TORM

Presentation of Q1 2013 results

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 and filings with The US Securities and Exchange Commission.

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 2013

Q1 Results

- EBITDA of USD 36m (USD -7m in Q1 2012)
- Profit before tax of USD -16m, which is a USD 53m improvement y-o-y
- Positive operating cash flows of USD 11m incl. full interest payments
- Effects materializing from the restructured time charter fleet and TORMs cost program

Tanker

- Seasonally strong first quarter in the product tanker segment
- TORM well-positioned to take advantage of the market improvements
- Q1 divisional EBIT of USD 15m

Bulk

- Bulk market in Q1 started at historically low levels, but improved slightly due to seasonal factors
- Q1 divisional EBIT of USD -11m

Sale & Purchase

- No vessel sale or purchases in Q1 2013
- In April 2013, TORM entered into an agreement with Oaktree on five MR product tankers, who will place the five vessels under TORM's commercial and technical management

Guidance for FY 2013

- Introduced EBITDA forecast. EBITDA for 2013 is forecasted at positive USD 80-110 million
- Narrowed forecast on loss before tax to USD 100-130 million including USD 5 million write-down from the sale of five vessels
- TORM expects to remain in compliance with the financial covenants for 2013

Q1 2013 results

TORM

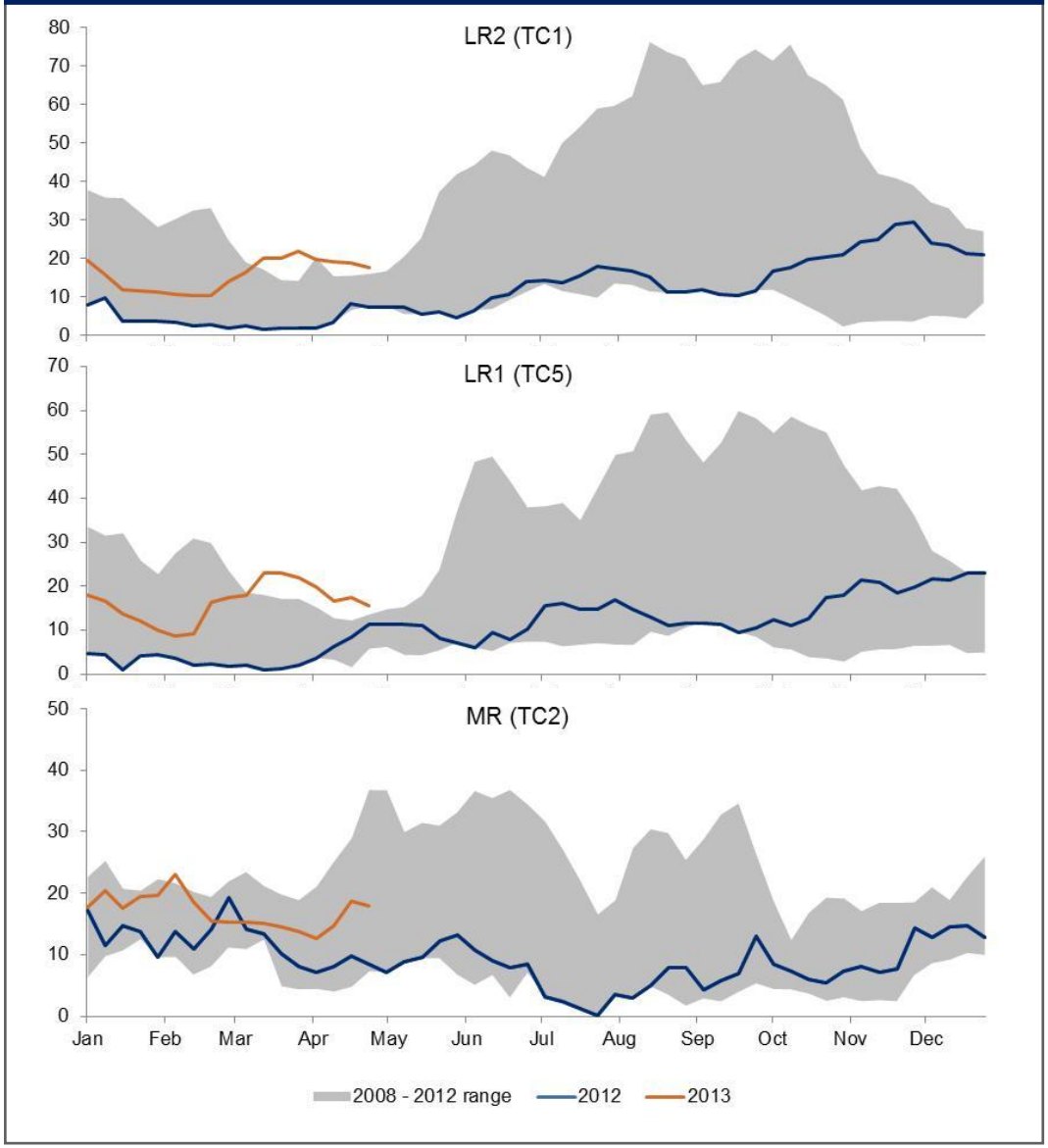
Financial highlights for Q1 2013

USD million	Q1 2013	Q1 2012	2012	2011	2010	2009
P&L						
Gross profit	50	27	(93)	81	180	243
Sale of vessels	-	(16)	(26)	(53)	2	33
EBITDA	36	(7)	(195)	(44)	97	203
Profit before tax	(16)	(79)	(579)	(451)	(136)	(19)
Balance						
Equity	255	569	267	644	1.115	1.247
NIBD	1.871	1.838	1.868	1.787	1.875	1.683
Cash and cash equivalents	17	29	28	86	120	122
Cash flow statement						
Operating cash flow	11	(57)	(100)	(75)	(1)	116
Investment cash flow	(9)	5	-	168	(187)	(199)
Financing cash flow	(14)	(5)	42	(128)	186	37

- Q1 2013 EBITDA of USD 36m (USD -7m in Q1 2012)
- Q1 2013 Profit before tax óf USD -16m, which is a USD 52m improvement y-o-y
- Positive operating cash flow of USD 11m incl. full interest payments
- Operational result driven by
  - Gradually improving freight rates in product tanker
  - Effects of TORMs cost program and the restructured time charter fleet

Product tanker freight were relatively strong in Q1 2013

Freight rates in USDt/day



LR1 and LR2

- Positive effects in Q1:
  - Weak US and European domestic demand opened naphtha arbitrage from Europe to the Far East
  - Increased export out of the Arabian Gulf and India after refinery maintenance
  - Seasonally strong quarter
- Negative effects in Q1:
  - 13 LR2s cleaned up after trading in dirty increasing tonnage supply (equal approx. 10% of total clean fleet)

