



Nordea seminar
September 2009

Key facts

Company facts
 Tank market
 Dry bulk market
 Finance
 Strategy

Fleet*

- 140 vessels under management
- 127 product tankers (63 owned, 24 chartered-in, 40 in pools/comm. mngt)
- 13 bulk carriers (4 owned, 9 chartered-in)

Strategy

- Superior advantage through modern tanker fleet, sizeable market share through pool operation, excellent quality delivery model and global reach
- Consolidate the Product tanker market

Key financials

USD m	H1 2009	2008	2007
Revenue	452	1,184	774
EBITDA	111	572	304
Net income	6	360	792**
NIBD	1,670	1,550	1,536
Equity	1,270	1,279	1,081

Total # employees

3,200 – hereof 2,900 seafarers

Listing

Listed on OMX and NASDAQ

Market cap

USD 600-800 m

*Figures are end of July 2009

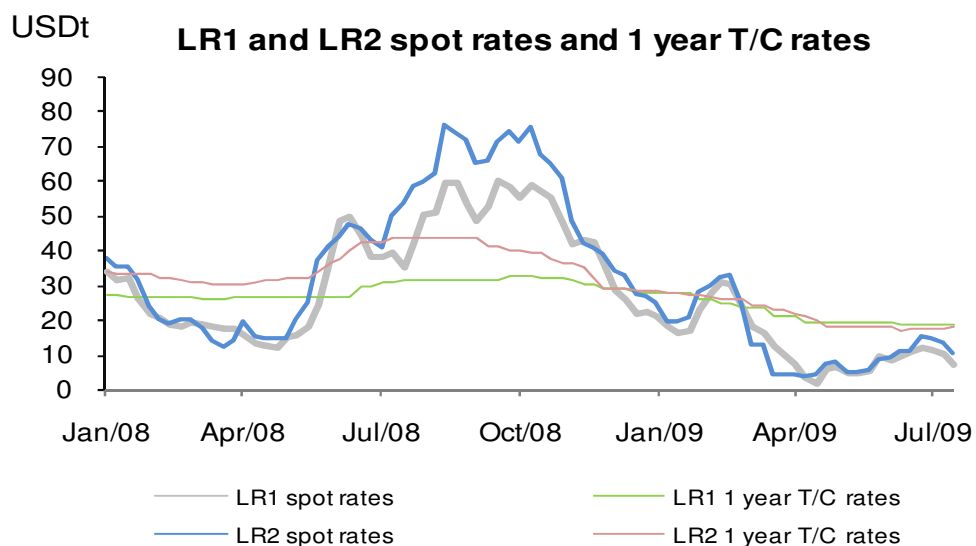
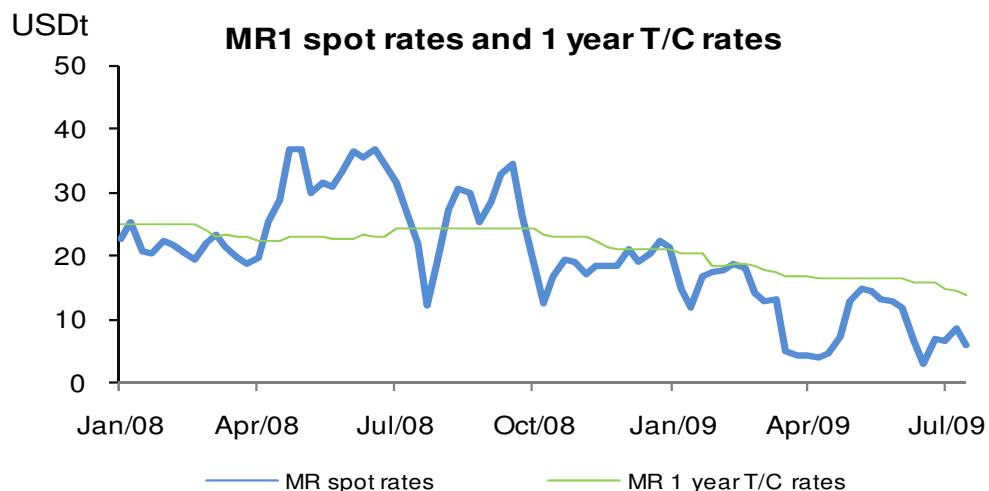
**Includes a book gain of USD 643 m from the sale of shareholding in Norden



