



**Profit before tax for the first quarter of 2006 was USD 59.3 mill. (DKK 368.3 mill.). The result was better than expected.**

**Expectations for 2006 are maintained at USD 155-175 mill. before tax.**

#### Key points

- Profit for the first quarter of 2006 was USD 59.3 mill. (DKK 368.3 mill.) before tax and USD 57.7 mill. (DKK 358.3 mill.) after tax. The result was better than expected.
- Cash flow from operations was USD 75.7 mill. (DKK 470.1 mill.) for the quarter.
- Earnings per share (EPS) were USD 1.7 (DKK 10.3) in the first quarter against USD 2.2 (DKK 12.5) for the same period last year.
- Return on Invested Capital (RoIC) was 21.8% p.a., and Return on Equity (RoE) was 24.9% p.a. for the quarter. Shareholders' equity was USD 946 mill. (DKK 5,834 mill.) as at 31 March 2006. A dividend of DKK 837 mill. (USD 139 mill.) was paid in April.
- The year started better than expected, but the product tanker rates have been lower than expected during the end of the first and into the second quarter. This was attributable to an ongoing large influx of vessels combined with large inventories in the US and maintenance of refineries in the US and Asia. The period time charter market continues to be relatively strong, which together with a recent increase in freight rates is a positive indicator for the remainder of the year. As per 31 March the Company had hedged 25% of the remaining earning days for 2006.
- Dry bulk rates were in line with expectations. As per 31 March, the Company had hedged 65% the remaining earning days for 2006.
- As at 31 March, TORM had hedged 37% of the remaining earning days for 2006 and 53% of the total earning days in 2006.
- As at 31 March, the value adjustment on the Norden shares was USD (21) mill. (DKK (188) mill.). On 4 April 2006, TORM announced that the Company would in the near term actively evaluate its shareholding in Norden.
- On 27 April TORM increased expectations for the year as a whole to USD 155-175 mill. (DKK 930-1,050 mill.) before tax. The expectations are maintained.

#### Telephone conference

Telephone conference and webcast ([www.torm.com](http://www.torm.com)) reviewing the report for the first quarter 2006 will take place today, 9 May 2006, at 17:00 Copenhagen time. To participate, please call 10 minutes before the call on tel.: +45 3271 4607 (from Europe) or +1 334 323 6201 (from the US). A replay of the conference will be available from TORM's website.

#### Contact

A/S Dampskibsselskabet TORM  
Tuborg Havnevej 18  
DK-2900 Hellerup – Denmark

Tel.: +45 39 17 92 00  
Klaus Kjærulff, CEO  
Klaus Nyborg, CFO

Mill. USD	Q1 2006	Q1 2005	2005	
<b>Income statement</b>				
Net revenue	161.8	132.3	587.0	
Time charter equivalent earnings (TCE)	129.5	105.6	463.8	
Gross profit	86.0	75.6	314.9	
EBITDA	82.0	91.9	351.0	
Operating profit	66.9	81.6	303.2	
Financial items	(7.6)	(3.7)	(3.8)	
Profit before tax	59.3	77.9	299.4	
Net profit	57.7	76.9	299.4	
<b>Balance sheet</b>				
Total assets	1,859.8	1,499.0	1,810.1	
Shareholders' equity	945.6	842.7	904.7	
Total liabilities	914.2	656.3	905.4	
Invested capital	1,281.5	806.0	1,175.8	
Net interest bearing debt	676.1	379.9	632.1	
<b>Cash flow</b>				
From operating activities	75.7	83.4	261.1	
From investing activities	(119.5)	(193.6)	(473.1)	
Thereof investment in tangible fixed assets	(119.7)	(221.6)	(635.9)	
From financing activities	7.4	137.4	303.2	
Net cash flow	(36.4)	27.2	91.2	
<b>Key Financial figures</b>				
Margins:				
TCE	80.0%	79.8%	79.0%	
Gross profit	53.2%	57.1%	53.7%	
EBITDA	50.7%	69.5%	59.8%	
Operating profit	41.3%	61.7%	51.6%	
Return on Equity (RoE) (p.a.)	24.9%	39.5%	36.9%	
Return on Invested Capital (RoIC) (p.a.)	21.8%	45.9%	33.8%	
Equity ratio	50.8%	56.2%	50.0%	
Exchange rate USD/DKK, end of period	6.17	5.75	6.32	
Exchange rate USD/DKK, average	6.21	5.68	6.00	
<b>Share related key figures</b>				
Earnings per share, EPS	USD	1.7	2.2	8.6
Cash flow per share, CFPS	USD	2.2	2.4	7.5
Share price, end of period				
(per share of DKK 10 each)	DKK	282.6	303.9	305.1
Number of shares, end of period	Mill.	36.4	36.4	36.4
Number of shares, (excl. treasury shares), average	Mill.	34.8	34.8	34.8

