



Presentation of Q1 2015 results

13 May 2015

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 Q1 2015

Highlights
Tanker market
Dry bulk market
Finance

Q1 2015 Results

- Q1 EBITDA of USD 53m (USD 21m) or up by USD 32m y-o-y despite 27% fewer tanker earning days
- Profit before tax of USD 9m (USD -222m including impairments of USD 192m)
- Positive operating cash flow of USD 46m

Tanker

- The combination of lower oil prices and wider refinery margins boosted demand for product tankers
- On average, TORM's spot freight rates for Q1 2015 improved by 66% y-o-y
- Q1 2015 gross profit of USD 63m (USD 32m) despite 27% fewer tanker earning days

Bulk

- Freight rates remained under pressure in Q1 2015
- Q1 2015 gross profit of USD -2m (USD 1m)

Sale & Purchase

- Product tanker ordering activity picked up from the previous quarter, but did not reach the level seen in Q1 2014

Restructuring process

- The new Restructuring Agreement has been signed by TORM, Oaktree Capital Management and a majority of the Lenders holding in aggregate 94% of TORM's existing loan facilities by value

Guidance

- The financial results for 2015 are subject to the completion of the new Restructuring Agreement
- Consequently, TORM has decided not to provide earnings guidance for 2015

The logo for TORM, featuring a stylized 'T' inside a red and white square, with the letters 'TORM' in white capital letters below it.

Q1 2015 results

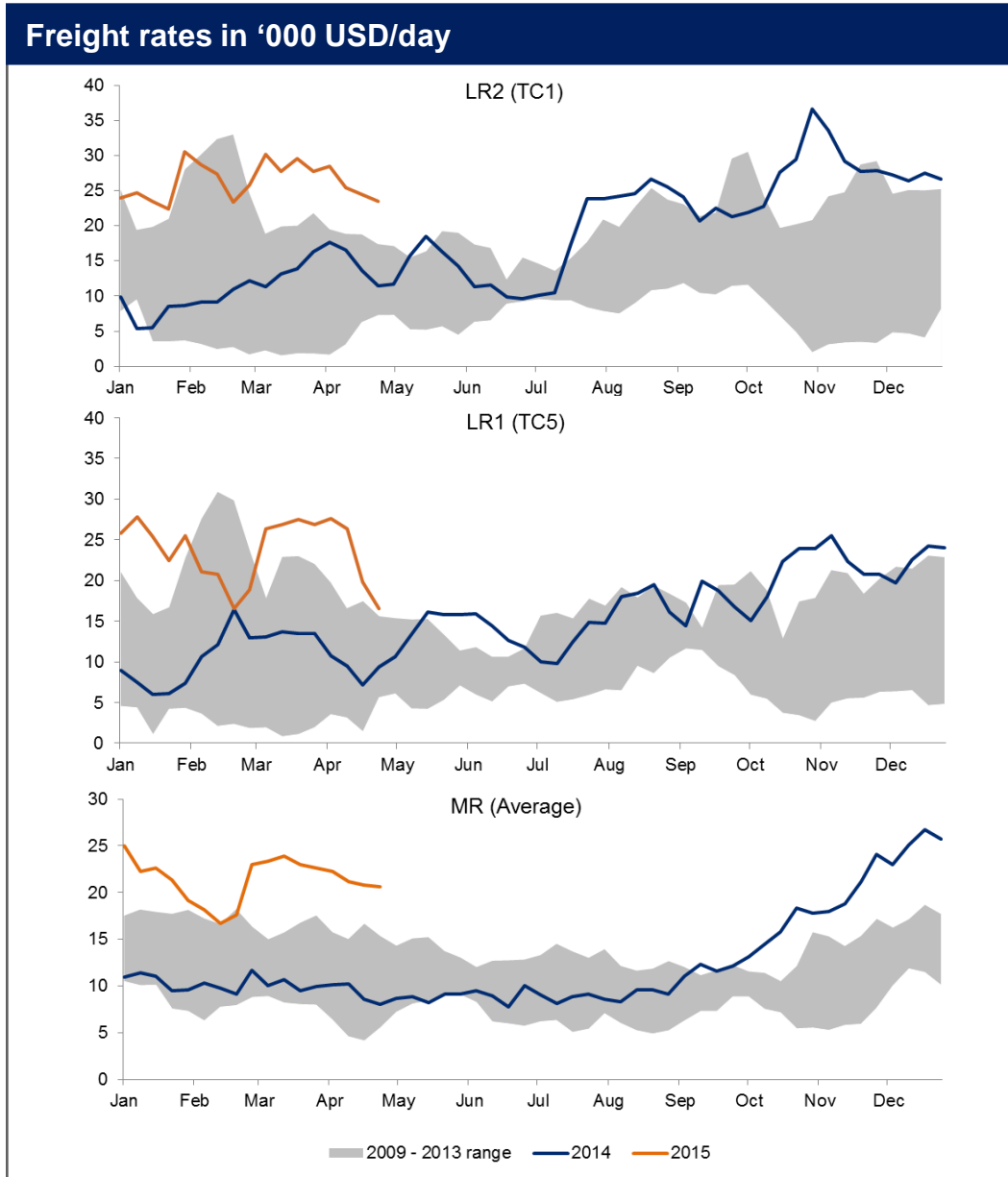
Highlights
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Finance



USDm	Q1 2015	Q1 2014	2014	2013	2012	2011
P&L						
Gross profit	61	33	123	150	(93)	81
Sale of vessels	0	0	0	0	(26)	(53)
EBITDA	53	21	77	96	(195)	(44)
Profit before tax	9	(222)	(283)	(166)	(579)	(451)
Balance						
Equity	(153)	(103)	(164)	118	267	644
NIBD	1,367	1,662	1,394	1,718	1,868	1,787
Cash and cash equivalents	53	18	45	29	28	86
Cash flow statement						
Operating cash flow	46	10	27	68	(100)	(75)
Investment cash flow	(8)	49	313	93	0	168
Financing cash flow	(30)	(70)	(324)	(161)	42	(128)

- Q1 EBITDA of USD 53m (USD 21m) despite 27% fewer product tanker earning days
- Q1 results before tax of USD 9m (USD -222m including impairments of USD 195m)
- Positive operating cash flow of USD 46m

Product tanker freight rates



East (Q1 2015)

In the East, the earnings for the LRs were positively impacted by strong gasoil exports from North East Asia to West Africa.

