

TORM A/S first quarter 2016 report

- The EBITDA for the first quarter of 2016 was USD 70m (2015, same period, pro forma: USD 77m)¹. The profit before tax for the first quarter of 2016 was USD 31m (2015, same period, pro forma: USD 43m). Cash flow from operating activities was positive with USD 71m in the first quarter of 2016 and earnings per share (EPS) was USD 0.5 or DKK 3.3.
- During the first quarter of 2016, the product tanker market remained at profitable levels in line with the fourth quarter of 2015. In general, refinery utilization was high throughout the quarter, however at slightly lower levels than in the second half of 2015. TORM's product tanker fleet realized average TCE earnings of USD/day 19,845 in line with the fourth quarter of 2015 and realized a gross profit of USD 80m (2015, same period, pro forma: USD 90m) in the first quarter of 2016.
- On 15 April 2016, TORM established a new corporate structure of the TORM Group (the "Corporate Reorganization"). The Corporate Reorganization involved the insertion of a UK parent company, TORM plc, a delisting of TORM A/S and a listing of TORM plc on Nasdaq Copenhagen. The Corporate Restructuring was supported by 95.9% of TORM A/S' shareholders. TORM plc will acquire the shares from the remaining TORM A/S minority shareholders not accepting the transfer in connection with the ongoing squeeze-out for an amount of up to approx. USD 35m covering up to 4.1% of the outstanding shares.
- During the first quarter of 2016, TORM took delivery of the last three MR newbuildings. TORM's order book now covers four LR2 newbuildings with expected delivery between the fourth quarter of 2017 and the second quarter of 2018.
- The carrying value of the fleet including prepayments was USD 1,602m as of 31 March 2016 excluding outstanding installments on the LR2 newbuildings of USD 173m. Based on broker valuations, TORM's fleet including newbuildings had a market value of USD 1,812m as of 31 March 2016. Compared to the broker values as of 31 December 2015, the fleet value has decreased by USD 140m (~7%).
- Net interest-bearing debt amounted to USD 605m as of 31 March 2016. During the first quarter of 2016, TORM has obtained binding commitment (subject to documentation) for financing of the LR2 newbuildings of up to USD 115m, or up to 60% of the purchase price, with 12 years maturity at attractive terms.
- TORM had undrawn credit facilities and cash of approx. USD 198m at the end of the first quarter of 2016 in addition to the above-mentioned financing of the LR2 newbuildings. Outstanding CAPEX relating to the order book amounted to USD 173m.
- Based on broker valuations, TORM's net asset value (NAV), excluding charter commitments, is estimated at USD 1,069m, equivalent to a NAV/share of USD 16.8 or DKK 109.5.
- Equity amounted to USD 1,001m as of 31 March 2016, equivalent to a book equity/share of USD 15.7 or DKK 102.5 excluding treasury shares and outstanding warrants, giving TORM an equity ratio of 54%.

¹) On 13 July 2015, TORM, its lenders and Oaktree Capital Management ("Oaktree") completed a restructuring. In return for a vessel contribution by means of the shares in OCM (Gibraltar) Njord Midco Ltd. ("Njord"), Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated interim Financial Statements, reflect the activity of Njord only, whereas for the full year 2015 the period from the date of the completion of the Restructuring reflects the combined activities of TORM and Njord. Comparative pro forma figures presented in this report for 2015 present TORM as if the Restructuring had been undertaken as of 1 January 2015.

Key reported figures

	Q1 2016	Q1 2015	2015
Income statement (USDm)			
Revenue	193.7	67.2	540.4
Time charter equivalent earnings (TCE)	138.4	44.1	370.8
Gross profit	80.4	27.7	235.9
EBITDA	69.5	24.4	210.3
Operating profit (EBIT)	40.6	16.3	143.0
Profit before tax	31.2	15.1	127.0
Net profit	30.9	15.1	126.0
Balance sheet (USDm)			
Total assets	1,846.5	645.4	1,867.4
Equity	1,000.7	498.6	976.0
Total liabilities	845.8	146.8	891.4
Invested capital	1,606.1	599.3	1,587.5
Net interest bearing debt	604.6	100.7	611.5
Cash flow (USDm)			
From operating activities	71.4	29.8	214.0
From investing activities	-64.5	-40.9	-158.8
Thereof investment in tangible fixed assets	-64.5	-40.9	-253.9
From financing activities	-52.5	9.9	75.0
Total net cash flow	-45.6	-1.2	130.2
Key financial figures			
Gross margins:			
TCE	71.5%	65.6%	68.6%
Gross profit	41.5%	41.2%	43.6%
EBITDA	35.9%	36.3%	38.9%
Operating profit	21.0%	24.3%	26.5%
Return on Equity (RoE) (p.a.)	12.5%	12.5%	17.4%
Return on Invested Capital (RoIC) (p.a.)	10.1%	11.1%	13.1%
Equity ratio	54.2%	77.3%	52.3%
Exchange rate USD/DKK, end of period	6.54	6.94	6.83
Exchange rate USD/DKK, average	6.77	6.62	6.73
Share-related key figures			
Earnings per share, EPS*	USD	0.5	0.4
Diluted earnings per share, EPS	USD	0.5	0.4
Cash flow per share, CFPS	USD	1.1	0.8
Share price, end of period (per share of DKK 15 each)	DKK	84.0	-
Number of shares, end of period*	Million	63.8	38.0
Number of shares (excl. treasury shares), average*	Million	63.8	38.0
			51.0

*) The number of shares have been adjusted for the reverse acquisition as disclosed on page 10