## Profit by division

Mill. USD	Q1 2006			Total
	Tanker division	Bulk division	Not allocated	
Net revenue	130.7	31.1	0.0	161.8
Port expenses, bunkers and commissions	(30.7)	(1.6)	0.0	(32.3)
<b>Time charter equivalent earnings (TCE)*)</b>	100.0	29.5	0.0	<b>129.5</b>
Charter hire	(12.0)	(11.4)	0.0	(23.4)
Operating expenses	(16.0)	(4.1)	0.0	(20.1)
<b>Gross profit</b>	72.0	14.0	0.0	<b>86.0</b>
Profit from sale of vessels	0.0	0.0	0.0	0.0
Administrative expenses	(5.9)	(1.2)	0.0	(7.1)
Other operating income	2.9	0.2	0.0	3.1
Depreciation and impairment losses	(12.4)	(2.7)	0.0	(15.1)
<b>Operating profit</b>	56.6	10.3	0.0	<b>66.9</b>
Financial items	-	-	(7.6)	(7.6)
<b>Profit before tax</b>	-	-	(7.6)	<b>59.3</b>
Tax	-	-	(1.6)	(1.6)
<b>Net profit after tax for the period</b>	-	-	(9.2)	<b>57.7</b>

\*) TCE is gross freight income less bunker, commissions and port expenses (TCE = Time Charter Equivalent).

## Tanker and Bulk

### Tanker Division

The Tanker Division achieved a profit of USD 56.6 mill. before financial items in the first quarter of 2006.

The product tanker rates started the year at a very high level. From the middle of the quarter, however, rates decreased to very low levels, but have rebounded significantly recently.

There have been substantial variations between the product tanker rates in the west and the east. Freight rates especially in the MR segment have been significantly better in the west. TORM has traded a majority of its vessels in the west, which has, benefited earnings considerably.

In line with normal seasonal patterns, a slowdown in the tanker market takes place towards the end of the first and into the second quarter as the winter season ended, resulting in a tailing off in the transportation of heating oil. This year the decrease in freight rates has been more pronounced than normal.

At the end of the first and into the second quarter of 2006 freight rates in the Tanker Division have been highly affected by:

- A warmer than normal winter in the US.
- More inspections than usual of refineries and petrochemical plants in the Far- and the Middle East.
- An ongoing considerable growth in the global product tanker fleet.

TORM's Tanker Division achieved freight rates in the first quarter of 2006 which when compared to the first quarter of 2005 were 22% higher for the LR2 segment, 8% higher for the LR1 segment and 2% higher for the MR segment. The MR segment was the strongest during the first quarter.

The number of earning days in the LR2 segment increased by 18% compared to first quarter of 2005. The number of earning days in the LR1 and MR segments increased by 83% and 42%, respectively. Compared to the fourth quarter of 2005, the number of earning days increased by 1% for the total tanker fleet.