In the Middle East, the MR freight rates benefitted from regional distribution of refined products from e.g. the Yasref refinery in Saudi Arabia.

West (Q1 2015)

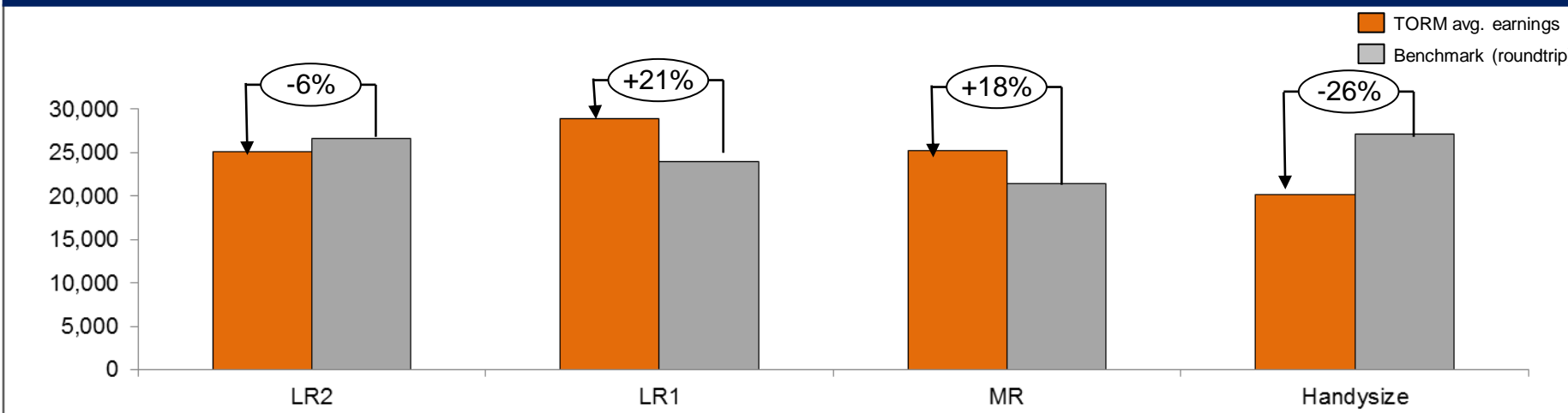
In the West, the MR market benefitted from a combination of increasing US consumer demand for gasoline and diesel and higher refinery margins.

The LR market was positively impacted by open naphtha arbitrage and higher-than-usual West African import of gasoline and diesel.

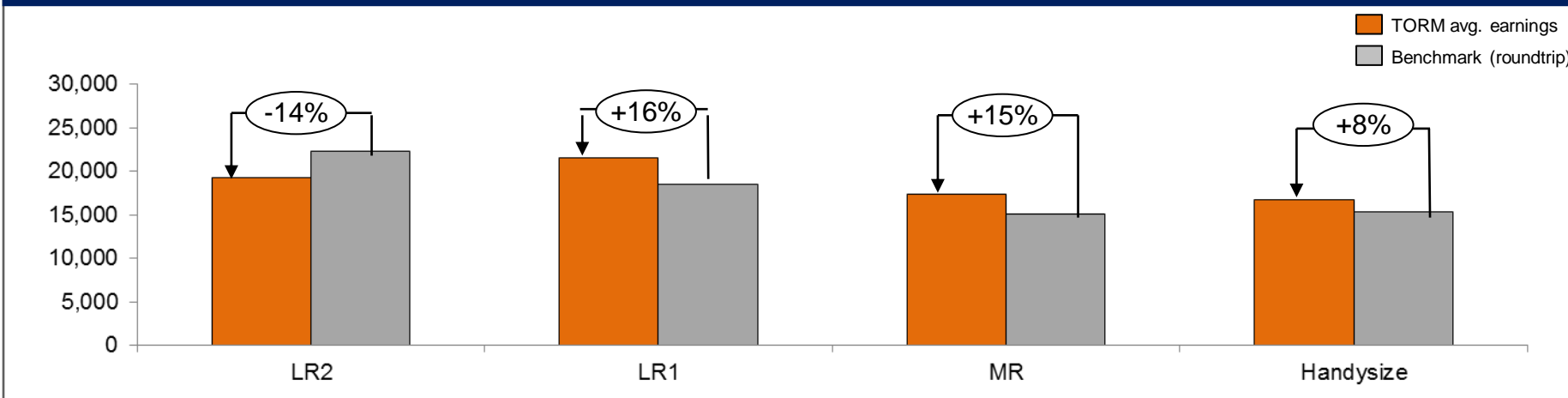
Tanker Division spot rates versus benchmark



TORM spot vs. benchmark Q1 2015 (USD/day)



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



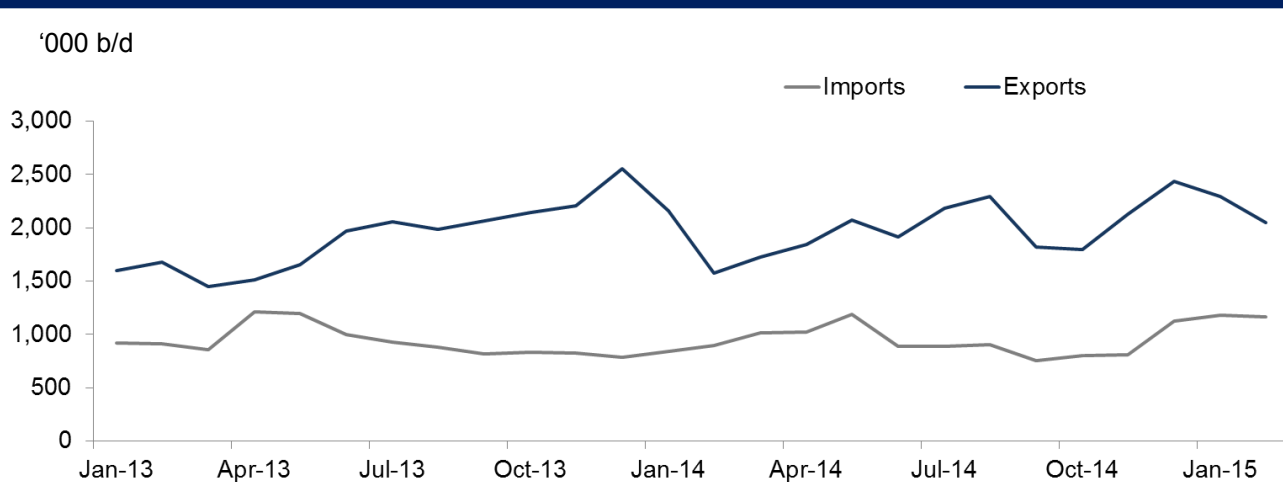
Note: Benchmarks are not one-to-one comparisons as they do not take broker commission, armed guards and low sulphur fuel costs into account.

