WILH. WILHELMSEN ASA

ANNUAL REPORT

2011

Wilh. Wilhelmsen

CONTENT

KEY FIGURES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

"WWASA delivered 45% increase in operating profit and 23% revenue growth in 2011."

OPTIMISING CARGO MIX

The key is to fill the vessel with cargo that utilizes its special capabilities, e.g. strong ramps or decks that can be hoisted. Modern tonnage generally operates more efficiently and produces better earnings. Our vessels are purpose built to transport cars and high and heavy cargo such as agricultural, mining and construction equipment. An added advantage of our design is that it is ideal for transporting break bulk cargos like machinery, power generators, railway cars and yachts.

KEY FIGURES

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

CONSOLIDATED ACCOUNTS

		2011	2010	2009	2008	2007
Income statement						
Total income*	USD mill	2 422	1 963	1 688	2 416	2 018
Primary operating profit*	USD mill	436	338	319	375	343
Operating profit*	USD mill	292	201	150	263	214
Profit/(loss) before tax*	USD mill	145	67	246	(52)	196
Net profit/(loss)	USD mill	143	13	277	25	(34)
Balance sheet						
Fixed assets	USD mill	2 610	2 154	2 070	1 933	1 582
Current assets	USD mill	438	622	512	288	369
Equity	USD mill	1 207	1 107	895	616	649
Interest-bearing debt	USD mill	1 483	1 320	1 398	1 145	917
Total assets	USD mill	3 048	2 776	2 583	2 222	1 951
Key financial figures						
Cash flow from operations (1)	USD mill	164	105	127	144	89
Liquid funds at 31.12 (2)	USD mill	402	582	476	251	267
Liquidity ratio (3)		1.4	2.2	3.3	1.1	1.6
Equity ratio (4)	%	40%	40%	35%	28%	33%
Yield						
Return on capital employed (5)	%	9.9%	7.5%	7.4%	9.3%	11.5%
Return on equity (6)	%	12.4%	1.3%	36.7%	3.9%	(4.8%)
Key figures per share						
Earnings per share (7)	USD	0.65	0.06	1.26	0.12	(0.16)
Diluted earnings per share (8)	USD	0.65	0.06	1.26	0.12	(0.16)
Primary operating profit per share (9)*	USD	1.98	1.53	1.45	1.70	1.56
Average number of shares outstanding	(thousand)	220 000	220 000	220 000	220 000	220 000

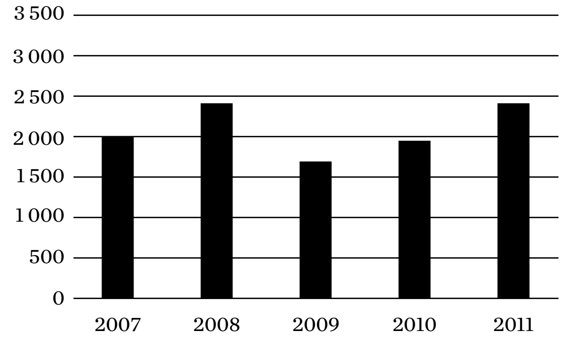
DEFINITIONS:

(1) Net cash flow from operating activites.
(2) Cash, bank deposits and short term financial investments.
(3) Current assets divided by current liabilities.
(4) Equity in percent of total assets.
(5) Operating profit (EBIT) divided by average equity and interest-bearing debt.
(6) Profit after taxes divided by average equity.
(7) Profit for the period after minority interests, divided by average number of shares.
(8) Earnings per share taking into consideration the number of potential outstanding shares in the period.
(9) Operating profit for the period adjusted for depreciation and impairments of assets, divided by average number of shares outstanding.

* Figures according to the proportional method for joint ventures, which reflects the group's underlying operations in more details than the financial statements based on the equity method for joint ventures.

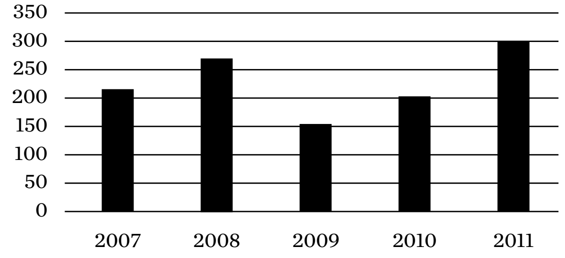
TOTAL INCOME*

(USD mill)



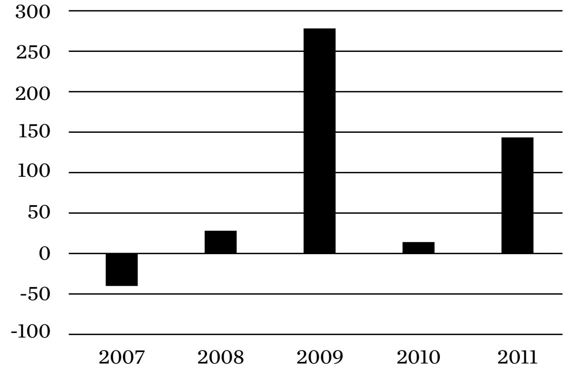
OPERATING PROFIT*

(USD mill)



NET PROFIT/(LOSS)

(USD mill)



DIRECTORS' REPORT

"Stable revenue growth driven by increased volumes and higher fleet utilisation."