Tanker Division	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Change Q1 05 -Q1 06
<b>LR2 (Aframax, 90-110,000 DWT)</b>						
Available earning days	450	442	548	550	529	18%
Per earning day (USD):						
Earnings (TCE)*)	35,715	30,281	28,185	45,917	43,553	22%
Operating expenses	(5,526)	(4,849)	(5,899)	(6,157)	(5,464)	(1%)
Operating cash flow**)	27,570	18,726	14,172	30,316	33,526	22%
<b>LR1 (Panamax, 75-85,000 DWT)</b>						
Available earning days	498	652	774	827	912	83%
Per earning day (USD):						
Earnings (TCE)*)	32,704	26,906	26,509	41,726	35,356	8%
Operating expenses	(4,991)	(6,836)	(6,074)	(5,680)	(5,730)	15%
Operating cash flow**)	21,647	11,769	15,090	27,964	22,113	2%
<b>MR (45,000 DWT)</b>						
Available earning days	1,125	1,270	1,547	1,638	1,599	42%
Per earning day (USD):						
Earnings (TCE)*)	27,465	26,079	23,499	29,373	28,118	2%
Operating expenses	(6,223)	(6,594)	(6,274)	(6,505)	(7,199)	16%
Operating cash flow**)	20,261	18,788	17,738	23,598	21,730	7%

\*) TCE = Gross freight income less bunker, commissions and port expenses. Operating expenses are on own vessels.

\*\* ) Operating cash flow = TCE less operating expenses and charter hire.

## Bulk Division

The Bulk Division achieved a profit before financial items of USD 10.3 mill. in the first quarter of 2006.

The dry bulk freight rates were significantly lower in the first quarter of 2006 than in the first quarter of 2004 and 2005 respectively. In the Panamax segment the freight rates were on average USD 20,324/day, which was still above the historical average of USD 12,600/day (source: Clarksons).

The development in the bulk market continues to be highly dependent on the development in certain markets, especially China but also India, Japan and South America. Due to a large influx of vessels dry bulk freight rates were as expected not positively influenced by the South American grain season. The iron ore price negotiations for the sale of this commodity to the Chinese steel industry from 1 April 2006 are not yet finalized and did not, as expected, give rise to higher dry bulk freight rates.

In the first quarter of 2006, the number of available earning days was 2% higher for TORM's Panamax vessels compared to the first quarter of 2005.

In the first quarter of 2006, the number of available earning days was 10% lower for TORM's Handysize vessels compared to the first quarter of 2005. The decrease was due to the re-delivery of chartered-in tonnage.

Bulk Division	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Change Q1 05 -Q1 06
<b>Panamax (60-80,000 DWT)</b>						
Available earning days	1,324	1,203	1,240	1,356	1,346	2%
Per earning day (USD):						
Earnings (TCE)*)	30,641	30,962	27,523	22,585	20,324	(34%)
Operating expenses	(4,794)	(4,607)	(4,294)	(5,017)	(4,572)	(5%)
Operating cash flow**)	20,495	21,792	12,241	12,136	9,430	(54%)
<b>Handysize (20-35,000 DWT)</b>						
Available earning days	199	206	215	197	179	(10%)
Per earning day (USD):						
Earnings (TCE)*)	18,952	17,645	14,514	13,067	12,479	(34%)
Operating expenses	(2,916)	(3,908)	(3,690)	(5,049)	(4,583)	57%
Operating cash flow**)	15,306	13,172	9,150	7,745	7,987	(48%)

\*) TCE = Gross freight income less bunker, commissions and port expenses. Operating expenses are on own vessels.

\*\*) Operating cash flow = TCE less operating expenses and charter hire.

#### Other activities

Other (non allocated) activities consist of financial items of USD (7.6) mill. and tax of USD (1.6) mill.

#### Fleet development

TORM has during the first quarter of 2006 taken delivery of DIFKO Lisbeth, which was resold to Nordic Tankers A/S for delivery in the second quarter of 2006. TORM has also taken delivery of two LR2 product tankers, which were chartered in with purchase options that were exercised in the fourth quarter of 2005.

At the end of the first quarter of 2006, TORM's fleet consisted of 30 tankers and 10 bulk carriers, totalling 40 vessels.

	31 Dec 2005	Addition	Disposal	31 March 2006
LR2 / Aframax	3.0	TORM Gudrun TORM Kristina	-	5.0
LR1 / Panamax	6.0	DIFKO Lisbeth	-	7.0
MR	18.0	-	-	18.0
Tank	27.0	3.0	-	30.0
Panamax	8.0	-	-	8.0
Handysize	2.0	-	-	2.0
Bulk	10.0	-	-	10.0
Total	37.0	3.0	-	40.0

#### Planned fleet changes

Early in 2006, the Company entered into a contract for the construction of a further two MR product tankers with "1A Super" Ice Class designation for delivery in 2009.

