

TORM announces new distribution policy

The combination of the 2015 Restructuring and the strong prevailing product tanker freight rates has given TORM plc ("TORM") considerable strategic and financial flexibility. Therefore, TORM's Board of Directors has today approved a new distribution policy that will allow investors to benefit from the earnings while enabling TORM to selectively invest in the fleet. The distribution policy opens for dividends and/or share repurchases.

TORM anticipates having one fixed distribution in September 2016 of USD 25.0m. With semi-annual distributions, this corresponds to an annualized dividend of USD 0.783 pr. share (approx. DKK 5.10 pr. share at the present USD/DKK rate and assuming 63.8m shares) and an annualized dividend yield of 6.0% based on yesterday's share price (11 May 2016).

Hereafter, TORM intends to semi-annually distribute 25 to 50% of net income. The distribution policy will be periodically reviewed and considered in light of TORM's capital structure, strategic developments, future obligations, market trends and shareholder interests.

In addition to dividends, TORM will also consider share repurchases. Currently, TORM has authorization to acquire treasury A shares equivalent to a total of 10% of the Company's share capital.

During May 2016, TORM will acquire up to 4.1% of the A shares in TORM A/S as part of the initiated squeeze-out (cf. company announcement no. 7 dated 26 April 2016). The share purchase may total a consideration of up to approx. USD 35m and will be accretive for the TORM shareholders.

"TORM is striving to create total shareholder returns above peer average in the product tanker space. With the strong operational platform and the TORM Corporate Reorganization in place, we are pleased to announce a new distribution policy. The Board of Directors believes that this policy strikes a balance between retaining financial and strategic flexibility while allowing our shareholders to directly benefit from TORM's positive financial results," says Chairman Christopher Boehringer.

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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. TORM's shares are listed on Nasdaq Copenhagen (ticker: TRMD A). 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 words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions generally identify forward-looking statements.

The forward-looking statements in this 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 that 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.

In light of these risks and uncertainties, you should not place undue reliance on forward-looking statements contained in this release because they are statements about events that are not certain to occur as described or at all. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.