FLEXIBLE TONNAGE

Each WWASA operating company has a different set up, different customers, different trades and different fleets. Yet all are established leaders within the global car/ro-ro segment and have their own customer bases. Such diversity within a common framework gives us the flexibility to meet extraordinary challenges. This quality is also enhanced through our mix of owned and chartered vessels: chartered vessels can be redelivered if necessary. Our newer vessels are able to carry very high, very heavy and very long cargo.

DIRECTORS' REPORT

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

A solid increase in transported volumes and positive development in all trades confirmed the growth in the car and ro-ro markets during 2011. Improved cargo mix, higher fleet utilisation and more energy efficient vessels all contributed to a higher operating profit and total income in 2011.

ANNUAL GROUP ACCOUNTS – COMMENTS ON EQUITY FIGURES

The group posted an operating profit of USD 254 million for 2011, compared with USD 176 million in 2010. (Figures for the corresponding period of 2010 will hereafter be shown in brackets). Total income amounted to USD 491 million (USD 402 million).[1]

Financial expenses amounted to USD 125 million (USD 122 million). Higher interest-bearing debt caused net interest expenses to rise in 2011 compared with 2010. In addition, lower interest rates led to a loss, partly unrealised, on interest rate hedges. The effect on net financials was offset by a net currency gain of USD 2 million (loss of USD 21 million).

Group profit before tax for 2011 amounted to USD 129 million (USD 54 million).

Income tax expenses for the year totalled an income of USD 14 million (expense of USD 41 million). The tax for 2010 included a tax charge of USD 83 million as a result of converting the environmental fund to deferred tax.

Net profit after tax came to USD 143 million (USD 13 million).

GOING CONCERN ASSUMPTION

Pursuant to section 4, sub-section 5, confer section 3, sub-section 3a of the Norwegian Accounting Act, it is hereby confirmed that the annual accounts have been prepared under the assumption that the enterprise is a going concern.

CAPITAL AND FINANCE

Debt

WWASA's gross interest-bearing debt, including the group's share of interest-bearing debt in joint ventures, was USD 2 232 million at the end of 2011 (USD 2 127 million), of which USD 1 483 million was on WWASA's own account (USD 1 320 million). The increase was related to delivery of new vessels.

Outstanding certificates and bonds totalled USD 384 million (USD 403 million) with the residual consisting of bank loans, leasing commitments and other interest bearing debt.

Interest rates and foreign exchange

Long term USD interest rates fell during 2011. However, the short term interest rate increased during the year. Three months USD Libor moved from 0.25 to 0.60%.

Net interest expense for the group came to USD 87 million (USD 67 million). The increase was related to higher average interest-bearing debt and a partly unrealised loss on interest rate hedges, caused by falling long term USD interest rates.

WWASA seeks to hedge 30-70% of its net interest rate exposure, predominantly through interest rate swaps and options. The group has a pro-active approach to interest rate risk management and endeavors to take advantage of changing market conditions. The notional value of the interest rate derivatives corresponded to approximately 75% (65%) of the interest rate exposure at the end of 2011. The majority of the hedging contracts were entered into in 2007 and 2008, some with a forward start.

The group's major currency exposure is in NOK as the accounts are denominated in USD. A slightly stronger USD/NOK rate during 2011 led to a net currency gain of USD 2.4 million (loss of USD 21.1 million).

WWASA's policy is to hedge between 25-75% of the group's transactional foreign exchange exposure for the next four years. The net short NOK exposure (before hedging activities) was estimated to be approximately NOK 2.0 billion (NOK 2.2 billion) at year end. This exposure is hedged primarily through options. The average delta-adjusted hedge ratio at the end of 2011 was approximately 40% (40%).

In 2011, only minor adjustments were made to the hedge portfolio, as maturing options were rolled to reach desired duration. With a high degree of optionality already in place in the hedge programme, the market sensitivity compared to using forward contracts is significantly reduced. The group's hedge ratio increases when the NOK appreciates and vice versa. The main strike levels on purchased put options at the end of 2011 were in the area of USD/NOK 5.50-5.80 (USD/NOK 5.70-5.80). WWASA is actively managing a portfolio of short call options to finance the put options.

