



Presentation of Q1 2013 results  
Conference call  
8 May 2013

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# Highlights for Q1 2013

**Highlights**  
Tanker market  
Dry bulk market  
Finance

## 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

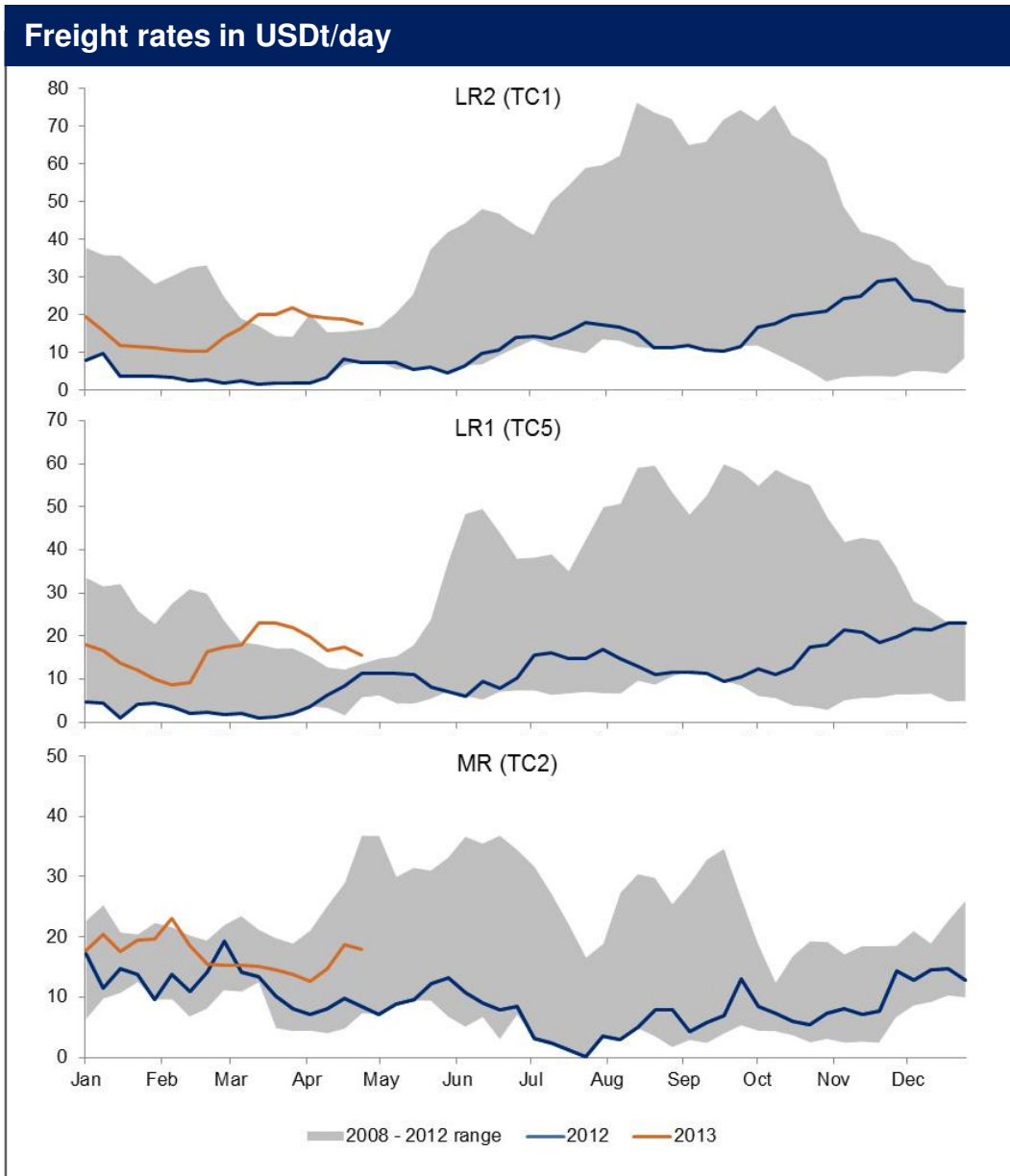
## Guidance for FY 2013

- 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



# Product tanker freight were relatively strong in Q1 2013

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## 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:

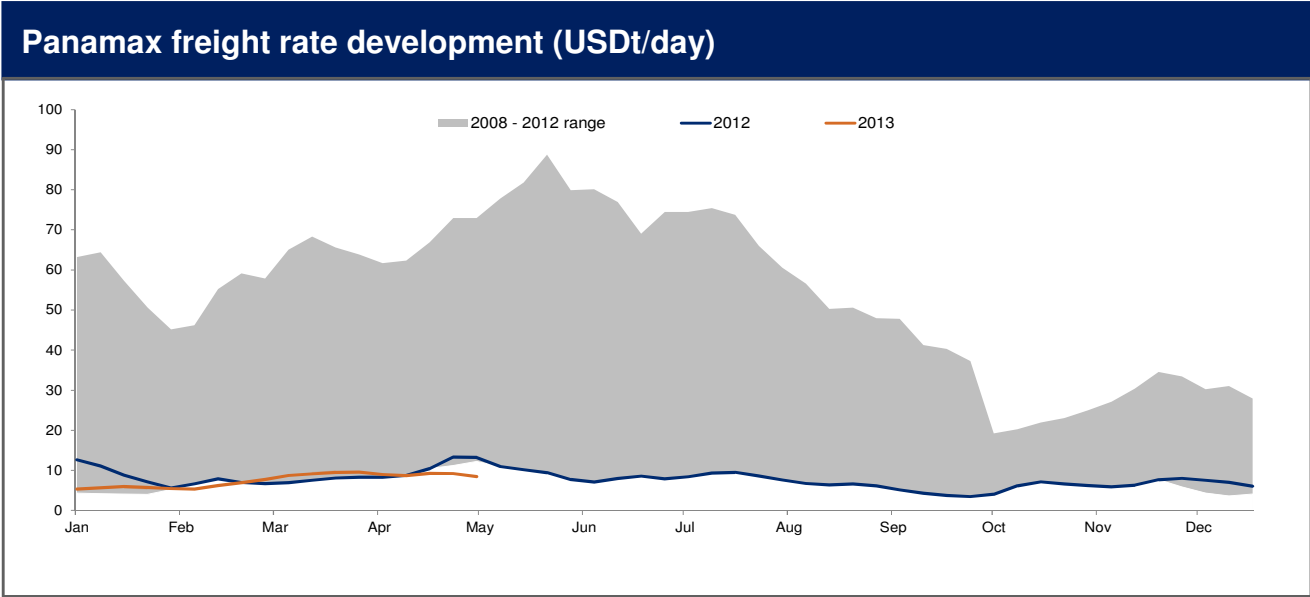
- Open gasoline arbitrage from Europe to the US combined with a tight tonnage supply in the West
- Unusually cold weather in North Asia
- Increased Australian import demand after the refinery capacity adjustments
- Seasonally strong quarter

### • Negative effects in Q1:

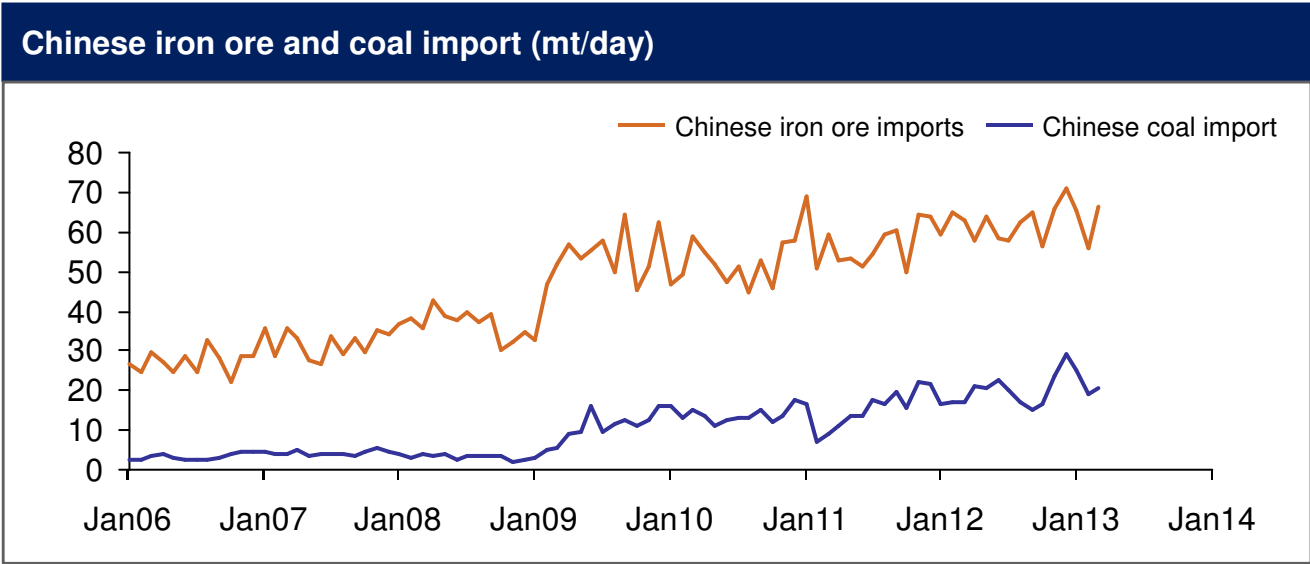
- Refinery maintenance in the US Gulf curbing the export of diesel
- Shift to summer grade gasoline led to a draw on inventories
- Continued tonnage oversupply