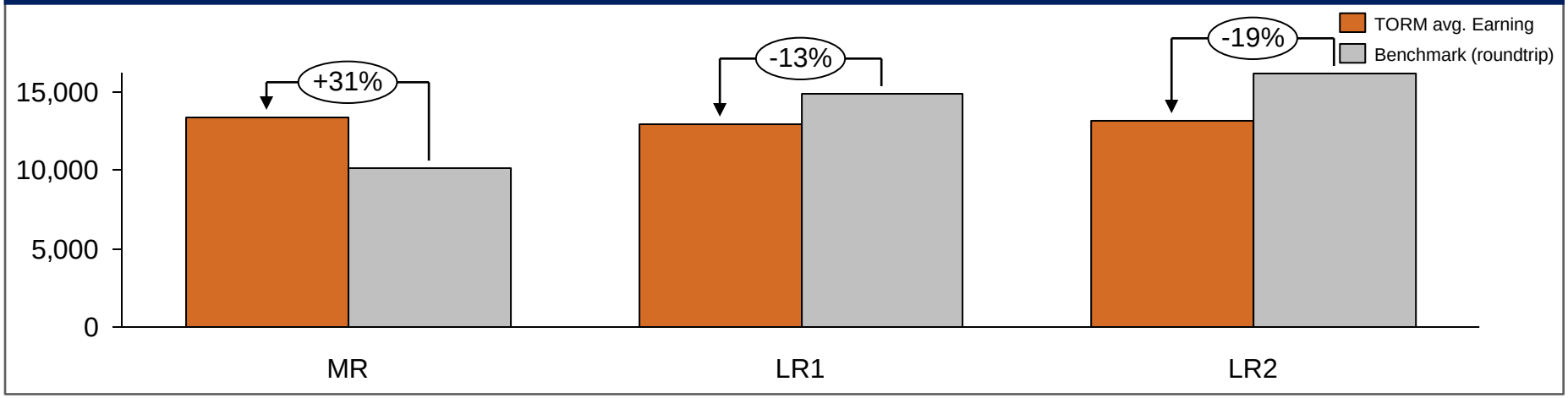
MR

- Positive effects in Q1:
  - Open gasoline arbitrage from Europe to the US combined with a tight tonnage supply in the West
  - Unusually cold weather in North Asia
  - Increased Australian import demand after the refinery capacity adjustments
  - Seasonally strong quarter
- Negative effects in Q1:
  - Refinery maintenance in the US Gulf curbing the export of diesel
  - Shift to summer grade gasoline led to a draw on inventories
  - Continued tonnage oversupply

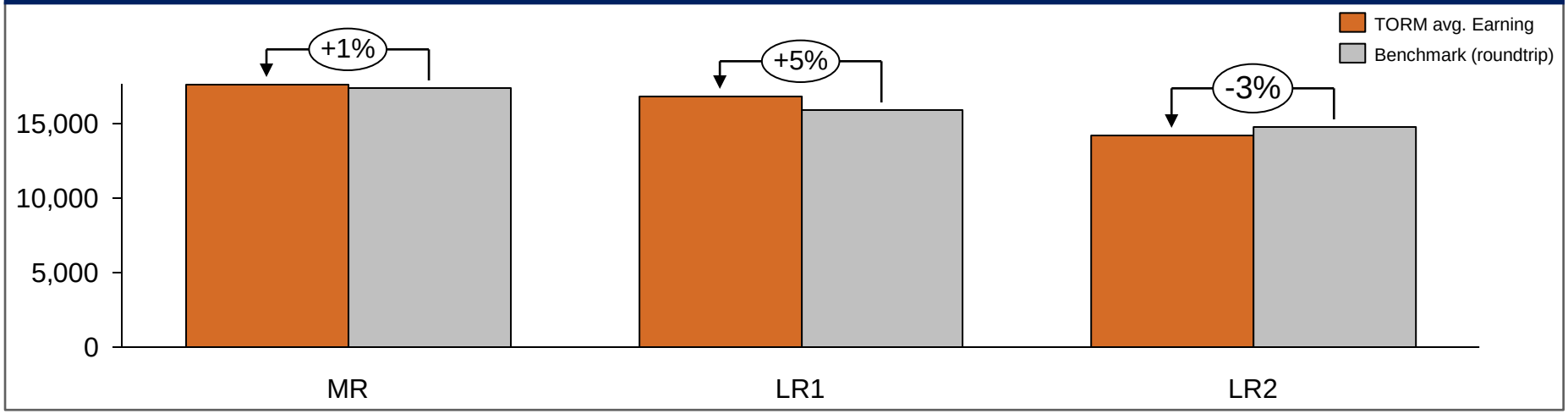
Source: Clarksons, 2 Nov 2012. Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba) and MRT: C2 (Rotterdam->NY)

Tanker Division spot rates versus benchmarks

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



TORM spot vs. benchmark Q1 2013 (USD/day)

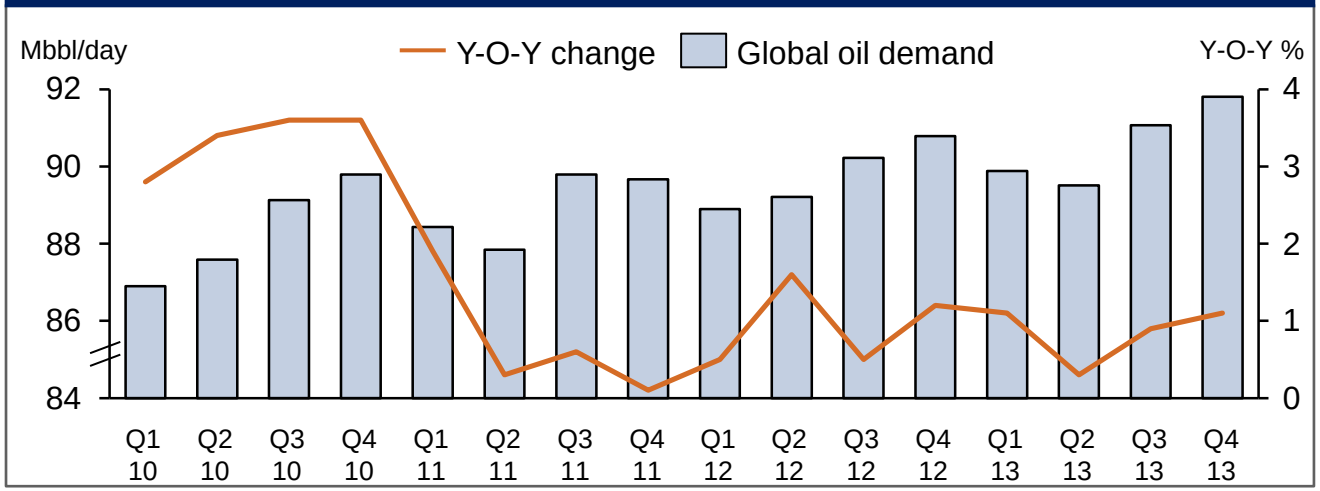


Note: Benchmarks are not one-to-one comparisons as they do not take into account broker commission, armed guards and low sulphur fuel cost

Source: Clarksons, Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba) MR: TC2 (Rotterdam -> NY)

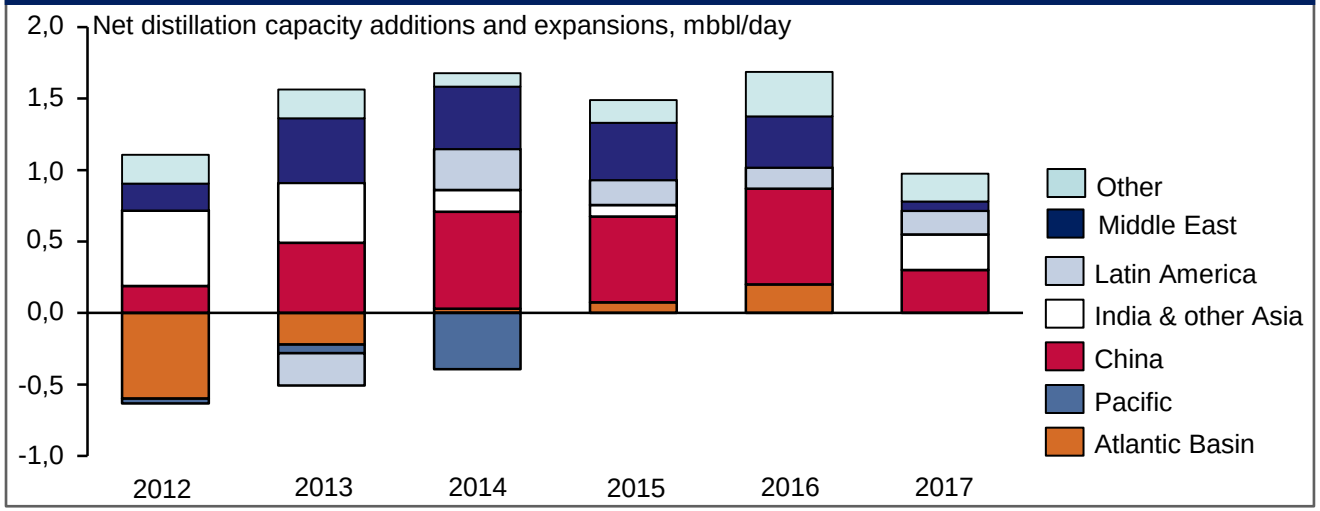
Refinery expansions favors long-haul product trades and is expected to outweigh slow oil demand growth