Tanker market has been under pressure



Freight rates (MR and LR's)



*Source: Clarksons

Relative to the second quarter of 2008, freight rates realized by TORM were 51% lower for the LR2 segment, 32% lower for the LR1 segment and 34% lower for the MR segment, respectively

Low demand for tonnage, and at the same time a large number of newbuildings came into the market

Main positive factors:

- Arbitrage on gasoline from Europe to the Middle East and arbitrage on middle distillates from the Far East to Europe
- Floating storage (LR1 and LR2)
- Slow steaming

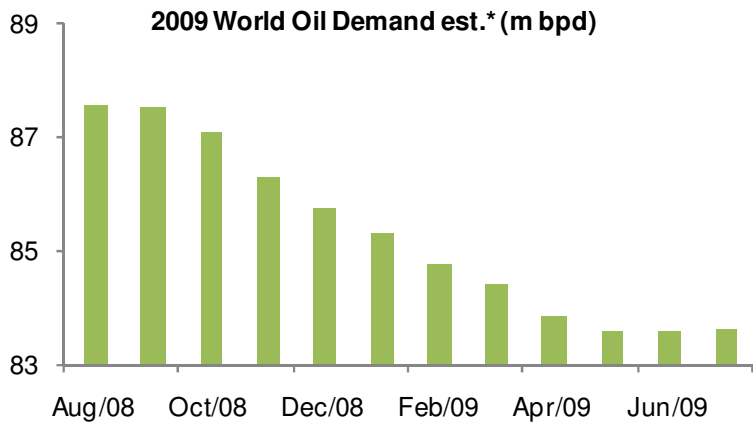
Main negative factors:

- Decline in global oil demand
- Higher bunker costs
- Declining number of port days
- Limited backhauls from the US to Europe (MR)
- A large number of newbuildings came into the market

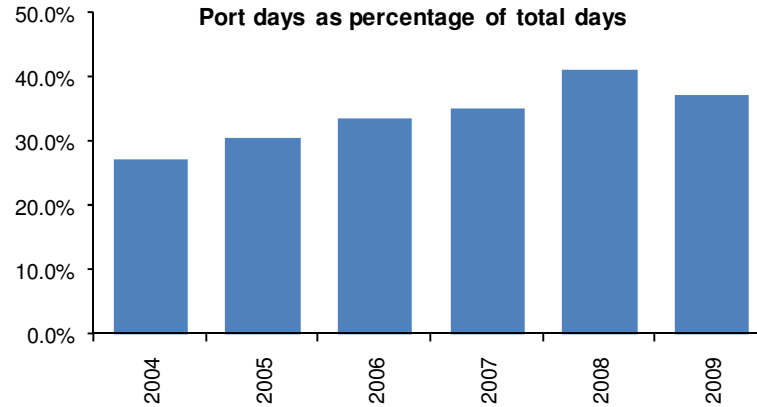
The depressed market was a result of a number of negative factors



