TORM

Presentation of Q3 2012 results

7 November 2012

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 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

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

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Cost program office in place and identified initiatives under implementation

Third quarter of 2012 proved to be challenging

TORM

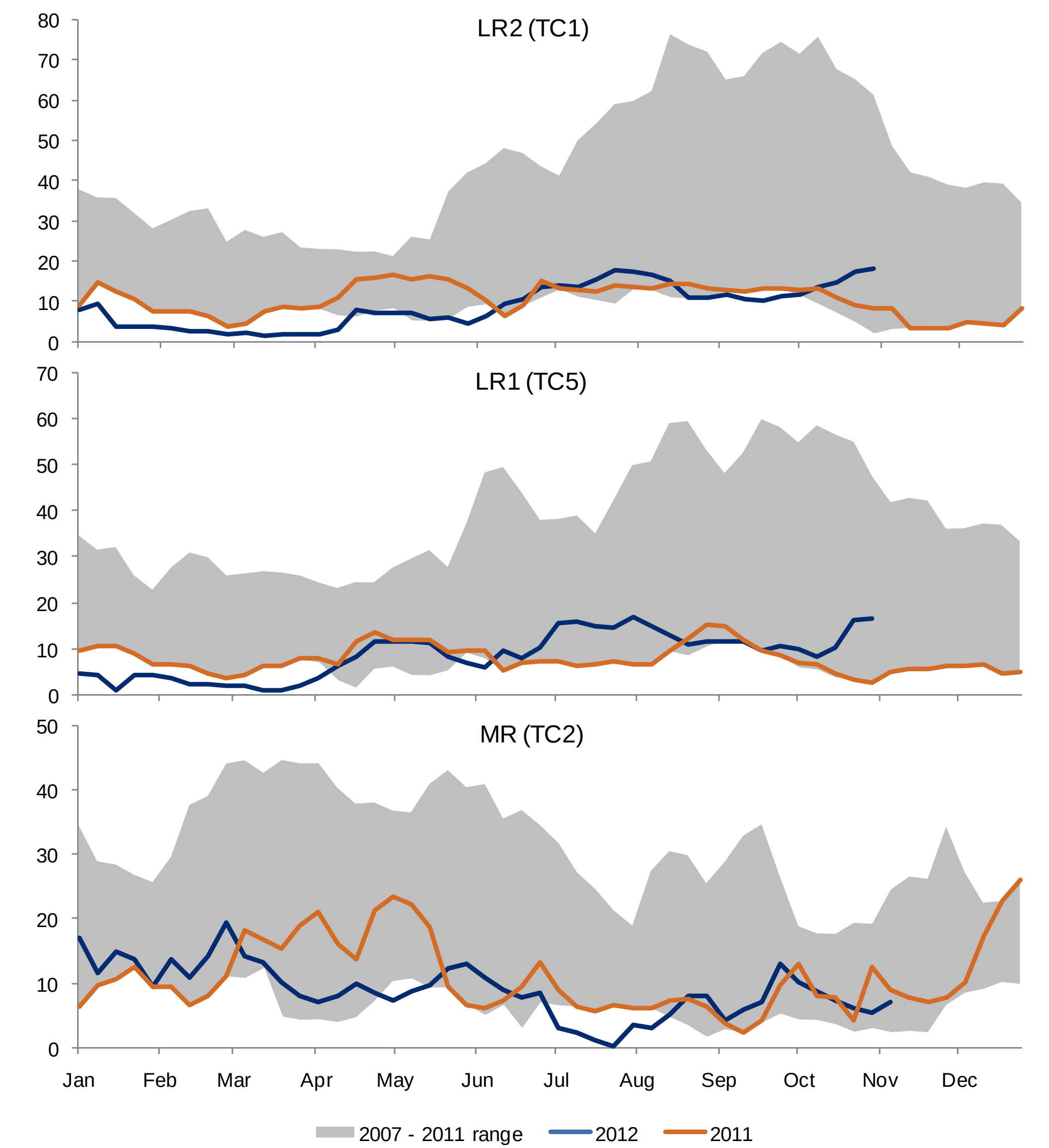
Financial highlights for Q3 2012

USD million	Q3 2012	Q3 2011	2011	2010	2009
P&L					
Gross profit	3	2	81	180	243
Sale of vessels	-	-	-53	2	33
EBITDA	-11	-17	-44	97	203
Profit before tax	-79	-70	-451	-136	-19
Balance					
Equity	358	958	644	1,115	1,247
NIBD	1,858	1,836	1,787	1,875	1,683
Cash and cash equivalents	13	96	86	120	122
Cash flow statement					
Operating cash flow	6	-21	-75	-1	116
Investment cash flow	-8	10	168	-187	-199
Financing cash flow	-2	-41	-128	186	37

- Q3 2012 loss before tax of USD -79m (USD -70m in Q3 2011)
- Q3 2012 result driven by
  - Challenging freight rate environment and seasonality
  - Adverse effects from TORM's financial situation
  - Extraordinary advisory costs of USD 15m
- Financing cash flow of USD -2m, which was positively affected by de facto standstill with the bank group