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

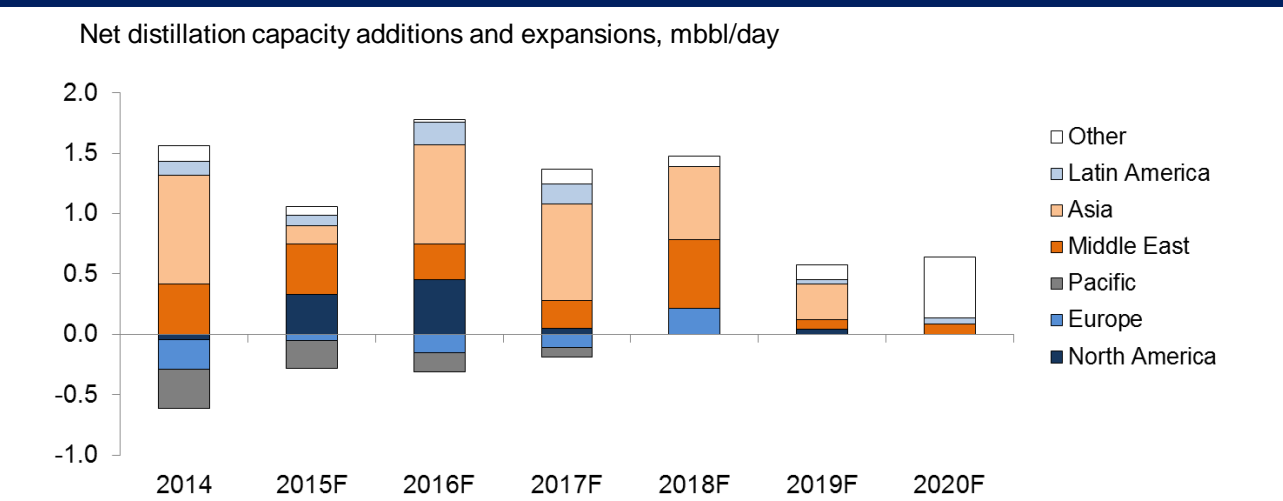


US imports and exports of clean petroleum products*



- Oil product demand improved both in the Atlantic Basin and in Asia
- European refinery margins reached 2-year highs in Q1, underpinning refinery runs well above year-earlier levels
- Freezing temperatures forced USEC refineries to cut runs, leading to increased gasoil/diesel imports from Europe

Refinery net expansions 2014-2020



- Refinery capacity net addition in 2015 is estimated to remain below the levels seen in 2014, yet some of the capacity added in 2014 still needs to be ramped up
- Further refinery consolidation is expected in Europe and the Pacific

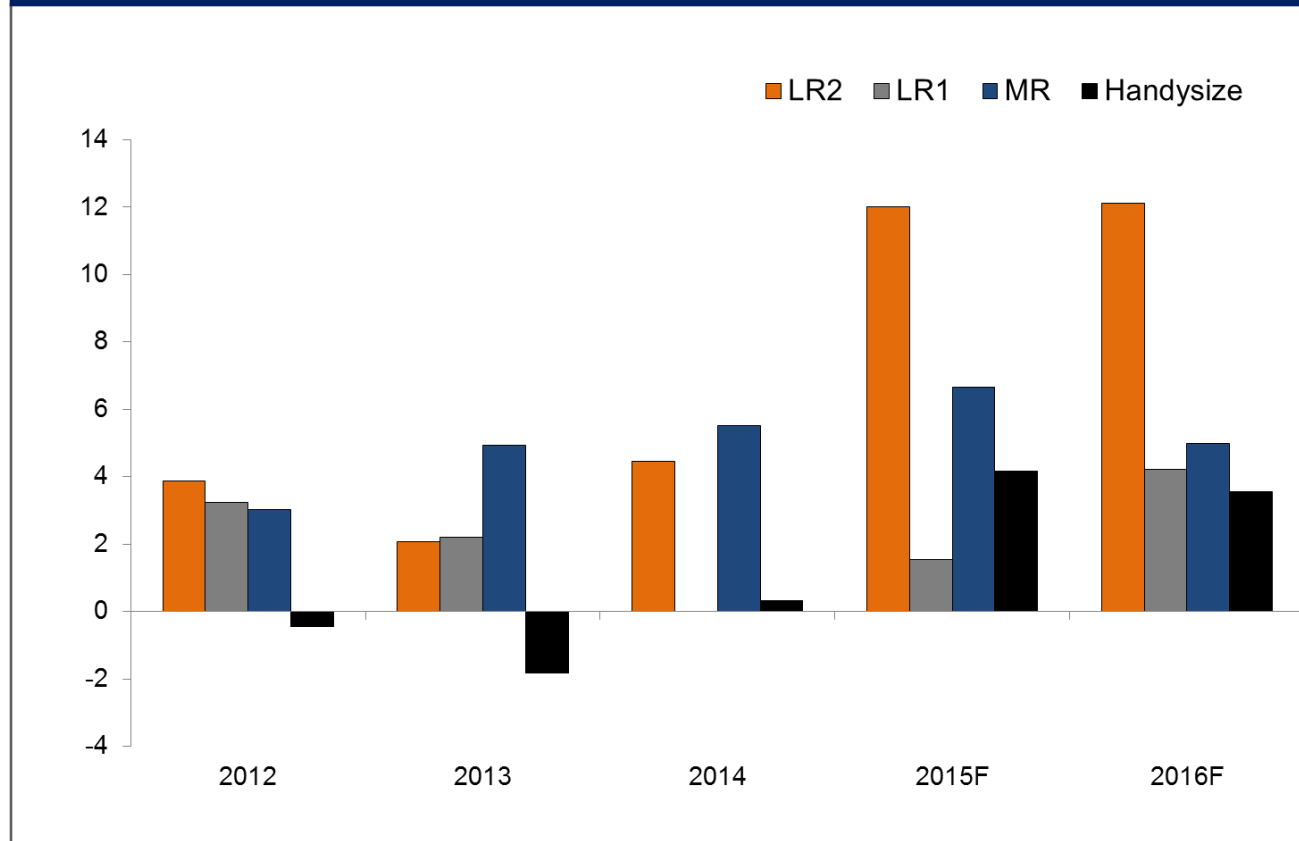
Sources: EIA, IEA, TORM Research.