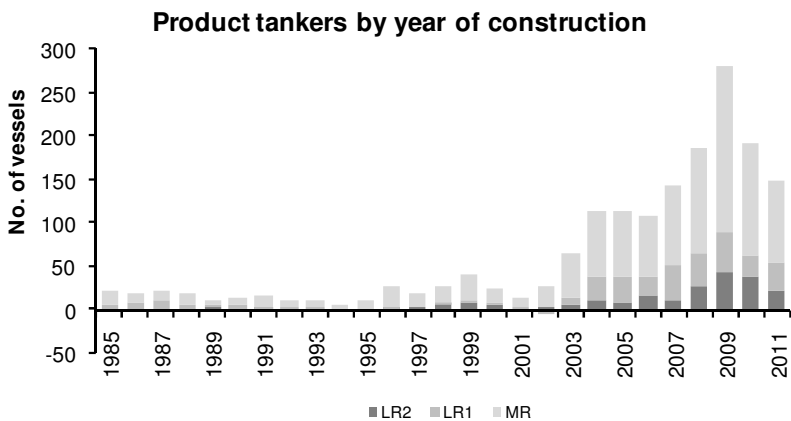
Oil demand decreased more than expected



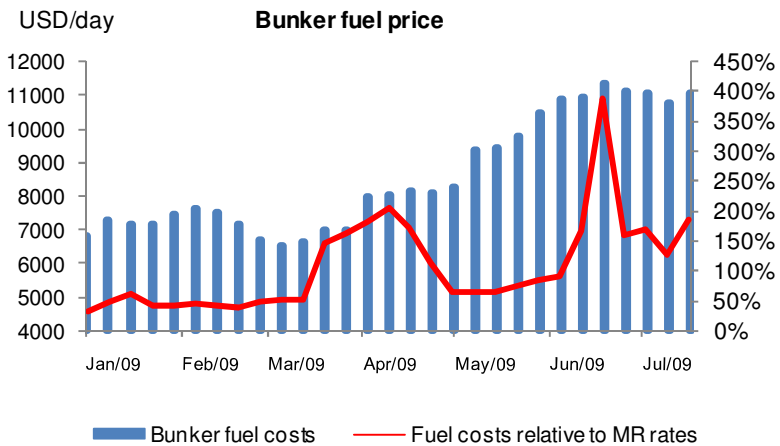
Less transport of products also reduced port days



Orderbook for 2009 is all time high



Fuel costs almost doubled in first half of 2009



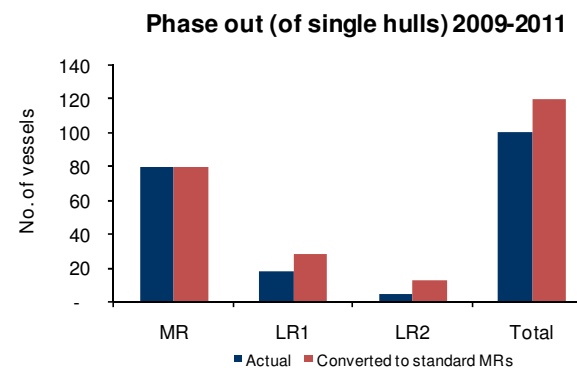
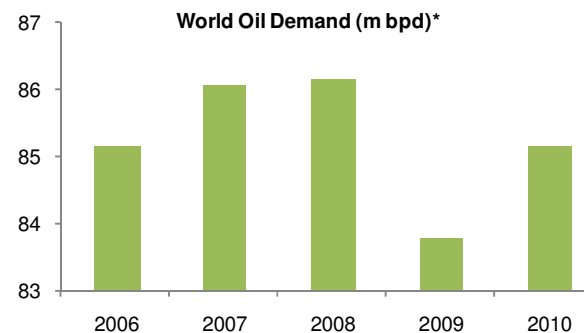
*Consensus is average of IEA, EIA and OPEC

**Source TORM research

But the long term fundamentals are still attractive

A number of factors support long term fundamentals

- Oil demand expected to rebound in 2010
- Regional product imbalances is expected to increase in short and medium term
- New refineries cost advantage expected to pressure older refineries out of the market
- Current market conditions increases the possibility of cancellation of new buildings and consolidation of the market
- Scrapping of single hulls likely to be accelerated
- No terminal expansions and this will increase the number of waiting days when demand rebounds
- Slow steaming will continue in periods with high bunker prices
- Vessels used as storage capacity is a trend that is expected to continue as it gives traders great flexibility in volatile markets



Tonnes miles will increase as demand rebounds and new refineries regain cost advantage

Current depressed market can end up improving supply picture through accelerated scrapping, cancellations and consolidation