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

Freight rates in USDt/day



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

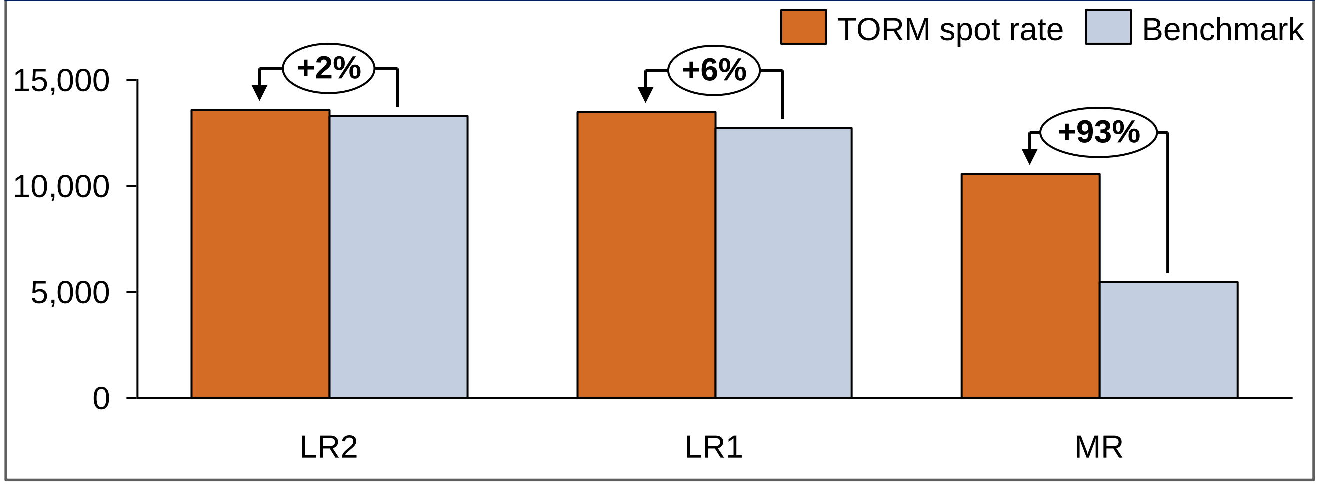
MR

- 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

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

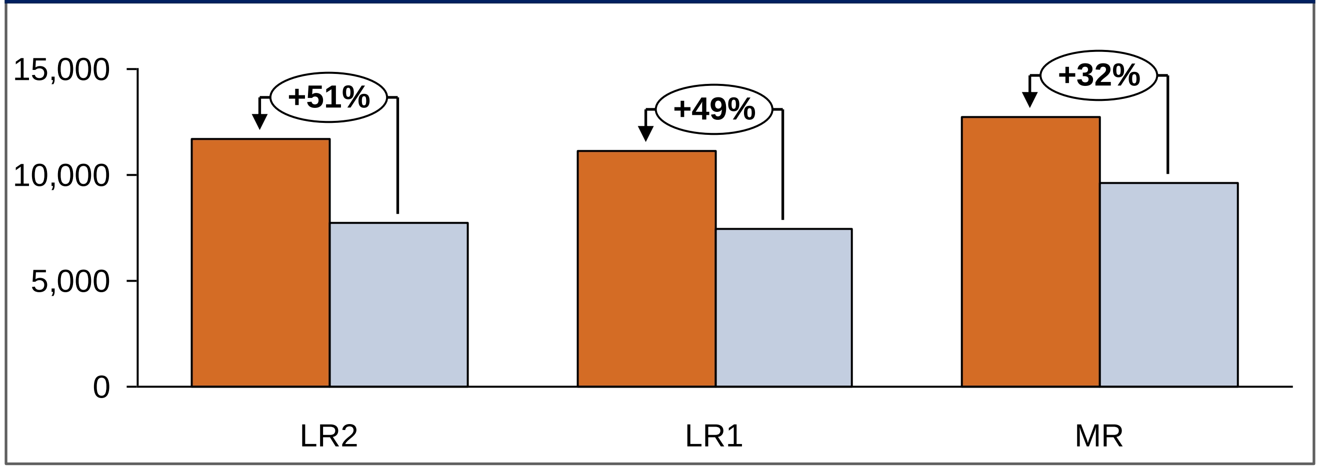
TORM spot rates consistently exceed benchmarks

TORM spot vs. benchmark Q3 2012 (USD/day)



- TORM's financial position continued to pose a challenge in Q3 2012
- Nevertheless, TORM still outperformed on all segments due to
  - East Africa business (LR2)
  - Optimization through DPP employment (LR1)
  - Relative large presence in the Arabian Gulf and Far East (MR)
  - Utilization of triangulation

TORM spot vs. benchmark last 4 quarters (USD/day)

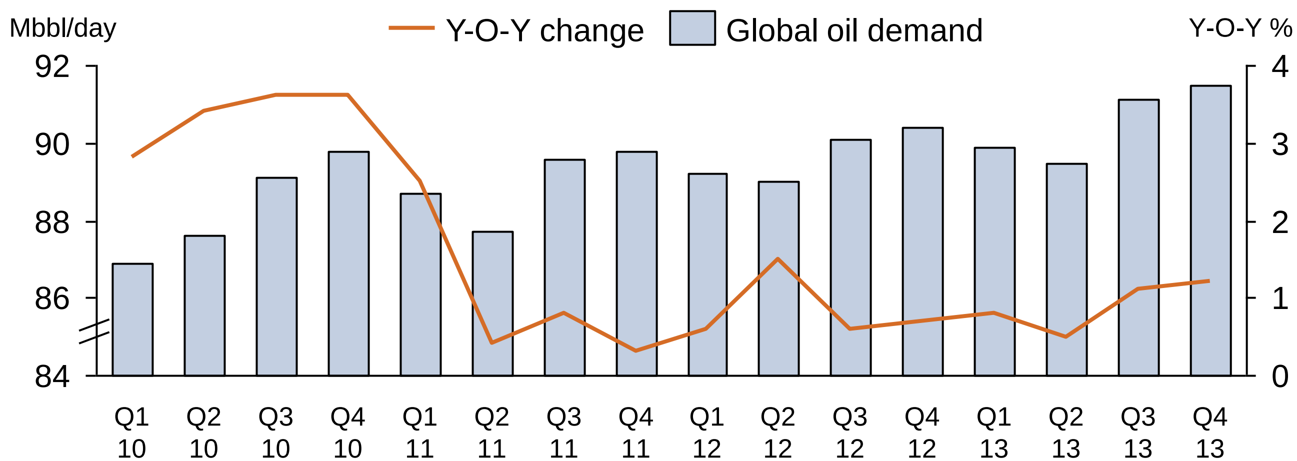


- Consistent spot rates that exceed benchmarks due to
  - Large and high quality fleet
  - Demonstrating organizational strengths (end-to-end processes)

Source: Clarksons, 31 Oct 2012. Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba) and MRT: C2 (Rotterdam -> NY)

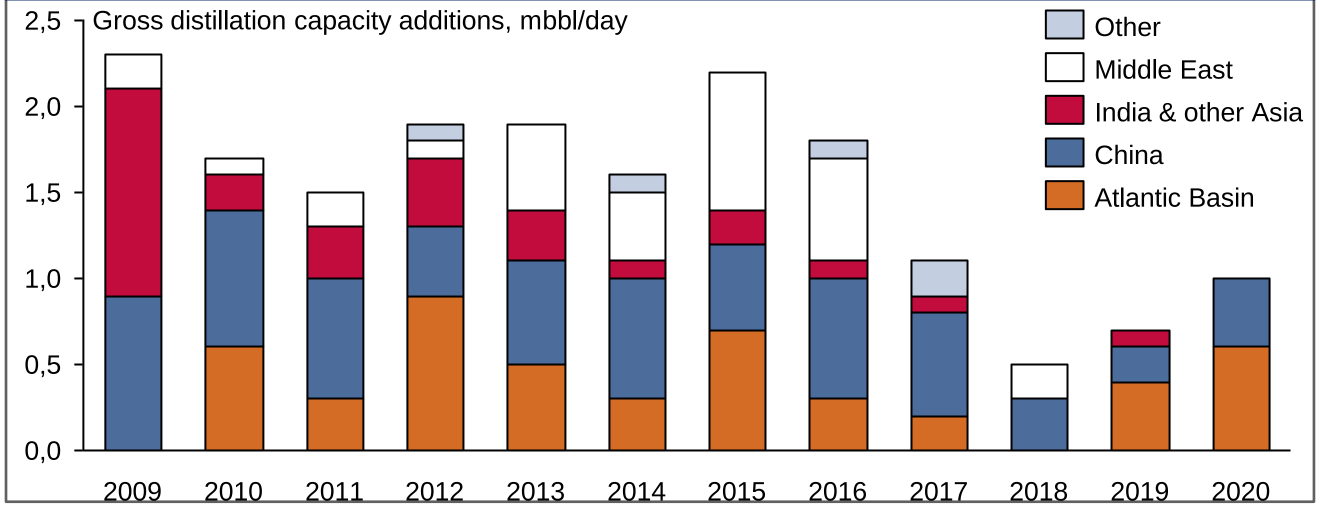
Refinery expansions favors long-haul product trades and is expected to outweigh slow oil demand growth

