TORM

Presentation of Q1 2012 results

Telco

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Highlights for Q1 2012

Results

- Q1 loss before tax of USD 79m reflecting challenging market conditions
- Result was negatively impacted by TORM's financial position in the challenging markets
- Includes one-offs related to vessel sales (USD -16m), mark-to-market effects (USD 11m) and advisory fees related to restructuring of the capital structure (USD -22m)

Tanker

- LR2 and LR1 suffered from oversupply of vessels and lower demand in the East market
- MR segment in the West was firmer in Q1 2012
- EBIT of USD -42m in Q1 2012, despite beating commercial spot benchmarks again

Bulk

- Bulk market under significant pressure in Q1 2012 due to tonnage influx, slower Chinese demand growth and the delayed grain season
- EBIT of USD 3m in Q1 2012

S&P

- Continued high tonnage inflow in all segments - Manageable order book for product tankers
- Vessel prices continued to slide into Q1 2012
- Net loss from vessel sales of USD 16m (Tanker Division)

Guidance

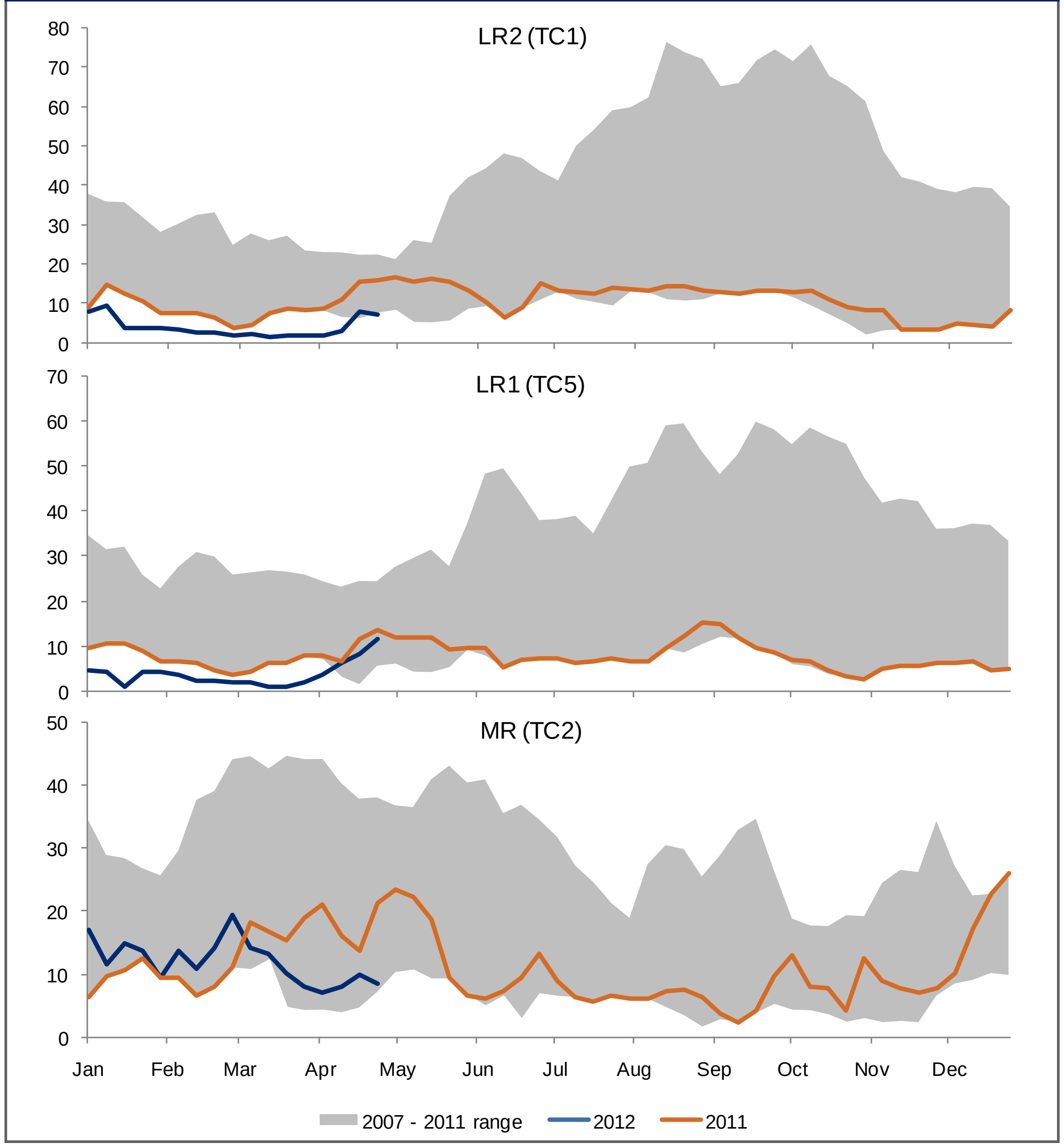
- Result for 2012 is subject to considerable uncertainty given TORM's situation and the changes to the Company's business model that may follow
- Consequently, no earnings guidance until a solution is in place