Key pro forma figures

	Q1 2016	Q1 2015 Pro forma	2015 Pro forma
Income statement (USDm)			
Revenue	193.7	220.3	854.3
Time charter equivalent earnings (TCE)	138.4	145.9	582.0
Gross profit	80.4	88.3	361.0
EBITDA	69.5	77.0	319.2
Operating profit (EBIT)	40.6	54.0	218.5
Profit before tax	31.2	43.4	187.8
Net profit	30.9	43.1	186.7
Balance sheet (USDm)			
Total assets	1,846.5	1,653.7	1,867.4
Equity	1,000.7	833.1	976.0
Total liabilities	845.8	820.7	891.5
Invested capital	1,606.1	1,485.3	1,587.5
Net interest bearing debt	604.6	652.3	611.6
Key financial figures			
Gross margins:			
TCE	71.5%	66.2%	68.1%
Gross profit	41.5%	40.1%	42.3%
EBITDA	35.9%	35.0%	37.4%
Operating profit	21.0%	24.5%	25.6%
Return on Invested Capital (RoIC) (p.a.)	10.1%	14.4%	14.1%

See page 10, "Basis for preparation of pro forma financial information" for the basis for the preparation of the pro forma income statement and balance sheet.

Results

The EBITDA result for the first quarter of 2016 was USD 70m (2015, same period, pro forma: USD 77m). The result before tax for the first quarter of 2016 was USD 31m (2015, same period, pro forma: USD 43m).

The gross result for the first quarter of 2016 was USD 80m (2015, same period, pro forma: USD 88m).

Profit/(loss) by segment

USDm	Q1 2016			Pro forma Q1 2015				
	Tanker Segment	Bulk Segment	Not allocated	Total	Tanker Segment	Bulk Segment	Not allocated	Total
Revenue	193.7	0.0	0.0	193.7	215.1	5.2	0.0	220.3
Port expenses, bunkers and commissions	-55.3	0.0	0.0	-55.3	-72.8	-1.6	0.0	-74.4
Time charter equivalent earnings	138.4	0.0	0.0	138.4	142.3	3.6	0.0	145.9
Charter hire	-5.4	0.0	0.0	-5.4	-5.7	-4.6	0.0	-10.3
Operating expenses	-52.6	0.0	0.0	-52.6	-46.3	-1.0	0.0	-47.3
Gross profit (Net earnings from shipping activities)	80.4	0.0	0.0	80.4	90.3	-2.0	0.0	88.3
Administrative expenses				-10.7			-10.8	-10.8
Other operating expenses				-0.2			-0.4	-0.4
Share of profit/(loss) from joint ventures				0.0			-0.1	-0.1
EBITDA				-10.9	69.5			77.0
Amortizations and depreciation				-28.9	-28.9		-23.1	-23.1
Operating profit (EBIT)				-39.8	40.6			53.9
Financial income				1.1	1.1		0.9	0.9
Financial expenses				-10.5	-10.5		-11.4	-11.4
Profit before tax				-49.2	31.2			43.4
Tax				-0.3	-0.3		-0.3	-0.3
Net profit for the period				-49.5	30.9			43.1

See page 10, "Basis for preparation of pro forma financial information" for the basis for the preparation of the pro forma income statement and balance sheet.

Coverage of earning days

The below table shows the coverage for the period from 1 April to 31 December 2016, 2017 and 2018. 2017 and 2018 are full year figures.

Covered and chartered-in days in TORM

Data as of 31-03-2016

	2016	2017	2018	2016	2017	2018
Owned days						
LR2	2,165	2,983	4,231			
LR1	1,912	2,514	2,555			
MR	13,901	18,406	18,615			
Handysize	2,939	3,995	4,015			
Total	20,918	27,898	29,416			
Charter-in days at fixed rate						
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	522	286	-	16,207	16,250	-
Handysize	-	-	-	-	-	-
Total	522	286	-	16,207	16,250	-
Charter-in days at floating rate						
LR2	497	728	340			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Total	497	728	340			
Total physical days						
LR2	2,662	3,711	4,571	1,253	1,071	1,092
LR1	1,912	2,514	2,555	75	-	-
MR	14,423	18,691	18,615	1,405	1,092	1,095
Handysize	2,939	3,995	4,015	102	-	-
Total	21,937	28,912	29,756	2,835	2,163	2,187
Covered, %						
LR2	47%	29%	24%	24,368	24,201	24,194
LR1	4%	0%	0%	25,421	-	-
MR	10%	6%	6%	19,320	17,429	17,573
Handysize	3%	0%	0%	18,675	-	-
Total	13%	7%	7%	21,689	20,782	20,880
Coverage rates, USD/day						

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	0.0

Note: Actual no. of days can vary from projected no. of days primarily due to vessel sales and delays of vessel deliveries. T/C-in days at fixed rate do not include effects from profit split arrangements. T/C-in days at floating rate determine rates at the entry of each quarter, and then TORM will receive approx. 10% profit/loss compared to this rate.

Tanker segment results

During the first quarter of 2016, the product tanker market remained at profitable levels in line with the fourth quarter of 2015. In general, refinery utilization was high throughout the quarter, however at slightly lower levels than in the second half of 2015. Refinery margins softened during the beginning of the first quarter with a pickup towards the end of the quarter.

In the West, the market was negatively impacted by high gasoline and diesel stocks and a warm winter in the northern hemisphere. For the MRs, the quantity of diesel transported from the US to Europe was reduced, however there has been an increase in the mixed aromatics cargos moving from Europe to China. The high product stocks in the West also resulted in discharge delays impacting the market positively. The market for Handysize vessels saw a general decline during the quarter. The LR market was positively impacted by the increase in mixed aromatic trade from Europe to China and the open naphtha arbitrage trade from Europe to the Far East in the middle of the quarter.

