

HIGHLIGHTS – FIRST QUARTER 2001

- Very encouraging overall result for the first quarter
- Increase in profit forecast before tax for year 2001 to approximately DKK 400 million
- Considerable increase in value of fleet and new building contracts on order
- Major change in the LR2 Tanker Pool concept in April

Financial results

The result before tax for first quarter 2001 was DKK 276 million. The market for the company's product tankers continued last year's positive trend resulting yet again in record net earnings from shipping activities. Earnings from shipping activities for the quarter was DKK 277 million, which was more than 50% of the earnings for all of 2000. Income from the sale of ships contributed DKK 68 million, including an exchange gain of DKK 14 million, to the bottom line while financial charges reduced results by DKK 5.5 million.

Profit forecast

Based on the company's strong first-quarter performance, profit before taxes in 2001 is expected to reach approximately DKK 400 million.

Increase in fleet value

The company's fleet and order book of eight new-buildings has increased in value by approximately DKK 450 million per 31 March 2001 after exchange rate adjustment of ship values and relevant loans. The fleet and new building contracts have been valued by two independent international shipbrokers. In the future the company intends to update ship values every half and full year.

TORM

A/S Dampskibsselskabet TORM
Marina Park
Sundkrogsgade 10
DK-2100 Copenhagen Ø
DENMARK

Telephone: +45 39 17 92 00
Telefax: +45 39 17 93 93
Telex: 223 15 TORM DK
E-mail: torm@torm.dk



Tanker Division

Following the year's strong start, Tank Division earnings are in line with expectations. Despite recent temporary shutdowns of some refineries for annual maintenance, the earnings outlook remains encouraging.

In April, A.P. Moller and TORM established a management company, "The LR2 Pool". The pool consists of 100,000 dwt tanker vessels.

Bulk Division

The market served by our panamax and handysize bulk ships remained stable during the first quarter with rate levels largely in line with those prevailing during the last quarter of 2000. Two owners left the Panamax Pool, but the addition of three vessels to the pool later in the year and a higher level of operating activity will reduce any negative impact.

In anticipation of a weakening market, particularly during the second half of the year, the Division has continued its strategy of fixing an increasing percentage of the fleet forward at favourable rates.

Liner Division

The Liner Division saw a drop in earnings on eastbound container shipments but positive results on cocoa shipments from West Africa. The new feeder services also performed well. With an anticipated rate increase in the fourth quarter, results from these activities are expected to remain steady.

Offshore

The previously announced sale of TORM OSPREY and TORM EAGLE was completed just after the end of the first quarter, resulting in a profit of DKK 68 million including currency gains. The company is now well positioned to take advantage of strong rate increases in this sector, with the bare-boated vessels TORM HERON and TORM KESTREL expected to make a positive contribution to the year's bottom line.

Accounting Policies

With the exception of provisions for deferred taxation and repairs, the accounts have been prepared in accordance with the practices used in the company's annual accounts.

Following Danish accounting guideline No. 14 on income taxation, the policy has been changed so that deferred tax will henceforth be calculated at 30%. The company has in previous years calculated the deferred tax at 16%. The change in policy reduced the income for the period by DKK 39 million. The transitional adjustment to capital and reserves represents a reduction of DKK 108 million.

Forthcoming Danish accounting guideline No. U23 on tangible fixed assets has been adopted starting with financial year 2001. As a result of this, provisions can no longer be made to cover deferred repair and maintenance work. These must henceforth be treated as assets and depreciated over the period prior to the next scheduled docking. The change in policy increased the income for the period by DKK 1 million. The transitional adjustment to capital and reserves represents an increase of DKK 18 million.

Comparative figures have been adjusted in accordance with the new accounting policy.

Yours faithfully,
A/S Dampskibsselskabet TORM

Erik Behn
Chairman

Klaus Kjaerulff
CEO

Group financial highlights

	31.03.2001		31.03.2000		31.12.2000	
	DKKm	USDm	DKKm	USDm	DKKm	USDm
PROFIT AND LOSS ACCOUNT						
Net turnover	759	94	457	61	2,162	267
Net earnings from shipping activities	277	34	71	9	544	67
Profit on sale of vessels/interests	54	7	14	2	154	19
Other operating income	19	2	9	1	45	6
Profit before depreciation	318	39	77	10	659	82
Profit/(loss) before tax and extraordinary items	276	34	(1)	0	339	40
Profit/(loss) for the period	193	24	(1)	0	237	29
BALANCE SHEET						
Fixed assets	1,809	276	2,374	367	1,961	297
Current assets	1,419	167	984	126	1,288	161
Total assets	3,228	443	3,358	493	3,249	458
Capital and reserves	1,279	213	877	174	1,079	146
Provisions	364	43	172	22	274	23
Liabilities	1,584	187	2,309	296	1,896	289
RATIOS						
Return on assets (%)	41*)		10*)		16	
<i>(including interest and gains on bonds)</i>						
Return on equity (%)	65*)		0*)		24	
Market price per share	594		322		573	
Share price/Net asset value	0.8		0.7		1.0	
Dividend (%)	20					
Earnings per share	106		(1)		130	
Solvency ratio (%)	40		26		33	
Investments in tangible fixed assets	92	11	7	1	322	40
Increase/(decrease) in cash and cash equivalents	116	14	(43)	(6)	122	15
USD/DKK exchange rate	847		779		802	

*) Annualised

Capital and reserves

Group	DKKm
Balance at January 1	1,170.1
Transitional adjustment	(90.3)
Adjusted balance at January 1	1,079.8

Exchange adjustment of capital and reserves in subsidiaries and associated companies	3.6
Exchange adjustment of loans to independent units	3.0
Profit and loss account	192.9

Capital and reserves at March 31, 2001 **1,279.3**