*IEA



Product Tanker market – balance between supply and demand



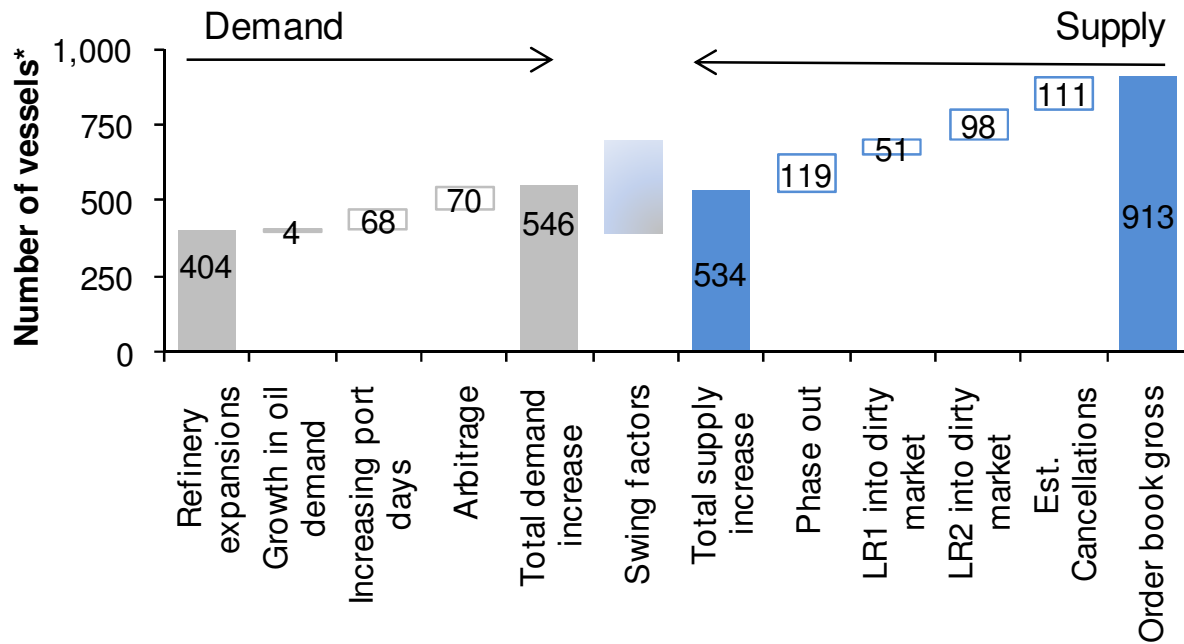
Based on TORM's research there appear to be a good balance between increase in demand and supply in 2011

- Demand is primarily driven by:
- New refineries coming on stream in Middle East and India
 - Phase out
 - Increased oil demand – negative in 2009 but positive over the period
 - Increasing port days due to bottlenecks

- Supply side affected by:
- 37 LR1 vessels are replacing phase outs in the crude oil segment
 - 30% of LR2 vessels are expected (on average) to trade in the crude oil segment
 - Expected cancellations of 15% as a consequence of the financial crisis

- A number of swing factors can change the picture:
- Delays in order book
 - Delays in refineries
 - Slow steaming
 - Clean to crude swap

Demand and supply development in the Product Tanker market (2009-2011)



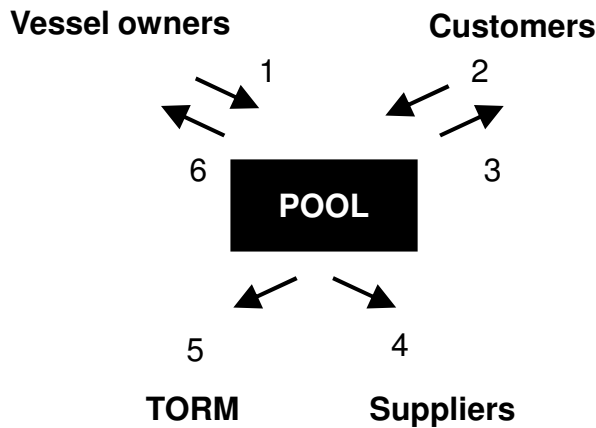
*The number of vessels reflects MR vessels – when necessary a conversion factor for LR2, and LR1 have been used based on their DWT relative to MR

The value of pools materialize in a pressured market

TORM's Pool Business Model...

TORM founded its first pool in 1990 and today operates three pools:

- LR2*: 30 vessels
- LR1: 30 vessels
- MR: 35 vessels



1. Owners make vessels available for pool
2. Customers charter vessels for one or more voyages
3. Customers pay charter hire to pool
4. Voyage related costs
5. Management fees to pool manager
6. Pool income distributed to members, based on point system and availability to pool

.. has a number of advantages

Better optimization and planning

- With a number of longer term contracts it is possible to triangulate
- Example from LR1 pool:
 - Gasoline: Mediterranean-> Arabian Gulf
 - Naptha: Arabian Gulf -> Taiwan
 - Middle distillates: Far East -> Mediteranean

Less exposed to specific markets

- As MR rates in the Far East were very low a number of small players suffered as they were fully dependent on this market