The market value of WWASA's foreign exchange derivatives portfolio was negative USD 2 million (positive USD 13 million) at the end of 2011.

Bunkers

Rotterdam FOB 380 increased from USD 490 per tonne (USD 450 per tonne) to USD 630 per tonne (USD 490 per tonne) during 2011.

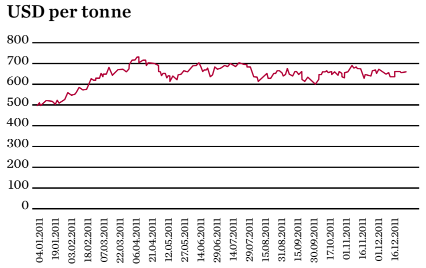
Through the operating companies, WWASA has an ambition to secure bunker adjustment factor clauses (BAF) in all freight contracts. The majority of the roughly 1 900 000 tonnes (1 750 000 tonnes) of bunkers consumed in 2011 by the ship operating companies in the group were secured through BAF clauses. WWASA's share amounted to 850 000 tonnes (760 000 tonnes). In addition, the group may secure part of its additional bunker exposure through various hedge contracts.

As of 31 December 2011, the WWASA group had put on a structure of fi-

HIGHLIGHTS FOR 2011:

- Total volume up 16% compared with 2010
  - All time high volumes – 21 million CBM – shipped in the fourth quarter
- Positive development in most trades, with strongest rebound in main trades
- High and heavy volumes increased more than cars improving cargo mix
- Improved fleet utilisation
- WWASA took delivery of four vessels, all commenced service for WWL
  - Tønsberg, first quarter
  - Tiger, second quarter
  - Tugela, third quarter
  - Titania, fourth quarter
- New vessels are more energy efficient, improving operating margin
- An increase in volumes handled gave strong contribution from logistics activities
- Funding secured for remaining three newbuildings on WWASA's own account
- Semi annual dividend paid, totalling NOK 1.0 per share

BUNKER PRICE DEVELOPMENT



[1] Total income and operating profit for 2011 included positive one-offs amounting to USD 4 million recorded in the first quarter. Total income for 2010 included positive one-offs amounting to USD 8.0 million, also recorded in the first quarter. The one-offs were related to gains from cancellation of purchase options for two vessels on financial lease and reversal of vessel impairments. Operating profit was further impacted by negative one-offs in the holding segment of USD 1.5 million. Total one-offs included in the group operating profit for 2010 amounted to positive USD 6.5 million.

DIRECTORS' REPORT

nancial derivatives to partly reduce the floor of when the BAF clauses enter into effect.

The market value of the hedge contracts, including hedge contracts in joint ventures, was USD 5.4 million (USD 2.5 million) at year end.

As of 31 December 2011, the WWASA group had secured 75% of the group's expected share of bunker exposure in 2012 through derivatives and bunker compensation clauses in the freight contracts.

Liquidity
The WWASA group's net cash flow in 2011 from operating, investing and financing activities amounted to minus USD 232 million (positive USD 193 million), due to large investments in new vessels. Cash flow from operating activities increased to USD 164 million (USD 105 million) primarily due to improved operating results. Cash flow from investing activities amounted to minus USD 441 million (positive USD 14 million), driven by instalments paid according to newbuilding contracts. Cash flow from financing activities contributed with USD 45 million (USD 75 million) driven by issuance of debt related to vessel deliveries. This was however partly offset by repayment of pre-delivery financing on delivered vessels and planned instalments on other debt.

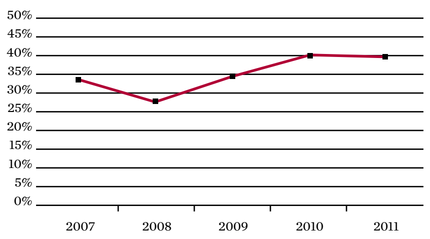
Cash and bank deposits were reduced to USD 292 million (USD 524 million). Total liquid assets, including cash and bank deposits and current financial investments were USD 402 million (USD 582 million) at the end of 2011. Undrawn committed drawing rights totalled USD 100 million (USD 100 million), of which USD 61 million (USD 4 million) functioned as backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.

WWASA has an active financial asset management of part of the group's total liquidity. The value of the portfolio amounted to USD 110 million at 31 December 2011 (USD 58 million), with investment primarily in investment grade bonds.

Dividend
WWASA paid a semi-annual dividend to shareholders in 2011 totalling NOK 1.0 per share, equivalent to USD 39 million.