	31 March 2006	2006			2007				2008				2009				Total
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
LR2	5	1	1	-	1	1	-	0.5	-	1	-	1	1	-	-	-	7.5
LR1	7	-1	-	0.5	1	-	-	-	-	-	-	-	-	-	-	-	0.5
MR	18	-	-	-	-	-	-	-	-	-	1	-	1	-	1	1	4
Panamax	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Handysize	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>Total</b>	<b>40</b>	<b>0</b>	<b>1</b>	<b>0.5</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0.5</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>12</b>

TORM has alignments in place for 16 product tankers to be chartered-in, of which six already form part of the fleet. There is a purchase option on three of the chartered in vessels that can be exercised in 2009 and beyond.

TORM holds purchase options on four Panamax bulk vessels, all of which form part of the fleet at present. The options can be exercised in 2007 and beyond.

## Pools

As at 31 March 2006 the three product tanker pools consisted of 77 vessels. At the end of 2006, 84 vessels are expected to be in the pools.

During the first quarter of 2006 BW Shipping Managers Pte. Ltd., Singapore (previously Bergesen-Worldwide) entered into an agreement with TORM to join the LR1 pool from 2007 when the first of four newbuildings will be delivered.

## Results

### First quarter 2006

The first quarter of 2006 resulted in a gross profit of USD 86 mill. (USD 76 mill. in the same quarter of 2005). Profit before depreciation for the period was USD 82 mill. (USD 92 mill.).

Depreciation was USD 15 mill. during the first quarter of 2006 (USD 10 mill.). The increase in depreciation is the result of the growth in the Company's fleet.

Profit before financial items for the first quarter of 2006 was USD 67 mill. (USD 82 mill.). Of this, the Tanker- and Bulk divisions contributed USD 57 mill. and USD 10 mill. respectively.

Financial items were negative by USD 8 mill. (USD 4 mill.), mainly due to the payment of interest on the Company's mortgage debt which increased by USD 296 mill. compared to the first quarter of 2005.

Profit after tax was USD 58 mill. (USD 77 mill.).

## Assets

Total assets increased during the first quarter of 2006 from USD 1,810 mill. to USD 1,860 mill., mainly as a result of increasing non-current assets from USD 1,528 mill. to USD 1,605 mill. This was related to the net impact of vessels purchased countered by the value adjustment of the investment in Dampskibsselskabet "NORDEN" A/S (Norden) by USD (21) mill. and by depreciation by USD 15 mill. during the period.

The value adjustment on the Norden shares is a consequence of a decrease in the share price from DKK 2,959 as of 31 December 2005 to DKK 2,709 on 31 March 2006 offset by the adverse effect of a change in the USD/DKK exchange rate from 6.32 to 6.17 in the same period.

- Liabilities** During the first quarter of 2006, net interest bearing debt increased from USD 632 mill. to USD 676 mill. The increase was mainly due to higher net borrowing in connection with the delivery of vessels, countered by positive cash earnings in the period. The Company has considerable undrawn loan facilities at its disposal.
- Shareholders' equity** During the first quarter of 2006, shareholders' equity increased from USD 905 mill. to USD 946 mill. as a result of improved earnings during the period. Shareholders' equity as a percentage of total assets increased from 50.0% at 31 December 2005 to 50.8% at 31 March 2006.
- At 31 March 2006, TORM owned 1,558,472 own shares corresponding to 4.3% of the Company's share capital, which is unchanged from 31 December 2005.
- Subsequent events** Norden has since the end of the first quarter of 2006 paid a dividend, which for TORM equals to an income of USD 25 mill., which is included in the expectations.
- TORM has since the end of the first quarter of 2006 sold the two Handysize bulk vessels TORM Arawa (built in 1997) and TORM Pacific (built in 1997). The vessels are sold to Pacific Basin in Hong Kong for total consideration of USD 35.1 mill, which is included in the expectations.
- Expectations** TORM maintains the expectations for 2006 at USD 155-175 mill. as stated in announcement no. 5 of 27 April 2006 where the expectations were increased by USD 15 mill. compared to the Company's original earning expectations for 2006.
- During the first quarter of 2006, rates for the Tanker Division were better than originally expected as at 8 March 2006 (date for the release of the Annual Report 2005).
- Rates in TORM's Bulk Division have been in line with expectations.
- Sensitivity** At the beginning of the second quarter of 2006, 66% of the earning days for the remainder of the year were hedged in respect of the Company's Panamax bulk vessels. For the Tanker Division, about 25% of the remaining earning days were hedged at the outset of the second quarter.
- A change in the freight rates of 1,000 USD/day of the non-hedged freight rates in the remaining 3 quarters of the year would, all things being equal, lead to a change in net profit of USD 9 mill.
- As at 31 March 2006, the Company had hedged the price for 26% of its remaining bunker requirements for 2006, and the market value of these contracts as at year-end was USD 2.4 mill. A hypothetical price change of  $\pm 1\%$  point per ton of bunker oil would lead to a change in expenditure in 2006 of USD  $\pm 0.7$  mill. based on the expected bunker consumption.