* Based on EIA monthly import and export figures; includes gasoline, distillate fuel oil and jet fuel.

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 grew by 3.4% in 2014 and is forecasted to grow by 5.9% in 2015 (in terms of no. of vessels), with the LR2 and MR segments leading the growth
- Minimal ordering activity during 2012-2013 in the LR1 segment results in barely 1% fleet growth in 2015
- After years of negative fleet growth, the Handysize fleet (incl. chemical tankers) will increase amid higher newbuilding deliveries

Note: Increase calculated basis number of vessels. The number of vessels by the beginning of 2015 was: LR2 259, LR1 328, MR 1,397, Handy 651.

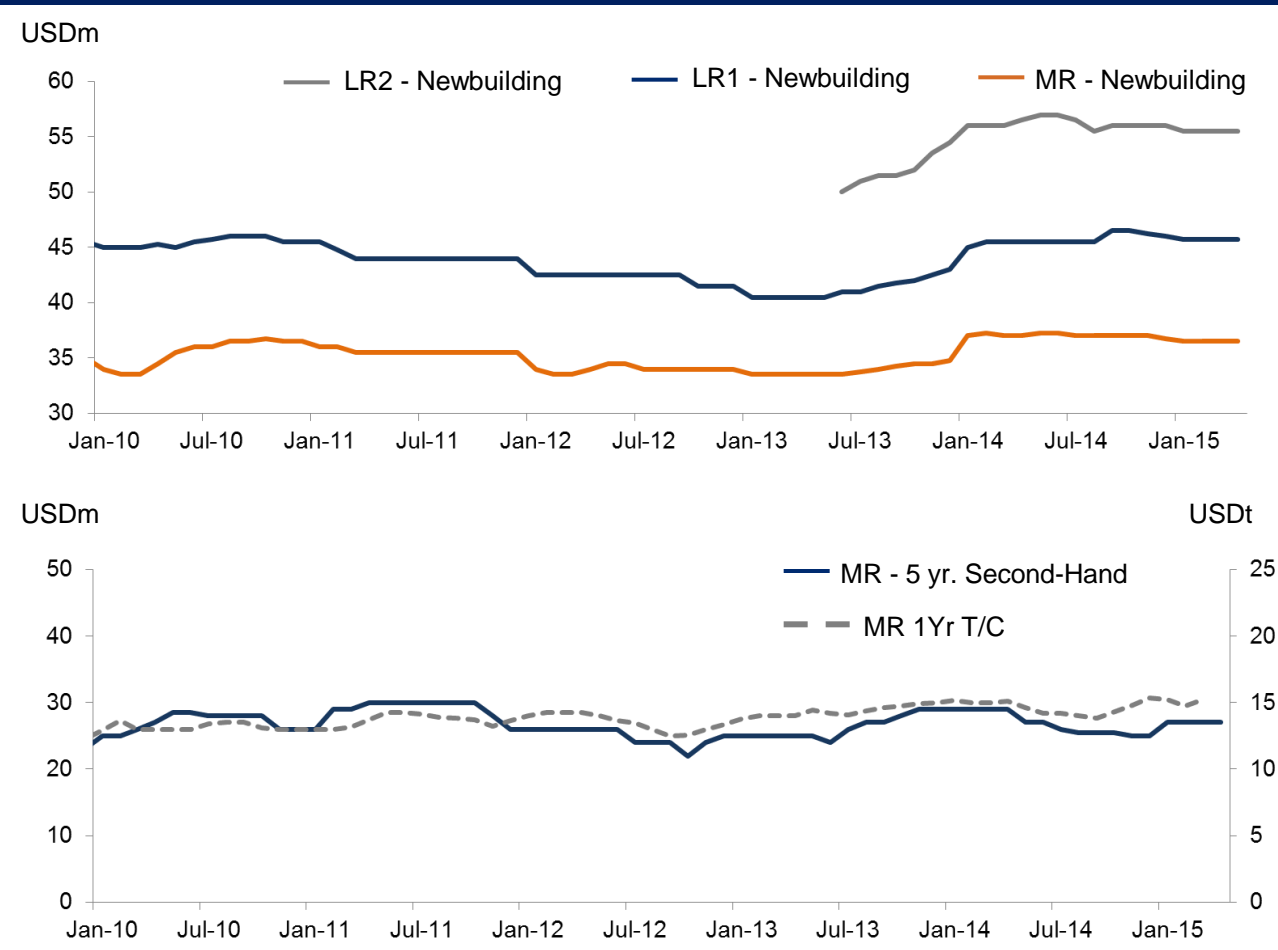
Note: Net fleet growth: Gross order book adjusted for expected scrapping and delivery slippage.

Source: TORM Research.

