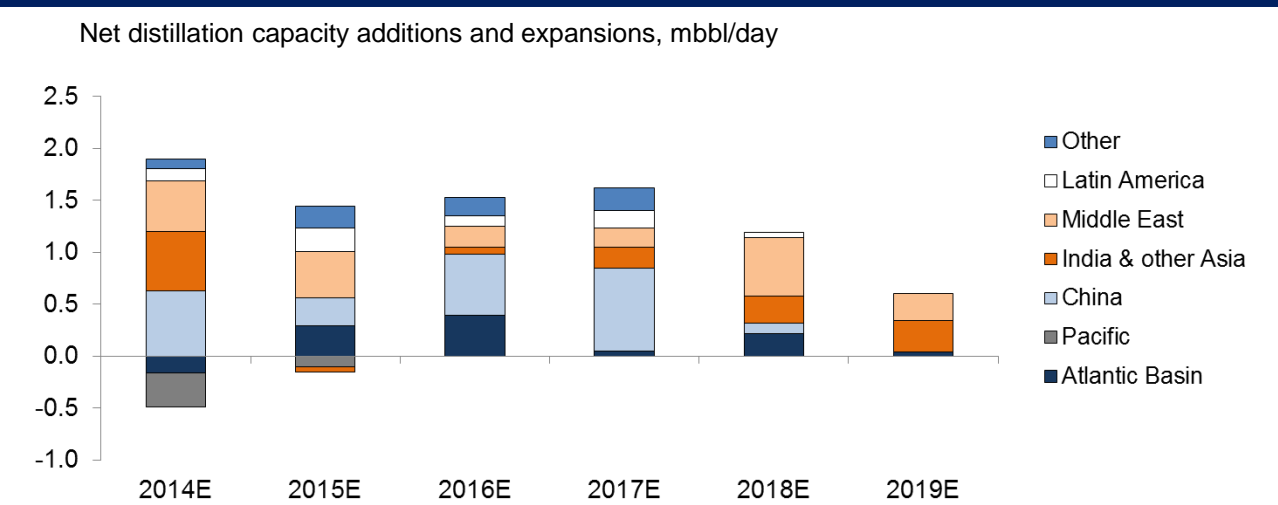


US clean product exports down 3% y-o-y in Q3 2014*



- US CPP exports in Q3 declined y-o-y, squeezed by weak gasoil/diesel demand in Central and South America
- US gasoline imports declined y-o-y amid higher domestic refinery runs
- Naphtha flows from West to East increased more than 60% during Q3, despite a number of new condensate splitters coming online in Asia
- European gasoil/diesel imports expected to gain in Q4 ahead of new ECA sulphur regulations coming into effect in January 2015

Refinery expansions favoring ton-mile



- Longer haul product movements from increasing refinery capacity in the Middle East, favored by expected closure of non-competitive refining capacity and utilization cuts in Europe, are likely to show more substantial impact from next year
- Many refinery projects in China are cancelled or postponed, decreasing the country's potential as a major product exporter to the rest of Asia
- Closure of refinery capacity in the Pacific basin is expected to support the intra-Asian trade

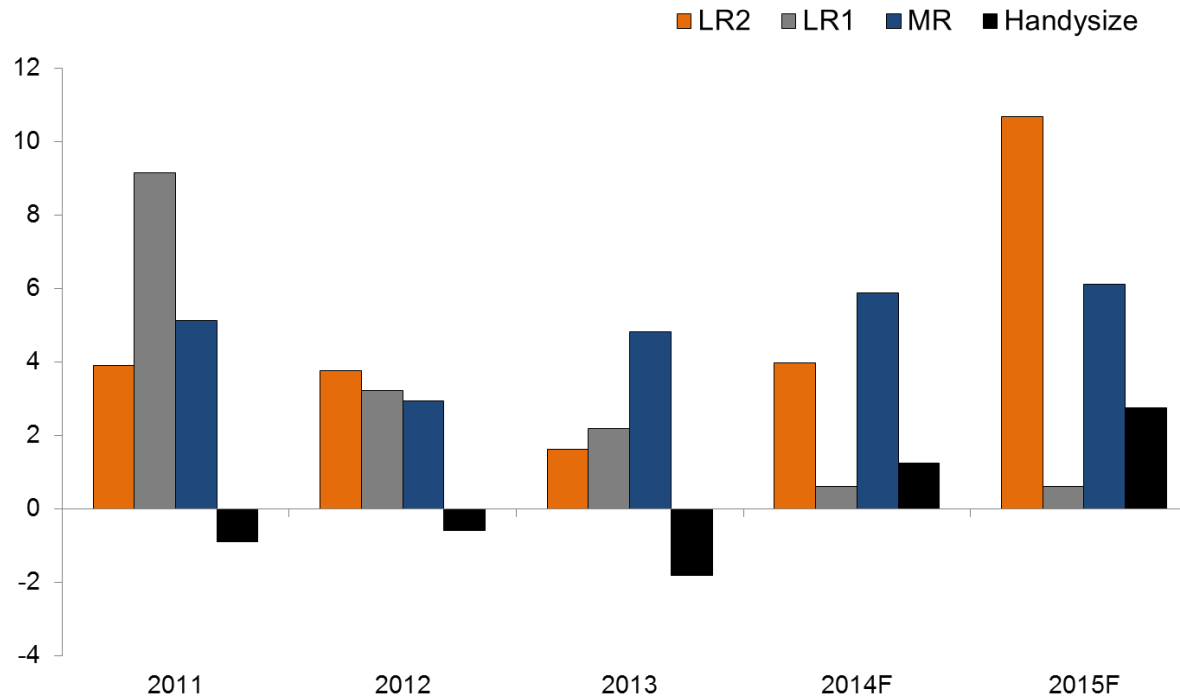
Sources: EIA, IEA, JBC, TORM Research

* Due to data unavailability, Q3 2014 data only covers the period of July and August

Supply outlook for the product tanker fleet



Net fleet growth y-o-y in % of total fleet (no. of vessels)



