Teleconference on Q3 2012 results

7 November 2012

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Highlights for Q3 2012

Results

- Q3 loss before tax of USD 63m before special items of USD -15m
- Both main segments remained challenging in Q3 2012
- Results negatively impacted by TORM's financial situation

Tanker

- LR2 and LR1 benefitted in Q3 2012 from distillate arbitrage and e.g. jet fuel cargoes from the Middle East to Brazil
- MR freight rates in the West were negatively affected by refinery maintenance and limited arbitrage, whereas imbalances in Asia Pacific positively impacted freight rates in the East
- EBIT of USD -42m in Q3 2012, despite beating commercial spot benchmarks again

Bulk

- Bulk market suffered in Q3 2012 due to the US grain season affected by drought
- EBIT of USD -4m in Q3 2012 – Beating commercial benchmarks

Restructuring

- Restructuring with banks and time charter partners completed 5 November 2012
  - New working capital (USD 100m) for two years
  - Amendment of debt maturities until 31 December 2016
  - Significant savings from time charter contracts being realigned to market level or terminated
- The bank group and time charter partner have become majority shareholders

Guidance

- Maintain forecasted loss before tax of USD 350-380m for the financial year 2012 excluding accounting effects of the execution of the restructuring, further vessel sales and potential impairment charges

TORM has completed the restructuring with banks and time charter partners

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Banks

Maturities for all debt amended to 31 December 2016

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Majority owners of the Company

New capital

USD 100m in working capital over two years

Compre-hensive finance solution for TORM

T/C-in partners

T/C-rates adjusted to market level or contracts terminated

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Co-owners of the Company

Newbuilding program

Elimination of newbuilding program completed

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Cost and cash initiatives with a cumulative effect of at least USD100m over three years

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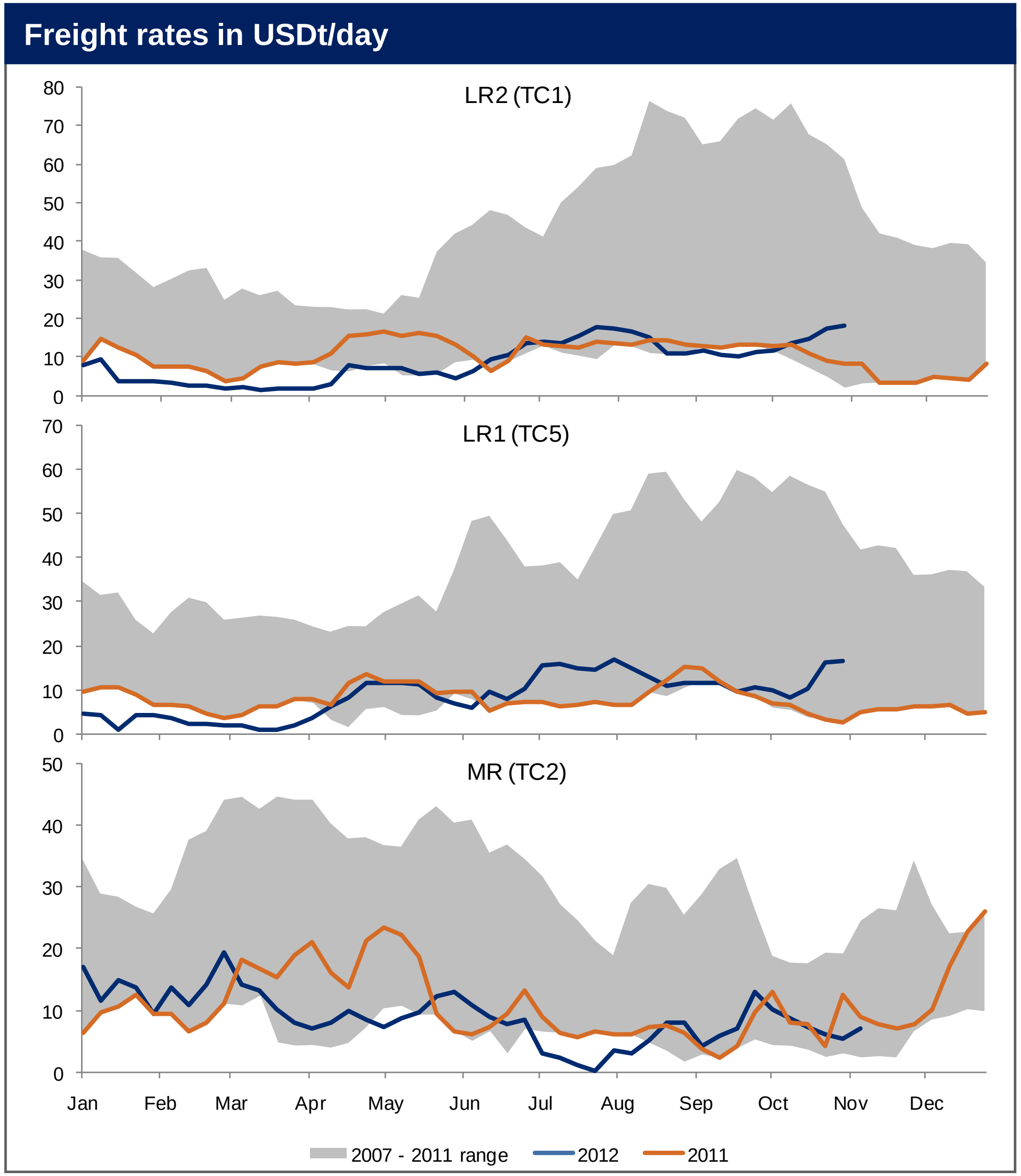
Cost program office in place and identified initiatives under implementation