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

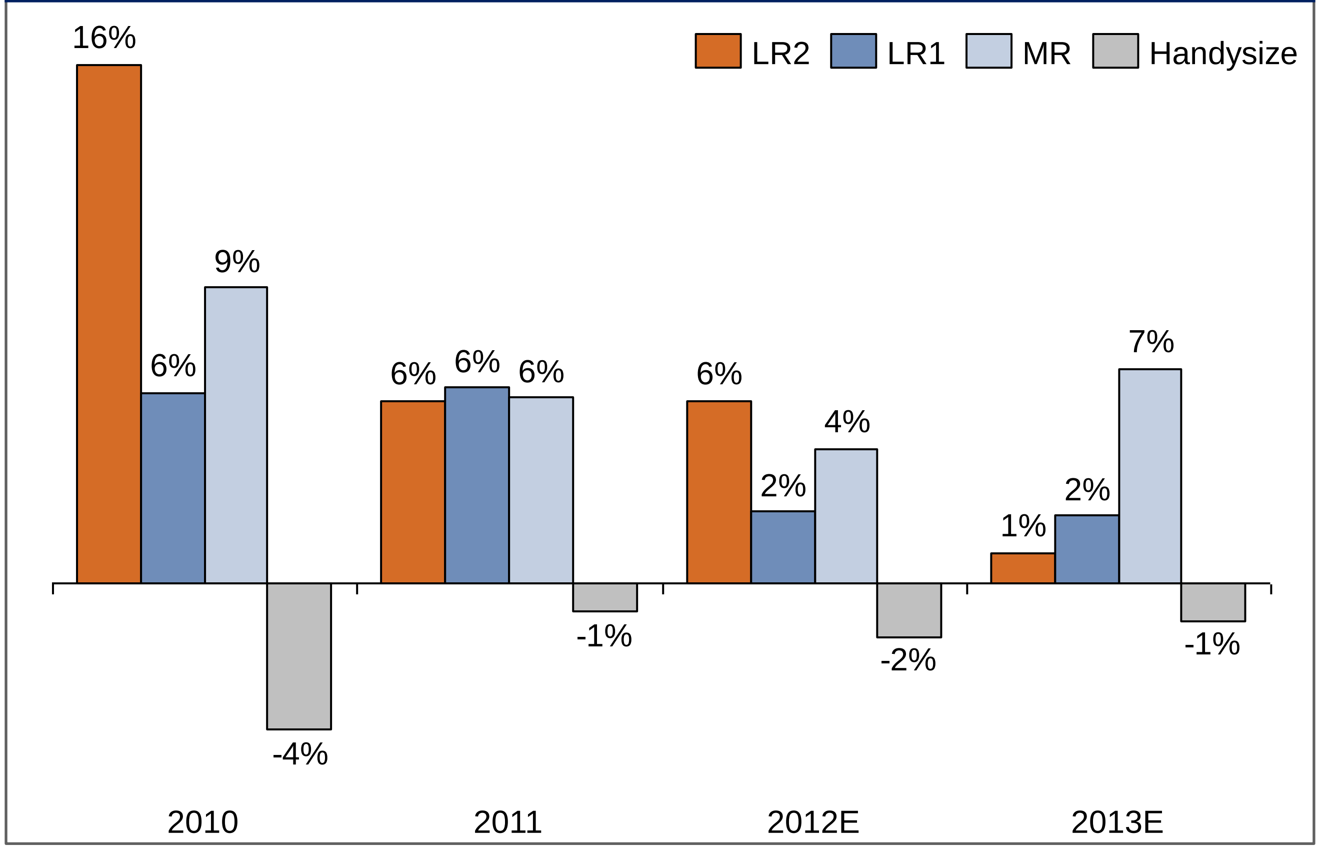


- Longer-haul product movements are favored by:
  - India and Middle East increasing their export oriented refining capacity
  - Expected closure of non-competitive refining capacity in Europe and the Atlantic Basin

Source: IEA Oil Market Report 12 Oct 2012. Poten & Partners 12 Oct 2012

Modest supply outlook for the product tanker fleet

Net fleet growth y-o-y in % of total fleet (DWT)

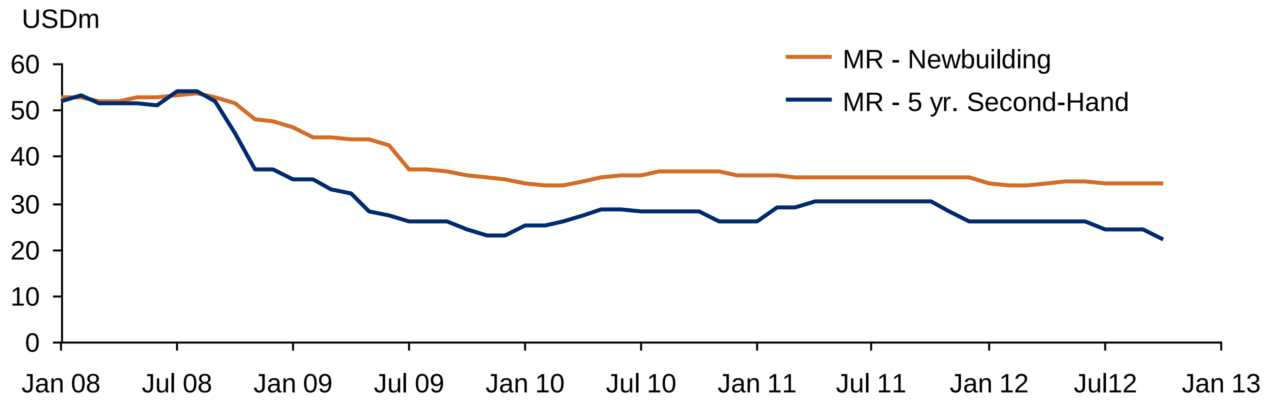


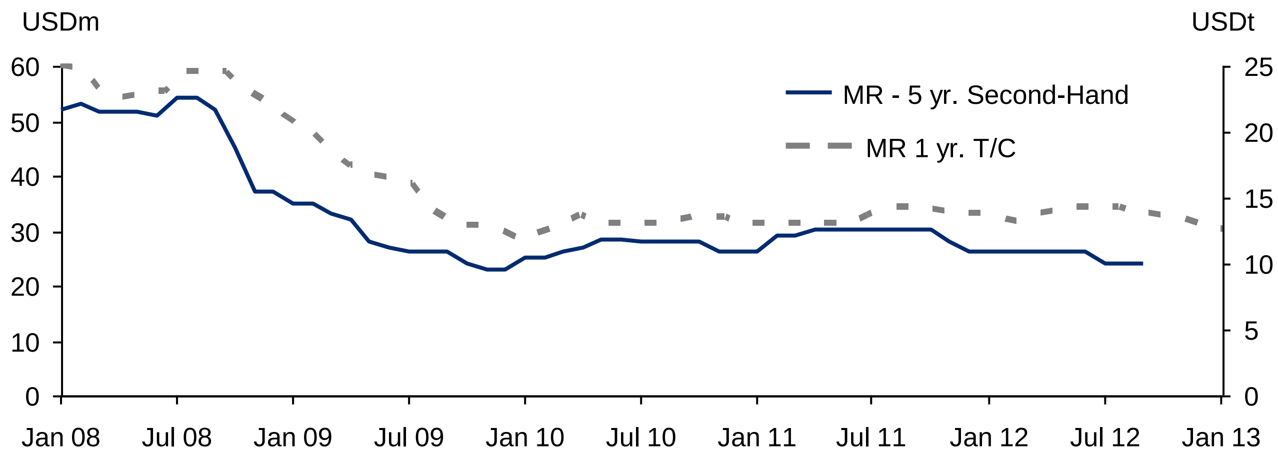
- Net fleet growth is expected to gradually decline to manageable levels in 2012-2014
- Scrapping will mostly impact Handysize leading to a negative fleet growth

Note: Calculated basis dwt. Number of vessels beginning of 2012: LR2 203, LR1 339, MR 958, Handy 552
Note: Net fleet growth: Gross order book adjusted for expected scrapping
Source: SSY, 19 October 2012