- The total product tanker fleet is forecasted to grow by approximately 4% in 2014 and 5% 2015 (in terms of no. of vessels), with the MR and LR2 segments leading the growth
- Notwithstanding potential delivery slippage, LR2 fleet growth will accelerate in 2015, reflecting high ordering activity in 2013
- The Handysize segment contains most likely scrapping candidates, but after years of negative fleet growth, relatively high expected deliveries will result in positive growth also in this segment

Note: Increase calculated basis number of vessels. The number of vessels by the beginning of 2014 was: LR2 252, LR1 327, MR 1,326, Handy 649

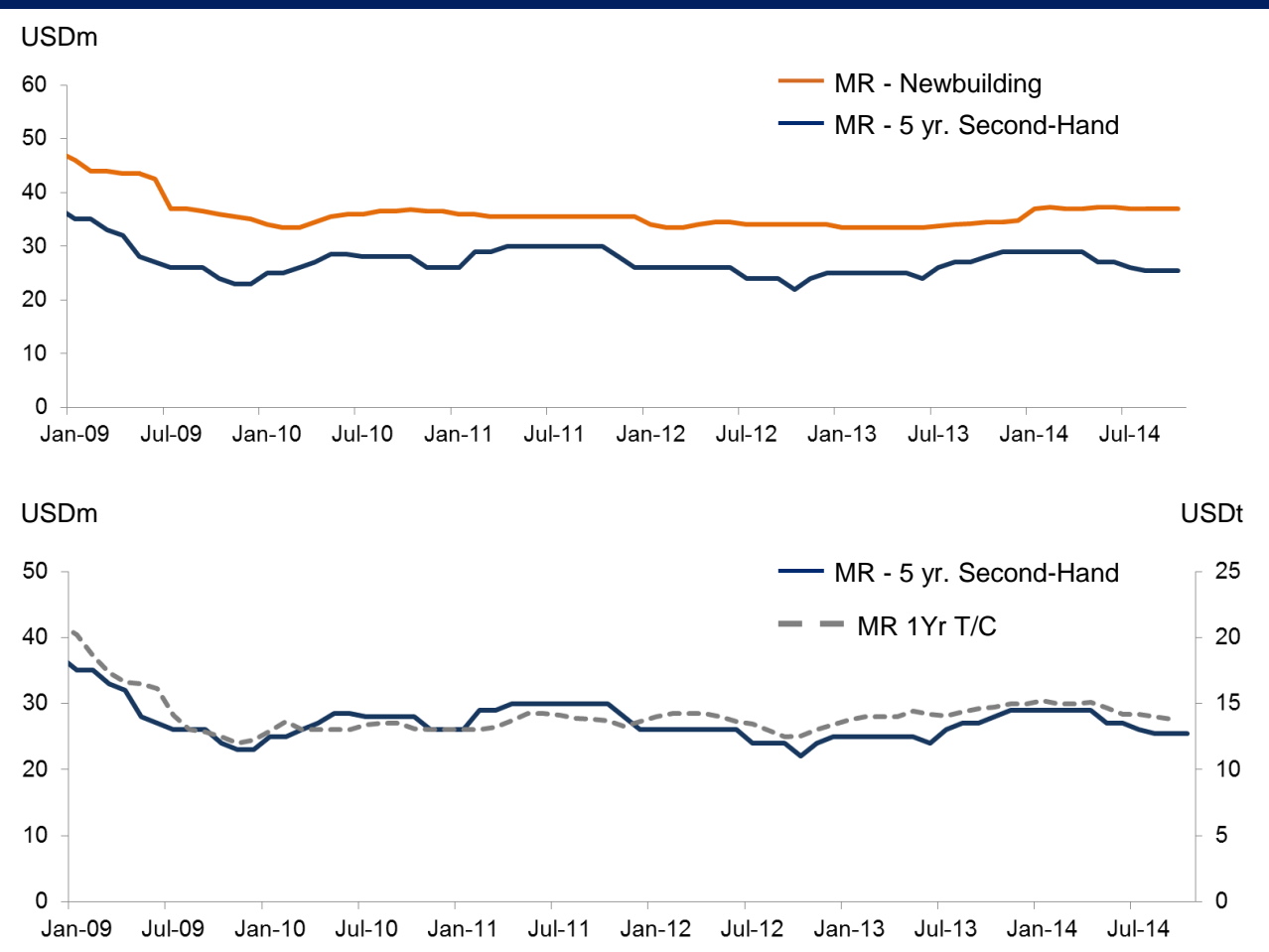
Note: Net fleet growth: Gross order book adjusted for expected scrapping and delivery slippage