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



- 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 gulf



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

Source: RS Platou, Clarksons

# 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

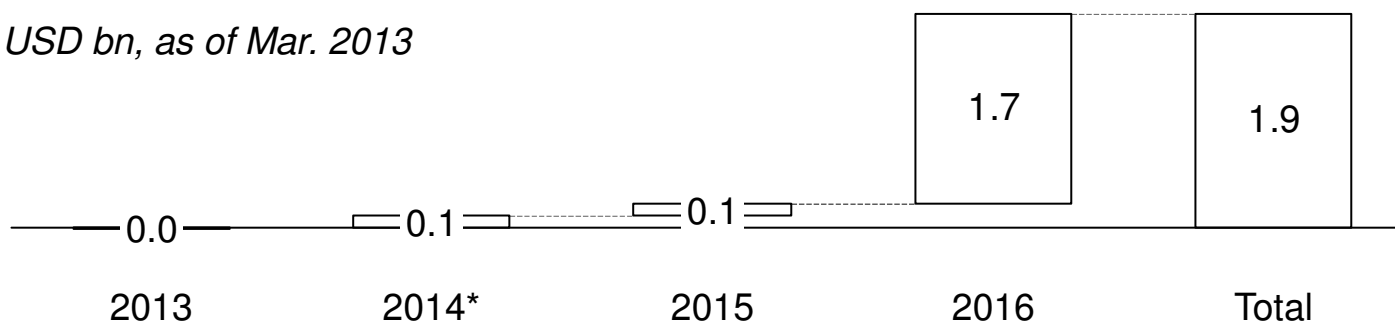
## Newbuilding CAPEX

- 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

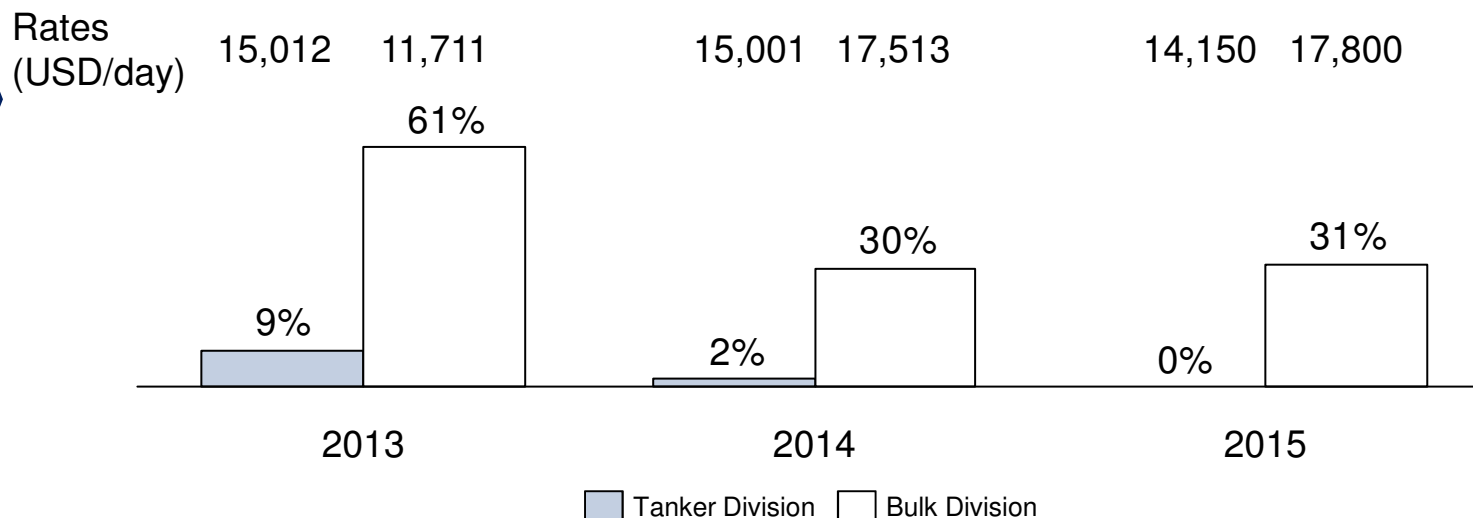
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## 2013 forecast

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



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