In the East, the market continued to benefit from the recent ramp-up in refinery capacity in Saudi Arabia and the United Arab Emirates, generating demand for primarily LR tonnage going both east and west. Seasonal maintenance at older refineries in the Middle East has, however, reduced overall export volumes. During the quarter, both the LR and the MR markets were negatively impacted by an increased number of available vessels due to the arrival of mixed aromatics to China and the delivery of newbuildings, which includes larger crude tankers carrying refined oil products on their virgin voyage. Further, the palm oil markets towards Europe were lower than expected due to reduced production. The dirty Handysize market in the East was positively affected by strong Aframax earnings during the quarter.

The global product tanker fleet (above 25,000 dwt) grew by 2.0% in the first quarter of 2016 (source: TORM).

During the first quarter of 2016, TORM's product tanker fleet realized average spot TCE earnings of USD/day 19,680, or down 16% year-on-year, with the LR2 segment at USD/day 23,754 (6% down year-on-year), the LR1 segment at USD/day 22,306 (23% down year-on-year), the MR segment at USD/day 19,393 (16% down year-on-year) and the Handysize segment at USD/day 17,230 (14% down year-on-year).

TORM's gross profit for the first quarter of 2016 was USD 80m. Operational data on a per segment basis are shown in the table on the next page.

Tanker segments	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Change Q1 15 - Q1 16	12 month avg.	2016 weighted avg
(includes Njord and TORM vessels up until 13 July 2015)								
LR2 (Aframax, 90-110,000 dwt)								
Available earning days	885	846	872	883	893	1%		
Spot rates 1)	25,224	28,089	33,623	25,946	23,754	-6%	27,820	23,754
TCE per earning day 2)	25,486	26,707	34,024	25,127	22,598	-11%	27,083	22,598
Operating days	900	910	920	920	910	1%		
Operating expenses per operating day 3)	8,150	8,209	7,240	9,672	9,773	20%	8,722	9,773
LR1 (Panamax 75-85,000 dwt)								
Available earning days	612	636	628	600	637	4%		
Spot rates 1)	28,937	24,881	29,141	20,929	22,306	-23%	24,347	22,306
TCE per earning day 2)	28,276	25,369	28,939	21,031	22,305	-21%	24,444	22,305
Operating days	630	637	644	644	637	1%		
Operating expenses per operating day 3)	7,415	6,926	7,257	7,410	8,238	11%	7,457	8,238
MR (45,000 dwt)								
Available earning days	3,903	3,848	3,878	4,047	4,448	14%		
Spot rates 1)	22,971	22,219	24,599	18,695	19,393	-16%	21,134	19,393
TCE per earning day 2)	22,032	21,912	24,692	18,578	19,449	-12%	21,069	19,449
Operating days	3,780	3,822	3,864	4,216	4,553	20%		
Operating expenses per operating day 3)	7,267	7,329	6,682	6,869	6,966	-4%	6,959	6,966
Handy (35,000 dwt)								
Available earning days	819	888	913	975	995	21%		
Spot rates 1)	20,057	19,752	24,180	18,888	17,230	-14%	19,935	17,230
TCE per earning day 2)	20,035	18,762	22,897	19,005	17,567	-12%	19,511	17,567
Operating days	990	1,001	1,012	1,012	1,001	1%		
Operating expenses per operating day 3)	6,876	6,531	6,590	7,074	6,684	-3%	6,721	6,684
Total Tanker segments								
Available earning days	6,219	6,218	6,291	6,505	6,973	12%		
Spot rates 1)	23,492	22,913	26,089	19,739	19,680	-16%	22,020	19,680
TCE per earning day 2)	22,876	22,469	26,148	19,757	19,845	-13%	21,976	19,845
Operating days	6,300	6,370	6,440	6,792	7,101	13%		
Operating expenses per operating day 3)	7,346	7,289	6,805	7,331	7,400	1%	7,212	7,400

1) Spot rates = Time Charter Equivalent Earnings for all charters with less than 6 months' duration = Gross freight income less bunker, commissions and port expenses.

2) TCE = Time Charter Equivalent Earnings = Gross freight income less bunker, commissions and port expenses.

3) Operating expenses are related to owned vessels.

TORM fleet development

As of 31 March 2016, TORM's operated fleet is shown in the table below. In addition to the 77 owned product tankers, the largest owned fleet in TORM's history, TORM had chartered-in four product tankers.

TORM has taken delivery of the last three MR newbuildings, TORM Titan, TORM Torino and TORM Troilus, during the first quarter of 2016. TORM has four LR2 newbuildings on order with expected delivery between the fourth quarter of 2017 and the second quarter of 2018. In addition, TORM has an option to purchase up to six additional vessels within the LR2, LR1 or MR segments with expected delivery in 2018 and 2019.

	Q4 2015	Changes	Q1 2016	Changes	2016	Changes	2017	Changes	2018
Owned vessels									
LR2	8	-	8	-	8	1	9	3	12
LR1	7	-	7	-	7	-	7	-	7
MR	48	3	51	-	51	-	51	-	51
Handysize	11	-	11	-	11	-	11	-	11
Total	74	3	77	-	77	1	78	3	81
Charter-in vessels									
LR2	2	-	2	-	2	-	2	-2	0
LR1	0	-	0	-	0	-	0	-	0
MR	2	-	2	-	2	-2	0	-	0
Handysize	0	-	0	-	0	-	0	-	0
Total	4	-	4	-	4	-2	2	-2	0
Total fleet	78	3	81	-	81	-1	80	1	81

Notes on the financial reporting

Accounting policies

The interim report for the period 1 January – 31 March 2016 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2015 for TORM A/S including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2016. New standards have not had any material effect on the interim report. The accounting policies are described in more detail in the Annual Report for 2015 for TORM A/S. The interim report for the first three months of 2016 is unaudited, in line with normal practice.