Product tanker freight rates have been under pressure and especially the MR segment was weak due to continued subdued demand in Western hemisphere



LR2 and LR1

- Positive effects:
  - Middle distillate arbitrage from the Middle East to Europe open
  - Naptha arbitrage from the West to the Far East open
  - East Africa imports have re-started
  - Increased long-haul volumes to Brazil and the US from the AG and India
- Negative effects:
  - Reduced imports to the AG from Europe resulting in increased ballast

MR

- Positive effects:
  - Continued Brazilian imports
  - Increased African imports substituting LR1
  - Intra-Asia activity has increased especially to Australia due to closing of refineries
- Negative effects:
  - Refinery maintenance in Europe
  - High refinery utilization in the US
  - US exports limited due to supply constraints

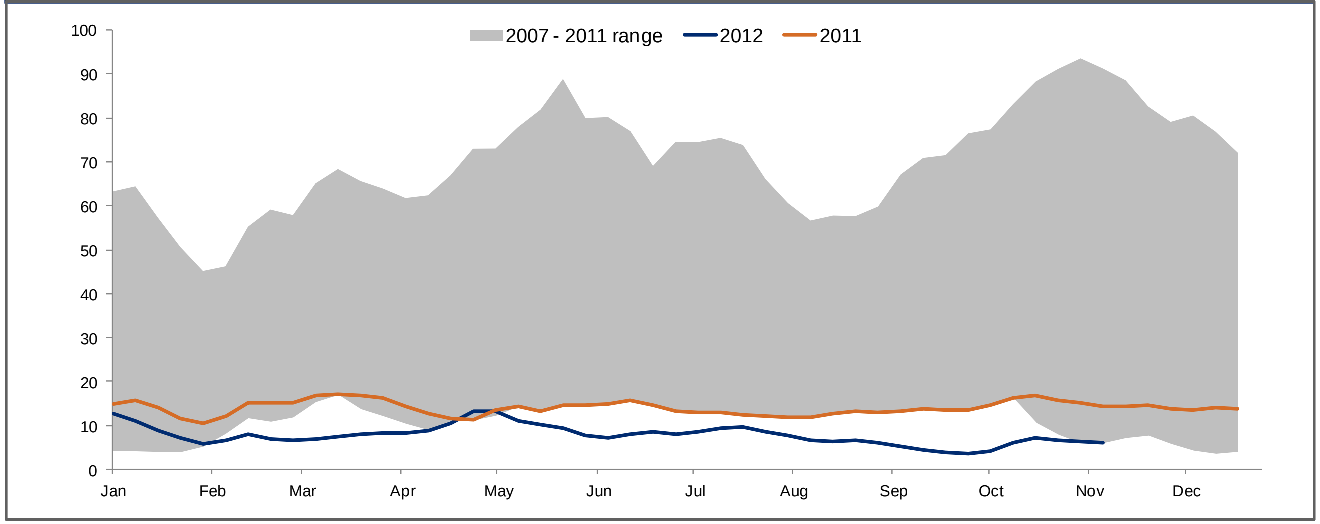
Supply

- Net fleet growth <1% in Q3 2012

Source: Clarksons, 2 Nov 2012. Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba) and MRT: C2 (Rotterdam->NY)