Source: TORM Research

Product tanker vessel prices



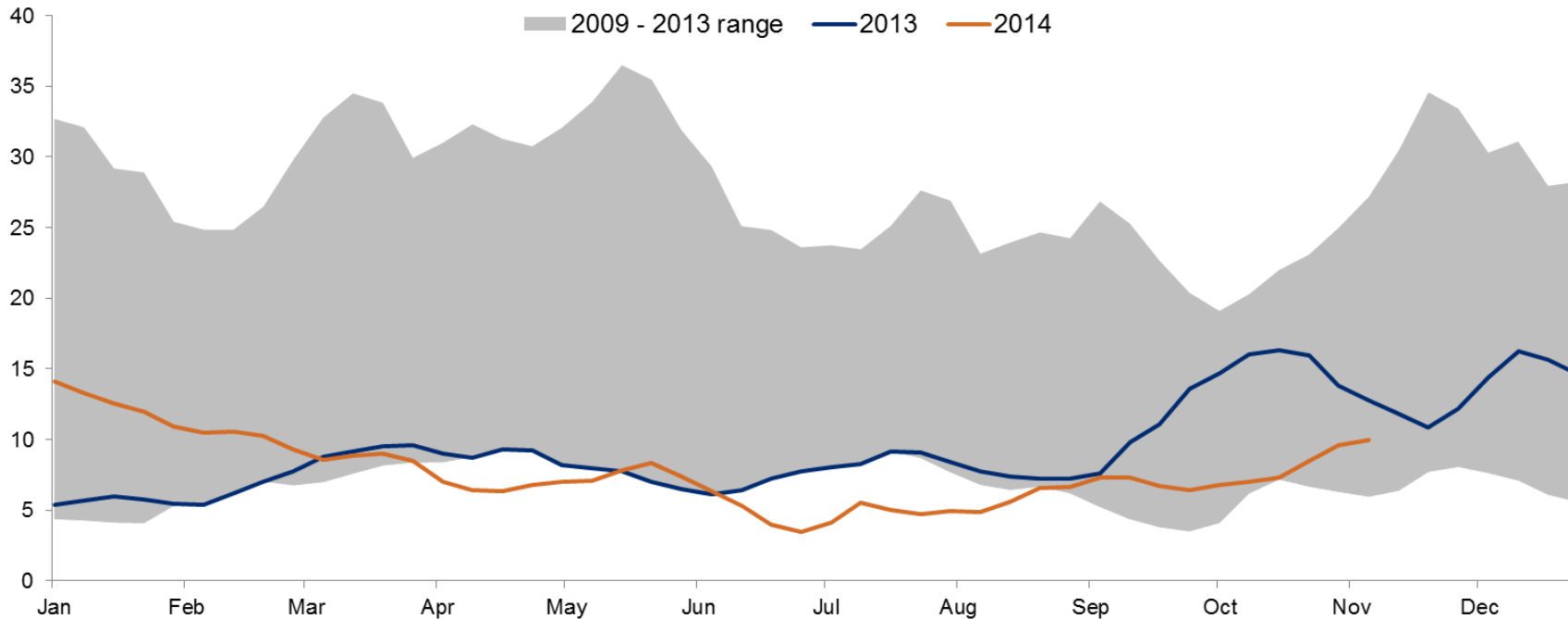
Vessel price development



- Product tanker ordering activity continued to lose momentum in Q3 2014, reaching the lowest level in two years
- Overall ordering activity declined 40% compared to Q2 and 73% compared to the same period last year (in terms of capacity)
- Compared to the previous quarter, ordering of all segments except LR1 experienced a slow down
- Price for modern tonnage declined in Q3 2014 compared to Q2, in line with developments in 1-year time charter rates



Panamax freight rates in '000 USD/day

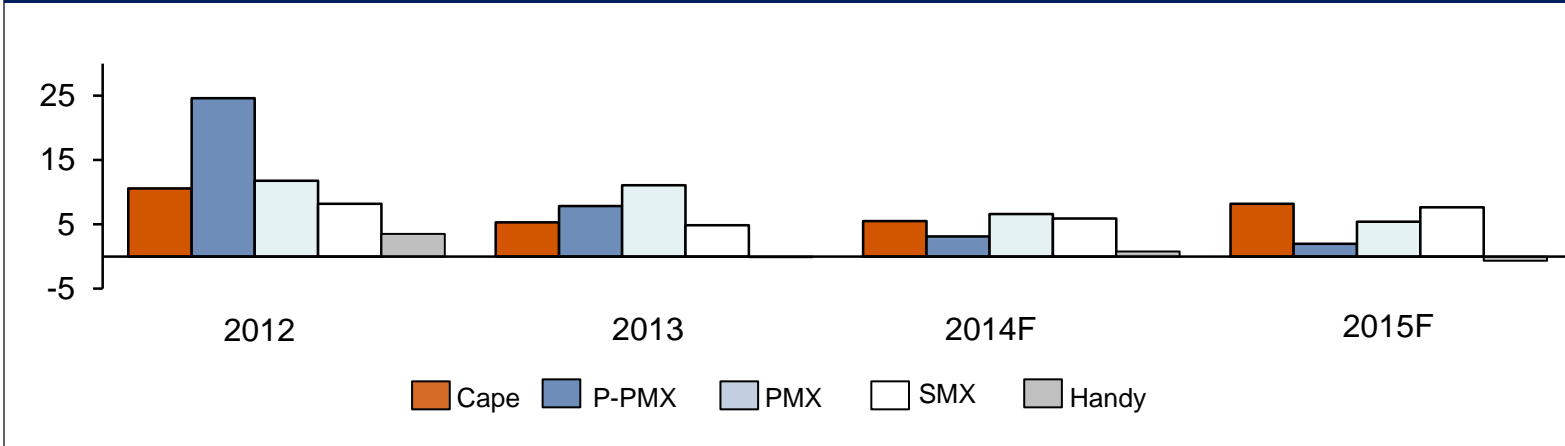


- Spot rates for the relevant bulk segments remained under pressure in Q3 2014 with average Panamax spot rates of USD/day 5,860
- TORM continued to employ its Panamax fleet in the period market and obtained TCE earnings of USD/day 10,426 in Q3 2014
- By early Q4 2014, the 1-year time charter rate was at USD/day ~9,250 for a standard 75,000 dwt Panamax