Income statement

The comparison in the review of the income statement is done using historical pro forma figures.

The gross profit for the first quarter of 2016 was USD 80m, down from a pro forma level in the first quarter of 2015 of USD 88m due to a reduction in freight rates.

Administrative costs in the first quarter of 2016 were USD 11m (2015, same period, pro forma: USD 11m).

The result before depreciation (EBITDA) for the first quarter of 2016 was USD 70m (2015, same period, pro forma: USD 77m).

Depreciation in the first quarter of 2016 was USD 29m, which is an increase compared to a pro forma level of USD 23m in the first quarter of 2015 due to an increase in the asset base.

The primary operating result (EBIT) for the first quarter of 2016 was USD 41m (2015, same period, pro forma: USD 54m).

The first quarter of 2016 had financial expenses of USD 11m (2015, same period, pro forma: USD 11m).

The result after tax for the first quarter of 2016 was USD 31m (2015, same period, pro forma: USD 43m).

Assets

Total assets were USD 1,847m as of 31 March 2016.

The carrying value of the fleet including prepayments was USD 1,602m as of 31 March 2016 excluding outstanding installments on the newbuildings of USD 173m. Based on broker valuations, TORM's fleet including newbuildings had a market value of USD 1,812m as of 31 March 2016.

Debt

Net interest-bearing debt amounted to USD 605m as of 31 March 2016. As of 31 March 2016, TORM was in compliance with the financial covenants.

Equity

TORM's equity was USD 1,001m as of 31 March 2016. TORM held treasury shares as of 31 March 2016 equivalent to ~0.0% of the Company's share capital.

Liquidity

As of 31 March 2016, TORM's available liquidity was USD 198m and consisted of cash and cash equivalents of USD 123m and undrawn credit facilities of USD 75m. In addition, TORM expects to obtain up to USD 115m in financing of the LR2 newbuilding program. TORM had CAPEX commitments of USD 173m, all related to the LR2 newbulidings.

Post balance sheet events

On 15 April 2016, TORM established a new corporate structure of the TORM Group (the "Corporate Reorganization"). The Corporate Reorganization involved the insertion of a UK parent company,

TORM plc, a delisting of TORM A/S and a listing of TORM plc on Nasdaq Copenhagen. The Corporate Restructuring was supported by 95.9% of TORM A/S' shareholders. TORM plc will repurchase the shares from the remaining TORM A/S minority shareholders not accepting the transfer in connection with the ongoing squeeze-out for an amount of up to approx. USD 35m covering up to 4.1% of the outstanding shares. The squeeze-out period will be completed by 24 May 2016.

Basis for preparation of pro forma financial information adjusted for non-recurring items

On 13 July 2015, TORM, its lenders and Oaktree Capital Management ("Oaktree") completed a comprehensive restructuring ("Restructuring") of TORM's balance sheet. In return for a vessel contribution by means of the shares in OCM (Gibraltar) Njord Midco Ltd. ("Njord"), Oaktree obtained a controlling equity stake in TORM. The Restructuring is explained further in the Annual Report for TORM A/S for 2015 on page 20. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in these consolidated interim financial statements reflects the activity of Njord only, whereas for the full year 2015 the period from the date of the completion of the restructuring reflects the combined activities of TORM and Njord. For the purpose of comparing the financial performance in the first quarter of 2016 with the performance of the combined business for the first quarter of 2015 and for the full year 2015, TORM has presented pro forma financial information of Former TORM and "Njord" adjusted for non-recurring items. "Former TORM" refer to the historical financial statements of TORM A/S, the accounting acquiree, prior to the contribution of Njord.

TORM has prepared pro forma financial information by performing consolidation and elimination of all significant transactions between Former TORM and Njord for the period 1 January to 31 March 2015 and for the period 1 January to 31 December 2015, respectively.

Pro forma adjustments give effect to the completion of the Restructuring, which also reflects the write-down of part of TORM's debt to current asset values against issuance of Consideration Warrants, the exchange of part of Former TORM's debt for equity and, subject to certain adjustments, reinstatement of Former TORM's remaining debt under the New Term Facility Agreement. The pro forma income statements for the first quarter of 2015 and for the full year 2015 have been prepared as though the Restructuring occurred as of 1 January 2015.

The pro forma adjustments and adjustments for non-recurring items are based on available information and assumptions that TORM believes are reasonable. Such adjustments are based on estimates and may be subject to change.

For the purpose of the pro forma financial information, the initial purchase price allocation is based upon the estimated fair value of assets and liabilities of Former TORM as of 1 January 2015, and the pro forma adjustments consist of the differences between those fair values and the carrying amount of the same assets and liabilities as of 1 January 2015 except for write-down of debt.

For the purpose of the pro forma financial information, the write-down of part of Former TORM's debt to current asset values against issuance of warrants and the exchange of part of Former TORM's debt for equity are the actual numbers despite the carrying amount of the debt as of 1 January 2015 being different from the amount of the date of the Restructuring.

The impact of the write-down of debt and the cost incurred to effect the business combination have not been incorporated in the pro forma income statements, as the pro forma financial information has been prepared as though the Restructuring took place as of 1 January 2015. The pro forma income statement has been adjusted for costs incurred in relation to the Restructuring as they are deemed non-recurring items.