Framework agreement

- A conditional framework agreement reached with the bank group and time charter partners
  - New working capital (USD 100m) and debt repayment relief
  - Time charter contracts realigned to market level or terminated
- In exchange for these concessions the bank group and time charter partner will become majority shareholders

Product tanker freight rates are still under pressure and especially the LR2 segment is weak due to oversupply of tonnage

Freight rates in USDt/day



LR2 and LR1

- Positive effects:
  - Naphtha arbitrage from the West to the Far East open
  - Jet fuel arbitrage from the Arabian Gulf to the West open
- Negative effects:
  - Oversupply of tonnage
  - Weak East market with reduced naphtha exports from India/Middle East

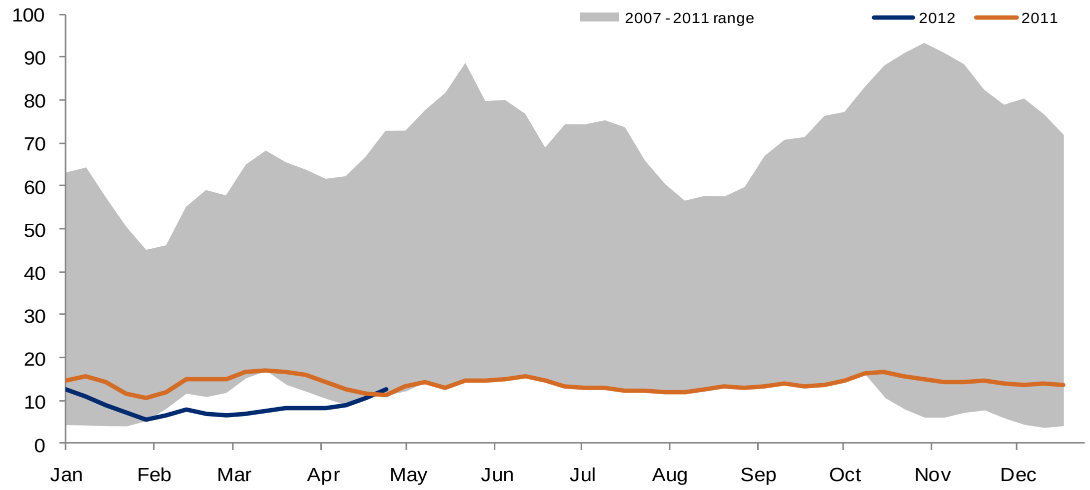
MR

- Positive effects:
  - Refinery closures; Hovensa and Valero in Caribs
  - Refinery expansion in the US Gulf
  - Demand from South America and West Africa
- Negative impacts:
  - Reduced demand in Asia pushing more ships into the Arabian Gulf and West markets
  - Declining gasoline demand in the US

Source: Clarksons, 20 April 2012. Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba) and MRT: C2 (Rotterdam->NY)

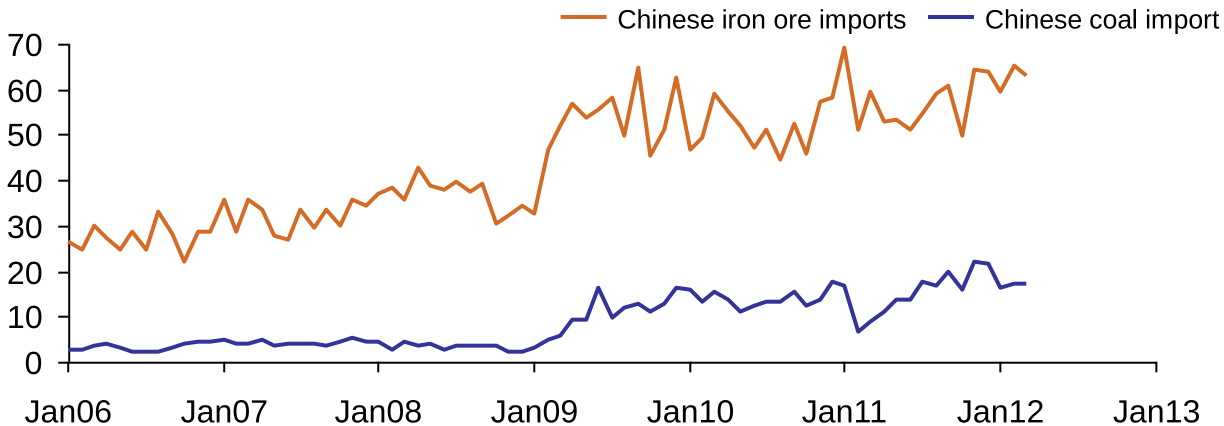
Dry bulk market dropped to historical low levels during Q1, but has strengthened in April especially for the SMX and PMX segment