Stronger negotiation position

- Agents
- Customers
- Suppliers

Reduced idle and ballast days

More stable earnings

Cost advantages

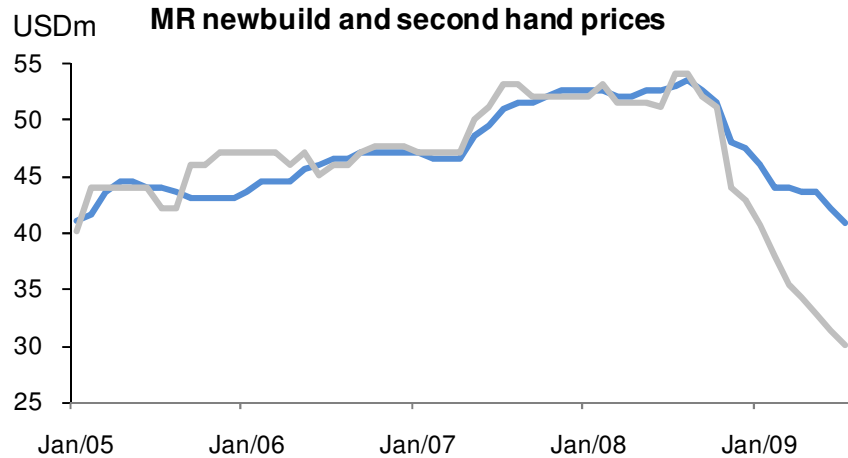


*Operated together with Maersk Tankers

Vessel prices have continued to decline and S&P activity is very limited



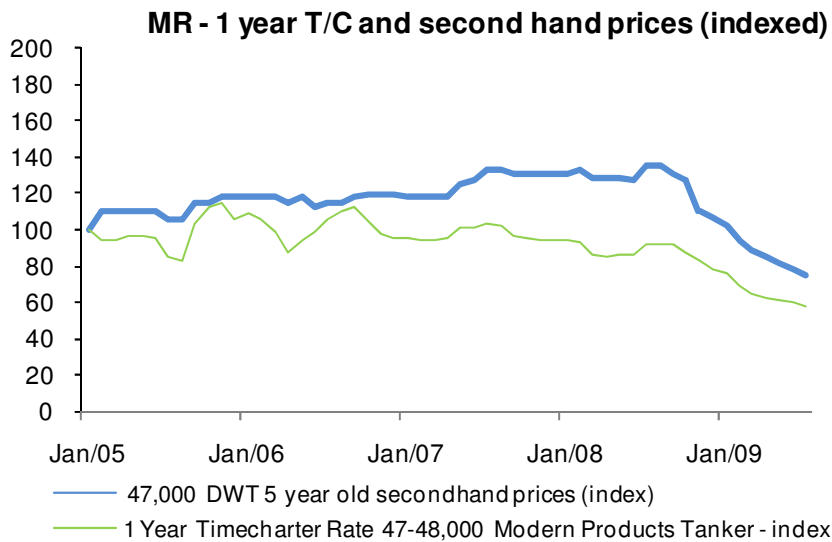
Vessel price development*



New building and second hand prices have continued to decline in the second quarter of 2009

However, there is currently very limited activity in the market and it is therefore difficult to estimate a realistic price level