Furthermore, the following pro forma adjustments have been made to the unadjusted financial information of Former TORM and Njord:

- 1) Elimination of revenue generated and costs incurred in connection with the chartering of three vessels from Njord to Former TORM.
- 2) In 2011, Former TORM sold two LR2 tankers at prices above market and leased them back on seven-year bareboat contracts. The excess profit arising from the sales was recognized as deferred income and amortized over the term of the leases. In connection with the purchase price allocation, no new value has been allocated to these contracts, as it has

been determined that the charter rate according to the agreements approximates the current market rate. Accordingly, the amortized income recognized in first quarter 2015 has been reversed to reflect the situation as if the purchase price allocation occurred on 1 January 2015. Furthermore, there have been added amortizations of the value allocated to time charter contracts as part of the purchase price allocation on 1 January 2015 calculated as the difference between the contract value and the fair value of the monthly time charter as of the date of the Restructuring.

- 3) Depreciations during first quarter 2015 on vessels are reduced to reflect that the depreciable amount would have been reduced, had the vessels been adjusted to fair values as of 1 January 2015 in connection with the purchase price allocation. No adjustments have been made to depreciations on other tangible assets.
- 4) Former TORM disposed of its investment in Danish Ship Finance in connection with the Restructuring. For the presentation of the pro forma income statement, dividend received in first quarter 2015 has been reversed.
- 5) In 2015, Former TORM recognized financial expenses related to amortized borrowing costs and an amortization of the cash flow hedging reserve generated by interest rate swaps that were cancelled in connection with the 2012-Restructuring. For pro forma presentation purposes, amortized borrowing costs and amortized hedging reserve costs are reversed to reflect that had the Restructuring occurred as of 1 January 2015, any unamortized borrowing costs and hedge reserves would have been eliminated. The reason is that such borrowing costs and hedge reserves would not have been part of the purchase price allocation.
- 6) As part of the Restructuring, Former TORM's debt was significantly reduced. Consequently, for pro forma presentation purposes, interest expenses are reduced to reflect that had the Restructuring occurred as of 1 January 2015, the interest-bearing debt would have been lower.

Advisor fees incurred by Former TORM and directly related to the Restructuring has further been reversed as they are considered of non-recurring nature.

ABOUT TORM

TORM is one of the world's leading carriers of refined oil products. The Company operates a fleet of approximately 80 modern vessels with a strong commitment to safety, environmental responsibility and customer service. TORM was founded in 1889. The Company conducts business worldwide. For further information, please visit www.torm.com.

SAFE HARBOR STATEMENTS AS TO THE FUTURE

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this annual report release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "ton miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

Forward-looking statements are based on management's current evaluation, and TORM is only not under an obligation to update and change such forward- looking statements except as to the extent required by law.

Statement by the Board of Directors and Executive Management

The Board and Management have today discussed and adopted this interim report of TORM A/S for the period 1 January – 31 March 2016.

The interim report for the period 1 January – 31 March 2016 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report give a true and fair view of the Group's financial position as of 31 March 2016 as well as of Group's financial performance and cash flows for the period 1 January - 31 March 2016.

We also believe that the management report contains a fair review of the development and performance of the Group's business and of the financial position as a whole, together with a description of the principal risks and uncertainties that the Group face.

Copenhagen, 12 May 2016

Management

Jacob Meldgaard, CEO

Board of Directors

Christopher Boehringer, Chairman

David Weinstein, Deputy Chairman

Kari Millum Gardarnar

Rasmus Johannes Hoffmann

Torben Janholt

Pär Göran Trapp

Consolidated income statement*

USDm	Note	2016 Q1	2015 Q1	2015
Revenue		193.7	67.2	540.4
Port expenses, bunkers and commissions		-55.3	-23.1	-169.6
Time charter equivalent earnings		138.4	44.1	370.8
Charter hire		-5.4	0.0	-12.0
Operating expenses		-52.6	-16.4	-122.9
Gross profit (Net earnings from shipping activities)	4	80.4	27.7	235.9
Administrative expenses		-10.7	-0.1	-19.5
Other operating expenses		-0.2	-3.2	-6.3
Share of profit from joint ventures		0.0	0.0	0.2
EBITDA		69.5	24.4	210.3
Amortizations and depreciation		-28.9	-8.1	-67.3
Operating profit (EBIT)		40.6	16.3	143.0
Financial income		1.1	0.1	0.9
Financial expenses		-10.5	-1.3	-16.9
Profit before tax		31.2	15.1	127.0
Tax		-0.3	0.0	-1.0
Net profit for the period		30.9	15.1	126.0
Earnings per share, EPS**				
Earnings per share, EPS		USD	0.5	0.4
Earnings per share, EPS		DKK**	3.3	2.6
Diluted earnings per share		USD	0.5	0.4
Diluted earnings per share		DKK**	3.3	2.6

*) On 13 July 2015, TORM, its lenders and Oaktree completed a restructuring. In return for a vessel contribution by means of the shares in Njord, Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated Financial Statements reflects the activity of Njord only, whereas for the full year 2015 the period from the Restructuring Completion Date reflects the combined activities of TORM and Njord.

**) The key figures have been translated from USD to DKK using the average USD/DKK exchange change rate for the period in question.