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

Vessel price development





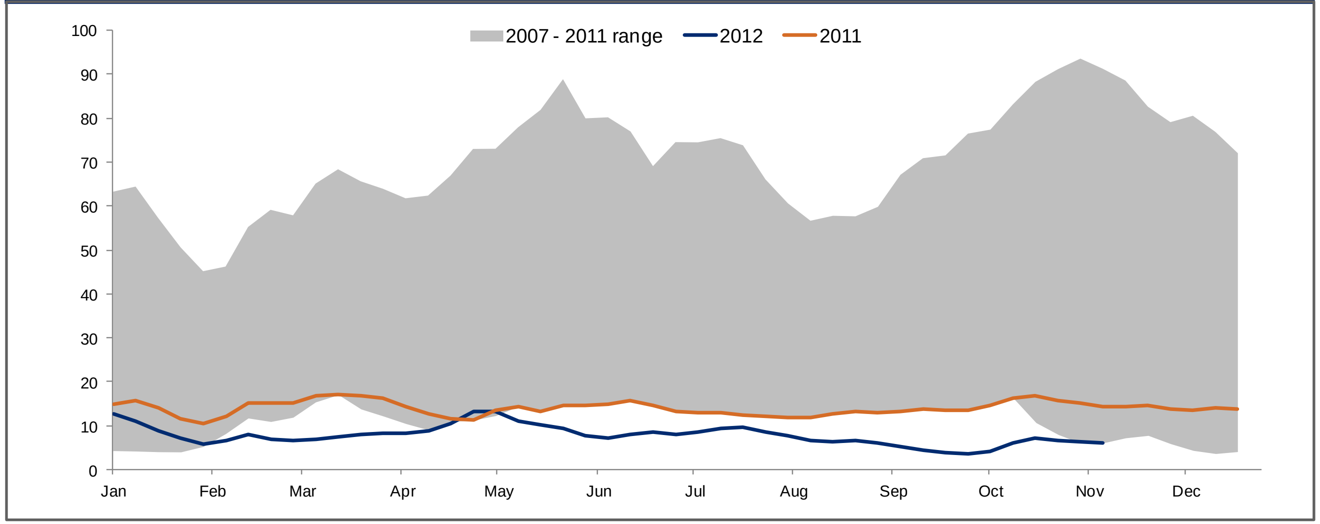
- Newbuilding orders continues to be mainly for MRs (2014 delivery)
- Difficult for buyers to get financing
- Ample second hand tonnage marketed, but sales processes are protracted
- Price pressure especially on older units

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

Source: Clarksons, 31 Oct 2012

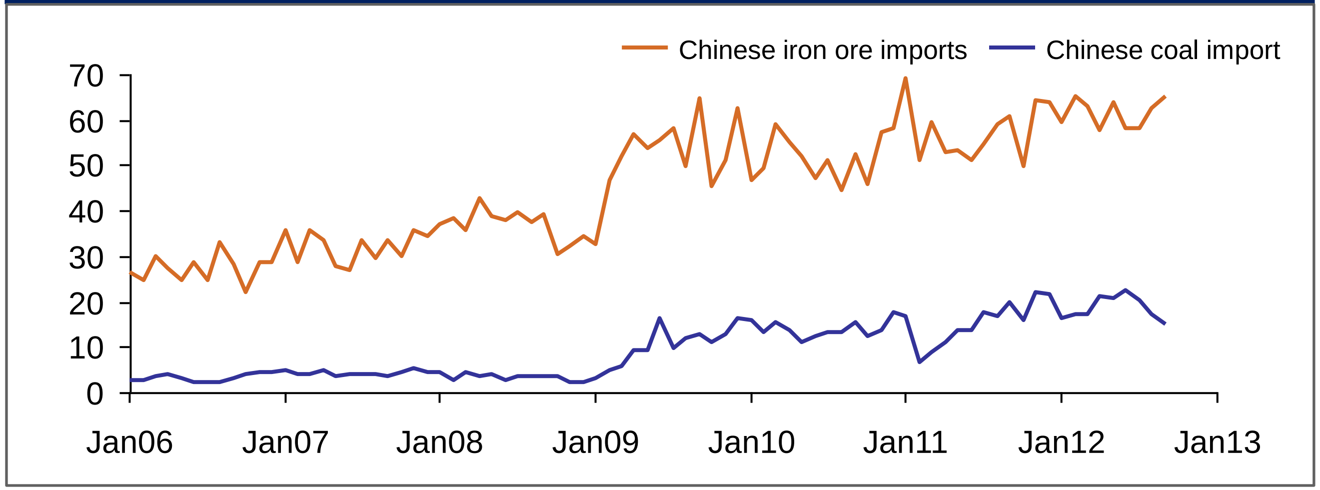
Dry bulk market continues at low levels

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)

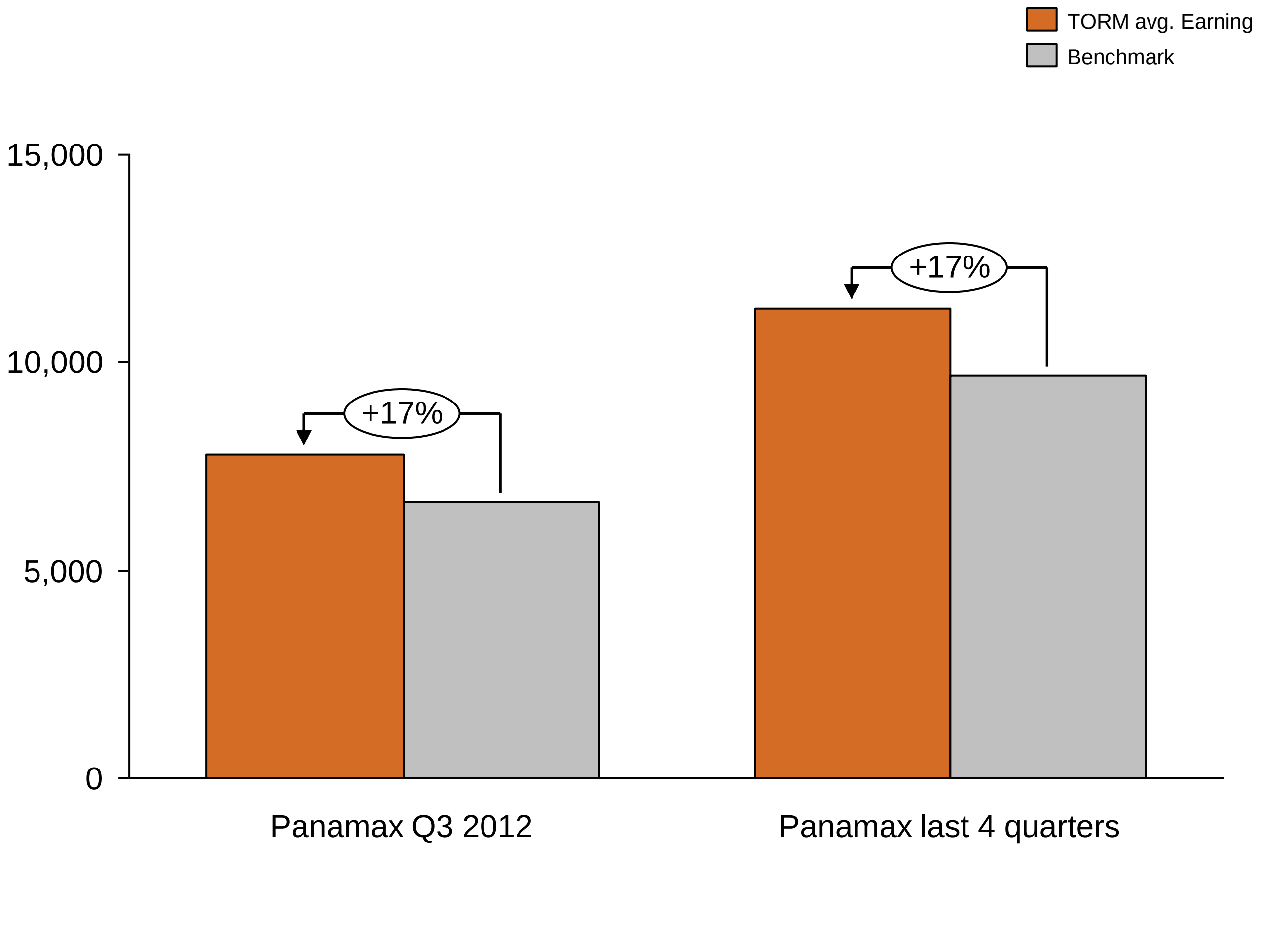


- Chinese import volume remains strong
  - Coal import seasonally down
  - Stable iron ore import up
  - Chinas reliance on coal import becoming evident