Product tanker vessel prices



Vessel price development

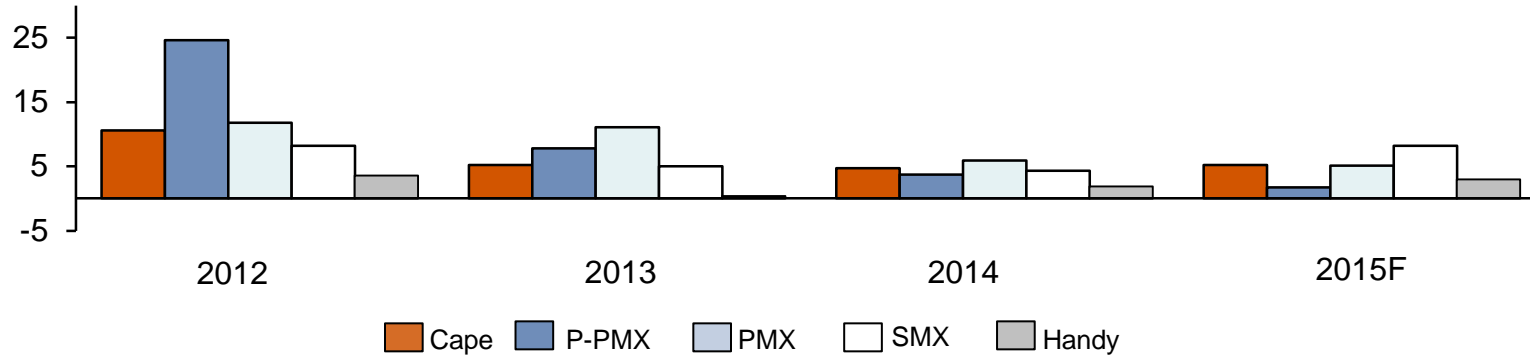


- Product tanker ordering activity picked up from the previous quarter, but did not reach the level seen in Q1 2014
- The LR1 and LR2 segments continued to be in focus
- Low dry bulk ordering encourages shipyards to look for other alternatives, e.g. tankers (in Q1 2015, dry bulk ordering was only 1.4m dwt, compared to 28.7m dwt in Q1 2014)
- Limited activity in the second-hand market

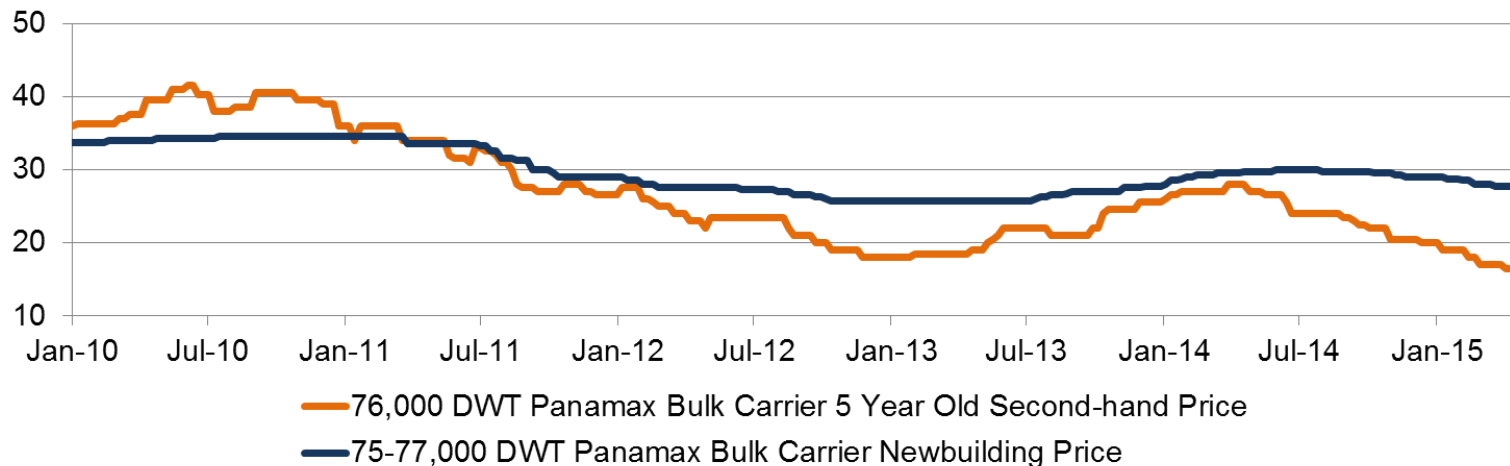
Dry bulk order book and vessel prices



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 2015: Cape 1,507; P-PMX 530; PMX 2,005, SMX 3,162; Handy 3,065.

Source: TORM Research, Clarksons.

