

## **Herbjorn Hansson – King of dividends on Wall Street.**

The founder, chairman and CEO of Nordic American Tankers interviewed by Oddvar Stenstrom.

Every quarter since 1997 Nordic American Tankers has paid dividends to its shareholders. Even in challenging times, when tanker rates declined, the shareholders received their dividends.

We asked the founder, chairman and CEO, Herbjorn Hansson, if this is kind of a world record in the stockmarket?

-Well, only a handful of companies such as Coca-Cola have managed to do this. It is indeed rare, and I am very proud that NAT has paid dividends every quarter since 1997. And a few years ago a Norwegian newspaper called me “The best Hansson in the world”

-So we can name you a “King of dividends”?

-Well, I am a modest man from a small country in the world, but to be called a “King of dividends” is not an offense. On the contrary. I see it as a compliment. We are a company of many people working around the clock so that Nordic American Tankers can be as successful as possible. And we are proud of being able to send a check to our shareholders every quarter, year after year.

-Every business has its ups and downs. Where do you get the money to pay dividends even when you don't make much money?

-Well, the dividends rise and fall depending on how much money we make. But we always have money in the bank. And we always make sure money goes to our shareholders.

-How much have you paid in dividends through all these years?

-We have paid close to 1,5 billion dollars. And that's money too...

-What is your philosophy when it comes to dividends?

-A large number of our shareholders are Americans. And the way I know Americans, they like it simple. Therefore our goal is that every dollar we make shall go to our shareholders except what's needed to run our operations.

You know, the shareholders appreciate getting a check in the mail every quarter, year after year. And who doesn't? Many investors have noticed our dividends policy and invested their money in NAT.

-So every dollar you make goes to the shareholders as dividends?

-Yes, every dollar except for the money we need to run our operations.

-Is that the reason why NAT is so popular on Wall Street?

-Yes, I believe so. NAT is far from being the biggest company on Wall Street, but our shares are highly liquid. It means that a large number of our shares are being bought and sold every day. The investors have a high interest in our company. This is very good because it is important to us to be part of Wall Street. It means we are part of a major international financial market. And our company is a capital intensive business.

-I have been told that once on a road-trip in USA to present NAT to new investors, you met a man in Los Angeles who asked you this question: What is this company actually doing?

-Yes, that's true. I looked him straight in the eyes and said: The main focus of our business is to make people rich. When I suddenly realized that the man I was talking to was very rich, I added: And we make rich people even richer...

-How do investors react when they hear this message?

-They like it. And the man I met in Los Angeles ended up as a shareholder in NAT together with more than sixty thousand other Americans. These roadshows are some of the most interesting and inspiring things I do. We have up to ten meetings a day and get a lot of questions. It's like being up to an exam every day. Our message is simple. We tell investors that if they wonder whether or not to invest in the oil tanker business, and they must decide that for themselves, we are their best option.

-Both you and your son are major shareholders in the company. How important is that?

-It's important when it comes to building confidence. When you as a founder, chairman and CEO have invested most of your own money in the company,

other shareholders can be certain you are doing everything you can to make it a success.

People know me as a low risk person. With a good balance sheet we can make it through difficult times. My son, who lives in Monaco, is important to me in making this work. While many shipping companies have foundered over the years, we have prospered. Management is key. For us to survive, it is vital to decide what kind of risk to take and just as importantly not to take. And how can we limit the risk we are taking. But you can not run the business so safely that you don't make a nice profit. I like to say that if you are scared, this business is not for you.

-Through the years you have been a frequent guest on the business channel CNBC. How important is that?

-Yes, I have been on CNBC more than 30 times, often on Mad Money with Jim Cramer who is an expert on the stock market. Quite a few times he has recommended the viewers to buy NAT-stocks. To be on CNBC is a great opportunity to promote Nordic American Tankers to the market. And I am very pleased every time I can tell them our figures show we are the best in our business.

-Many people remember once you were interviewed by Erin Burnett...

-You probably think about the time when I told her our business is like a fox. I told her that the fox always has two exits from its hole. When the market is good, we make money. When the market is bad, we can buy new ships at a very low price...

-You are always wearing a red tie when you are on CNBC...

-Yes, I am known as the Norwegian with the red tie. It's a funny gimmick. Many years ago I was told to wear a red tie on tv. And that's why.

-Many of your friends say you have an almost magical ability to be surrounded by happy shareholders.

-If that is true, I must say it's nice to hear. And I have no doubt that our policy on dividends is the main reason our owners like us. When they know they will have a check in the mail every quarter, they will stay with us in good times and

bad times. We also work hard to keep in close contact with our shareholders and provide them with a constant flow of information about the business.

We can also add that the shipping newspaper Trade Winds a few years ago wrote that we must not forget how important Herbjorn Hansson himself is when it comes to NAT's success. Many companies have tried to copy NAT's model. They experienced a short lived interest in their stocks, but could not hold on to all of their shareholders. No one has been able to duplicate us.

-You must be the only shipowner in the world with your phone number on the company's homepage so that anyone can give you a call?

-You're right. And a lot of people do call me. Most of them are shareholders.

-And how do they react when they realize they are talking to the top man?

-Most of them are surprised, but that makes it even more fun and pleasant.