Consolidated income statement per quarter*

USDm	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	193.7	186.2	215.5	71.5	67.2
Port expenses, bunkers and commissions	-55.3	-57.0	-65.7	-23.8	-23.1
Time charter equivalent earnings	138.4	129.2	149.8	47.7	44.1
Charter hire	-5.4	-5.9	-6.1	0.0	0.0
Operating expenses	-52.6	-50.4	-40.0	-16.1	-16.4
Gross profit (Net earnings from shipping activities)	80.4	72.9	103.7	31.6	27.7
Administrative expenses	-10.7	-11.0	-8.2	-0.2	-0.1
Other operating expenses	-0.2	0.0	0.2	-3.3	-3.2
Share of profit from joint ventures	0.0	0.2	0.0	0.0	0.0
EBITDA	69.5	62.1	95.7	28.1	24.4
Amortizations and depreciation	-28.9	-27.3	-24.3	-7.6	-8.1
Operating profit (EBIT)	40.6	34.8	71.4	20.5	16.3
Financial income	1.1	0.5	0.1	0.2	0.1
Financial expenses	-10.5	-7.8	-6.5	-1.3	-1.3
Profit before tax	31.2	27.5	65.0	19.4	15.1
Tax	-0.3	-0.8	-0.2	0.0	0.0
Net profit for the period	30.9	26.7	64.8	19.4	15.1
Earnings per share, EPS					
Earnings per share, EPS	USD	0.5	0.5	1.1	0.5
Diluted earnings per share	USD	0.5	0.5	1.1	0.5

*) On 13 July 2015, TORM, its lenders and Oaktree completed a restructuring. In return for a vessel contribution by means of the shares in Njord, Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated Financial Statements reflects the activity of Njord only, whereas for the full year 2015 the period from the Restructuring Completion Date reflects the combined activities of TORM and Njord.

Consolidated statement of comprehensive income*

USDm	Q1 2016	Q1 2015	2015
Net profit for the period	30.9	15.1	126.0
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange rate adjustment arising from translation of entities using a measurement currency different from USD	0.0	0.0	0.2
Fair value adjustment on hedging instruments	-6.5	0.0	1.0
Value adjustment on hedging instruments transferred to income statement	-0.2	0.0	0.3
Other comprehensive income after tax**	-6.7	0.0	1.5
Total comprehensive income	24.2	15.1	127.5

*) On 13 July 2015, TORM, its lenders and Oaktree completed a restructuring. In return for a vessel contribution by means of the shares in Njord, Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated Financial Statements reflects the activity of Njord only, whereas for the full year 2015 the period from the Restructuring Completion Date reflects the combined activities of TORM and Njord.

**) No income tax was incurred relating to other comprehensive income items

Consolidated balance sheet – Assets

USDm	Note	31 March 2016	31 March 2015	31 December 2015
NON-CURRENT ASSETS				
Intangible assets				
Goodwill		11.4	0.0	11.4
Total intangible assets		11.4	0.0	11.4
Tangible fixed assets				
Vessels and capitalized dry-docking	1	1,582.6	493.9	1,492.0
Prepayments on vessels	2	19.4	75.9	72.6
Other plant and operating equipment		2.0	0.0	2.5
Total tangible fixed assets		1,604.0	569.8	1,567.1
Financial assets				
Investment in joint ventures		0.3	0.0	0.3
Total financial assets		0.3	0.0	0.3
TOTAL NON-CURRENT ASSETS		1,615.7	569.8	1,578.8
CURRENT ASSETS				
Bunkers		22.5	11.6	25.6
Freight receivables		69.1	24.4	83.1
Other receivables		8.8	0.6	5.8
Prepayments		7.7	2.2	5.9
Cash and cash equivalents		122.7	36.8	168.2
TOTAL CURRENT ASSETS		230.8	75.6	288.6
TOTAL ASSETS		1,846.5	645.4	1,867.4

Consolidated balance sheet – Equity and liabilities

USDm	Note	31 March 2016	31 March 2015	31 December 2015
EQUITY				
Common shares		141.9	88.0	141.9
Special reserves		61.0	0.0	61.0
Treasury shares		0.0	0.0	-0.2
Hedging reserves		-5.3	0.0	1.4
Translation reserves		0.2	0.0	0.2
Retained profit		802.9	410.6	771.7
TOTAL EQUITY		1,000.7	498.6	976.0
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred tax liability		45.1	0.0	45.1
Mortgage debt and bank loans	3	627.3	121.4	717.5
Finance lease liabilities		13.5	0.0	12.9
TOTAL NON-CURRENT LIABILITIES		685.9	121.4	775.5
CURRENT LIABILITIES				
Mortgage debt and bank loans	3	86.5	16.1	48.7
Finance lease liabilities		0.8	0.0	0.6
Trade payables		26.6	9.0	22.3
Current tax liabilities		1.7	0.0	1.8
Other liabilities		44.0	0.3	42.1
Deferred income		0.3	0.0	0.4
TOTAL CURRENT LIABILITIES		159.9	25.4	115.9
TOTAL LIABILITIES		845.8	146.8	891.4
TOTAL EQUITY AND LIABILITIES		1,846.5	645.4	1,867.4
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Consolidated statement of changes in equity for the period 1 January – 31 March 2016

	Common shares*	Special reserves**	Treasury shares	Hedging reserves	Translation reserves	Retained profit	Total
USDm							
Equity as of 1 January 2016	141.9	61.0	-0.2	1.4	0.2	771.7	976.0
Comprehensive income for the period:							
Net profit for the period	-	-	-	-	-	30.9	30.9
Other comprehensive income for the period	-	-	-	-6.7	0.0	-	-6.7
Total comprehensive income for the period	-	-	-	-6.7	0.0	30.9	24.2
Shareholders' contribution	-	-	-	-	-	-	0.0
Cancellation of treasury shares	-0.2	-	0.2	-	-	-	0.0
Share-based compensation	-	-	-	-	-	0.5	0.5
Total changes in equity Q1 2016	-0.2	0.0	0.2	-6.7	0.0	31.4	24.7
Equity as of 31 March 2016	141.7	61.0	0.0	-5.3	0.2	803.1	1,000.7

*Common shares have been adjusted to reflect the nominal capital of TORM A/S.