TORM has a fully integrated business model

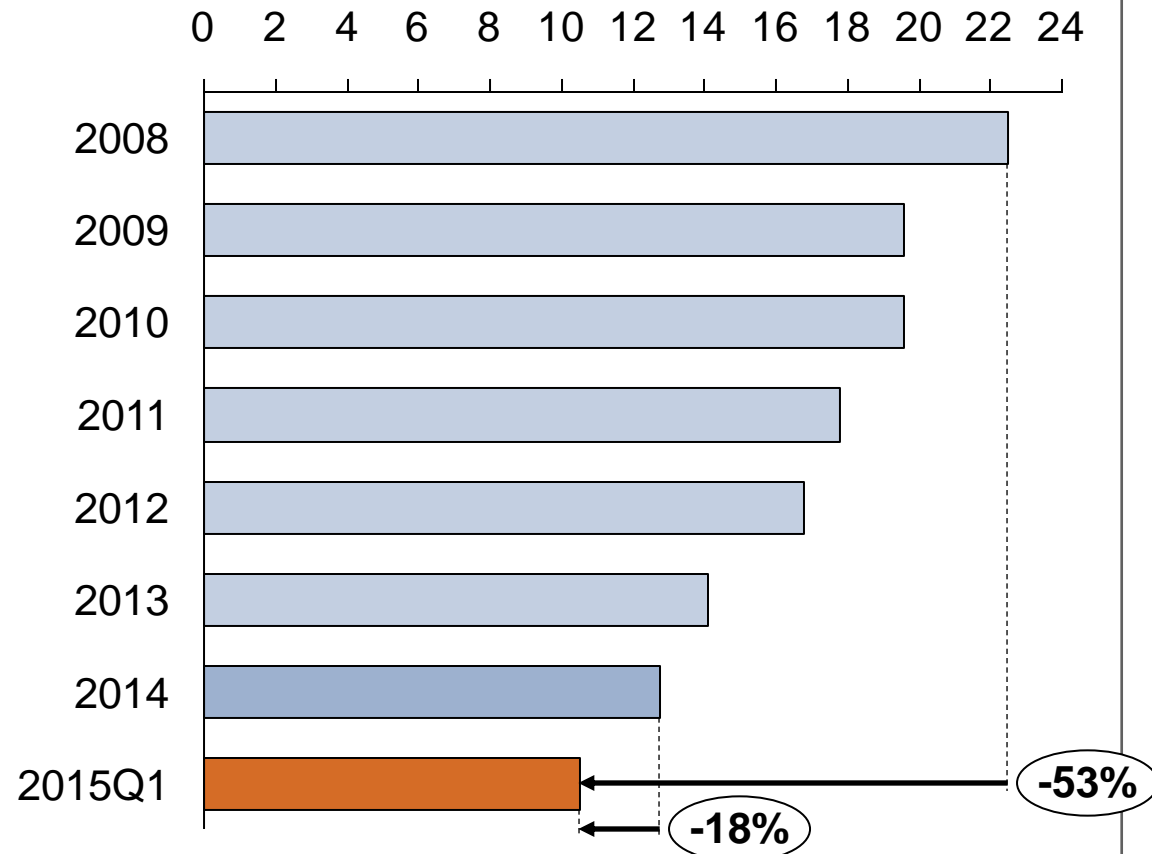


TORM has maintained a fully integrated business model...

- TORM has a fully integrated business model to obtain the highest possible
 - trading flexibility
 - earning power
- TORM manages
 - ~80 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 – Prior to Restructuring effects



Liquidity

- As at 31 March 2015, TORM's cash and cash equivalents were USD 53m

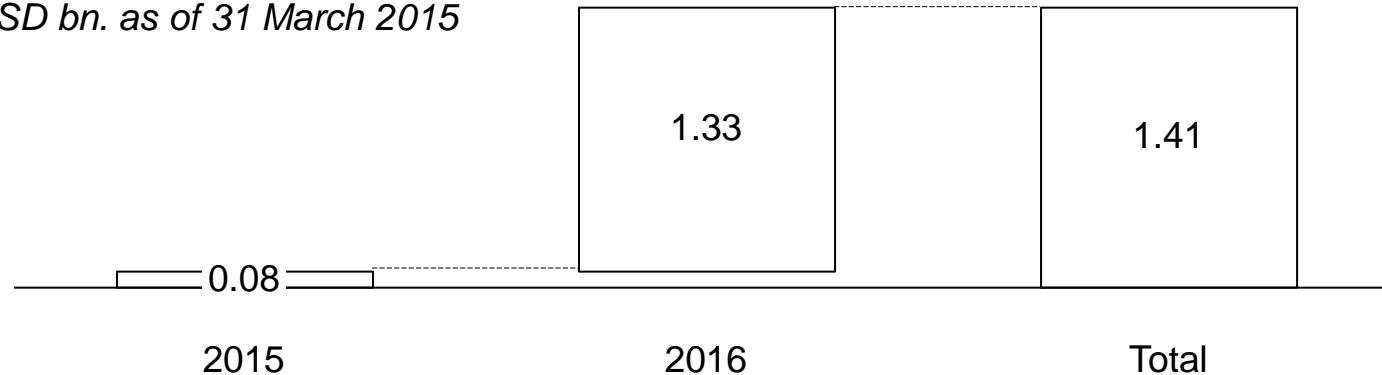
Newbuilding CAPEX

- TORM has no newbuildings on order

Debt situation

- TORM has a total debt of USD 1.41bn

USD bn. as of 31 March 2015



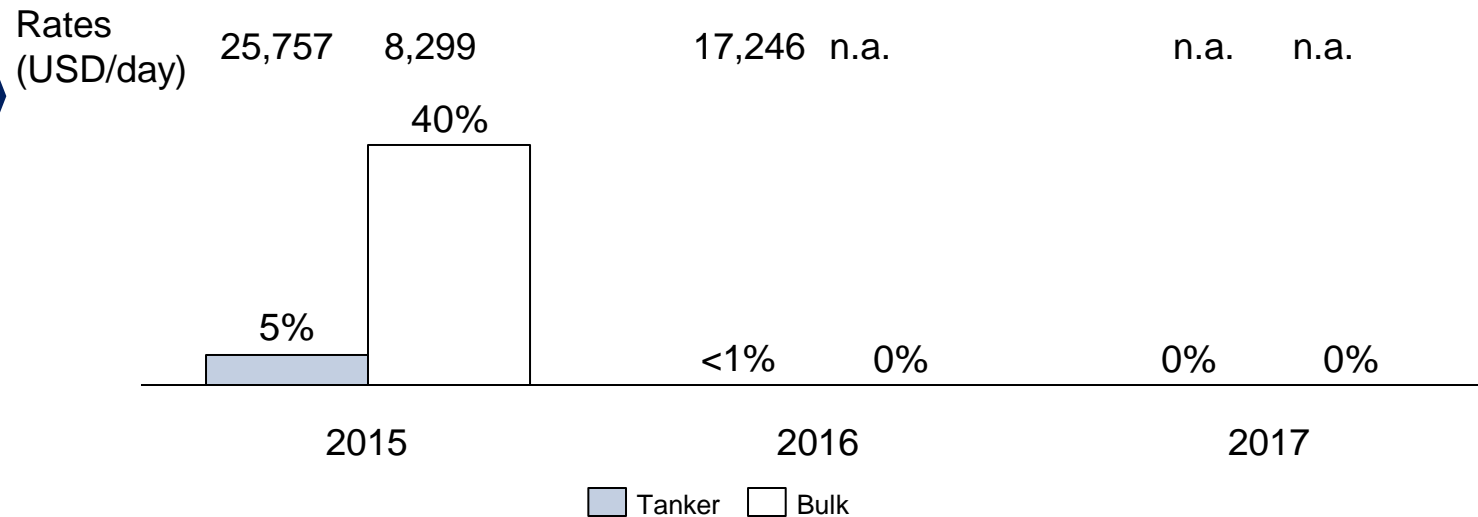
TORM's forecast for 2015



2015 forecast

- The financial results for 2015 are subject to the completion of the new Restructuring Agreement
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Coverage per 31 March 2015



Earnings sensitivity for 2015 per 31 March 2015

USDm Segment	Change in freight rates (USD/day)			
	-2,000	-1,000	1,000	2,000
Tankers	-24	-12	12	24
Bulk	-1	-1	1	1
Total	-25	-12	12	25

