



Presentation of Q2 2012 results
Conference call
21 August 2012

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Highlights for Q2 2012

Highlights
Tanker market
Dry bulk market
Finance



Results

- Q2 loss before tax of USD 59m before special items of USD -73m
- Special items relate to impairment on FR8 (USD -42m), advisory fees related to the restructuring (USD -18m), non-cash mark-to-market effects (USD -8m) and sale of vessel in JV (USD -5m)
- Both main segments remained challenging in Q2 2012, which was further impacted by TORM's financial position

Tanker

- LR2 and LR1 increased in Q2 2012 due to jet oil arbitrage to Europe giving positive spill over effects
- MR segment in the West was weaker in Q2 2012 due to closed gasoline and diesel arbitrages and lower US East coast product demand
- EBIT of USD -42m in Q2 2012, despite beating commercial spot benchmarks again

Bulk

- Bulk market under pressure in end of Q2 2012 due to tonnage influx, lower Chinese import and the Indonesian commodity export ban
- EBIT of USD -13m in Q2 2012 including mark-to-market effects of USD -10m

S&P

- Vessel prices flat in Q2 2012 for modern tonnage, but declining for older tonnage
- Manageable order book for product tankers (approximately 6%)
- TORM sold shares in the JV owning the LR1, TORM Uglund

Guidance

- Result for 2012 is subject to considerable uncertainty given TORM's situation. Consequently, no earnings guidance until a solution is in place