Slow growth in world oil demand



- 2013 will likely show modest expansion in oil product consumption due to a continued subdued global economic growth

Refinery expansions favoring tonne-mile



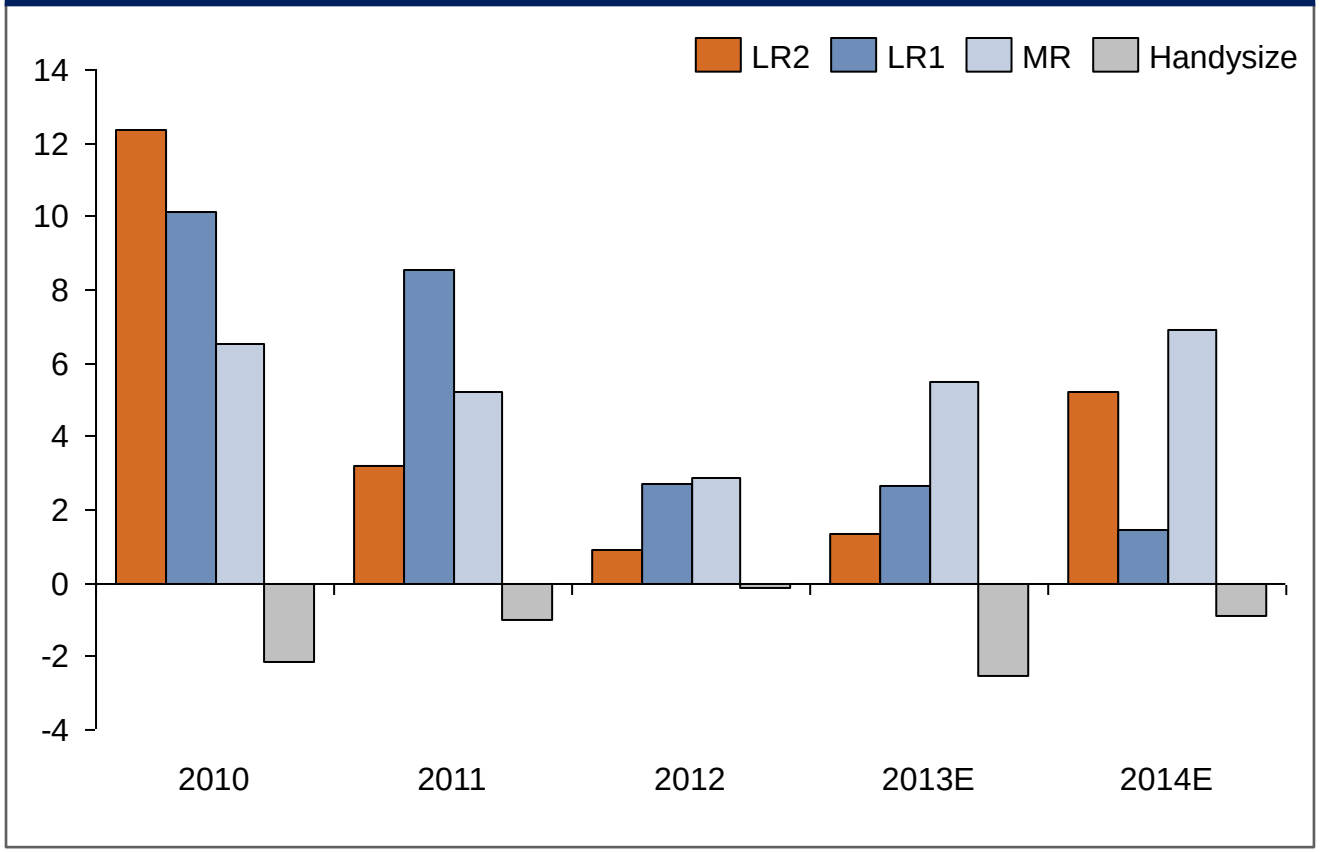
- Longer-haul product movements are favored by:
  - India and Middle East increasing their export oriented refining capacity
  - Expected closure of non-competitive refining capacity in the Atlantic and Pacific basin

Source: IEA

Modest supply outlook for the product tanker fleet

TORM

Net fleet growth y-o-y in % of total fleet (no of vessels)

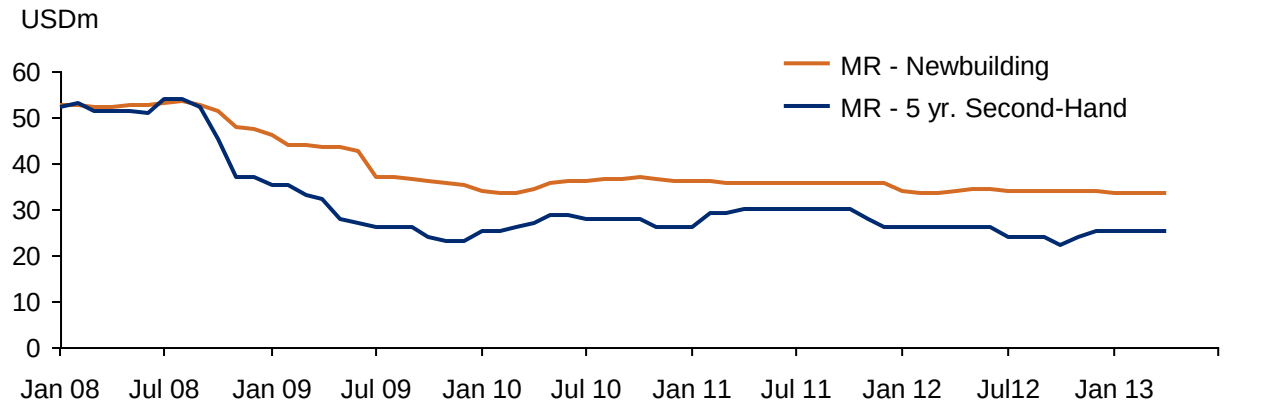


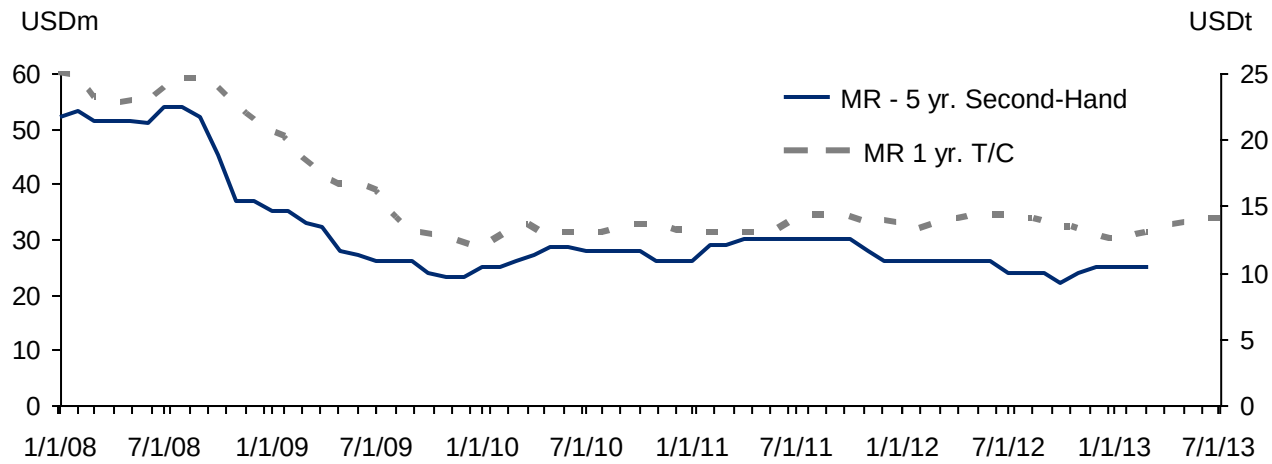
- Net fleet growth is expected to gradually decline to manageable level
- Compound annual net growth rate expected at 3% during 2013-14
- Scrapping will mostly impact Handysize leading to a negative fleet growth