## **Safe Harbor Forward looking statements**

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning 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 release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TORM believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, changes in charter hire rates and vessel values, changes in demand for "tonne miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists. Risks and uncertainties are further described in reports filed by TORM with the US Securities and Exchange Commission, including the TORM Annual Report on Form 20-F and its reports on Form 6-K.

Forward looking statements are based on management's current evaluation, and TORM is only under obligation to update and change the listed expectations to the extent required by law.

## **The TORM share**

The price of a TORM share was DKK 282.6 as at 31 March 2006 against DKK 305.1 at the beginning of the year corresponding to a total return of (7.4)% in the quarter.

## **Accounting policies**

The accounts for the first quarter of 2006 have been prepared using the same accounting policies as for the Annual Report 2005.

The accounting policies are described in more detail in the Annual Report 2005.

The quarterly report for the first quarter of 2006 is unaudited, in line with normal practice.

## **Information**

### **Telephone conference**

TORM will host a telephone conference for financial analysts and investors on 9 May 2006 at 17:00, Copenhagen time, reviewing the report for the first quarter of 2006. The conference call will be hosted by Klaus Nyborg, CFO, and will be conducted in English.

Please call 10 minutes before the call starts on tel.: +45 3271 4607 (from Europe) or +1 334 323 6201 (from the US). The telephone conference will also be broadcast via TORM's website, [www.torm.com](http://www.torm.com), which will also contain the presentation material.

### **Next reporting**

TORM's financial report for the second quarter of 2006 will be released on 9 August 2006.



## Statement by the Board of Directors and Management on the Interim Report

The Board of Directors and Management have considered and approved the interim report for the period 1 January - 31 March 2006.

The interim report, which is unaudited, has been prepared in accordance with the general Danish financial reporting requirements governing listed companies, including the measurement and recognition provisions in IFRS which are expected to be applicable for the Annual Report for 2006.

We consider the accounting policies applied to be appropriate, and in our opinion the interim report gives a true and fair view of the Group's assets, liabilities, financial position and of the results of operations and consolidated cash flows.

Copenhagen, 9 May 2006

### Management

Klaus Kjærulff, CEO  
Klaus Nyborg, CFO

### Board of Directors

Niels Erik Nielsen, Chairman  
Christian Frigast, Deputy chairman  
Lennart Arrias  
Ditlev Engel  
Peder Mouridsen  
Gabriel Panayotides  
Nicos Zouvelos

### About TORM

TORM is one of the world's leading carriers of refined oil products as well as being a significant participant in the dry bulk market. The Company operates a combined fleet of close to 100 modern vessels, principally through a pooling cooperation with other respected shipping companies who share TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889 and has consistently adapted itself to, and benefited from, the enormous changes which characterise the shipping industry in general. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on the Copenhagen Stock Exchange (ticker TORM) as well as on the NASDAQ (ticker TRMD). For further information, please visit [www.torm.com](http://www.torm.com).