WWASA's goal is to provide shareholders with a competitive return over time through a combination of rising value for the company's shares and payment of dividend. Gains will either be reinvested or distributed as dividend, depending on what is expected to give best return for the shareholders. Subject to the financial results and future investment requirements, the objective is to pay a

EQUITY RATIO



semi-annual dividend. The WWASA board proposes to pay a dividend of NOK 0.65 per share in the second quarter of 2012. The proposal is subject to approval by the annual general meeting to be held 26 April 2012.

ALLOCATION OF PROFIT

The board's proposal for allocating the net profit for the year is as follows:
Parent company accounts
(USD mill)

Net profit	40
Dividend	(24)
Other equity	(16)
Total allocations	(40)

Distributable equity in the parent company was USD 70 million at 31 December.

In accordance with the board of directors' proposal, the extraordinary general meeting held on 6 December 2011 resolved that the company's share premium reserve should be reduced with NOK 2.3 million. The reduction amount will be transferred to other equity (unrestricted equity). This will not be effectuated in the accounts before 2012.

MARKET UPDATE

Light vehicle car sales in key markets increased by 4% in 2011 compared with 2010. Sales in North America and the BRIC countries were up, while Oceania car sales were slightly down and Europe flat.

Korean car export grew by 14% year on year, with Hyundai and Kia being ranked as the fifth largest car manufacturer in the world. Although Japanese car export came to an abrupt halt after the tsunami and earthquake in the first quarter, production and export rebounded stronger and faster than expected. Year on year Japanese car export fell 5%.

In 2011, US inventory levels – a clear indication of the supply-demand balance – were at a lower level than 2010, supporting a positive trend in car sales.

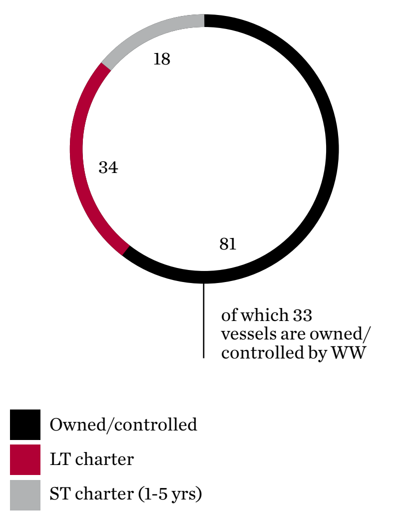
High and heavy cargo also had a strong development during the year, up from low levels in 2010. Strong mining activity combined with solid non-residential spending and high food prices drove the demand for mining, construction and agricultural equipment respectively.

The world car carrying fleet increased to 710 vessels (3.6 million CEUs) in 2011, up from 668 (3.4 million CEUs) in 2010. Four new vessels were ordered in 2011 (24 000 CEUs), while 18 vessels were recycled (61 000 CEUs).

TONNAGE POSITION

The group companies in WWASA controlled a total of 133 vessels (128 vessels) by the end of December 2011, equivalent to 801 000 CEUs (735 000 CEUs).

DECEMBER 2011 (133 VESSELS)



DIRECTORS' REPORT

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

The group companies took delivery of ten new vessels in 2011 (six vessels), of which four were on WWASA's account. Nine vessels (16 vessels) were redelivered to external owners. No vessels were recycled (four vessels) in 2011. The group has the flexibility to redeliver five long term charter vessels to external owners during 2012 (ten vessels).

WWL and EUKOR have a total of eight new vessels to be delivered in 2012 and 2013. Three of the vessels are for WWASA's account. The group has secured long term financing for all the remaining newbuildings.

ACCOUNTS - COMMENTS ON PROPORTIONATE FIGURES [2]

A continued stable revenue growth for WWASA, driven by increased volumes and higher vessel utilisation, confirmed the positive trend in the car and ro-ro markets during 2011.

The group posted a 45% higher operating profit in 2011, totalling USD 292.1 million (USD 200.8 million) based on a total income of USD 2 422.1 million (USD 1 962.6 million), equivalent to a 23% increase in revenue. [3]

Financial expenses increased in 2011 and ended at USD 146.6 million (USD 133.4 million). Lower interest rates led to a loss on interest rate hedges, partly unrealised, while increased interest bearing debt caused interest expenses to rise somewhat.

Group profit before tax and minority interest totalled USD 145.5 million (USD 67.4 million) for 2011.

Income tax expenses for 2011 totalled USD 1.3 million (USD 53.9 million). The tax for 2010 included a tax charge of USD 83.0 million as a result of converting the environmental fund to deferred tax.

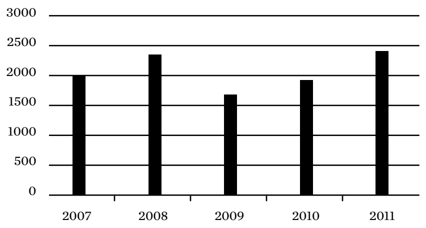
Net profit after tax and minority interest for 2011 came to USD 143.0 million (USD 13.0 million).