Note: Increase calculated basis number of vessels. The number of vessels beginning of 2013 was: LR2 225, LR1 339, MR 1,285, Handy 683
Note: Net fleet growth: Gross order book adjusted for expected scrapping
Source: Maersk Broker

Product tanker vessel prices continues at low levels with limited S&P activity

Vessel price development





- Newbuilding orders continues to be mainly for MRs, but emerging shift to LR2s
- Difficult for buyers to get financing
- Ample second hand tonnage marketed, but sales processes are protracted
- Second hand prices holding

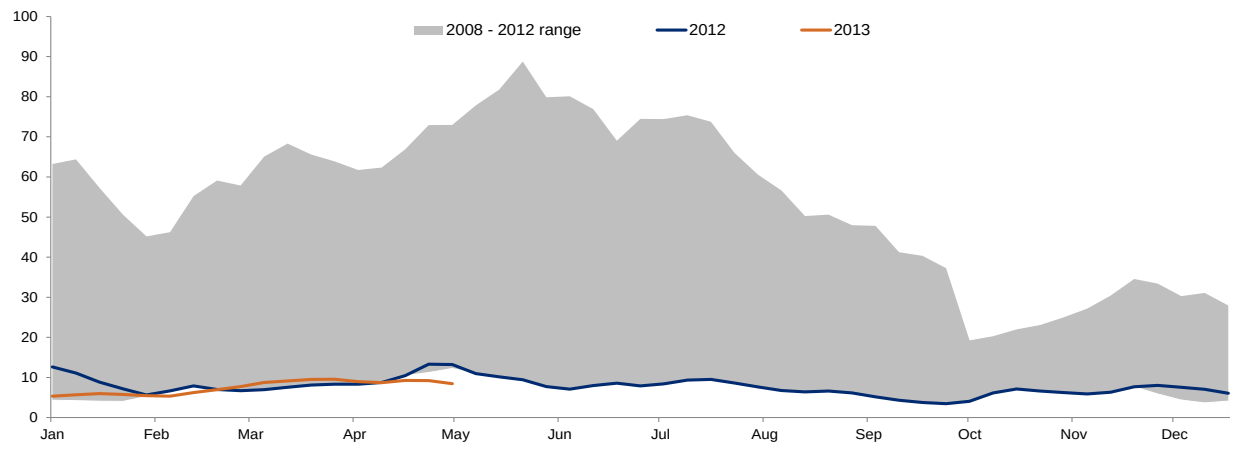
- T/C rates and second-hand prices are well correlated

Source: Clarksons

Dry bulk market continued at a historical low level during Q1 2013

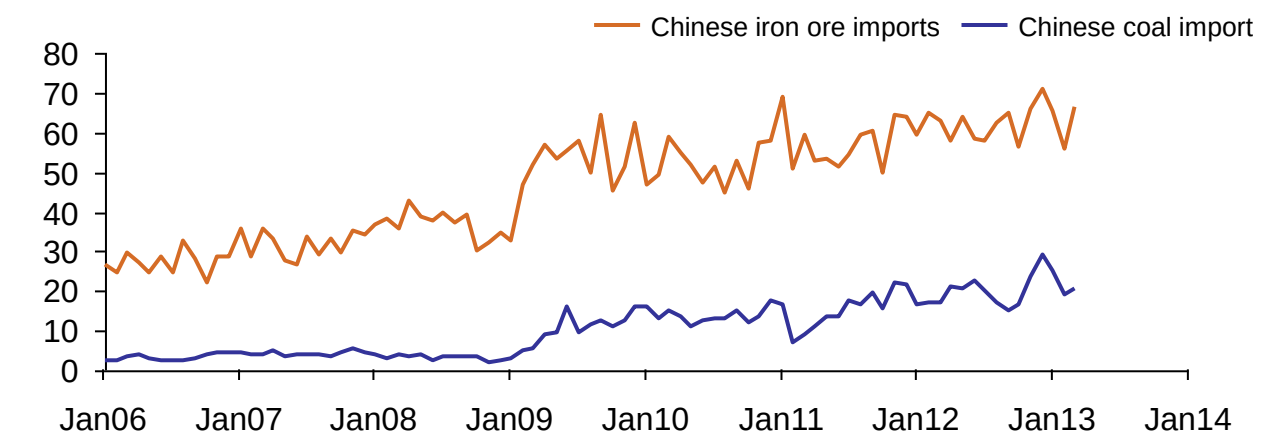
TORM

Panamax freight rate development (USDt/day)



- Historical low start of 2013, but freight rates improved during March
- Negative effects in Q1:
  - Large influx of new tonnage
  - Monsoon season in Pacific
- Positive effects in Q1:
  - South American grain season
  - Petcoke and mineral activity in the US golf

Chinese iron ore and coal import (mt/day)

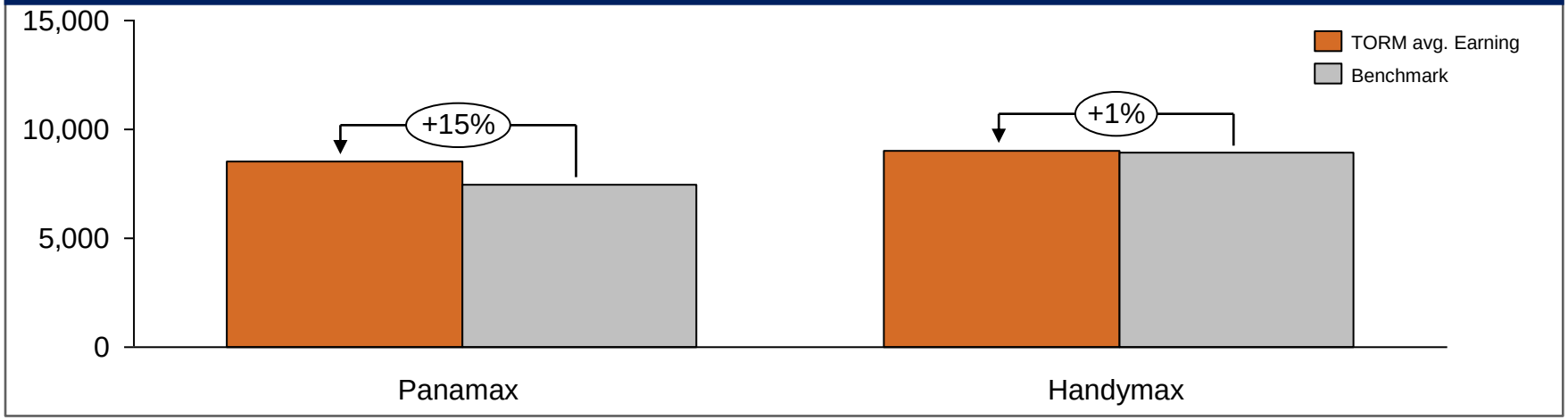


- Chinese raw material import remain strong
  - Seasonally coal import peak in December
  - High iron ore price favours domestic production