Freight rate development (USDt/day)



- Low market during Q1 2012 as a result of declining trade volumes and record high deliveries
- The freight rates have corrected into April
  - Commencement of the delayed South America grain season
  - Trade demand is firm, but outpaced by continued high fleet growth

Chinese iron ore and coal import (mt/day)



- Continued high Chinese demand
  - Strong coal import up 56% y-o-y in Q1 (on the back of a relative weak Q1 2011)
  - Stable iron ore import up 4% y-o-y in Q1
  - Volumes remain at high levels
  - Temporary drop in iron ore and coal import in January due to Chinese holidays

Source: RS Platou, Clarksons

TORM's financial position by Q1 2012

Cash position (per 31.3.2012)

- Cash totaled USD 29 million at the end of the first quarter of 2012
- No available credit lines.

Newbuilding CAPEX

- Order book eliminated as a part of TORM's general plan to preserve liquidity and reduce debt
- Annual maintenance CAPEX estimated at USD 10-20 million

Debt situation (per 31.3.2012)

- TORM has bank debt of USD 1.9bn
- TORM was in breach of its financial covenants (equity ratio and cash). Accordingly, loans are classified as current liabilities

Framework agreement with banks

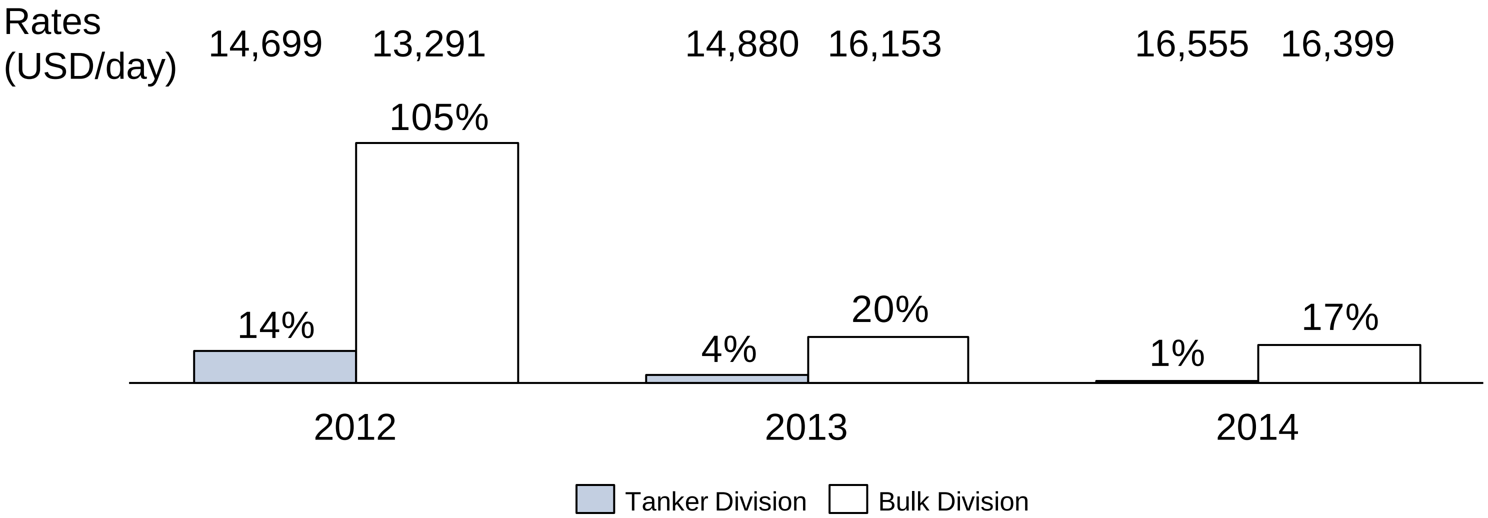
- USD 100m in working capital as a two-year revolving credit facility
- Deferral of payment on existing bank debt until 31 December 2016 (cash sweep)
- Final documentation has commenced

TORM's forecast for 2012

2012 forecast

- Result for 2012 is subject to considerable uncertainty given TORM's situation and the changes to the Company's business model that may follow
- Consequently, no earnings guidance until a solution is in place.

Coverage per 31.3.2012



Profit sensitivity for 2012

USDm	Change in freight rates (USD/day)			
Segment	-2,000	-1,000	1,000	2,000
Tankers	-43	-21	21	43
Bulk	0	0	-0	-0
Total	**-42**	**-21**	**21**	**42**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