Appendix



TORM at a glance

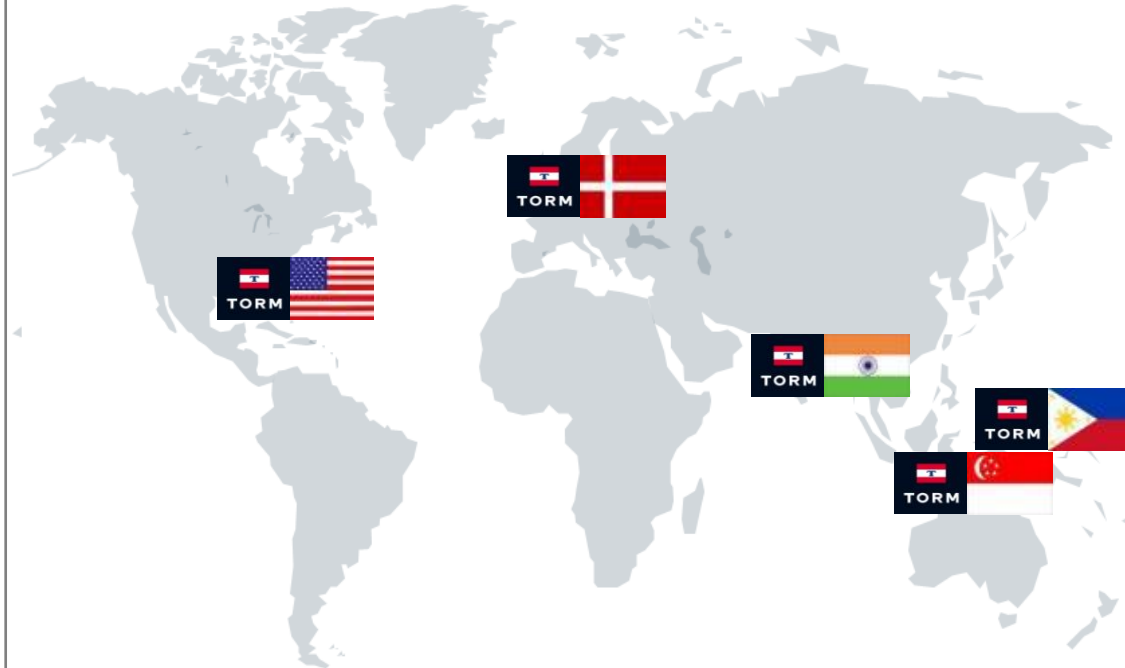
Key facts

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:

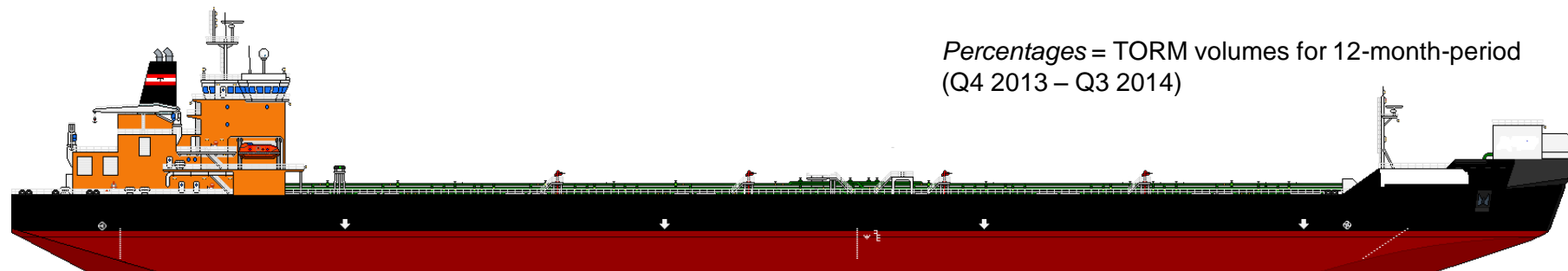
TORM Offices: ~275

Seafarers: ~2,700

- 1,350 Filipino seafarers
- 1,050 Indian seafarers
- 175 Danish seafarers
- 125 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



Lars Christensen

- Head of Sale & Purchase Division incl. Bulk activities



Christian Søgaard-Christensen

- Head of Investor Relations and Corporate Support



Jesper S. Jensen

- Head of Technical Division



Christian Riber

- Head of Human Resources

The TORM share

Share information

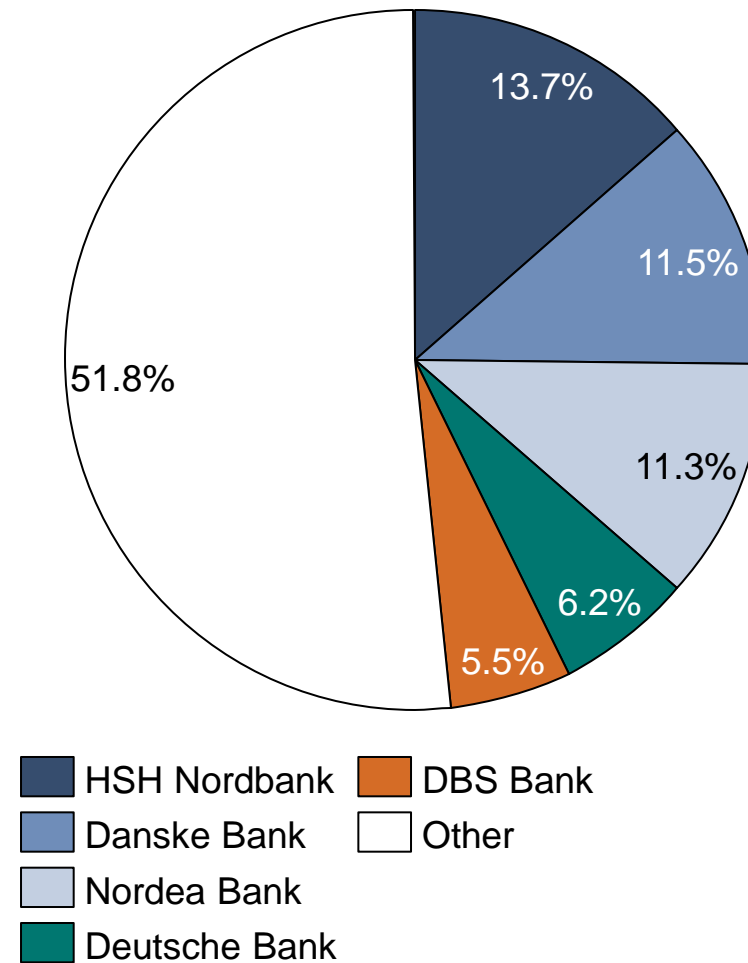
TORM's shares are listed on NASDAQ OMX Copenhagen under the ticker TORM