The group employed 45 people in wholly-owned companies (WWASA parent company, Wilhelmsen Lines Car Carriers UK and Wilhelmsen Lines Malta), and about 7 500 people when joint ventures are included (WWL, EUKOR, ASL group and Hyundai Glovis). The group's head office is located in Norway. In addition, WWASA has two foreign offices within its wholly-owned structure, increasing to some 100 offices in 45 countries when joint ventures are included.

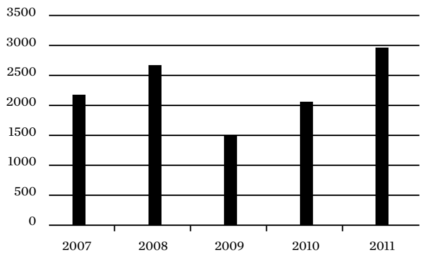
SHIPPING ACTIVITIES

With 22% of the global car carrier and ro-ro fleet measured in CEU, WWASA is the leading global operator in the car- and ro-ro cargo segment through its operating companies.

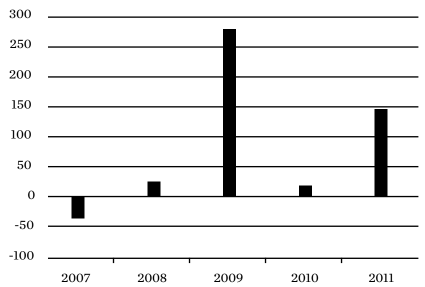
TOTAL INCOME (USD mill)



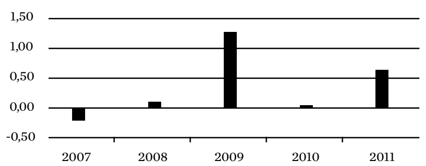
OPERATING PROFIT (USD mill)



NET PROFIT/(LOSS) (USD mill)



EARNINGS PER SHARE (USD)



WWASA's shipping activities rebounded strongly in 2011, and recorded an operating profit of USD 225.9 million (USD 178.9 million) based on a total income of USD 2 027.8 million (USD 1 645.0 million). [4]

Total cargo volumes for WWASA's ship operating companies in 2011 climbed 16% to 75.2 million cubic metres (CBM) (64.6 million CBM). Availability of both cars and high and heavy cargo (comprising high and heavy machinery and break bulk cargo) showed a strong positive development. High and heavy volumes grew more than cars. The improved cargo mix enabled the operating companies, and especially WWL, to increase the utilisation of the group's vessels. Higher fleet utilisation was in addition to increased volumes and positive trade development a solid contributor to improved revenue and earnings for the group.

Wallenius Wilhelmsen Logistics reported a total volume increase of 15% in 2011 compared with 2010, with high and heavy volumes outperforming the increase in car volumes. The sound cargo mix was a key contributor in improving fleet utilisation leading to a solid increase in total income and operating profit. All trades developed well, with main trades improving the most.

WWL controlled a total fleet of 55 vessels (52 vessels) at the end of December, with a total capacity of 358 000 CEUs (319 000 CEUs).

EUKOR recorded an 20% volume growth year on year. In addition to strong export from Korea to Europe, the high demand of shipments from Europe to Asia held up well. The scheduled decline in EUKOR's share of ocean volumes for Hyundai and Kia was more than compensated for by increased Hyundai and Kia export out of Korea as well as cargo from other customers. The growth in volumes and a balanced trade mix led to continued increase in total income and operating profit, up from a strong 2010.

EUKOR operated a total of 71 vessels (67 vessels) by the end of December, with a total of 403 000 CEUs (366 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC chartered out two vessels during 2011 to reduce costs as the company's transported volumes continued to decrease. Lower US governmental activities in the Middle East have led to reduced volumes transported on ARC's vessels as well as a change in the company's trade mix. ARC's earnings were reduced compared with 2010.

SHIPPING ACTIVITIES

WWASA's ocean transport activities are organised in three operating companies:

- Wallenius Wilhelmsen Logistics (WWL - owned 50%)
- EUKOR Car Carriers (EUKOR - owned 40%)
- American Roll-on Roll-off Carrier (ARC - owned 50%)

2 Figures based on the proportionate method provide more detailed information of the WWASA group's underlying operations than the financial statement based on the equity method. Management reporting related to operational performance of business segments is based on proportional consolidation of group activities pursued through joint ventures, and reflects WWASA's share of these partnerships.

3 Total income and operating profit for 2011 included positive one-offs amounting to USD 4 million recorded in the first quarter. Total income for 2010 included positive one-offs amounting to USD 4.4 million, while one-offs included in the operating profit came was USD 6.5 million.