Furthermore no new buildings have been ordered in the last 3-4 quarters



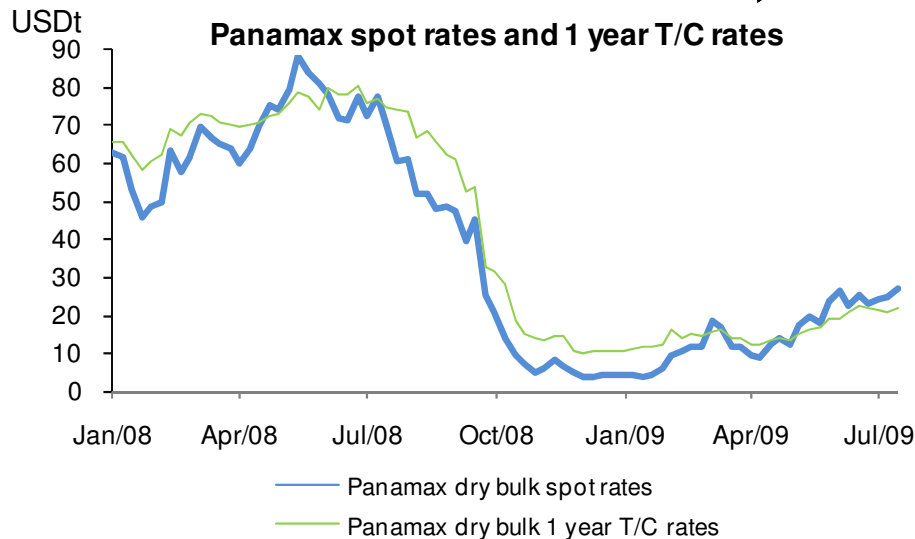
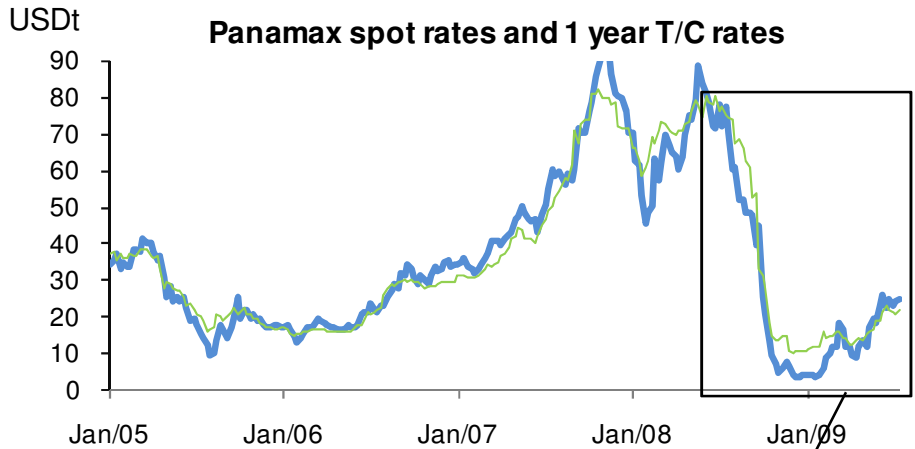
Rates and second hand prices are relatively well correlated and as the TC market continues to decline slowly due to the very low spot rates the vessel prices are still under pressure

*Source: Clarksons and TORM research

Dry bulk market has rebounded due to Chinese demand



Freight rates (historical and latest)

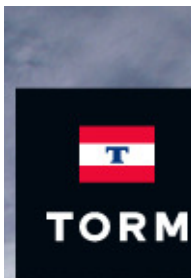


The rates are still primarily driven by the development in China and especially the Chinese import of iron ore which is estimated to be 30% higher in the first half of 2009 compared to the same period in 2008

TORM has focused to increase coverage during the recent upturn in freight rates and expect the market to be very volatile going forward

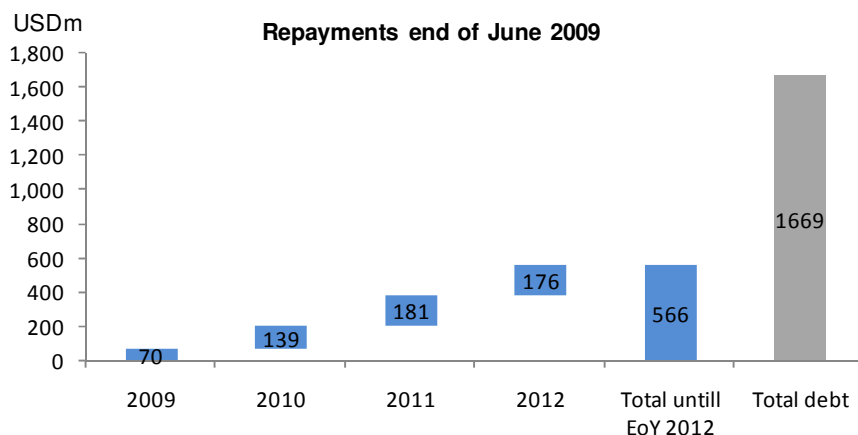
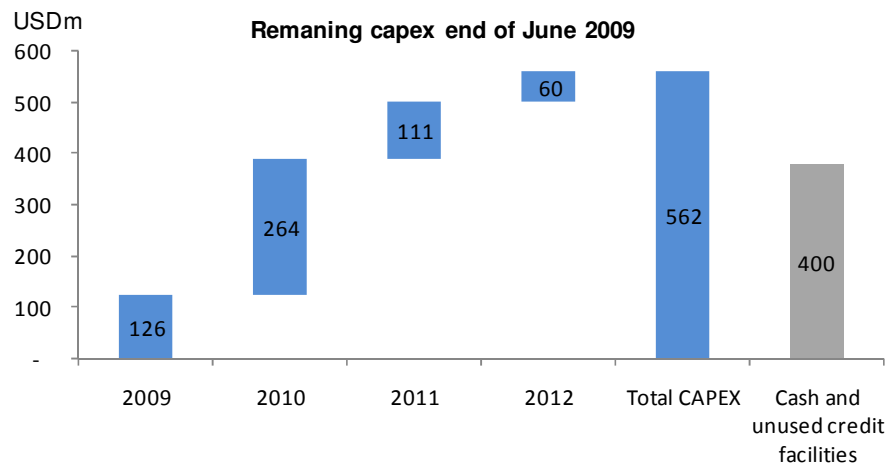
*Source: Clarksons