**The special reserves were established in conjunction with a capital increase in TORM in 2012. In accordance with the Danish Companies Act, the special reserves can be used by the Board of Directors to distribute dividends or for other purposes that the Board of Directors may deem appropriate.

Consolidated statement of changes in equity for the period 1 January – 31 March 2015

	Common shares*	Special reserves**	Treasury shares	Other reserves	Hedging reserves	Translation reserves	Retained profit	Total
USDm								
Balance as of 1 January 2015, as shown in the financial statements of Njord	0.0	0.0	0.0	0.0	0.0	0.0	469.5	469.5
Effect of the business combination 1 January 2015	88.0	0.0	0.0	0.0	0.0	0.0	-88.0	0.0
Equity as of 1 January 2015	88.0	0.0	0.0	0.0	0.0	0.0	381.5	469.5
Comprehensive income for the period:								
Net profit for the period	-	-	-	-	-	-	15.1	15.1
Other comprehensive income for the period	-	-	-	-	-	-	-	0.0
Total comprehensive income for the period	-	-	-	-	0.0	0.0	15.1	15.1
Shareholders' contribution	-	-	-	-	-	-	14.0	14.0
Cancellation of treasury shares	-	-	-	-	-	-	-	0.0
Share-based compensation	-	-	-	-	-	-	-	0.0
Total changes in equity Q1 2015	0.0	0.0	0.0	0.0	0.0	0.0	29.1	29.1
Equity as of 31 March 2015	88.0	0.0	0.0	0.0	0.0	0.0	410.6	498.6

*Common shares have been adjusted to reflect the nominal capital of TORM A/S.

**The special reserves were established in conjunction with a capital increase in TORM in 2012. In accordance with the Danish Companies Act, the special reserves can be used by the Board of Directors to distribute dividends or for other purposes that the Board of Directors may deem appropriate.

Consolidated statement of cash flow*

USDm	Q1 2016	Q1 2015	2015
Cash flow from operating activities			
Operating profit	40.6	16.3	143.0
Adjustments:			
Reversal of amortizations and depreciation	28.9	8.1	67.3
Reversal of share of results of joint ventures	0.0	0.0	-0.2
Reversal of other non-cash movements	-0.1	0.0	-0.9
Dividends received from joint ventures	0.0	0.0	0.2
Interest received and exchange rate gains	1.1	0.0	0.6
Interest paid and exchange rate losses	-9.1	-1.3	-12.4
Income taxes paid/repaid	-0.4	0.0	-0.6
Change in bunkers, accounts receivables and payables	10.4	6.6	17.0
Net cash flow from operating activities	71.4	29.7	214.0
Cash flow from investing activities			
Investment in tangible fixed assets	-64.5	-40.9	-253.9
Cash from business combination	0.0	0.0	77.5
Sale of non-current assets (vessels)	0.0	0.0	17.6
Net cash flow from investing activities	-64.5	-40.9	-158.8
Cash flow from financing activities			
Borrowing, mortgage debt	0.0	0.0	93.1
Repayment/redemption, mortgage debt	-52.5	-4.1	-29.2
Shareholders' contribution	0.0	14.0	14.0
Transaction costs share issue	0.0	0.0	-2.7
Purchase/disposals of treasury shares	0.0	0.0	-0.2
Net cash flow from financing activities	-52.5	9.9	75.0
Net cash flow from operating, investing and financing activities	-45.6	-1.3	130.2
Cash and cash equivalents, beginning balance	168.3	38.1	38.1
Cash and cash equivalents, ending balance	122.7	36.8	168.3
Of which restricted cash equivalents	14.7	0.0	13.8
Non-restricted cash and cash equivalents	108.0	36.8	154.5

*) On 13 July 2015, TORM, its lenders and Oaktree completed a restructuring. In return for a vessel contribution by means of the shares in Njord, Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated Financial Statements reflects the activity of Njord only, whereas for the full year 2015 the period from the Restructuring Completion Date reflects the combined activities of TORM and Njord.

Consolidated quarterly statement of cash flow*

USDm	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Cash flow from operating activities					
Operating profit	40.6	34.8	71.4	20.5	16.3
Adjustments:					
Reversal of amortizations and depreciation	28.9	27.3	24.3	7.6	8.1
Reversal of share of results of joint ventures	0.0	-0.2	0.0	0.0	0.0
Reversal of other non-cash movements	-0.1	-0.7	-0.2	0.0	0.0
Dividends received from joint ventures	0.0	0.2	0.0	0.0	0.0
Interest received and exchange rate gains	1.1	0.3	0.3	0.0	0.0
Interest paid and exchange rate losses	-9.1	-6.9	-2.9	-1.3	-1.3
Income taxes paid/repaid	-0.4	-0.8	0.2	0.0	0.0
Change in bunkers, accounts receivables and payables	10.4	22.8	-12.8	0.4	6.6
Net cash flow from operating activities	71.4	76.8	80.3	27.2	29.7
Cash flow from investing activities					
Investment in tangible fixed assets	-64.5	-172.3	-31.5	-9.2	-40.9
Cash from business combination	0.0	0.0	77.5	0.0	0.0
Sale of non-current assets (vessels)	0.0	17.6	0.0	0.0	0.0
Net cash flow from investing activities	-64.5	-154.7	46.0	-9.2	-40.9
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	93.1	0.0	0.0	0.0
Repayment/redemption, mortgage debt	-52.5	-16.4	-4.7	-4.0	-4.1
Shareholders' contribution	0.0	0.0	0.0	0.0	14.0
Transaction costs share issue	0.0	-0.1	-2.6	0.0	0.0
Purchase/disposals of treasury shares	0.0	0.0	-0.2	0.0	0.0
Net cash flow from financing activities	-52.5	76.6	-7.5	-4.0	9.9
Net cash flow from operating, investing and financing activities	-45.6	-1.3	118.8	14.0	-1.3
Cash and cash equivalents, beginning balance	168.3	169.6	50.8	36.8	38.1
Cash and cash equivalents, ending balance	122.7	168.3	169.6	50.8	36.8

*) On 13 July 2015, TORM, its lenders and Oaktree completed a restructuring. In return for a vessel contribution by means of the shares in Njord, Oaktree obtained a controlling equity stake in TORM. Njord is considered the accounting acquirer and the continuing reporting entity. Reported comparative figures in the first quarter of 2015, presented in the Consolidated Financial Statements reflects the activity of Njord only, whereas for the full year 2015 the period from the Restructuring Completion Date reflects the combined activities of TORM and Njord.