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 2014*)



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



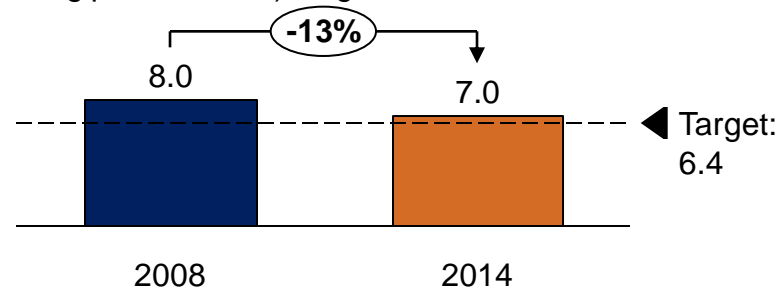
• Danish Shipowners' Association

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

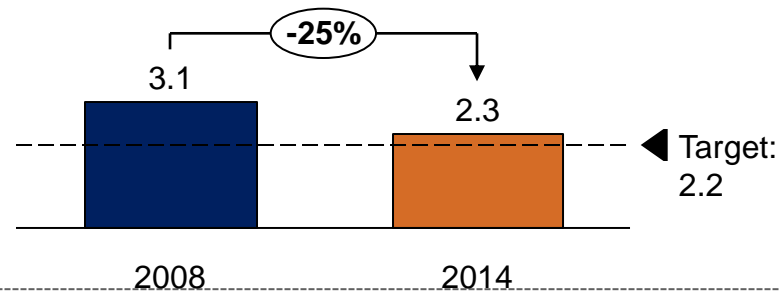
TORM has set and communicated on climate targets

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 2015	Q1 2014	2014	2013	2012	2011
Revenue	154	183	624	992	1,121	1,305
EBITDA	53	21	77	96	(195)	(44)
Profit/(loss) before tax	9	(222)	(283)	(166)	(579)	(451)
Balance						
Total assets	1,372	1,720	1,384	2,008	2,355	2,779
Equity	(153)	(103)	(164)	118	267	644
NIBD	1,367	1,662	1,394	1,718	1,868	1,787
Cash and cash equivalents	53	18	45	29	28	86
Cash flow statement						
Operating cash flow	46	10	27	68	(100)	(75)
Investment cash flow	(8)	49	313	93	0	168
Financing cash flow	(30)	(70)	(324)	(161)	42	(128)
Financial related key figures						
EBITDA margin	34%	11%	12%	10%	(17%)	(3%)
Equity ratio	-	-	-	6%	11%	23%
Return on invested capital (ROIC)	10%	(48%)	(14%)	(5%)	(20%)	(14%)



Large product tanker fleet

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period ≥12 months		
	Q4 2014	Changes	Q1 2015	2015	2016	2017
Owned vessels						
LR2	5	-	5			
LR1	7	-	7			
MR	20	-	20			
Handysize	11	-	11			
Tanker	43	-	43	-	-	-
Panamax	2	-	2			
Handymax	-	-	-			
Bulk	2	-	2	-	-	-
Total	45	-	45	-	-	-
T/C-in vessels						
LR2	2	-	2			
LR1	-	-	-			
MR	5	-3	2			
Handysize	-	-	-			
Tanker	7	-3	4	-	-	-
Panamax	4	-	4	-2		
Handymax	1	-1	-			
Bulk	5	-1	4	-2	-	-
Total	12	-4	8	-2	-	-
Commercial management	22	3	25			
Total fleet	79	-1	78			



Earning days, T/C cost and coverage for 2015, 2016 and 2017



Owned days

	2015	2016	2017	2015	2016	2017
	Owned days					
LR2	1,325	1,815	1,825			
LR1	1,889	2,546	2,555			
MR	5,357	7,155	7,186			
Handysize	2,825	3,960	4,015			
Tanker Division	11,396	15,476	15,581			
Panamax	547	728	730			
Bulk activities	547	728	730			
Total	11,943	16,204	16,311			

T/C-in days at fixed rate

	T/C-in days at fixed rate			T/C-in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	504	104	-	16,000	16,000	-
Handysize	-	-	-	-	-	-
Tanker Division	504	104	-	16,000	16,000	-
Panamax	576	364	365	12,749	11,000	11,000
Bulk activities	576	364	365	12,749	11,000	11,000
Total	1,080	468	365	14,266	12,108	11,000

T/C-in days at floating rate

	T/C-in days at floating rate					
LR2	547	684	730			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Tanker Division	547	684	730			
Panamax	-	-	-			
Bulk activities	-	-	-			
Total	547	684	730			

Total physical days

	Total physical days			Covered days		
LR2	1,873	2,499	2,555	135	-	-
LR1	1,889	2,546	2,555	88	-	-
MR	5,861	7,259	7,186	192	-	-
Handysize	2,825	3,960	4,015	222	15	-
Tanker Division	12,448	16,263	16,311	638	15	-
Panamax	1,123	1,092	1,095	452	-	-
Bulk activities	1,123	1,092	1,095	452	-	-
Total	13,571	17,355	17,406	1,090	15	-

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	7%	0%	0%	30,558	-	-
LR1	5%	0%	0%	25,068	-	-
MR	3%	0%	0%	29,950	-	-
Handysize	8%	0%	0%	19,487	17,246	-
Tanker Division	5%	0%	0%	25,757	17,246	-
Panamax	40%	0%	0%	8,299	-	-
Bulk activities	40%	0%	0%	8,299	-	-
Total	8%	0%	0%	18,521	17,246	-



TORM