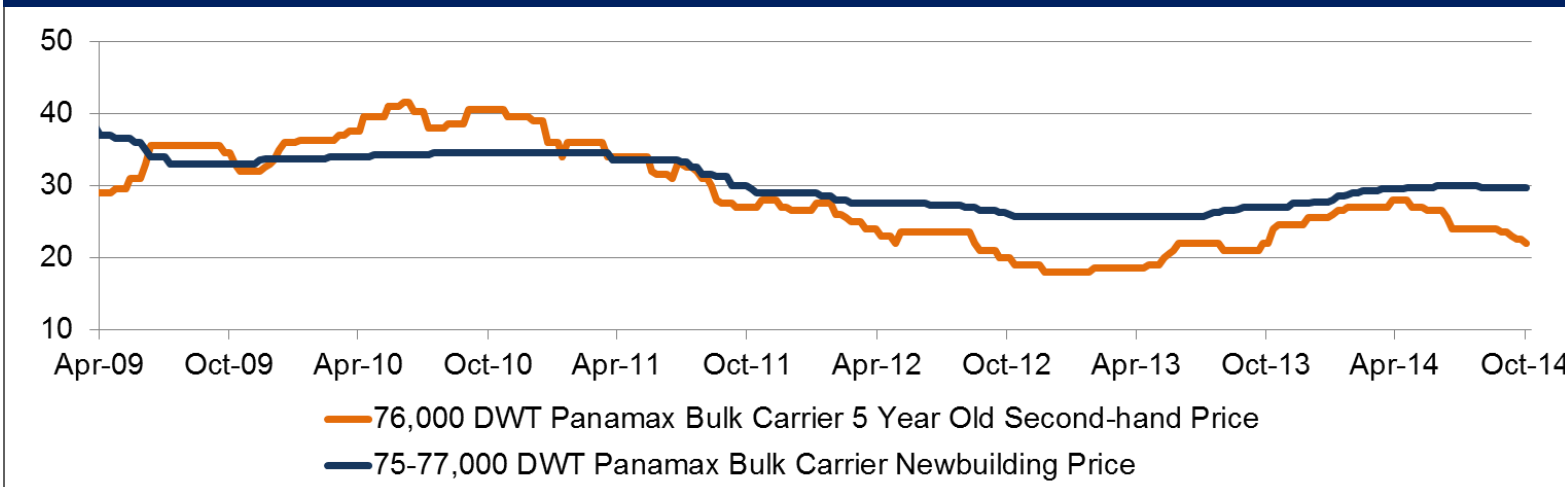
Dry bulk order book and vessel prices



Net fleet growth y-o-y as percent of existing fleet primo 2014*



Panamax newbuilding and second-hand prices (USDm)



* Calculated basis dwt. Number of vessels primo 2014: Cape 1,468; P-PMX 523; PMX 1,964, SMX 3,047; Handy 2,920.

Source: TORM Research, Clarksons

TORM has a fully integrated business model

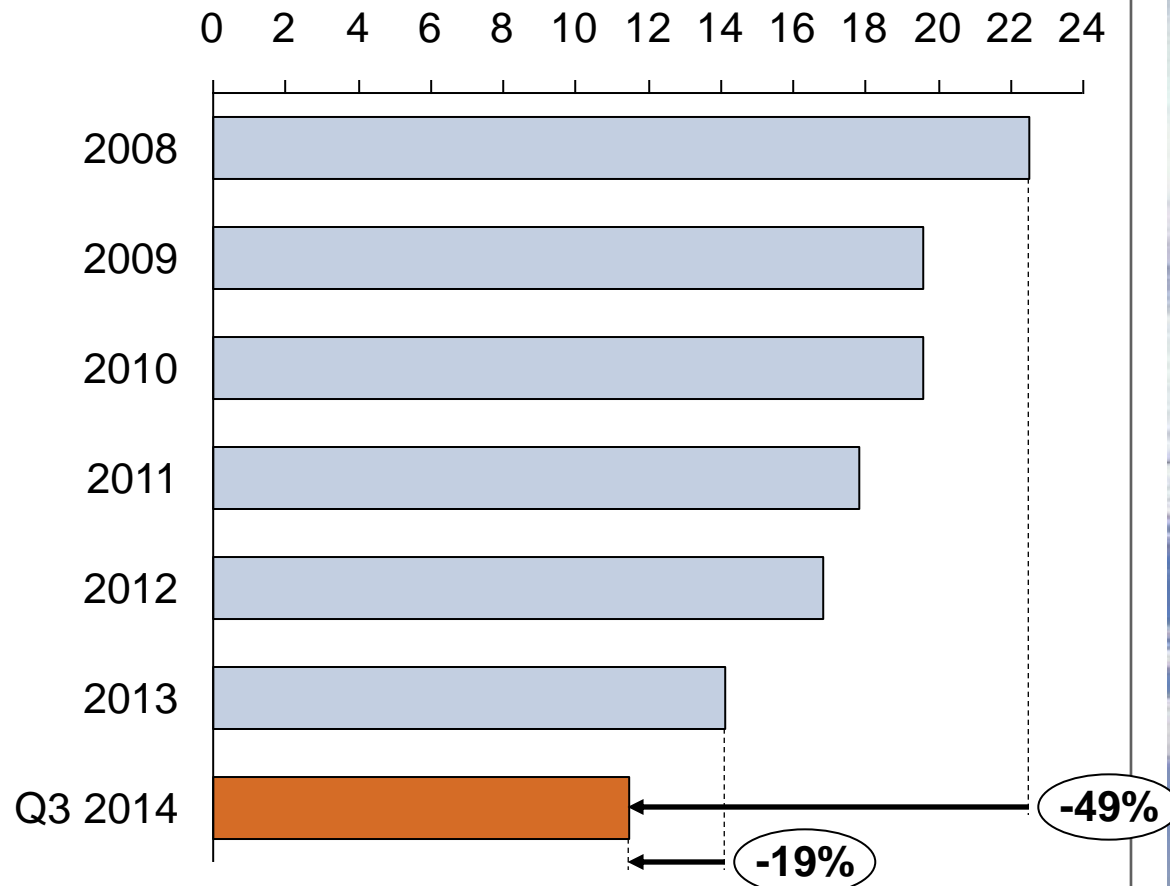


TORM has maintained a fully integrated business model...