Source: RS Platou, Clarksons

Bulk division beat commercial benchmarks in Q3 2012

TORM bulk average earnings vs. benchmark (USD/day)

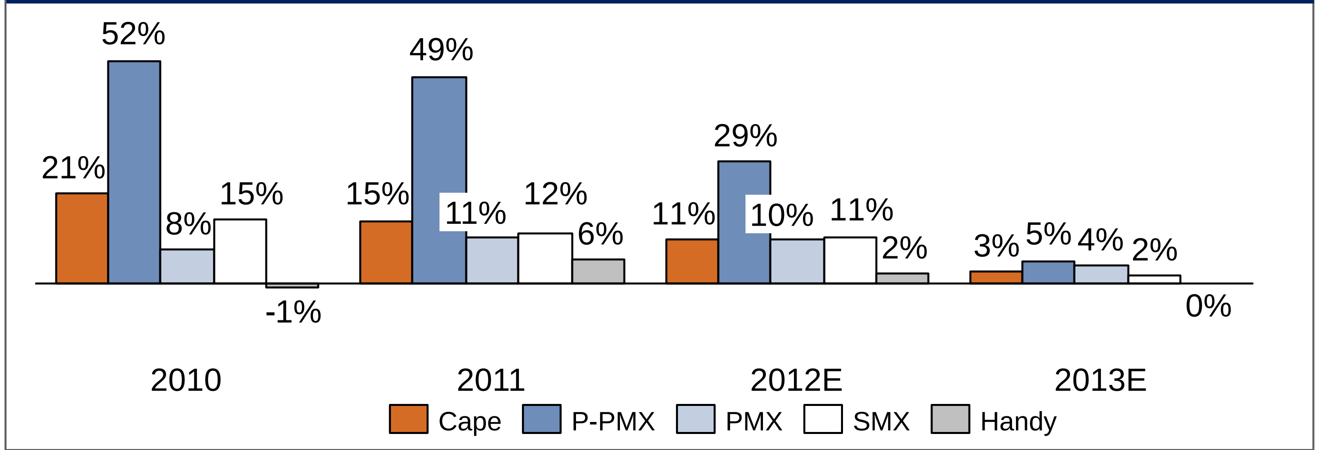


- Taking benefit from cover in challenging market conditions
- TORM bulk has a fully covered book for 2012
- Earnings also affected by TORM's financial situation

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

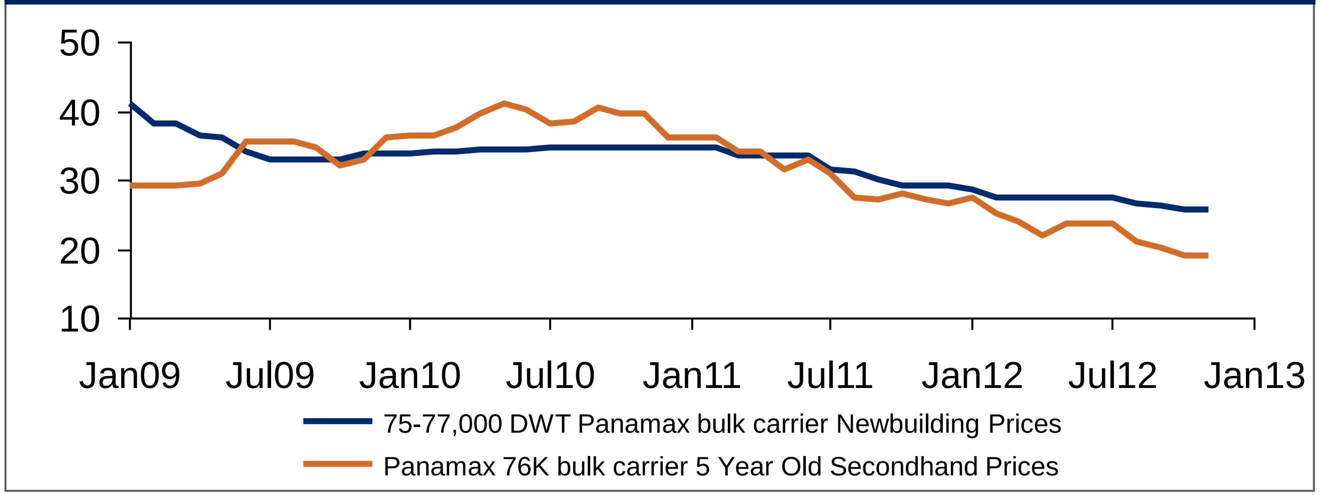
High influx of dry bulk tonnage affecting vessel prices

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



- Scheduled deliveries sizeable during 2012
- Scrapping and cancellation is expected to continue at high levels in 2012
- Net fleet growth y-o-y 2013 expected at 4-5% (including ~5% scrapping)

Panamax newbuilding and second-hand prices (USDm)

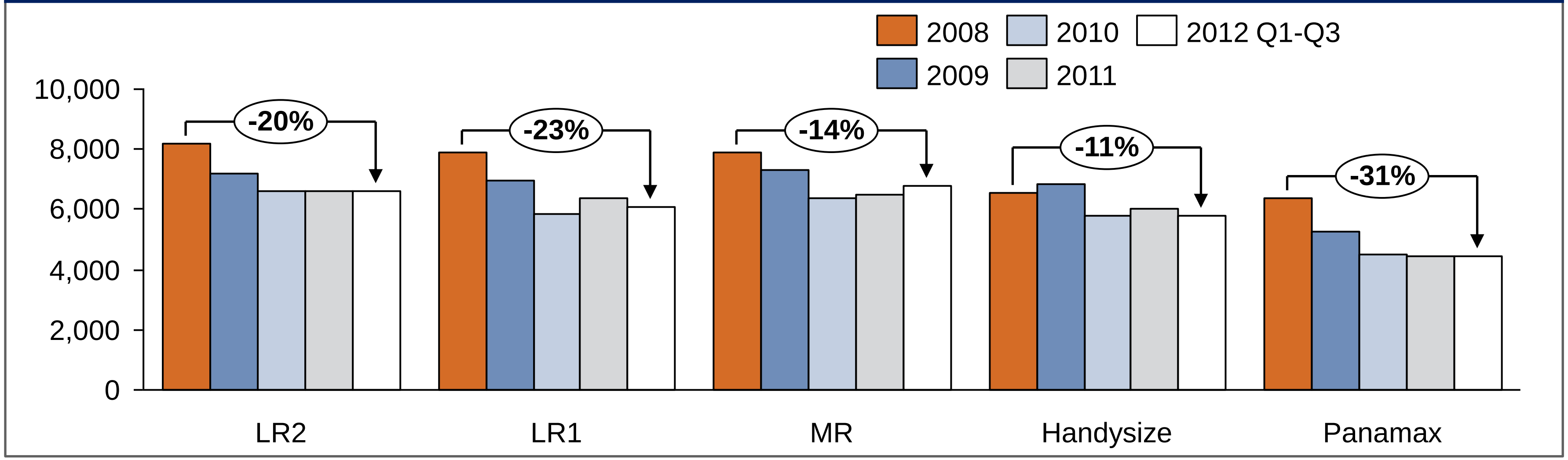


- Increased number of second-hand vessels available for sale
- Further softening of second-hand prices (up to 10%) during Q3 2012