4 See note 3.

DIRECTORS' REPORT

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

ARC operated a total of seven vessels (nine vessels) by the end of December, with a total capacity of 40 000 CEUs (51 000 CEUs).

Other shipping
Ship operating activities in Hyundai Glovis (owned 15% by WWASA) contributed with USD 7.9 million (USD 7.2 million) to WWASA's accounts for 2011. The contribution from Hyundai Glovis is consolidated in WWASA group's accounts one quarter in arrears.

LOGISTICS ACTIVITIES

In addition to differentiating revenue streams, logistics services complement ocean transport services and strengthen customer relationships. WWASA's ambition is to offer customers a global door-to-door service, which provides land-based logistics services in addition to ocean transport.

Volumes handled by the logistics entities are closely correlated with the development in volumes transported deep sea.

The logistics segment's contribution to WWASA's accounts recorded a solid increase in 2011 with operating profit up 76% totalling USD 78.6 million (USD 44.8 million). The total income rose by 26% ending at USD 417.1 million (USD 331.5 million).

WWL's terminal services, including storage and cargo handling, reported a healthy growth in operating profit and total income following an increase of 34% in handled volumes. In 2011, 1.7 million units (1.3 million units) were handled at WWL's terminals worldwide. High and heavy volumes increased more than car volumes.

WWL's technical services delivered improved revenue and earnings as serviced units improved by 0.7 million units, to 4.5 million units. The volume growth was strongest in high and heavy volumes. The number of technical service facilities totalled 40 sites around the world (38 sites).

Inland distribution services in WWL are mainly procured from third parties, with a significant proportion of revenues and costs incurred on a pass-through basis. Total income and operating profit for 2011 improved due to an increase in volumes.

American Auto Logistics (AAL) and **American Logistics Network** (ALN) handle door-to-door logistics services, including storage of private vehicles and other property, for American military personnel and government employees stationed abroad. Volume increase, efficient operations as well as the inclusion of Transcar 31 December 2010 resulted in strong earnings for 2011.

The logistics activities in **Hyundai Glovis** contributed with net income of USD 39.3 million (USD 21.2 million) for 2011. The market capitalisation of WWASA's 15% shareholding in Hyundai Glovis was USD 1 013 million as of 21 March 2012 (USD 714 million as of 14 March 2011).

LOGISTICS ACTIVITIES

The logistics activities in WWASA are carried out through:
- Wallenius Wilhelmsen Logistics (WWL - owned 50%)
- American Shipping and Logistics Group (ASL) consisting of American Auto Logistics (AAL), American Logistics Network (ALN) and Transcar (all owned 50%)
- Hyundai Glovis (owned 15%)

NON-FINANCIAL REPORTING

Sound corporate governance is believed to lay the foundation for profitable growth, contribute to a healthy company culture and create value over time for shareholders and other stakeholders.

Governance
The basic foundation for WWASA's corporate governance is the company's governing elements. Developed to improve business performance, the elements cover common tools and methods used to achieve the right results in the right way. They include the company's vision, its values, leadership expectations, code of conduct as well as eight company principles. A summary of the governing elements can be found on wilhelmsenasa.com.

All employees in WWASA conducted governance training during 2011. The company aims at assessing environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting.

WWASA observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies Act and the Norwegian Accounting Act. The board's corporate governance report can be found on pages 88-100 and on wilhelmsenasa.com.

The board pays constant attention to ethics and business morals in all operations worldwide. Anti-corruption and fraud received a particular attention in 2011 through the company's audit committee, and will continue to be high on the company's agenda in 2012.

Social responsibility
WWASA has developed a social responsibility guideline, including human rights, labour standards and a commitment to promote greater environmental responsibility. A summary of the guideline can be reviewed at wilhelmsenasa.com.

One of WWASA's operating companies, WWL, also reports on its commitment to the ten principles of the UN Global Compact. For their online report, please refer to www.2wglobal.com

Working environment and occupational health
WWASA gives weight to developing a good and inspiring working environment both at sea and on land through living the company values

"Governing elements include common tools and methods used to achieve the right results the right way."

DIRECTORS' REPORT

highlighting among others empowerment, teaming and collaboration as well as learning and innovation.

Average sickness absence among employees in WWASA was 1.6% in 2011 (4.1%). No injuries were reported on land-based employees during the year. WWASA has implemented a variety of initiatives to reduce the company's sickness absence, including adapted working hours, serving of healthy food, employee empowerment and engagement, personal development initiative to build a healthy and inspiring working environment.