- TORM has a fully integrated business model to obtain the highest possible
 - trading flexibility
 - earning power
- TORM manages
 - ~85 vessels commercially
 - 65+ vessels technically
- Global reach ensures proximity to customers
- Outsourced technical and commercial management would affect other line items of the P&L

... but TORM's cost program has trimmed admin expenses significantly

Admin. expenses (quarterly avg. in USDm)



TORM's financial position



Liquidity

- As at 30 September 2014, TORM's cash and cash equivalents were USD 75m consisting of
 - USD 30m in cash
 - USD 45m in undrawn working capital facility

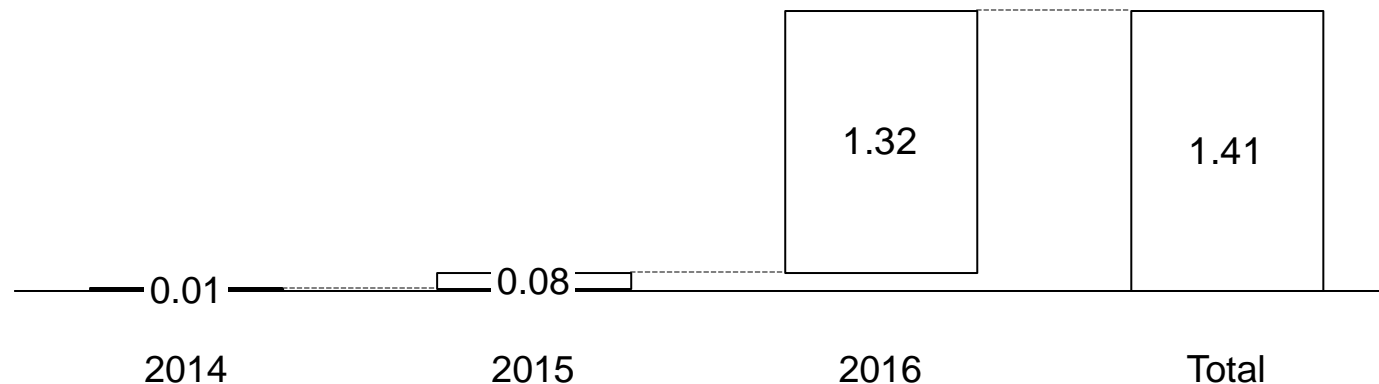
Newbuilding CAPEX

- TORM has no newbuildings on order

Debt situation

- TORM has a total debt of USD 1.41bn incl. drawn part of working capital facility
- TORM's working capital facility of USD 50m has been extended until 31 March 2015. The extension is subject to continued progress in the recapitalization process

USD 1.4 bn. as of 30 September 2014



TORM's forecast for 2014

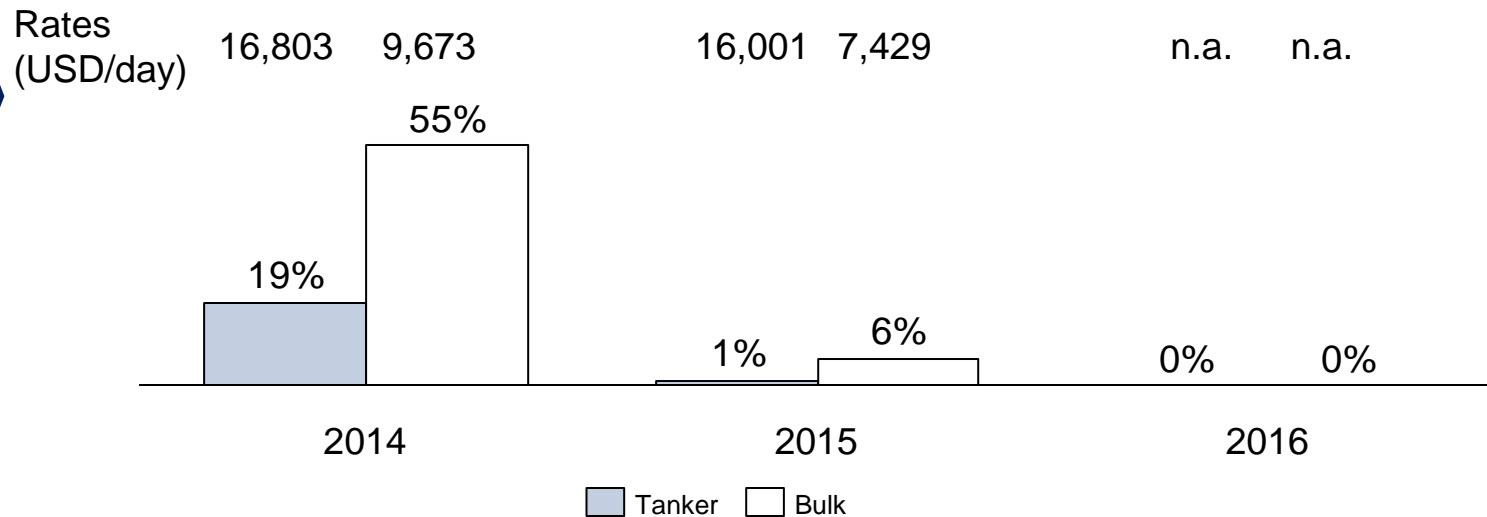


2014 forecast

Forecasts for 2014

	Total, USDm	
EBITDA	70 to	80
Profit before tax*	-280 to	-290

Coverage per 30 September 2014



Earnings sensitivity for 2014 per 30 September 2014

USDm Segment	Change in freight rates (USD/day)			
	-2,000	-1,000	1,000	2,000
Tankers	-7	-4	4	7
Bulk	-1	-0	0	1
Total	-8	-4	4	8