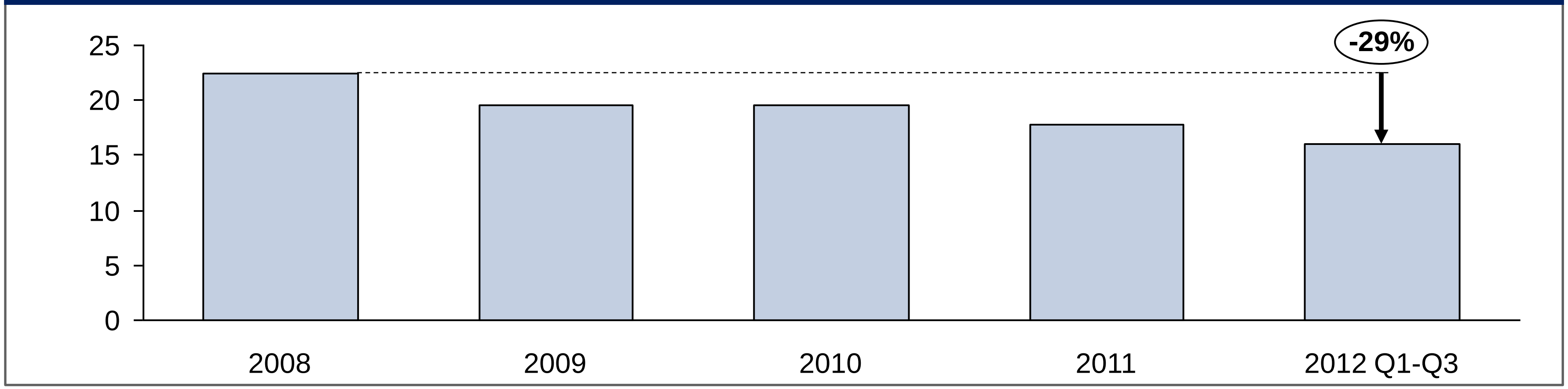
* Number of vessels primo 2012: Cape 1,292; P-PMX 372; PMX 1,545, SMX 2,647; Handy 3,293.
Source: RS Platou, Clarksons (BDI).

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

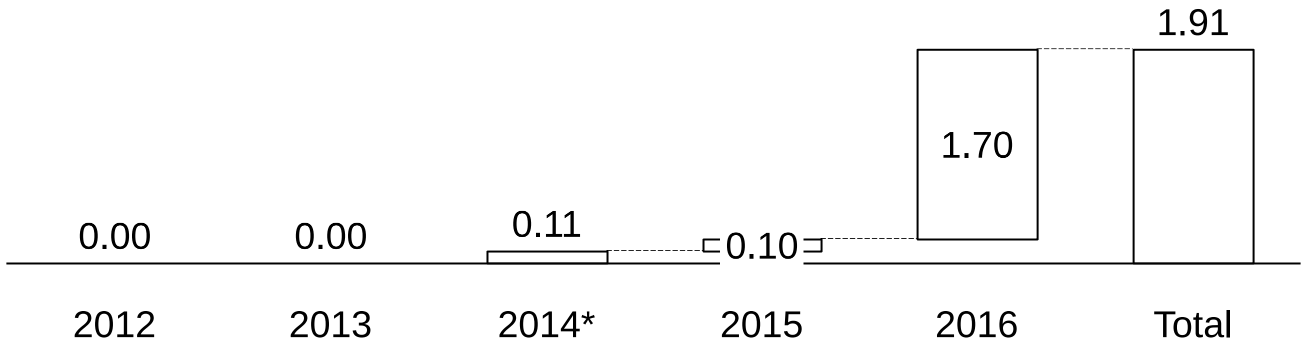
Newbuilding CAPEX

- 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



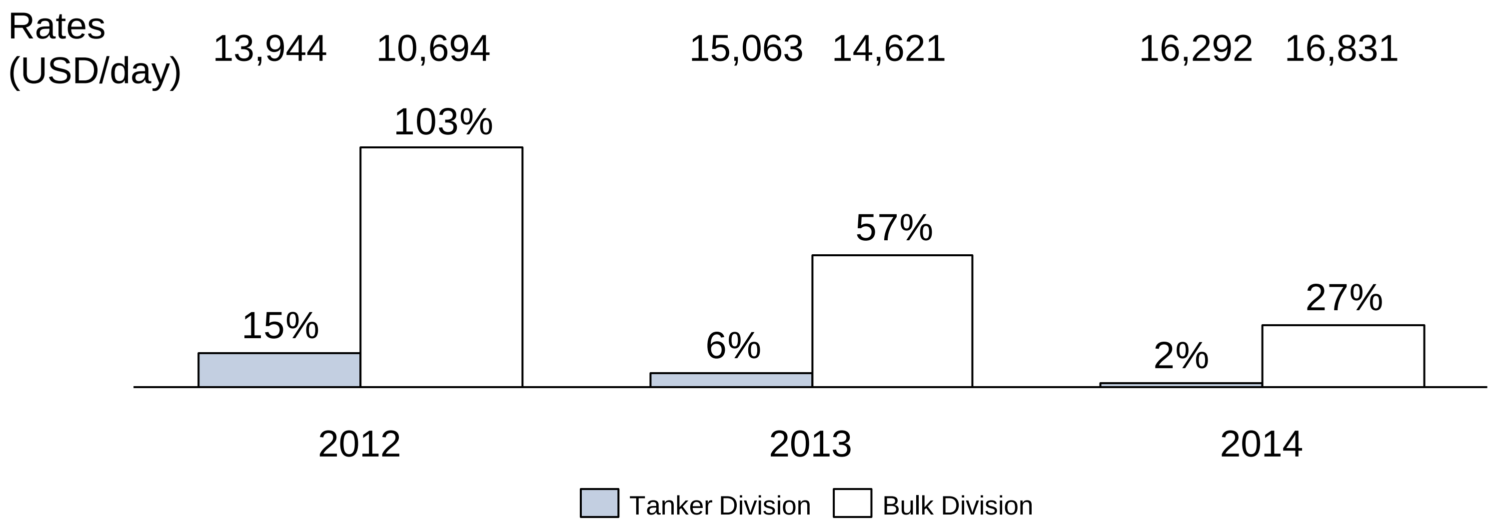
* incl. repayment of drawn part of working capital facility