Financing – no loan to value covenants, back end loaded repayment schedule and sufficient credit facilities



TORM is well positioned to meet the financial crisis

- TORM has good and strong relations with the banks
- Cash and unused credit facilities of app. USD 400 m by end of June 2009
- Remaining capex of USD 562 m relating to the new building programme by end of June 2009
- 65% of the total debt falls due after 2012 and thereafter
- TORM has no loan to value covenants
- TORM's main debt covenants:
 - Minimum equity ratio of 25%
 - Minimum book value of equity of DKK 1250 m
 - No less than USD 25 m in cash

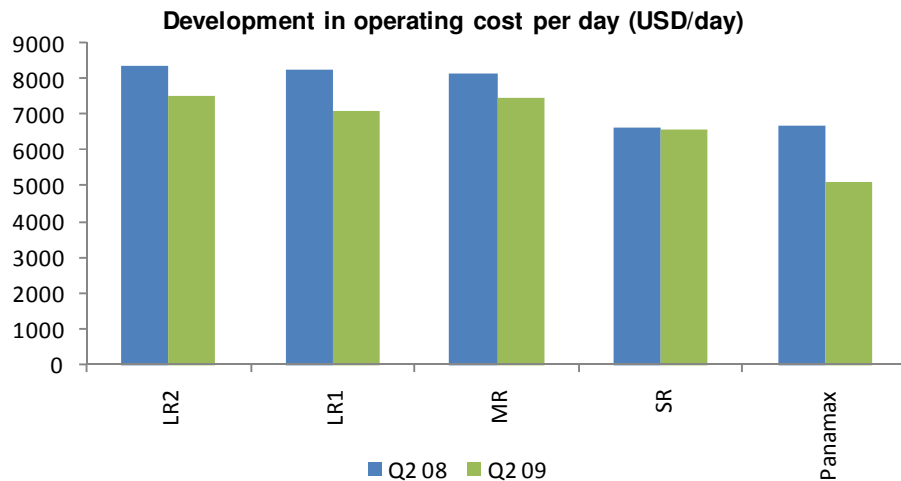


“Greater Efficiency Power” project on track

Status on Greater Efficiency Power

Key milestones achieved:

- 10% reduction in average opex/day
- Re-organisation of global crew management and land based setup
- Fleet management processes improved
- Procurement functions centralized and strengthened
- 10% reduction of land-based employees
- Centralization of support functions to better utilize global IT platform



TORM's efficiency programme “Greater Efficiency Power” is almost fully implemented

The targeted savings of USD 40-60 m are expected to be realised from 2010 and onwards

The effect on operating cost per vessel was already significant in Q2 where the average decrease (y-o-y) was app. 10%



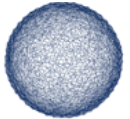
TORM

Ambitious CSR strategy with strong green focus

Focus on environment has never been bigger and shipping has a key role



- At the latest G8 meeting the struggle against the global climate changes was a key topic
- Participants made a preliminary agreement that the global temperature increase must not exceed 2 degree Celsius before 2050



COP15
COPENHAGEN

- The fifteenth Conference of the Parties under the UN Climate Change Convention takes place in Denmark in Dec 7-18
- Expectations are that a very ambitious CO2 reduction plan will be agreed