* Includes impairment charges of USD 193m

Appendix



TORM at a glance

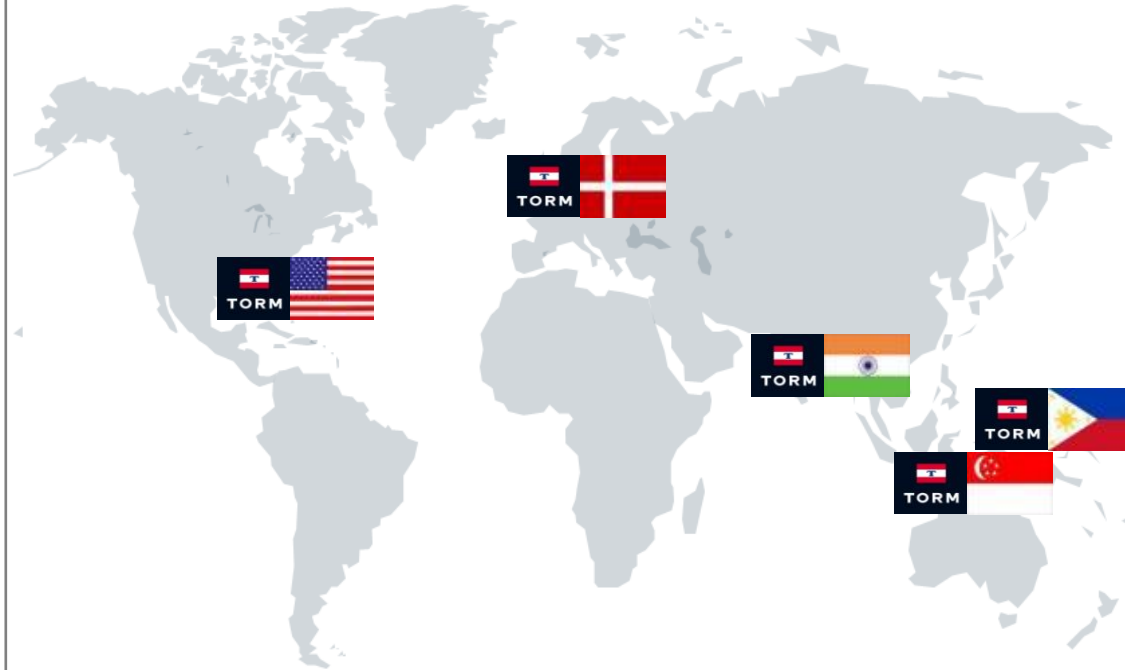
Key facts

A world leading product tanker company

- 125 years of history
- A leading product tanker owner
- Presence in dry bulk as operator

Listed on NASDAQ OMX
Copenhagen

Global footprint based on regional power and presence



TORM employees:

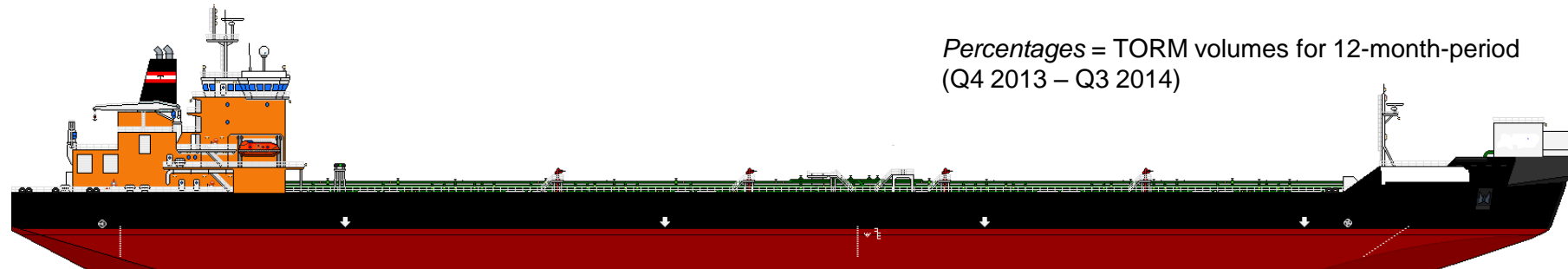
TORM Offices: ~275

Seafarers: ~2,900

- 1,400 Indian seafarers
- 1,150 Filipino seafarers
- 250 Danish seafarers
- 100 Croatian seafarers



Product tankers have coated tanks and have specially designed cargo systems with flexibility to transport a wide range of different products



Percentages = TORM volumes for 12-month-period (Q4 2013 – Q3 2014)

Crude oils	Fuel oils	Diesels	Gas oils / Gasolines	Karosenes / Jet fuel	Clean condensates	Naphthas	MTBEs	Veg. oils	Biofuel	Ethanol
~12%	~12%	~6%	~38%	~8%	~3%	~19%	~0%	~1%	~0%	~0%

"Dirty products"

**Less refined
"clean products"**

**More refined
"clean products"**

Management team with an international outlook and many years of shipping experience



Executive Management



Jacob Meldgaard

- CEO of TORM since April 2010
- Previously Executive Vice President of the Danish shipping company NORDEN where he was in charge of the company's dry cargo division
- Prior to that he held various positions with J. Lauritzen and A.P. Møller-Mærsk
- More than 20 years of shipping experience