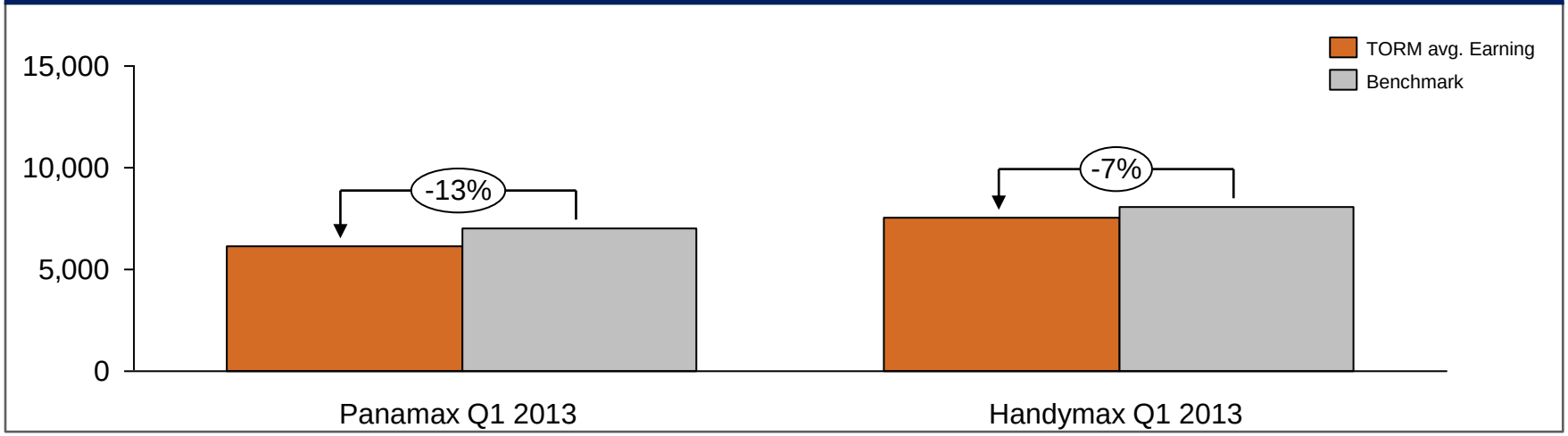
Source: RS Platou, Clarksons

Earnings in bulk division in Q1 2013 affected by positioning voyages

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



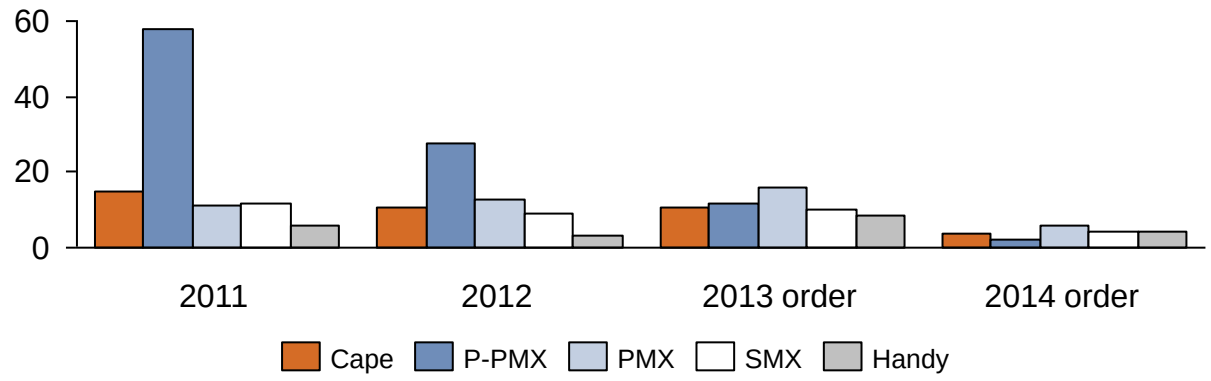
TORM spot vs. benchmark Q1 2013 (USD/day)



Note: Benchmark against BPI and BSI market indices
Source: Baltic Exchange, TORM

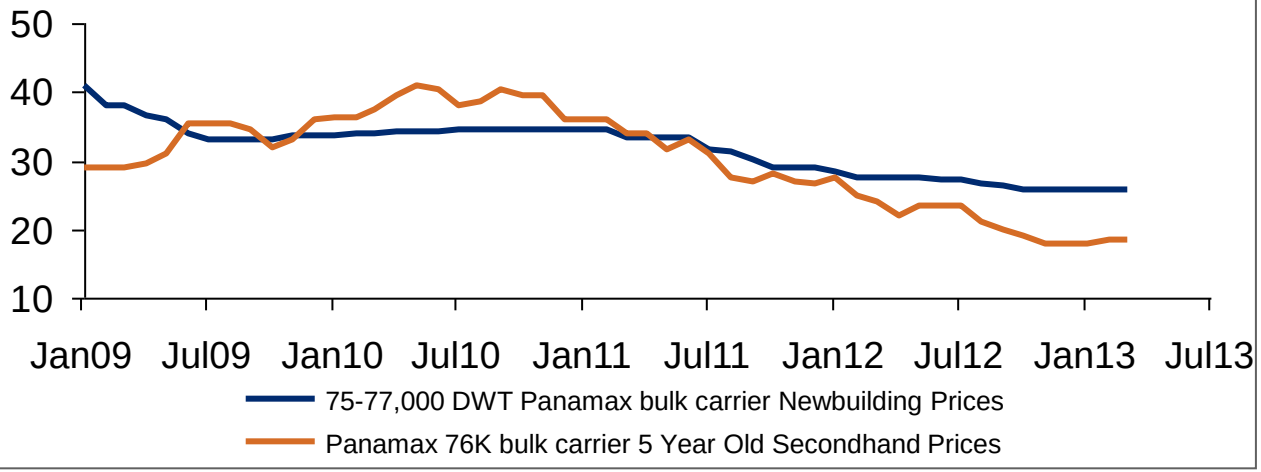
High influx of dry bulk tonnage affecting vessel prices

Net fleet growth y-o-y as percent of exiting fleet primo 2013*



- Scheduled deliveries sizeable during 2013
- Scrapping and cancellation is expected to continue at high levels
- Net fleet growth y-o-y 2013 expected at 4-6% incl. scrapping and cancellation

Panamax newbuilding and second-hand prices (USDm)



- Large number of new-buildings being delivered
- Increased number of second-hand vessels available for sale
- Softening secondhand prices

* Calculated basis dwt. Number of vessels primo 2013: Cape 1,393; P-PMX 467; PMX 1,685, SMX 2,892; Handy 3,357.
Source: RS Platou, Clarksons (BDI).

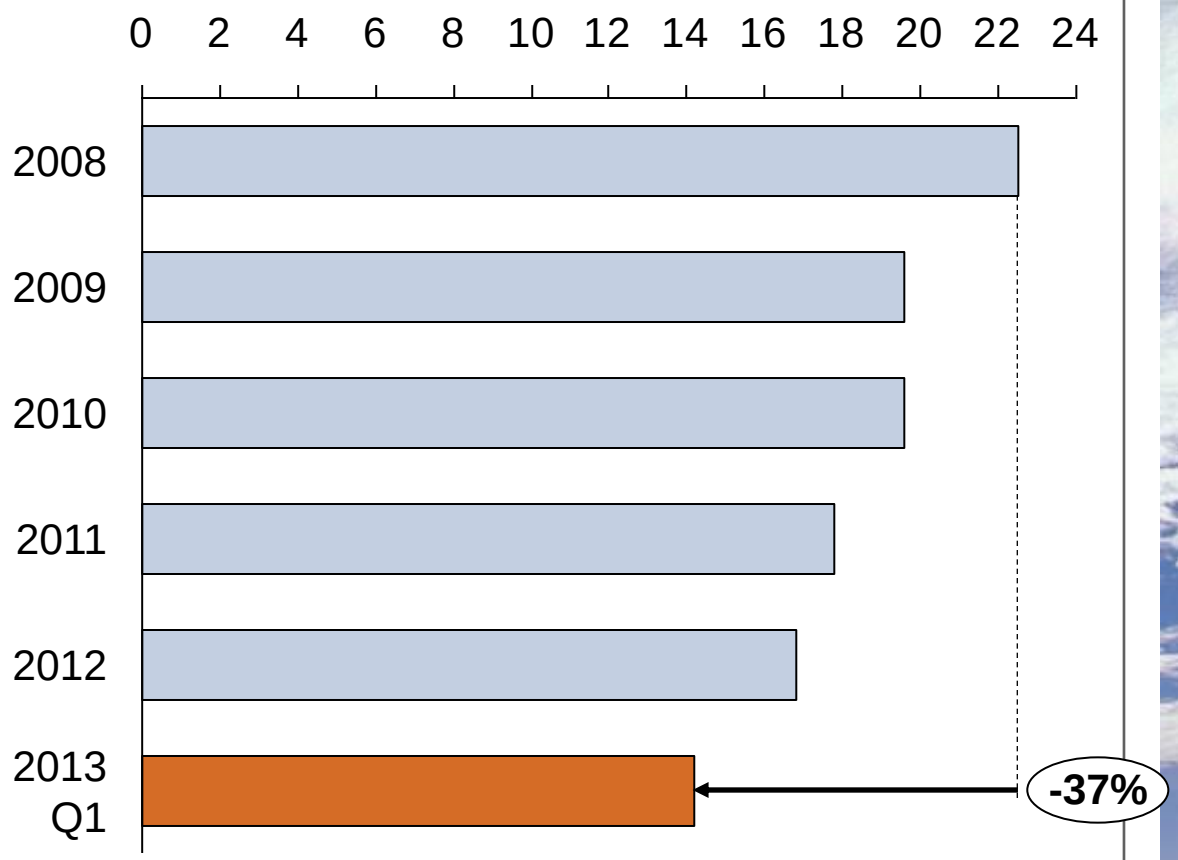
TORM has a fully integrated business model