- Shipping accounts for more than 90% of all transportation of goods
- Global shipping accounts for 2.7% of global CO2 emissions
- Shipping is the most energy-efficient form of transportation compared to train or truck

..therefore **TORM** has decided on an ambitious CSR strategy with green focus

- **TORM** signed the UN Global Compact in 2009 as first Danish ship owner
- **TORM's** climate strategy:
 - Reduction of CO2 air emissions pr. vessel by 20% in 2020 compared to 2008
 - Reduction of CO2 air emissions at the office locations by 25% pr. Employee in 2020 compared to 2008
- Participating in the Carbon Disclosure Project (CDP) reporting
- **TORM** just received BP's Shipping Award for outstanding environmental achievement

Appendix



Coverage of earnings by end of June 2009



Hedging end of June 2009

	Total days			Covered days		
	RoY 2009	2010	2011	RoY 2009	2010	2011
Tank						
LR2	2,937	5,488	4,563	910	868	425
LR1	3,995	8,105	6,768	1,588	1,199	730
MR	8,061	17,511	18,256	3,612	3,643	1,004
SR	2,178	3,682	3,650	1,656	1,913	730
Total tank	17,171	34,786	33,237	7,766	7,623	2,889
Bulk						
Panamax	2,421	5,137	6,145	1,665	1,992	608
Total tank and bulk	19,592	39,923	39,382	9,431	9,615	3,497

	Coverage ratio			Avg. coverage rate		
	RoY 2009	2010	2011	RoY 2009	2010	2011
Tank						
LR2	31%	16%	9%	23,326	27,478	29,801
LR1	40%	15%	11%	20,308	19,974	18,598
MR	45%	21%	5%	20,159	20,771	19,508
SR	76%	52%	20%	17,149	17,316	15,135
Total tank	45%	22%	9%	19,919	20,542	19,687
Bulk						
Panamax	69%	39%	10%	17,376	16,119	16,540
Total tank and bulk	48%	24%	9%	19,470	19,626	19,140

At 30 June 2009, TORM had covered:

- 45% of the remaining earning days in the Tanker Division at USD 19,919 per day
- 69% of the remaining earning days in the Bulk Division at USD 17,376 per day

Detailed key figures overview

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Key figures overview

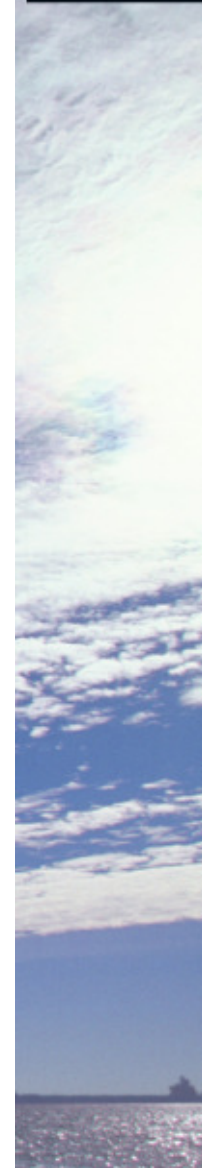
USD million	H1 2009	2008	2007	2006	2005
P&L					
Revenue	452	1,184	774	604	586
EBITDA	111	572	288	301	351
Net income	6	361	792	235	299
Balance					
Total assets	3,256	3,317	2,959	2,089	1,810
Long term assets	2,951	2,913	2,703	1,970	1,528
Equity	1,270	1,279	1,081	1,281	905
NIBD	1,670	1,550	1,548	663	632
Cash and marketable securities	113	168	105	32	157
Cash flow statement					
Operating cash flow	73	385	188	232	261
Investment cash flow	-144	-262	-357	-118	-473
Financing cash flow	16	-59	242	-239	303
Financial related key figures					
EBITDA margin	25%	48%	37%	50%	60%
Return on equity (ROE)	0%	31%	67%	22%	37%
Return on invested capital (ROIC)	2%	16%	10%	20%	34%
Stock related key figures					
Earnings per share (EPS)	0.09	5.21	11.44	3.38	4.29
Cash flow per share, CFPS (USD)	1.05	5.56	2.71	3.33	3.74
Proposed dividend per share (DKK)		4.00	4.50	5.75	11.50



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Safe Harbour 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 and filings with The US Securities and Exchange Commission.



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