Senior Management



Mads Peter Zacho

- Chief Financial Officer



Tina Revsbech

- Head of Tanker Division



Christian Søgaard-Christensen

- Head of Investor Relations and Corporate Support



Lars Christensen

- Head of Sale & Purchase Division incl. Bulk



Christian Riber

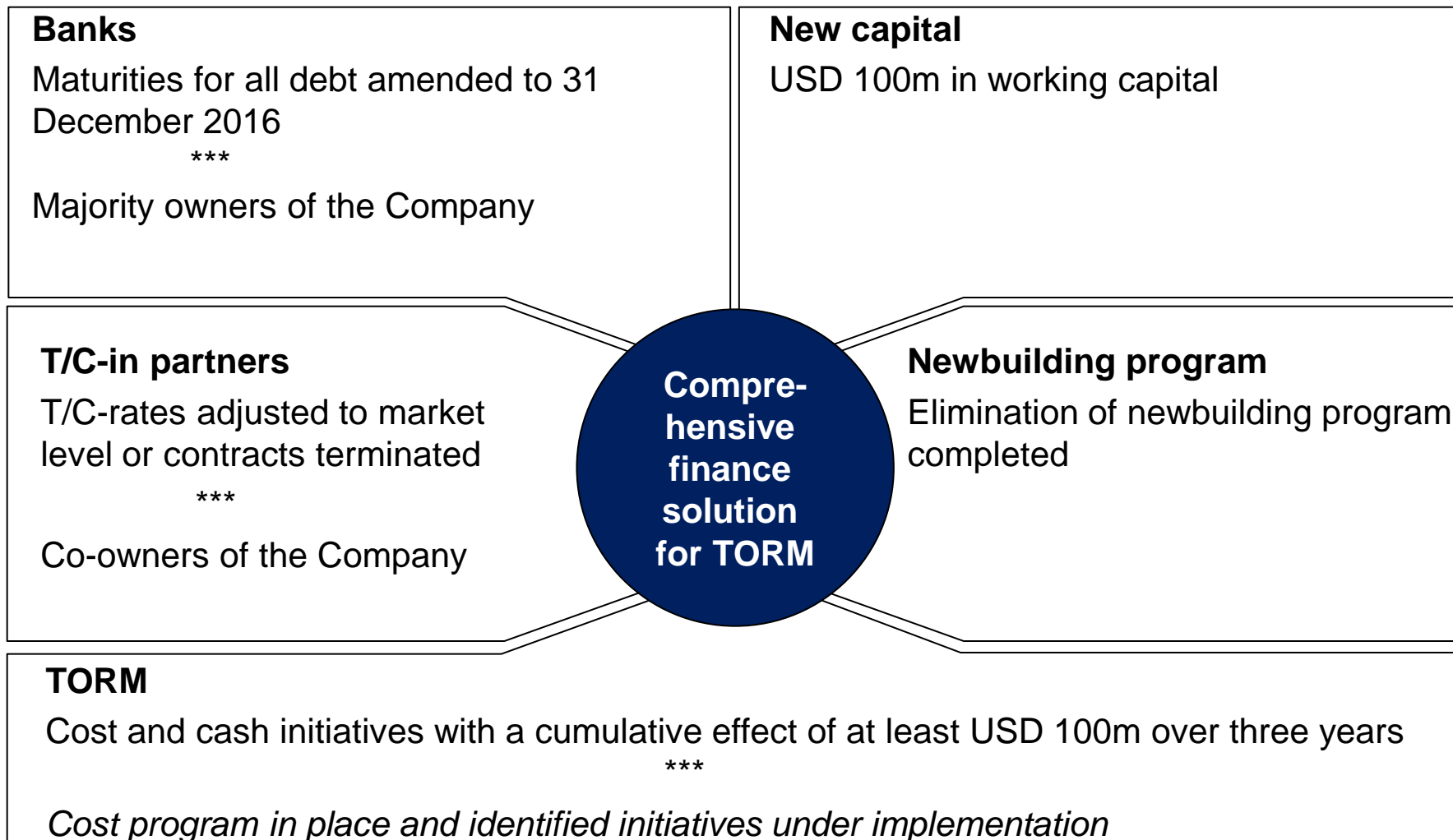
- Head of Human Resources



Jesper S. Jensen

- Head of Technical Division

TORM completed the restructuring with banks and time charter partners on 5 November 2012



The TORM share

Share information

TORM's shares are listed on NASDAQ OMX Copenhagen under the ticker TORM

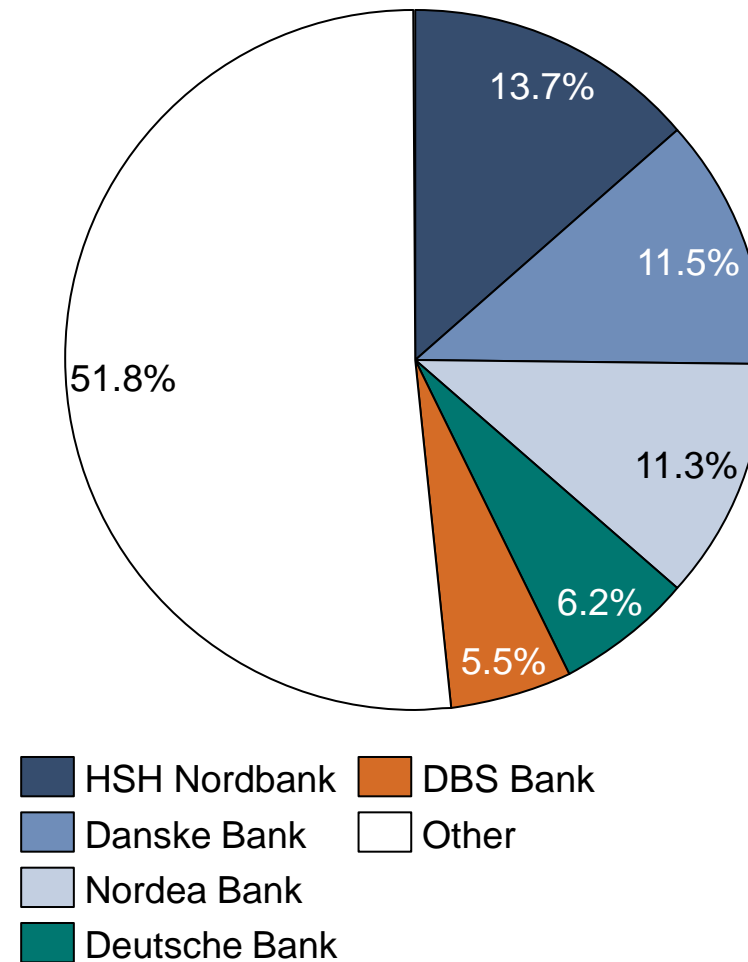
In July 2013, TORM delisted the ADR-program from NASDAQ Capital Markets, USA, (ticker "TRMD")

Shares

- One class of shares, each carrying one vote
- Share capital of 728m shares of DKK 0.01 each

For further company information, visit TORM at www.torm.com

Ownership structure (31 December 2013*)



Industry cooperation and transparency is key to TORM's Corporate Social Responsibility



TORM is actively participating in...