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**

Appendix

TORM at a glance

Key facts

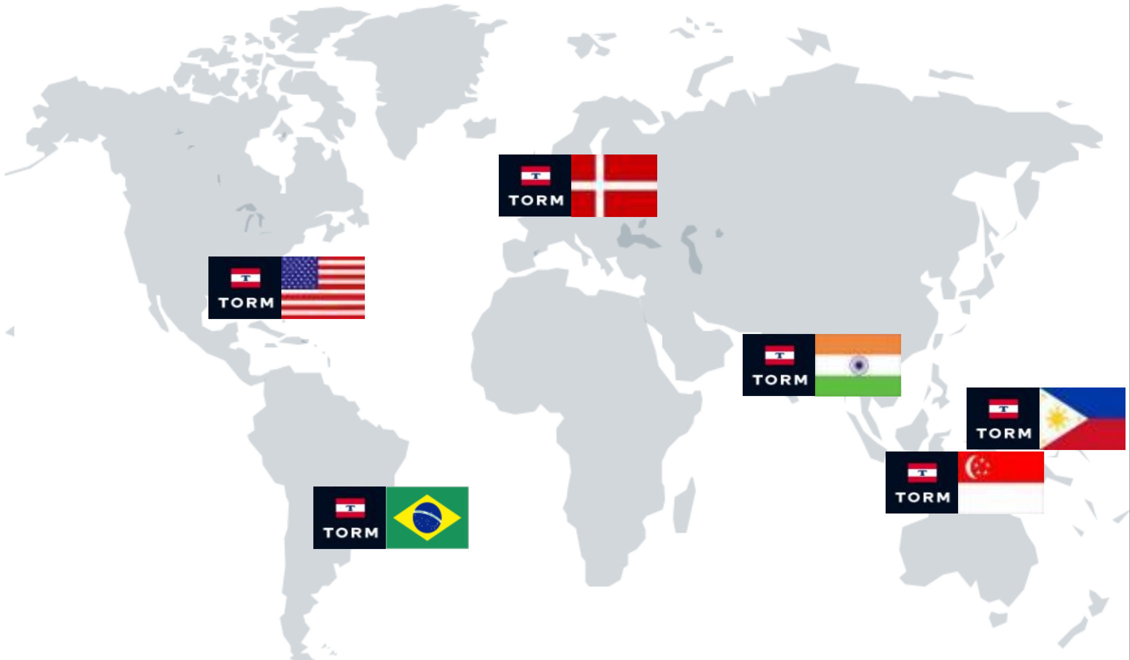
A world leading product tanker company

- A leading product tanker owner
- Presence in dry bulk as operator
- 123 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

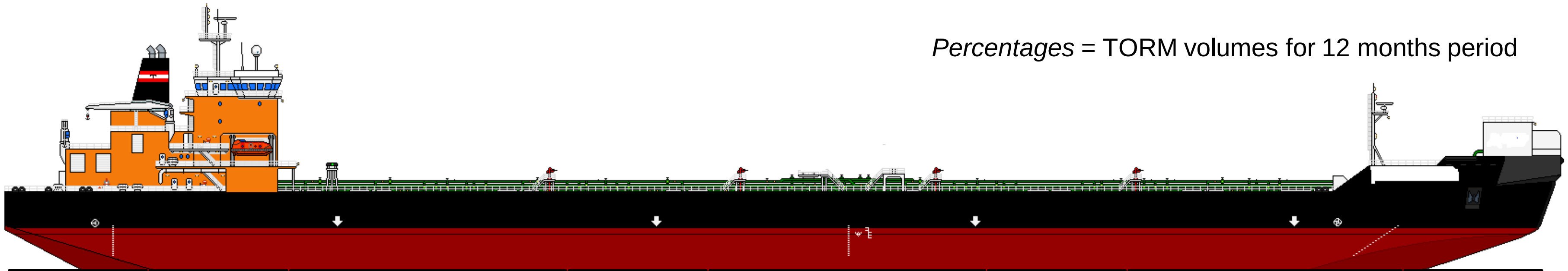
Transportation

Refining

Transportation

Storage/distribution

Percentages = TORM volumes for 12 months period



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

Alex Christiansen

- Head of Bulk Division

Claus U. Jensen

- Head of Technical Division

Lars Christensen

- Head of Sale & Purchase Division

Jan Nørgaard Lauridsen

- Regional Managing Director Asia-Pacific

Christian Riber

- Head of Human Resources

The TORM share

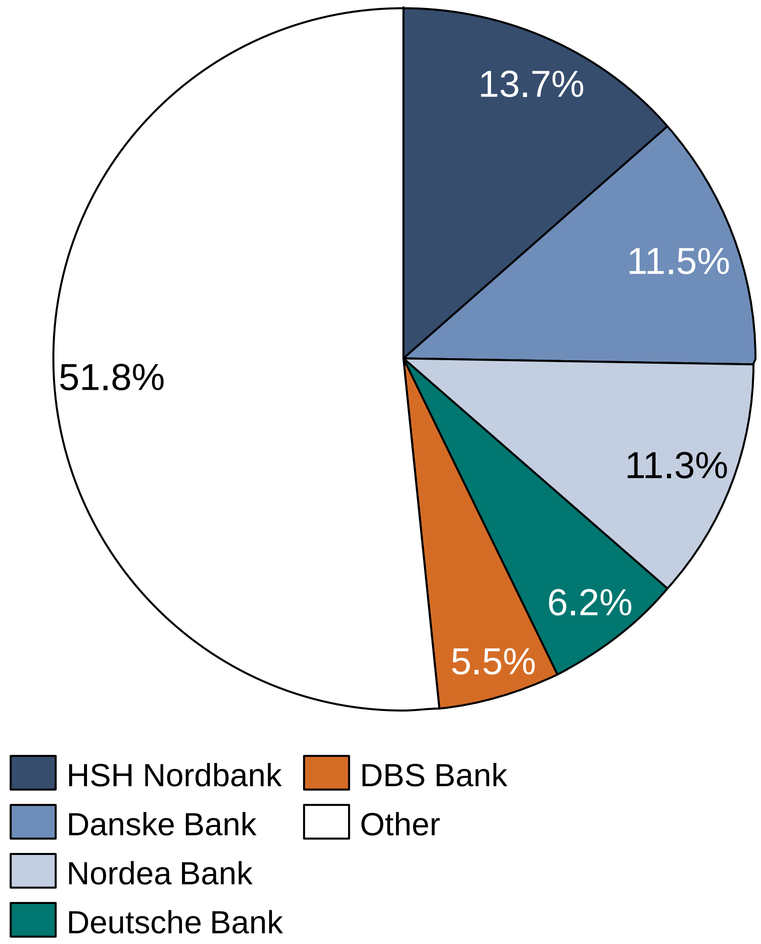
Share information

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 (5 November 2012)



Industry cooperation and transparency is central to TORM's Corporate Social Responsibility

TORM

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 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-Q3 2012	2011	2010	2009	2008	2007
Revenue	839	1,305	856	862	1,184	774
EBITDA	(41)	(44)	97	203	572	288
Profit/(loss) before tax	(289)	(451)	(136)	(19)		
Balance						
Total assets	2,507	2,779	3,286	3,227	3,317	2,959
Equity	358	644	1,115	1,247	1,279	1,081
NIBD	1,858	1,787	1,875	1,683	1,550	1,548
Cash and cash equivalents	13	86	120	122	168	105
Cash flow statement						
Operating cash flow	(71)	(75)	(1)	116	385	188
Investment cash flow	3	168	(187)	(199)	(262)	(357)
Financing cash flow	(6)	(128)	186	37	(59)	242
Financial related key figures						
EBITDA margin	-5%	-3%	11%	24%	48%	37%
Equity ratio	14%	23%	34%	39%	39%	37%
Return on invested capital (ROIC)	-11%	-14%	-3%	2%	16%	10%

Large and modern fleet

No. of vessels	Current fleet			New buildings and T/C-in deliveries with a period >= 12 months		
	Q2 2012	Changes	Q3 2012	2012	2013	2014
Owned vessels						
LR2	9.0	-	9.0			
LR1	7.0	-	7.0			
MR	39.0	-	39.0			
Handysize	11.0	-	11.0			
Tanker Division	66.0	-	66.0	-	-	-
Panamax	2.0	-	2.0			
Handymax		-	-			
Bulk Division	2.0	-	2.0	-	-	-
Total	**68.0**	**-**	**68.0**	**-**	**-**	**-**
T/C-in vessels with contract period >= 12 months						
LR2	2.0	-	2.0			
LR1	13.0	-2.0	11.0			
MR	10.0	-6.0	4.0			
Handysize		-	-			
Tanker Division	25.0	-8.0	17.0	-	-	-
Panamax	9.0	-2.0	7.0	1.0		
Handymax	2.0	-	2.0			
Bulk Division	11.0	-2.0	9.0	1.0	-	-
Total	**36.0**	**-10.0**	**26.0**	**1.0**	**-**	**-**
T/C-in vessels with contract period < 12 months						
LR2						
LR1						
MR						
Handysize						
Tanker Division	-	-	-			
Panamax	3.0	-2.0	1.0			
Handymax	2.0	5.0	7.0			
Bulk Division	5.0	3.0	8.0			
Total	**5.0**	**3.0**	**8.0**			
Pools/commecial management	18.0	2.0	20.0			
Total fleet	**127.0**	**-5.0**	**122.0**			

Note: The contract duration is defined based on the contractual period and does not include optional periods.