TORM has maintained a fully integrated business model…

- TORM has a fully integrated business model to obtain highest possible
  - trading flexibility
  - earning power
- TORM manages
  - ~120 vessels commercially
  - 65+ vessels technically
- Global reach ensures proximity to customers
- Outsourced technical and commercial management would affect ofther line items of the P&L

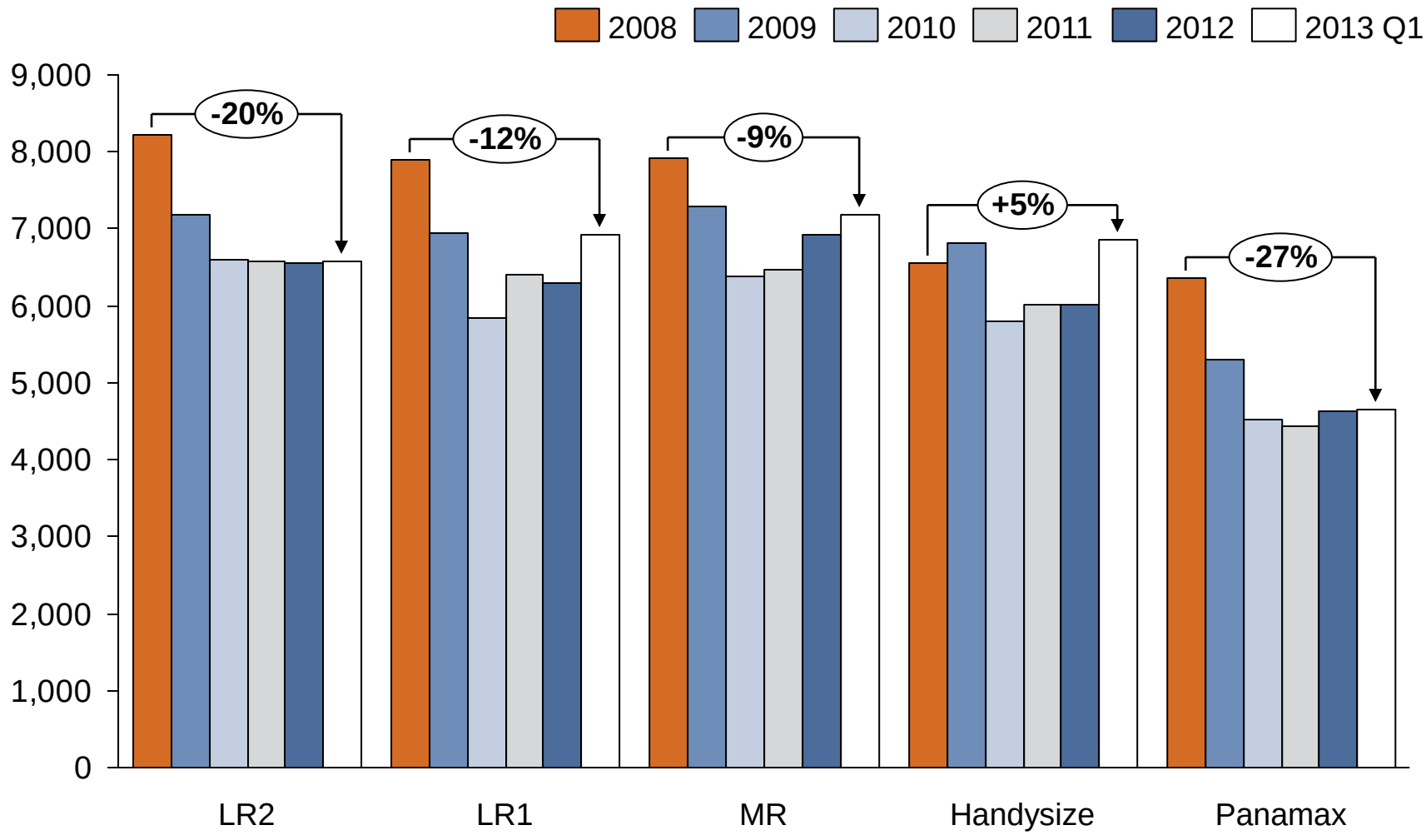
… but TORM's cost program has trimmed admin expenses significantly

Admin. expenses (quarterly avg. in USDm)



Continued efficiency focus on OPEX despite inflationary pressures and whilst improving quality

Development in operating cost (USDt/day)



TORM's financial position by 31 March 2013

Cash position

- Cash totaled USD 17m at the end of Q1 2013
- Undrawn working capital facility of USD 53m as at 31 March 2013

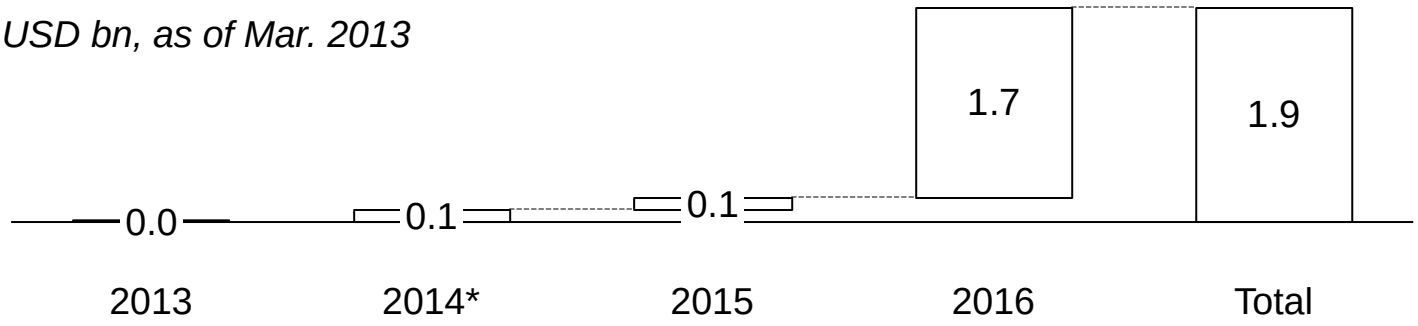
Newbuilding CAPEX

- TORM has no newbuildings on order

Debt situation

- TORM has net debt of USD 1.9bn incl. drawn part of working capital facility
- TORM has restructured its debt profile
- A minimum instalment schedule exists from Q3 2014 and onwards (cash sweep mechanisms in place)

USD bn, as of Mar. 2013



Costs

- Positive effects from the restructured time charter fleet and the Company's cost program continues