- UN Global Compact – TORM became signatory to the UNGC in 2009 as the first Danish shipping company



- Maritime Anti Corruption Network – TORM is founding member of a global business network working towards a maritime industry free of corruption that enables fair trade

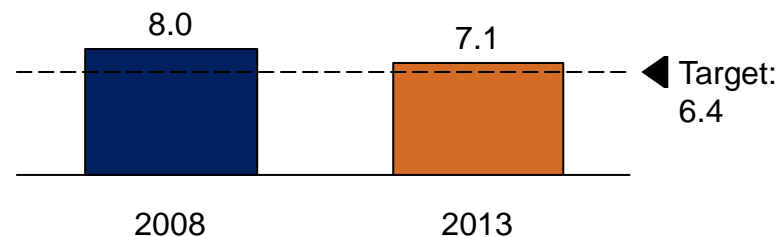


- Danish Shipowners' Association - As part of DSA, TORM is pushing for international regulation and standards on e.g. emissions through the International Maritime Organization

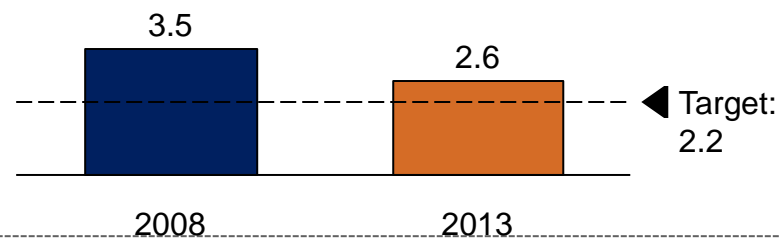
TORM has set and communicated on climate targets

Set climate targets:

- 20% reduction of CO₂ emissions pr. vessel by 2020 (starting point in 2008), in g/ton-km



- 25% reduction of CO₂ emissions from offices per employee by 2020 (starting point in 2008), ton-employee



Detailed key figures overview

USDm	Q1-Q3 2014	2013	2012	2011	2010	2009
Revenue	472	992	1,121	1,305	856	862
EBITDA	48	96	(195)	(44)	97	203
Profit/(loss) before tax	(218)	(166)	(579)	(451)	(136)	(19)
Balance						
Total assets	1,382	2,008	2,355	2,779	3,286	3,227
Equity	(150)	118	267	644	1,115	1,247
NIBD	1,376	1,718	1,868	1,787	1,875	1,683
Cash and cash equivalents	30	29	28	86	120	122
Cash flow statement						
Operating cash flow	30	68	(100)	(75)	(1)	116
Investment cash flow	319	93	0	168	(187)	(199)
Financing cash flow	(348)	(161)	42	(128)	186	37
Financial related key figures						
EBITDA margin	10%	10%	(17%)	(3%)	11%	24%
Equity ratio	-	6%	11%	23%	34%	39%
Return on invested capital (ROIC)	(19%)	(5%)	(20%)	(14%)	(3%)	2%



Large and modern fleet

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period >= 12 months		
	Q2 2014	Changes	Q3 2014	2014	2015	2016
Owned vessels						
LR2	5.0	-	5.0			
LR1	7.0	-	7.0			
MR	20.0	-	20.0			
Handysize	11.0	-	11.0			
Tanker Division	43.0	-	43.0	-	-	-
Panamax	2.0	-	2.0			
Handymax	-	-	-			
Bulk Division	2.0	-	2.0	-	-	-
Total	45.0	-	45.0	-	-	-
T/C-in vessels with contract period >= 12 months						
LR2	2.0	-	2.0			
LR1	-	-	-			
MR	5.0	-	5.0		-3.0	
Handysize	-	-	-			
Tanker Division	7.0	-	7.0	-	-3.0	-
Panamax	5.0	-	5.0			
Handymax	1.0	-	1.0			
Bulk Division	6.0	-	6.0	-	-	-
Total	13.0	-	13.0	-	-3.0	-
Pools/commercial management	40.0	-	40.0			
Total fleet	98.0	-	98.0			



Earning days, T/C cost and coverage for 2014, 2015 and 2016

PER 30.9.2014



Owned days

	2014	2015	2016	2014	2015	2016
	Owned days					
LR2	458	1,782	1,815			
LR1	618	2,515	2,546			
MR	1,801	7,070	7,155			
Handysize	954	3,888	3,960			
Tanker Division	3,830	15,255	15,476			
Panamax	168	726	728			
Handymax	-	-	-			
Bulk Division	168	726	728			
Total	3,998	15,981	16,204			

T/C-in days at fixed rate

	T/C-in days at fixed rate			T/C-in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	438	798	104	13,833	15,609	16,000
Handysize	-	-	-	-	-	-
Tanker Division	438	798	104	13,833	15,609	16,000
Panamax	457	1,554	760	12,492	12,048	11,000
Handymax	-	-	-	-	-	-
Bulk Division	457	1,554	760	12,492	12,048	11,000
Total	896	2,352	864	13,148	13,256	11,600

T/C-in days at floating rate

	T/C-in days at floating rate					
LR2	183	726	684			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Tanker Division	183	726	684			
Panamax	-	-	-			
Handymax	91	315	13			
Bulk Division	91	315	13			
Total	275	1,041	697			

Total physical days

	Total physical days			Covered days		
LR2	641	2,508	2,499	164	59	-
LR1	618	2,515	2,546	110	-	-
MR	2,239	7,868	7,259	459	34	-
Handysize	954	3,888	3,960	132	-	-
Tanker Division	4,452	16,779	16,263	865	93	-
Panamax	625	2,280	1,488	343	147	-
Handymax	91	315	13	50	-	-
Bulk Division	717	2,595	1,501	393	147	-
Total	5,168	19,374	17,764	1,258	240	-

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	26%	2%	0%	17,121	15,600	-
LR1	18%	0%	0%	21,168	-	-
MR	21%	0%	0%	14,663	16,690	-
Handysize	14%	0%	0%	20,224	-	-
Tanker Division	19%	1%	0%	16,803	16,001	-
Panamax	55%	6%	0%	9,761	7,429	-
Handymax	54%	0%	0%	9,064	-	-
Bulk Division	55%	6%	0%	9,673	7,429	-
Total	24%	1%	0%	14,576	10,744	-



TORM