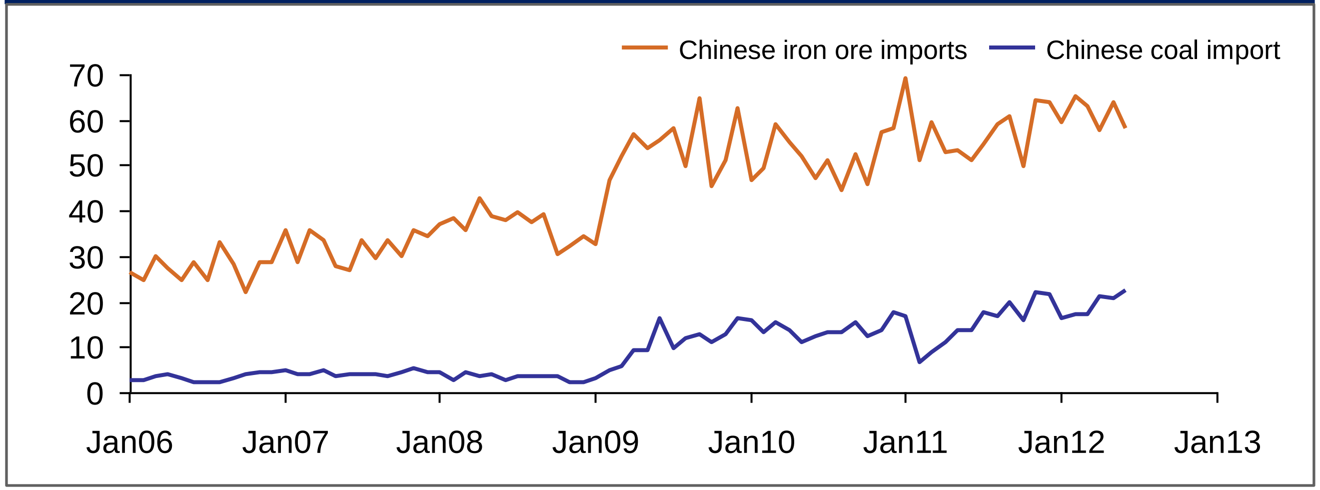
Dry bulk market continues at low levels

Panamax freight rate development (USDt/day)



- Freight rates affected by
  - Drought in US grain season
  - Indonesia export ban on raw materials except coal
  - Continued high fleet growth

Chinese iron ore and coal import (mt/day)