## Income Statement

Mill. USD	Q1 2006	Q1 2005	2005
Net revenue	161.8	132.3	586.9
Port expenses, bunkers and commissions	(32.3)	(26.7)	(123.1)
<b>Time charter equivalent earnings (TCE)</b>	<b>129.5</b>	105.6	463.8
Charter hire	(23.4)	(16.5)	(82.2)
Operating expenses	(20.1)	(13.5)	(66.7)
<b>Gross profit</b>	<b>86.0</b>	75.6	314.9
Profit from sale of vessels	0.0	19.4	54.7
Administrative expenses	(7.1)	(6.6)	(31.2)
Other operating income	3.1	3.5	12.6
Depreciation and impairment losses	(15.1)	(10.3)	(47.8)
<b>Operating profit</b>	<b>66.9</b>	81.6	303.2
Financial items	(7.6)	(3.7)	(3.8)
<b>Profit before tax</b>	<b>59.3</b>	77.9	299.4
Tax	(1.6)	(1.0)	0.0
<b>Net profit after tax for the period</b>	<b>57.7</b>	76.9	299.4
Earnings per share, EPS (USD)	1.7	2.2	8.6
Earnings per share, EPS (DKK)*)	10.3	12.5	51.5

\*) Calculated from USD to DKK at the average USD/DKK exchange rate for the relevant period.

## Income statement by quarter

Mill. USD	Q1 05	Q2 05	Q3 05	Q4 05	<b>Q1 06</b>
Net revenue	132.3	132.1	142.2	180.3	161.8
Port expenses, bunkers and commissions	(26.7)	(28.4)	(32.8)	(35.2)	(32.3)
<b>Time charter equivalent earnings (TCE)</b>	105.6	103.7	109.4	145.1	<b>129.5</b>
Charter hire	(16.5)	(17.4)	(19.1)	(29.2)	(23.4)
Operating expenses	(13.5)	(16.3)	(18.2)	(18.7)	(20.1)
<b>Gross profit</b>	75.6	70.0	72.1	97.2	<b>86.0</b>
Profit from sale of vessels	19.4	21.0	14.4	(0.1)	0.0
Administrative expenses	(6.6)	(6.7)	(7.8)	(10.1)	(7.1)
Other operating income	3.5	2.8	2.6	3.7	3.1
Depreciation and impairment losses	(10.3)	(11.2)	(12.5)	(13.8)	(15.1)
<b>Operating profit</b>	81.6	75.9	68.8	76.9	<b>66.9</b>
Financial items	(3.7)	10.0	(2.3)	(7.8)	(7.6)
<b>Profit before tax</b>	77.9	85.9	66.5	69.1	<b>59.3</b>
Tax	(1.0)	(1.7)	0.2	2.5	(1.6)
<b>Net profit after tax for the period</b>	76.9	84.2	66.7	71.6	<b>57.7</b>

## Assets

Mill. USD	31 March 2006	31 March 2005	31 Dec 2005
<b>NON-CURRENT ASSETS</b>			
<b>Tangible fixed assets</b>			
Land and buildings	0.9	0.4	0.9
Vessels and capitalized dry-docking	1,140.5	680.5	1,066.5
Vessels under construction and prepayments for vessels	120.7	155.9	97.4
Other plant and operating equipment	2.3	2.8	2.3
<b>Total tangible fixed assets</b>	<b>1,264.4</b>	<b>839.6</b>	<b>1,167.1</b>
<b>Financial fixed assets</b>			
Other investments	340.2	416.6	361.0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,604.6</b>	<b>1,256.2</b>	<b>1,528.1</b>
<b>CURRENT ASSETS</b>			
Inventories of bunkers	12.1	6.5	10.9
Freight receivables, etc.	40.1	32.1	53.9
Other receivables	23.8	12.6	14.1
Prepayments	8.2	7.0	2.9
Marketable securities	0.0	60.2	0.2
Cash and cash equivalents	120.3	92.7	156.7
	204.5	211.1	238.7
Non-current assets held for sale	50.7	31.7	43.3
<b>TOTAL CURRENT ASSETS</b>	<b>255.2</b>	<b>242.8</b>	<b>282.0</b>
<b>TOTAL ASSETS</b>	<b>1,859.8</b>	<b>1,499.0</b>	<b>1,810.1</b>