Notes

Note 1 - Vessels and capitalized dry-docking and goodwill

USDm	31 March 2016	31 March 2015	31 December 2015
Cost:			
Balance as of 1 January	1,567.5	530.1	530.1
Additions	13.4	0.0	112.0
Disposals	-10.0	-0.2	-18.6
Additions through business combinations	0.0	0.0	857.4
Transferred to/from other items	105.4	0.0	104.6
Transferred to assets held-for-sale	0.0	0.0	-18.0
Balance	1,676.3	529.9	1,567.5
Depreciation and impairments:			
Balance as of 1 January	75.5	27.9	27.9
Disposals	-10.0	0.0	-18.6
Depreciation for the year	28.2	8.1	66.5
Transferred to assets held-for-sale	0.0	0.0	-0.3
Balance	93.7	36.0	75.5
Carrying amount	1,582.6	493.9	1,492.0

As of 31 March 2016, the fair value less costs to sell of the individual assets and liabilities of the Tanker Segment exceeds the carrying value including goodwill of the segment. As such, goodwill and other assets including vessels are not impaired as of 31 March 2016. In addition, TORM has assessed the value in use of the Tanker Segment, which also exceeds the carrying value of the Tanker Segment as of 31 March 2016.

Note 2 – Prepayments on vessels

USDm	31 March 2016	31 March 2015	31 December 2015
Cost:			
Balance as of 1 January	72.6	34.7	34.7
Additions	52.2	41.2	142.5
Disposals	0.0	0.0	0.0
Transferred to/from other items	-105.4	0.0	-104.6
Balance	0.0	0.0	0.0
Carrying amount	19.4	75.9	72.6

Note 3 - Mortgage debt and bank loans

USDm	31 March	31 March	31 December
	2016	2015	2015
Mortgage debt and bank loans			
To be repaid as follows:			
Falling due within one year	86.8	16.2	48.8
Falling due between one and two years	73.7	16.2	48.8
Falling due between two and three years	72.4	16.2	74.3
Falling due between three and four years	135.1	15.0	155.4
Falling due between four and five years	57.1	74.2	57.1
Falling due after five years	289.6	0.0	382.8
Total	714.7	137.8	767.2

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of USD 0.9m (31 March 2015: 0.3m), which are amortized over the term of the loans.

As of 31 March 2016, TORM was in compliance with the financial covenants. TORM expects to remain in compliance with the financial covenants in 2016.

Note 4 – Segment information

USDm	Q1 2016			Q1 2015			Total
	Tanker	Bulk	Not allocated	Tanker	Bulk	Not allocated	
Revenue	193.7	0.0	0.0	193.7	67.2	0.0	0.0
Port expenses, bunkers and commissions	-55.3	0.0	0.0	-55.3	-23.1	0.0	0.0
Time charter equivalent earnings	138.4	0.0	0.0	138.4	44.1	0.0	44.1
Charter hire	-5.4	0.0	0.0	-5.4	0.0	0.0	0.0
Operating expenses	-52.6	0.0	0.0	-52.6	-16.4	0.0	-16.4
Gross profit (Net earnings from shipping activities)	80.4	0.0	0.0	80.4	27.7	0.0	27.7
(Segment result)							
Administrative expenses				-10.7	-10.7		-0.1
Other operating expenses				-0.2	-0.2		-3.2
EBITDA				-10.9	69.5		-3.4
Amortizations and depreciation				-28.9	-28.9		-8.1
Operating profit (EBIT)				-39.8	40.6		-11.5
Financial income				1.1	1.1		0.1
Financial expenses				-10.5	-10.5		-1.3
Profit before tax				-49.2	31.2		-12.7
Tax				-0.3	-0.3		0.0
Net profit for the period				-49.5	30.9		-12.7
							15.1

During the period, there have been no transactions between the Tanker Segment and the Bulk Segment, and therefore all revenue derives from external customers.

Note 5 – Post-balance sheet date events

On 15 April 2016, TORM established a new corporate structure of the TORM Group (the "Corporate Reorganization"). The Corporate Reorganization involved the insertion of a UK parent company, TORM plc, a delisting of TORM A/S and a listing of TORM plc on Nasdaq Copenhagen. The Corporate Restructuring was supported by 95.9% of TORM A/S' shareholders. TORM plc will repurchase the shares from the remaining TORM A/S minority shareholders not accepting the transfer in connection with the ongoing squeeze-out for an amount of up to approx. USD 35m covering up to 4.1% of the outstanding shares. The squeeze-out period will be completed by 24 May 2016.

Note 6 - Accounting policies

The interim report for the period 1 January – 31 March 2016 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2015 for TORM A/S including IFRS standards endorsed by the EU effective for accounting periods beginning after 1 January 2016. New standards have not had any material effect on the interim report. The accounting policies are described in more detail in the Annual Report for 2015 for TORM A/S. The interim report for the first three months of 2016 is unaudited, in line with normal practice.