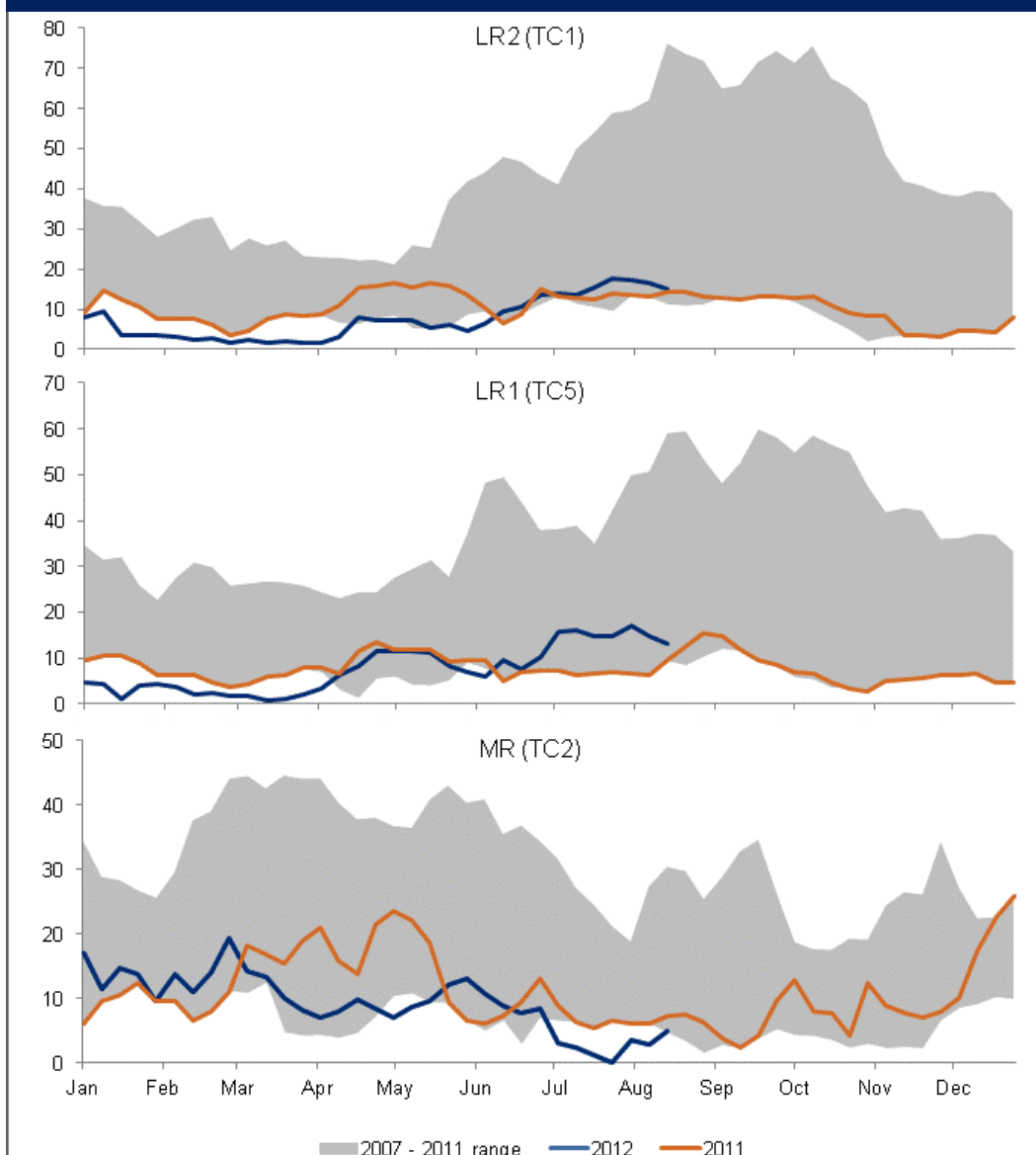
Framework agreement

- A conditional framework agreement reached with the bank group and major time charter partners
 - New working capital (USD 100m) for two years
 - Amendment of debt maturities until 31.12.2016
 - Significant savings from time charter contracts being realigned to market level or terminated
- In exchange for these concessions the bank group and time charter partner will become majority shareholders

Product tanker freight rates are still under pressure and especially the MR segment is weak as the western market is low



Freight rates in USDt/day



LR2 and LR1

- Positive effects:
 - Jet fuel arbitrage from the Arabian Gulf to the West open
 - Naphtha arbitrage from the West to the Far East open
- Negative effects:
 - Reduced naphtha exports from India / Middle East
 - Oversupply of tonnage

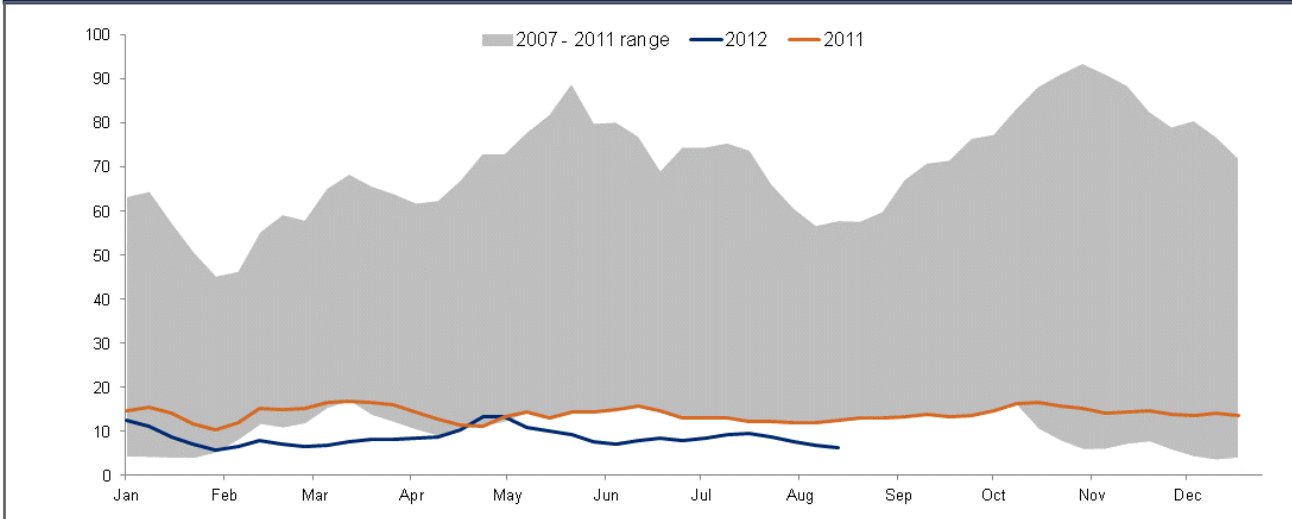
MR

- Positive effects:
 - Increasing gasoil demand for heating in South America
 - West Africa demand still positive due to low refinery utilization
- Negative impacts:
 - Declining gasoline demand in the US
 - Gasoline and diesel arbitrage between the Continent and the US closed

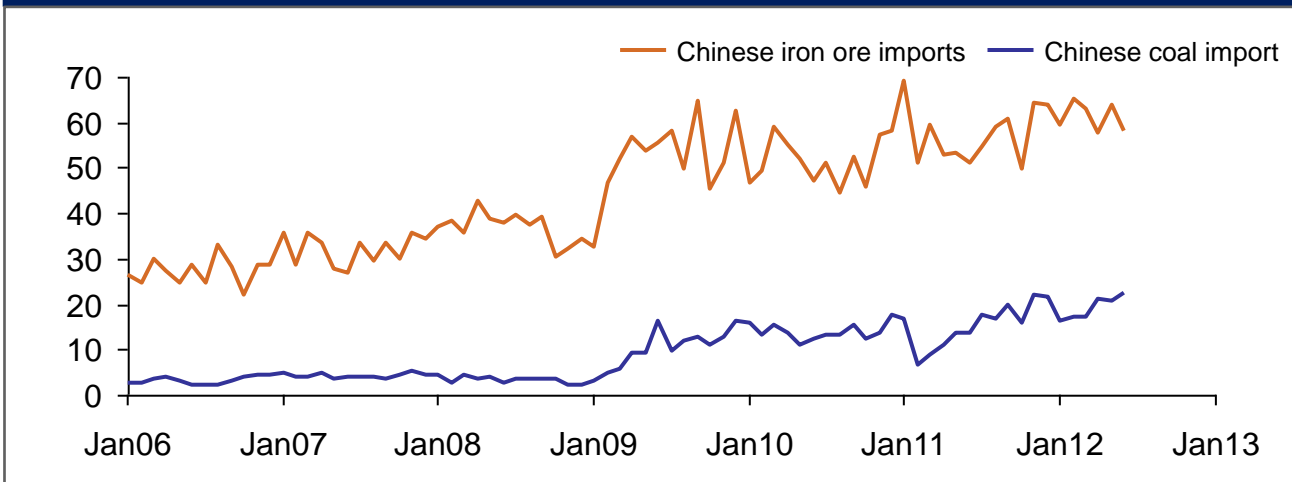
Dry bulk market continues at historical low levels especially for the largest segments