## Liabilities and Shareholders' equity

Mill. USD	<b>31 March 2006</b>	31 March 2005	31 Dec 2005
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	61.1	61.1	61.1
Treasury shares	(7.7)	(7.7)	(7.7)
Revaluation reserves	275.6	367.4	296.4
Retained profit	473.4	315.8	415.3
Proposed dividend	132.4	99.9	132.4
Hedging reserves	6.9	2.3	3.3
Translation reserves	3.9	3.9	3.9
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>945.6</b>	842.7	904.7
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax	56.0	64.9	54.5
Mortgage debt and bank loans	735.7	370.7	729.1
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>791.7</b>	435.6	783.6
<b>Current liabilities</b>			
Mortgage debt and bank loans	60.7	56.8	59.9
Other financial liabilities	0.0	105.3	0.0
Trade payables	18.1	16.7	22.9
Current tax liabilities	9.6	14.7	9.4
Other liabilities	32.0	20.8	23.6
Deferred income	2.1	6.4	6.0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>122.5</b>	220.7	121.8
<b>TOTAL LIABILITIES</b>	<b>914.2</b>	656.3	905.4
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,859.8</b>	1,499.0	1,810.1

## Shareholders' equity

Mill. USD	Com- mon shares	Treas- ury sha- res	Revalua- tion reserves	Re- tained profit	Pro- posed divi- dend	Hedging reserves	Transla- tion reserves	<b>Total</b>
<b>Balance at 1 January 2006</b>	61.1	(7.7)	296.4	415.3	132.4	3.3	3.9	<b>904.7</b>
Changes in Shareholders' equity Q1 2006:								
Exchange rate adjustment arising on trans- lation of entities using a measurement currency different from USD	-	-	-	-	-	-	0.0	0.0
Reversal of deferred gain/loss on cash flow hedges at beginning of period	-	-	-	-	-	(3.3)	-	(3.3)
Deferred gain/loss on cash flow hedges at period end	-	-	-	-	-	6.9	-	6.9
Reversal of fair value adjustment on avail- able for sale investments at beginning of period	-	-	(296.4)	-	-	-	-	(296.4)
Fair value adjustment on available for sale investment at period end	-	-	275.6	-	-	-	-	275.6
Net income recognized directly in equity	0.0	0.0	(20.8)	0.0	0.0	3.6	0.0	(17.2)
Profit for the period	-	-	-	57.7	-	-	-	57.7
<b>Total income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>(20.8)</b>	<b>57.7</b>	<b>0.0</b>	<b>3.6</b>	<b>0.0</b>	<b>40.5</b>
Disposal of own shares, cost	-	0.0	-	-	-	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	0.0
Dividends paid on own shares	-	-	-	-	-	-	-	0.0
Exchange rate adjustment on dividends paid	-	-	-	-	-	-	-	0.0
Exercise of share options	-	-	-	0.4	-	-	-	0.4
Total changes in Shareholders' equity Q1 2006	0.0	0.0	(20.8)	58.1	0.0	3.6	0.0	40.9
<b>Balance at 31 March 2006</b>	<b>61.1</b>	<b>(7.7)</b>	<b>275.6</b>	<b>473.4</b>	<b>132.4</b>	<b>6.9</b>	<b>3.9</b>	<b>945.6</b>