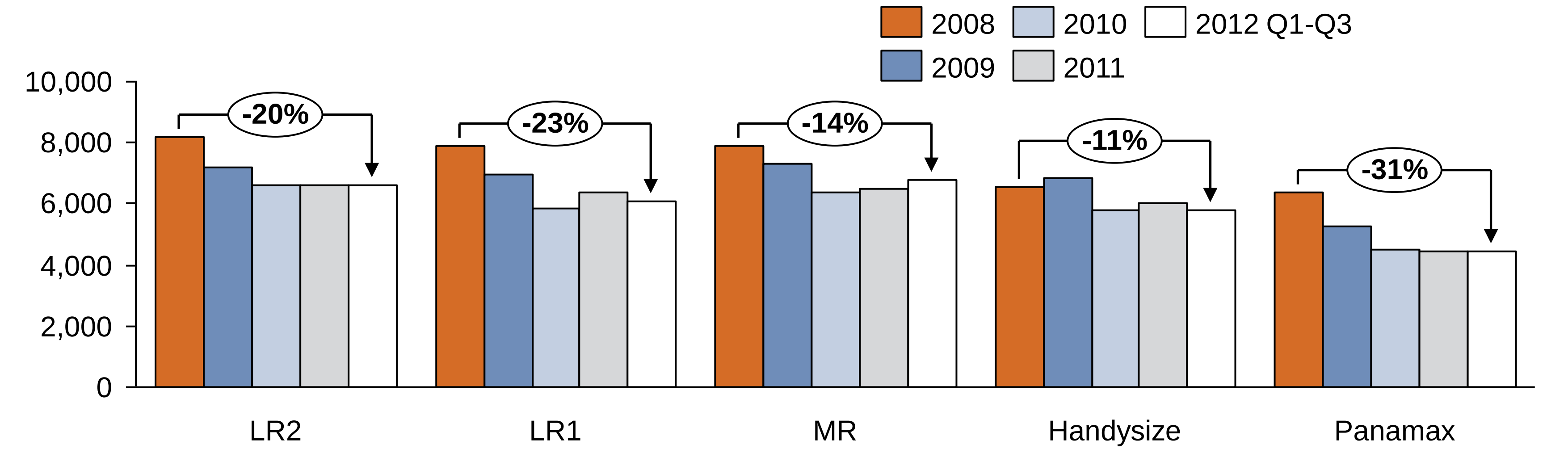


- Chinese import volume remains strong
  - Coal import up
  - Stable iron ore import
  - China's reliance on coal import becoming evident

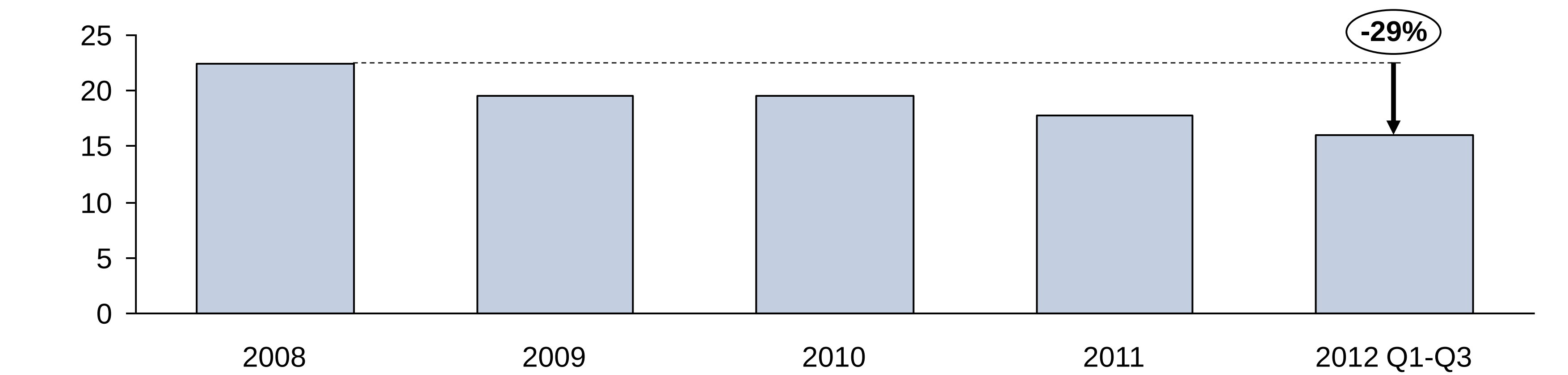
Source: RS Platou, Clarksons

Continued efficiency focus on OPEX and admin cost

Development in operating cost (USDt/day)



Administrative expenses (quarterly avg. in USDm)



TORM's financial position by November 2012

Cash position

- Cash totaled USD 13m at the end of the third quarter of 2012
- Cash totaled USD 65m as per 6 November 2012