One crew member sadly lost his life while conducting a rescue boat exercise on a WW owned vessel in 2011. The company has a close cooperation with the ship manager to prevent similar incidents. The average lost-time injury frequency on vessels owned by WWASA and manned by Wilhelmsen Ship Management and Wilhelmsen Lines Car Carriers was 0.75 in 2011 (0.65), within the ambition set not to exceed 1. [5]

While docking one of the group's vessels, the yard experienced an accident with several casualties. The company has implemented a set of activities in cooperation with the yard to prevent similar incidents.

The ship management companies ran a number of safety campaigns on board WWASA's vessels during 2011, all aimed at creating safer and healthier working conditions on board.

One initiative to continuously improve WWASA's working environment is the working environment committee, which conducted four meetings in 2011. The meetings are attended by the company medical officer and a representative from the human resources department, who have the right to speak but not to vote.

Performance appraisals, 360-degree performance assessments and climate surveys are also measures conducted regularly in order to identify factors which influence the performance of the employees.

WWASA practises a system of performance-related bonuses, intended to be one of several instruments focusing attention on the group's strategy, in which innovation, motivation and profitability are key elements. The bonus will be paid if set bonus targets are reached.

The extraordinary general meeting held in December endorsed a synthetic option programme as part of the remuneration to the CEO and CFO. The programme comprises share equivalents, runs over three years and entitles the option holders to a cash reward based on the total share return of the underlying shares (a synthetic share option programme). Maximum annual payment is limited to 50% of annual basic salary.

"Social responsibility, includes human rights, labour standards and a commitment to promote greater environmental responsibility."

Non-discrimination measures
Equal opportunities for women and men are a clear policy. Discrimination based on race, gender or similar grounds is not acceptable. However, male and female representation in the industry's recruitment base is unequal.

Women accounted for 37% (26%) of the 33 (34) employees in WWASA employed in Norway at 31 December. In addition come nine (ten) employees in wholly-owned Wilhelmsen Lines Car Carriers in the UK and three (one) employees in Wilhelmsen Malta.

Partly-owned WWL also had 81 (102) employees in Norway, of whom 42% (38%) were women. Worldwide WWL employed 4 547 (3 549) of which 27% (28%) were women.

The 40% owned EUKOR employed 193 (160) by year end of which 24% (18%) were women. The majority are located in Korea.

The US based shipping and logistics activities bundled in ASL totalled 204 employees (206) 31 December 2011, of which 34% (32%) were female. The majority of employees are based in the US and Germany.

Competence development
With a continuously changing environment, WWASA pays attention to competence and knowledge development. A learning organisation with motivated employees is believed to contribute to efficient operations. Securing the company's market has a positive impact on the group's revenue and earnings.

Competence development, training and organisational development are pursued actively through engagement in maritime and other business networks and organisations, internally developed business-related programmes and leadership development programmes.

In 2011, all employees conducted a minimum of one training session, related to corporate governance, in addition to networking.

Several internal programmes are also offered to the operating companies to secure networking, alignment and common perception of the group's challenges and opportunities.

Internal control and risk management
Risk is defined by and managed according to the group's business portfolio and operations. A conscious strategy and controllable procedures for risk mitigation will over time impact profitability in a posi-

"Competence and knowledge development is necessary to cope with the continuously changing environment."

5 Occupational injuries on ships are recorded in accordance with the international standard for the maritime industry. An injury which results in an individual being unable to return to work for a scheduled work shift on the day following the injury is registered as an incident. These incidents are measured per million hours of exposure, which is 24 hours per day while serving aboard.

DIRECTORS' REPORT

tive way. During 2011, the group developed a thorough enterprise risk management model and conducted a mapping of all main risks. Twice a year, the group presents an overview to the market of the most important risk factors given the organizational structure and business profile. An updated risk analysis is presented to the board on a quarterly basis.

The responsibility of governing bodies, management and all employees are to be aware of the current environment in which they operate, implement measures to mitigate risks, prepare to act upon unusual observations, threats or incidents and proactively try to reduce potential negative consequences. During 2011, all employees were invited to participate at risk seminars.

The natural environment

The board acknowledges the environmental challenges, and that only sustainable solutions are acceptable. The company strives to deliver services to customers and stakeholders with minimal adverse effect to the environment.

As a major participant in the transportation industry, WWASA actively works to reduce the use of energy and decrease the environmental impact of its activities. Continuous improvement and prevention of pollution are inherent parts of the company's activities.

WWASA is committed to complying with national and international environmental legislation and regulations, but also to self-imposed standards and requirements. The company works actively to influence the development of these legislations, aiming at fair, predictable and practicable rules and regulations for a sustainable shipping industry.