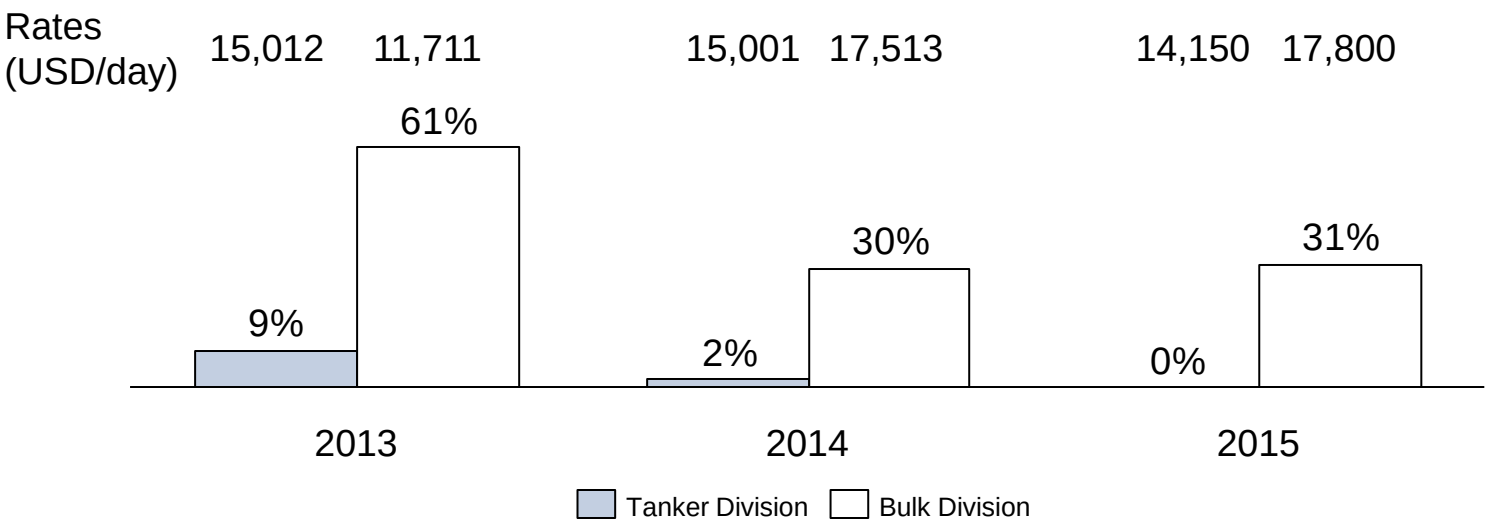
* Minimum installments incl. repayment of drawn part of working capital facility

TORM's forecast for 2013

2013 forecast

Forecasts for 2013	Total, USD million
EBITDA	80 to 110
Profit before tax	-100 to -130

Coverage per 31.03.2013



Earnings sensitivity for 2013

USDm	Change in freight rates (USD/day)			
Segment	-2.000	-1.000	1.000	2.000
Tankers	-33	-16	16	33
Bulk	-3	-2	2	3
Total	**-36**	**-18**	**18**	**36**

Appendix

TORM at a glance

Key facts

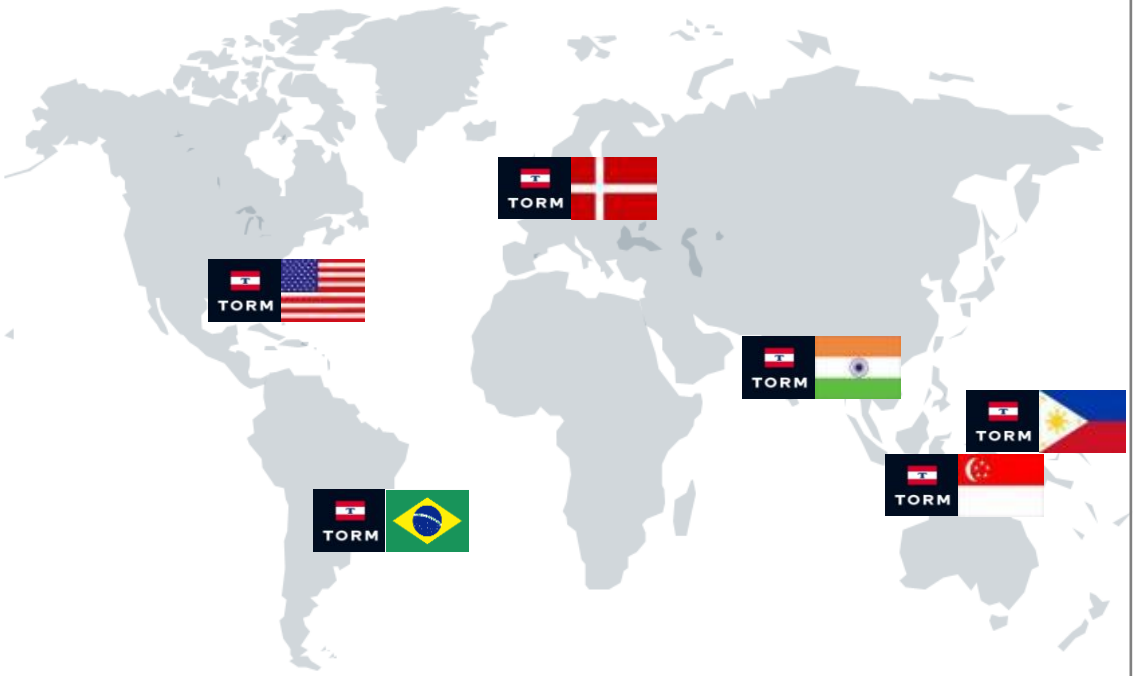
A world leading product tanker company

- A leading product tanker owner
- Presence in dry bulk as operator
- 124 years of history

Listings

- NASDAQ OMX Copenhagen
- NASDAQ in New York

Global footprint based on regional power and presence



TORM employees:

TORM Offices: ~300

Seafarers: ~2,900

- 250 Danish seafarers
- 100 Croatian seafarers
- 1,400 Indian seafarers
- 1,150 Filipinos seafarers

Product tankers have coated tanks and have specially designed cargo systems with flexibility to transport a wide range of different products

Oil product supply chain

Exploration

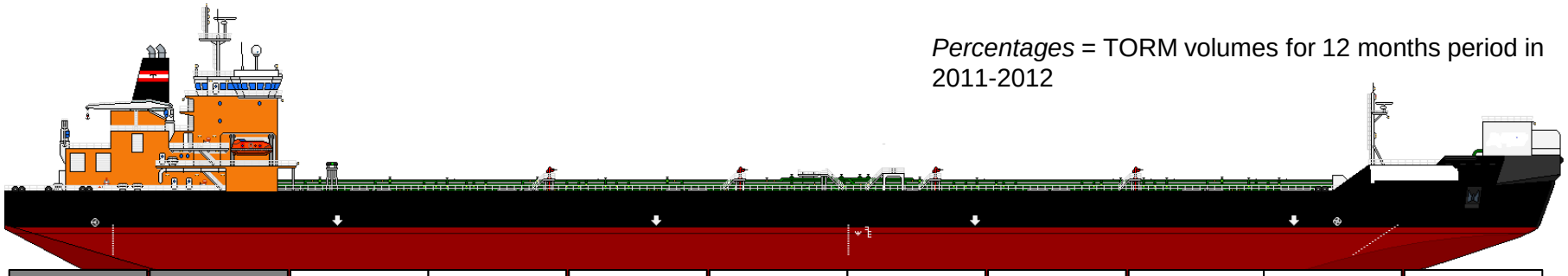
Transportation

Refining

Transportation

Storage/distribution

Percentages = TORM volumes for 12 months period in 2011-2012



Crude oils	Fuel oils	Diesels	Gas oils / Gas-olines	Karo-senes / Jet fuel	Clean conden-sates	Naph-thas	MTBEs	Veg. oils	Biofuel	Ethanol
~14%	~12%	~7%	~38%	~9%	~3%	~15%	~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

Roland M. Andersen

- CFO of TORM since May 2008
- Previously CFO of the Danish mobile and broadband operator Sonofon and prior to that CFO of the private-equity-owned Cybercity
- Prior to that he held various positions with A.P. Møller-Mærsk, latest one as CFO of A.P. Møller-Mærsk Singapore
- More than 10 years of shipping experience

Senior Management

Tina Revsbech

- Head of Tanker Division

Lars Christensen

- Head of Sale & Purchase Division

Alex Christiansen

- Head of Bulk Division

Jan Nørgaard Lauridsen

- Regional Managing Director Asia-Pacific

Claus U. Jensen

- Head of Technical Division

Christian Riber

- Head of Human Resources

TORM has completed the restructuring with banks and time charter partners on 5 November 2012