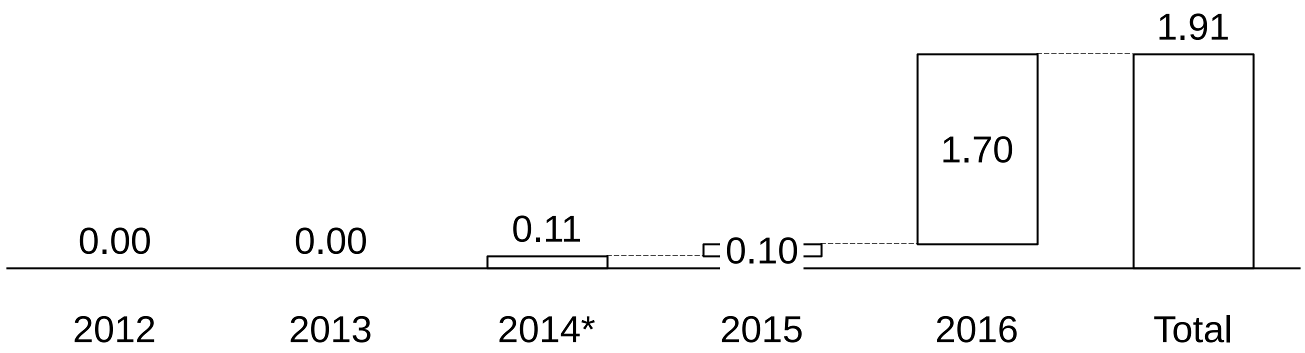
Newbuilding CAPEX

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

Debt situation

- TORM has net debt of USD 1.91bn incl. drawn part of working capital facility
- As of 30 September 2012, TORM was in breach of its financial covenants (equity ratio and cash). Accordingly, loans were classified as current liabilities
- Following the restructuring, TORM has restructured the debt and introduced a new minimum instalment schedule (Cash sweep mechanisms in place)

USD bn, as of Nov. 2012



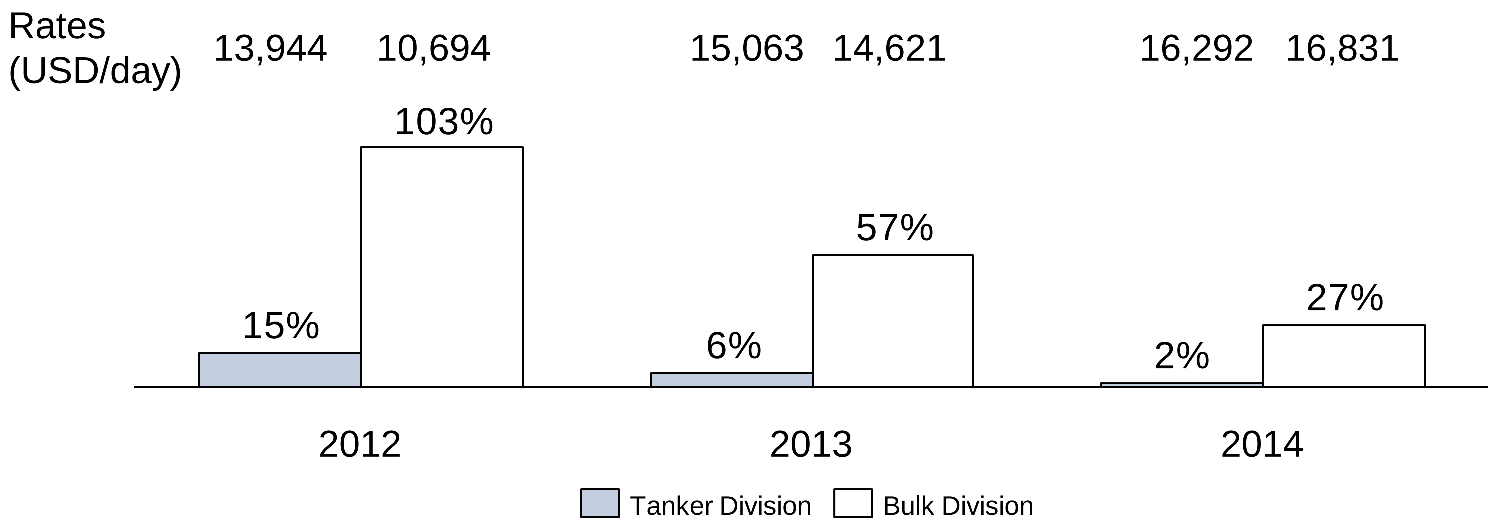
* incl. repayment of drawn part of working capital facility

TORM's forecast for 2012

2012 forecast

Forecasted loss before tax of USD 350-380 million maintained for the financial year 2012 excluding accounting effects of the execution of the restructuring, further vessel sales and potential impairment charges

Coverage per 30.9.2012



Earnings sensitivity for 2012

USDm	Change in freight rates (USD/day)			
Segment	-2,000	-1,000	1,000	2,000
Tankers	-12	-6	6	12
Bulk	0	0	-0	-0
Total	**-12**	**-6**	**6**	**12**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