Panamax freight rate development (USDt/day)



Chinese iron ore and coal import (mt/day)



- Low market during Q2 2012 as a result of record high deliveries
- Freight rates affected by
 - General financial unrest
 - Lagging growth rates in China
 - Indonesia export ban on raw materials except coal
 - Continued high fleet growth

TORM's financial position by Q2 2012



Cash position (per 30.6.2012)

- Cash totaled USD 17 million at the end of the second quarter of 2012
- Cash totaled USD 33 million as per 20 August 2012
- No available credit lines

Newbuilding CAPEX

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

Debt situation (per 30.6.2012)

- TORM's net interest bearing debt amounted to USD 1,852 million in the second quarter of 2012
- TORM was in breach of its financial covenants. Accordingly, loans are classified as current liabilities

Financial position is pending outcome of final negotiations towards with banks and time charter partners

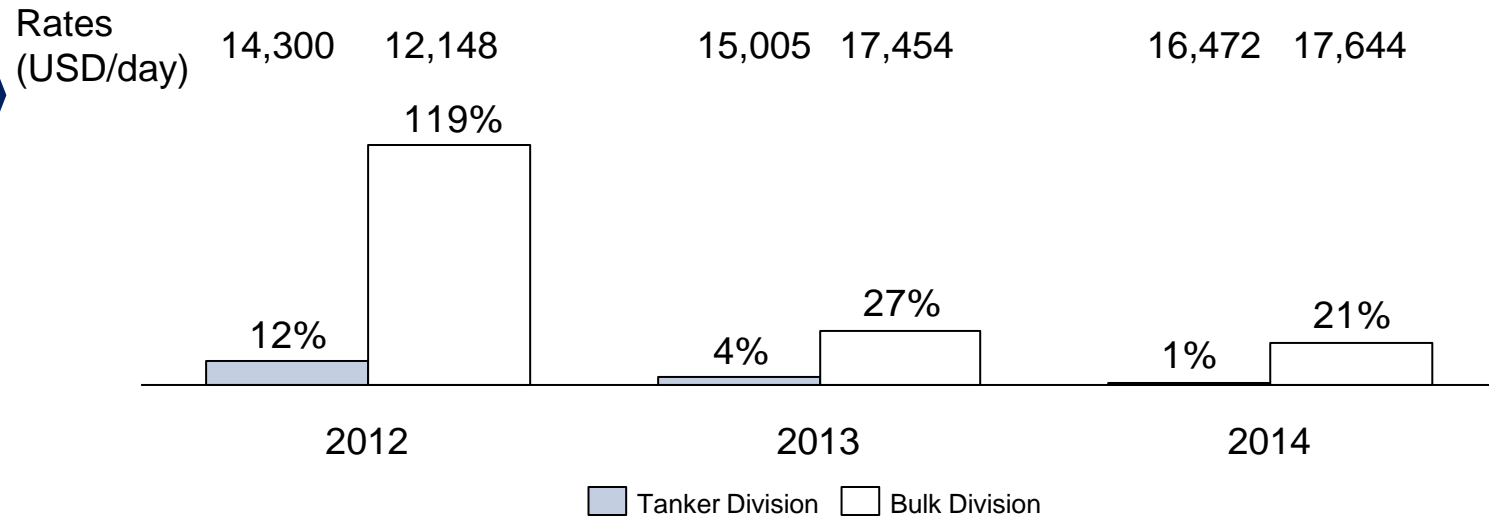
TORM's forecast for 2012



2012 forecast

- Result for 2012 is subject to considerable uncertainty given TORM's situation.
- Consequently, no earnings guidance until a solution is in place.

Coverage per 30.6.2012



Profit sensitivity for 2012

USDm Segment	Change in freight rates (USD/day)			
	-2,000	-1,000	1,000	2,000
Tankers	-28	-14	14	28
Bulk	1	0	-0	-1
Total	-28	-14	14	28



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