

Write-downs and provisions of USD 160m due to impairment

The further deterioration of the dry bulk shipping market has led to a reduction of our freight rate forecasts. In line with the market development, dry bulk asset values have also declined.

The impairment is based on freight rate estimates, current contract cover and risk assessment of longer-term charter parties.

The impairment relates to write-downs of our bulk carrier assets of approximately USD (90)m and provisions of approximately USD (70)m related to older long-term charters.

Due to the write-downs and provisions, full-year EBITDA is estimated at USD (20)-(5)m, down USD 70m on earlier estimate of USD 50-65m and the full-year net result is estimated at USD (165)-(150)m down USD (160)m on earlier estimate of USD (5)-10m.

Following the impairment, our solvency ratio is estimated at 49% (based on figures as per 30 September 2014). Write-downs and provisions have no impact on neither our cash position nor our loan agreements.

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