## Cash flow statement

Mill. USD	Q1 2006	Q1 2005	2005
<b>Cash flow from operating activities</b>			
Operating profit	66.9	81.6	303.2
Adjustments:			
Reversal of profit from sale of vessels	0.0	(19.4)	(54.7)
Reversal of depreciation and impairment loss	15.1	10.3	47.9
Reversal of other non-cash movements	5.5	(9.4)	(6.5)
Dividends received	0.2	0.2	12.8
Interest income and exchange rate gains	1.1	1.1	7.8
Interest expenses	(10.3)	(4.8)	(26.1)
Income taxes paid	0.0	0.0	(7.5)
Change in inventories, accounts receivables and payables	(2.8)	4.4	(15.8)
Net cash inflow from operating activities	<b>75.7</b>	64.0	261.1
<b>Cash flow from investing activities</b>			
Investment in tangible fixed assets	(119.7)	(221.6)	(635.9)
Investment in equity interests and securities	0.2	0.0	(15.4)
Sale of non-current assets	0.0	47.4	178.2
Net cash inflow/(outflow) from investing activities	<b>(119.5)</b>	(174.2)	(473.1)
<b>Cash flow from financing activities</b>			
Borrowing, mortgage debt and other financial liabilities	11.2	159.1	645.5
Repayment/redemption, mortgage debt	(3.8)	(21.7)	(251.9)
Dividends paid	0.0	0.0	(90.4)
Purchase/disposals of treasury shares	0.0	0.0	0.0
Cash inflow/(outflow) from financing activities	<b>7.4</b>	137.4	303.2
<b>Increase/(decrease) in cash and cash equivalents</b>			
	<b>(36.4)</b>	27.2	91.2
Cash and cash equivalents, beginning of period	156.7	65.5	65.5
<b>Cash and cash equivalents, end of period</b>	<b>120.3</b>	92.7	156.7

## Quarterly cash flow statement

Mill. USD	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06
<b>Cash flow from operating activities</b>					
Operating profit	81.6	75.9	68.8	76.9	66.9
Adjustments:					
Reversal of profit from sale of vessels	(19.4)	(21.0)	(14.4)	0.1	0.0
Reversal of depreciation and impairment loss	10.3	11.2	12.5	13.9	15.1
Reversal of other non-cash movements	(9.4)	(0.1)	3.0	0.0	5.5
Dividends received	0.2	12.6	0.0	0.0	0.2
Interest income and exchange rate gains	1.1	1.0	0.6	5.1	1.1
Interest expenses	(4.8)	(5.9)	(6.7)	(8.7)	(10.3)
Income taxes paid	0.0	0.0	0.0	(7.5)	0.0
Change in inventories, accounts receivables and payables	4.4	2.8	(7.0)	(16.0)	(2.8)
Net cash inflow from operating activities	64.0	76.5	56.8	63.8	<b>75.7</b>
<b>Cash flow from investing activities</b>					
Investment in tangible fixed assets	(221.6)	(249.9)	(145.8)	(18.6)	(119.7)
Investment in equity interests and securities	0.0	34.3	3.2	(52.9)	0.2
Sale of non-current assets	47.4	41.4	36.4	53.0	0.0
Net cash inflow/(outflow) from investing activities	(174.2)	(174.2)	(106.2)	(18.5)	<b>(119.5)</b>
<b>Cash flow from financing activities</b>					
Borrowing, mortgage debt and other financial liabilities	159.1	208.8	158.6	119.0	11.2
Repayment/redemption, mortgage debt	(21.7)	(74.0)	(122.7)	(33.5)	(3.8)
Repayment/redemption, lease liabilities	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	(90.4)	0.0	0.0	0.0
Purchase/disposals of treasury shares	0.0	0.0	0.0	0.0	0.0
Cash inflow/(outflow) from financing activities	137.4	44.4	35.9	85.5	<b>7.4</b>
<b>Increase/(decrease) in cash and cash equivalents</b>					
	27.2	(53.3)	(13.5)	130.8	<b>(36.4)</b>
Cash and cash equivalents, beginning of period	65.5	92.7	39.4	25.9	156.7
<b>Cash and cash equivalents, end of period</b>	<b>92.7</b>	<b>39.4</b>	<b>25.9</b>	<b>156.7</b>	<b>120.3</b>



## Reconciliation to United States Generally Accepted Accounting Principles (US GAAP)

Mill. USD	Net income Q1 2006	Shareholders' Equity 31 Mar. 2006
<b>As reported under IFRS</b>	<b>57.7</b>	<b>945.6</b>
Adjustments:		
Reversal of write-down of vessels	0.0	(0.5)
Deferred gain on a sale/lease back	1.1	(16.3)
Deferred tax	(0.3)	4.6
Total adjustments	0.8	(12.2)
<b>According to US GAAP</b>	<b>58.5</b>	<b>933.4</b>

A review of principles and methods used in the reconciliation, please refer to the TORM Annual Report for 2005.