Banks

Maturities for all debt amended to 31 December 2016

***

Majority owners of the Company

New capital

USD 100m in working capital over two years

T/C-in partners

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

***

Co-owners of the Company

Compre-hensive finance solution for TORM

Newbuilding program

Elimination of newbuilding program completed

TORM

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

***

Cost program office in place and identified initiatives under implementation

The TORM share

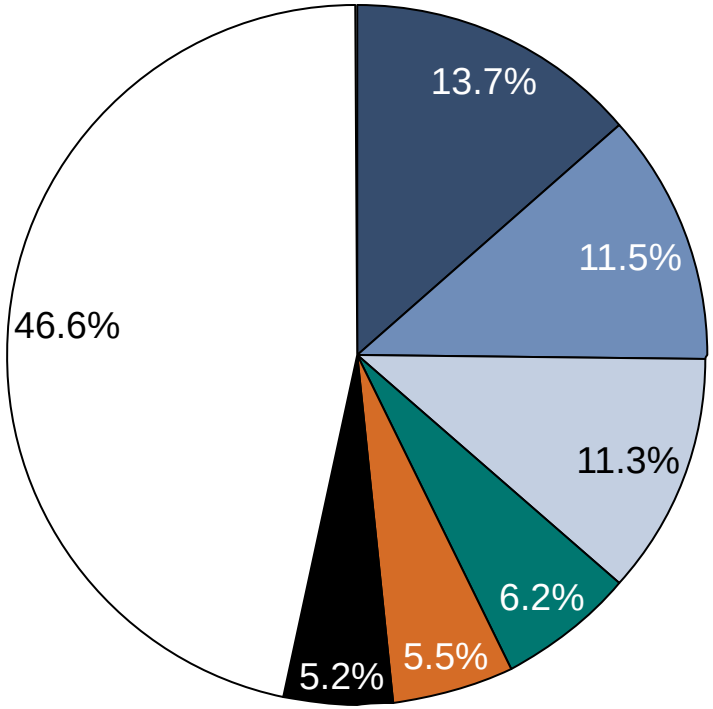
Share information

Listings
- On NASDAQ OMX Copenhagen, ticker TORM
- ADR program on NASDAQ, (USA) ticker "TRMD"

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 March 2013*)



HSH Nordbank
Danske Bank
Nordea Bank
Deutsche Bank
DBS Bank
Alpha Trust
Other

* Based on public filings

Industry cooperation and transparency is central 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 Organisation

Transparency is central…

- TORM has published Environmental / CSR reports since 2008. As of 2011, our reporting is purely online
  See: http://csr.torm.com/

  Next reporting is end March 2013

- For optimal comparability and transparency, TORM reports on emissions as part of the Carbon Disclosure Project

Set climate targets:

- 20% reduction of CO_2 emissions pr. vessel by 2020 (2008 = index 100)
- 25% reduction of CO_2 emissions from offices per employee by 2020 (2008 = index 100)

Detailed key figures overview

Key figures overview

USD million	Q1 2013	2012	2011	2010	2009	2008
Revenue	278	1.121	1.305	856	862	1.184
EBITDA	36	(195)	(44)	97	203	572
Profit/(loss) before tax	-16	(579)	(451)	(136)	(19)	360
Balance						
Total assets	2311	2.355	2.779	3.286	3.227	3.317
Equity	255	267	644	1.115	1.247	1.279
NIBD	1871	1.868	1.787	1.875	1.683	1.550
Cash and cash equivalents	17	28	86	120	122	168
Cash flow statement						
Operating cash flow	11	(100)	(75)	(1)	116	385
Investment cash flow	-9	-	168	(187)	(199)	(262)
Financing cash flow	-14	42	(128)	186	37	(59)
Financial related key figures						
EBITDA margin	13%	-17%	-3%	11%	24%	48%
Equity ratio	11%	11%	23%	34%	39%	39%
Return on invested capital (ROIC)	1%	-20%	-14%	-3%	2%	16%

Large and modern fleet

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period >= 12 months		
	Q4 2012	Changes	Q1 2013	2013	2014	2015
Owned vessels						
LR2	8.0	-	8.0			
LR1	7.0	-	7.0			
MR	39.0	-	39.0	-5.0		
Handysize	11.0	-	11.0			
Tanker Division	65.0	-	65.0	-5.0	-	-
Panamax	2.0	-	2.0			
Handymax		-	-			
Bulk Division	2.0	-	2.0	-	-	-
Total	**67.0**	**-**	**67.0**	**-5.0**	**-**	**-**
T/C-in vessels with contract period >= 12 months						
LR2	2.0	-	2.0			
LR1	6.0	-6.0	-			
MR	3.0	-	3.0			
Handysize	-	-	-			
Tanker Division	11.0	-6.0	5.0			
Panamax	7.0	-	7.0			
Handymax	1.0	-	1.0			
Bulk Division	8.0	-	8.0			
Total	**19.0**	**-6.0**	**13.0**			
T/C-in vessels with contract period < 12 months						
LR2						
LR1						
MR						
Handysize						
Tanker Division	-	-	-			
Panamax	16.0	-	16.0			
Handymax	4.0	-	4.0			
Bulk Division	20.0	-	20.0			
Total	**20.0**	**-**	**20.0**			
Pools/commecial management	20.0	-1.0	19.0			
Total fleet	**126.0**	**-7.0**	**119.0**			

Earning days, T/C cost and coverage for 2013, 2014 and 2015

Owned days

	2013	2014	2015	2013	2014	2015
	Owned days					
LR2	2,053	2,904	2,880			
LR1	1,864	2,497	2,495			
MR	9,798	12,223	12,168			
Handysize	2,949	3,920	3,883			
Tanker division	16,665	21,544	21,425			
Panamax	547	682	726			
Handymax	-	-	-			
Bulk division	547	682	726			
Total	**17,212**	**22,226**	**22,151**			

T/C-in days at fixed rate

	T/C in days at fixed rate			T/C in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	780	726	726	14,202	15,145	15,895
Handysize	-	-	-	-	-	-
Tanker division	780	726	726	14,202	15,145	15,895
Panamax	2,025	1,816	1,676	10,486	12,393	12,225
Handymax	698	-	-	9,487	-	-
Bulk division	2,723	1,816	1,676	10,230	12,393	12,225
Total	**3,503**	**2,542**	**2,402**	**11,114**	**13,179**	**13,335**

T/C-in days at floating rate

	T/C in days at floating rate		
LR2	550	721	726
LR1	-	-	-
MR	-	-	-
Handysize	-	-	-
Tanker division	550	721	726
Panamax	273	48	-
Handymax	273	363	363
Bulk division	547	411	363
Total	**1,097**	**1,132**	**1,089**

Total physical days

	Total physical days			Covered days		
LR2	2,603	3,625	3,606	356	321	6
LR1	1,864	2,497	2,495	324	174	-
MR	10,578	12,949	12,894	882	-	-
Handysize	2,949	3,920	3,883	9	-	-
Tanker division	17,995	22,991	22,877	1,571	495	6
Panamax	2,846	2,546	2,402	1,153	3	-
Handymax	972	363	363	1,164	869	869
Bulk division	3,817	2,909	2,765	2,317	872	869
Total	**21,812**	**25,899**	**25,642**	**3,888**	**1,367**	**875**

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	14%	9%	0%	15,024	14,642	14,150
LR1	17%	7%	0%	16,583	15,666	-
MR	8%	0%	0%	14,362	-	-
Handysize	0%	0%	0%	21,554	-	-
Tanker division	9%	2%	0%	15,012	15,001	14,150
Panamax	41%	0%	0%	11,697	28,802	-
Handymax	120%	239%	239%	11,726	17,472	17,800
Bulk division	61%	30%	31%	11,711	17,513	17,800
Total	**18%**	**5%**	**3%**	**13,045**	**16,604**	**17,776**

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