Earning days, T/C cost and coverage for 2012, 2013 and 2014

Owned days

	2012	2013	2014	2012	2013	2014
		Owned days				
LR2	799	2,824	2,904			
LR1	637	2,509	2,509			
MR	3,427	14,037	14,075			
Handysize	1,001	3,975	3,944			
Tanker Division	5,864	23,344	23,432			
Panamax	180	726	694			
Handymax	-	-	-			
Bulk Division	180	726	694			
Total	**6,044**	**24,070**	**24,126**			

T/C-in days at fixed rate

	2012	2013	2014	2012	2013	2014
		T/C-in days at fixed rate			T/C-in costs, USD/day	
LR2	-	-	-	-	-	-
LR1	785	75	-	17,914	11,000	-
MR	242	1,049	726	13,188	14,046	15,145
Handysize	-	-	-	-	-	-
Tanker Division	1,027	1,124	726	16,800	13,843	15,145
Panamax	573	1,964	1,817	14,216	12,880	12,386
Handymax	339	-	-	12,509	-	-
Bulk Division	912	1,964	1,817	13,581	12,880	12,386
Total	**1,939**	**3,088**	**2,543**	**15,286**	**13,230**	**13,174**

T/C-in days at floating rate

	2012	2013	2014	2012	2013	2014
		T/C-in days at floating rate				
LR2	182	726	725			
LR1	-	-	-			
MR	91	363	363			
Handysize	-	-	-			
Tanker Division	273	1,089	1,088			
Panamax	91	726	411			
Handymax	147	363	363			
Bulk Division	238	1,089	774			
Total	**511**	**2,178**	**1,862**			

Total physical days

	2012	2013	2014	2012	2013	2014
		Total physical days			Covered days	
LR2	981	3,550	3,629	176	391	337
LR1	1,422	2,584	2,509	236	365	175
MR	3,760	15,449	15,164	634	743	-
Handysize	1,001	3,975	3,944	30	-	-
Tanker Division	7,164	25,557	25,246	1,076	1,499	512
Panamax	844	3,416	2,922	1,007	990	25
Handymax	486	363	363	365	1,167	869
Bulk Division	1,330	3,779	3,285	1,372	2,157	895
Total	**8,494**	**29,336**	**28,531**	**2,448**	**3,656**	**1,407**

Coverage

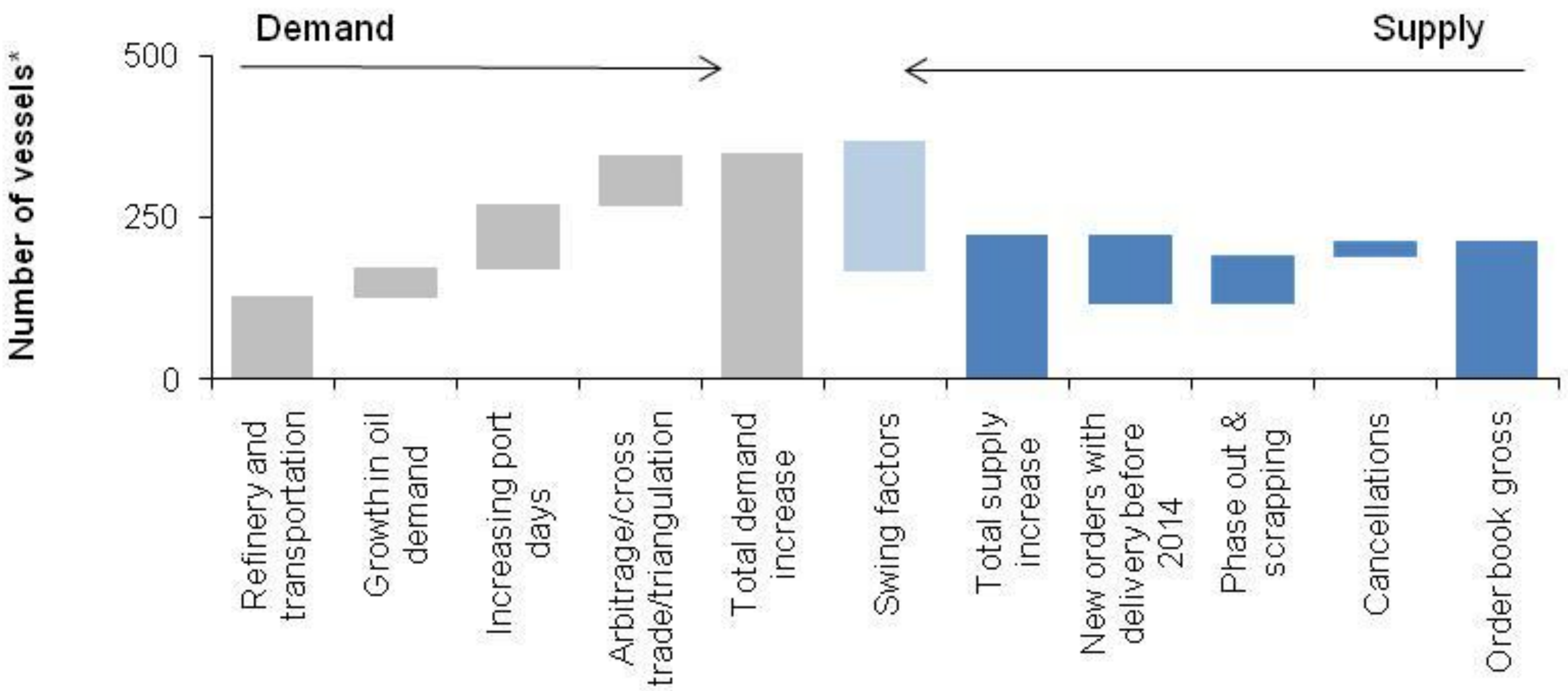
	2012	2013	2014	2012	2013	2014
		Covered, %			Coverage rates, USD/day	
LR2	18%	11%	9%	15,687	16,650	16,617
LR1	17%	14%	7%	14,228	15,666	15,666
MR	17%	5%	0%	13,759	13,932	-
Handysize	3%	0%	0%	5,378	-	-
Tanker Division	15%	6%	2%	13,944	15,063	16,292
Panamax	119%	29%	1%	11,387	15,380	20,436
Handymax	75%	321%	240%	8,781	13,978	16,725
Bulk Division	103%	57%	27%	10,694	14,621	16,831
Total	**29%**	**12%**	**5%**	**12,122**	**14,803**	**16,634**

Fair value of freight rate contracts that are mark-to-market in the income statement (USD m):

Contracts not included above	0.0
Contracts included above	6.5

Tanker demand will outgrow supply in 2012 – 2014e

Demand and supply development 2012 – 2014e



Swing factors:

- Order book delays
- Delays in refineries
- Floating storage
- Slow steaming
- Changes in transport patterns
- Embargoes & strikes
- Blockages - water ways/ports
- Refinery disruptions
- Hurricanes

(1) All effects are recalculated into MR equivalents – to enable comparison based on their volume relative to MR


TORM