WWASA implements the environmental policy by setting objectives and goals for its operating companies, technical managers and other stakeholders. In 2011, WWASA's main ambitions were to:

- Implement energy optimisation initiatives on board vessels owned or operated by WWL, EUKOR and ARC
- Use low sulphur bunkers as well as bunker oil with a sulphur content substantially below the industry standard
- Develop and install custom made systems for monitoring and following-up vessel performance
- Support academia, innovation and related research and development initiatives targeted to further develop the shipping industry's energy and environmental advantages.

In 2012, WWASA will continue to seek excellence in optimising vessel performance and operations by:

- Implementing individual ship energy efficiency management plans (SEEMP) on board all owned and controlled vessels
- Developing environmental training programme for both existing and new seafarers
- Evaluating and implementing new and existing technology to reduce fuel consumption and meet future environmental regulations
- Preparing for an exhaust gas cleaning system to be fitted on board one of the vessels early 2013
- Continuing to support and work with academia, innovation and related research and development initiatives targeted to further develop the shipping industry's energy and environmental advantages.

"WWASA strives to deliver services to customers and stakeholders with minimal adverse effect to the environment."

An environmental account for 2011 and update on specific issues are available at wilhelmsenasa.com, together with relevant links to subsidiaries' environmental reports.

TAX

As a consequence of the decision made by the Norwegian Supreme Court in February 2010 disallowing the transition to the new Norwegian tonnage taxation regime, WWASA's subsidiary Wilhelmsen Lines Shipowning AS (WLS) decided to apply for taxation under the new rules. However, in November 2010 the tax office decided to turn down the application. As a result, WLS has been ordinary taxed since 2007. The tax office decision to turn down the application for tonnage tax for WLS has been brought before the tax appeal board. WWASA anticipates a decision from the board within the end of the second quarter of 2012.

During 2011, WWASA received the 2008, 2009 and 2010 tax assessment for WLS, reducing the previously communicated uncertainty related to the group's tax position. The effect of these assessments is a total tax payable of USD 15 million for the respective years. Estimated 2011 tax payable for the WWASA group is USD 18.5 million.

MAIN RISK FACTORS

The board regards the below risks as the most important:

Uncertainties in the Western financial markets

2011 has been characterised by continued uncertainties related to the financial markets and the development of the world economy. Demand for the WWASA's shipping and logistics services offerings are highly cyclical and closely correlated with the global economic activity and deep sea transportation of cars and high and heavy cargo in particular. Cargo availability has improved throughout 2011, increasing both fleet utilisation and the group's profitability.

Continued improvement in the global economy is highly decisive for the development of WWASA's earnings.

"WWASA actively works to influence regulations for a sustainable shipping industry."

DIRECTORS' REPORT

Change in production patterns and tonnage overcapacity
The geographical pattern of production and sales of cars and ro-ro cargo may change going forward as a consequence of i.a. restructuring in the industries, growing protectionism and currency concerns. A potential shift in the balance between locally produced and exported cargo may impact the overall demand for ocean transportation, resulting in lower and less efficient utilisation of WWASA's ship operating fleet. The global newbuilding order book for car and ro-ro vessels could put further pressure on the demand/supply balance. At present, there are few newbuildings on order for delivery in 2013 and onwards.

A shift in customers' market position can also represent opportunities and risks for WWASA's operating companies. The group's broad client exposure mitigates the risk element.

In addition to being favourably positioned by having a broad base of customers and a comprehensive global coverage, WWASA's operating entities have a solid position in emerging markets where growth is expected to be strong. The companies constantly work on developing new markets and seeking new opportunities in an ever changing environment. The broad service coverage puts the companies in a strong position as a preferred partner, in addition to the new markets where we see growth opportunities.

Bunker prices
WWASA's operating companies are well covered against increases in bunker prices in 2012 through bunker adjustment factors in freight contracts and bunker hedging contracts. Higher bunker prices will however put some pressure on operating margins, particularly in a period with a price increase, as there is a lagging effect in the bunker compensation mechanism.

Hyundai Glovis shareholding
The group has a 15% shareholding in the Korean logistics company Hyundai Glovis, which is listed on the Korean Stock Exchange (KOSDAQ). The group's investment in Hyundai Glovis is affected by fluctuations in the share price, which may be materially adversely affected by economic conditions, stock market conditions and many other factors which are beyond the company's control. Although the investment in Hyundai Glovis is considered as a long-term strategic investment which is accounted for by the equity method, a decrease in the share price and value of Hyundai Glovis could materially adversely affect the underlying value of the company and thereby the price of its shares, and could also affect the ability of companies in the group to comply with its loan covenants. As a logistics and shipping company, Hyundai Glovis is subject to market risks, financial risks and operational risks similar in nature to the risk factors described herein as being applicable to the group.

"The positive sentiment at the end of 2011 continued into the beginning of 2012."

Loan covenants
WWASA has financial covenants related to its bank loans. Changes in vessel values and uncertainty on earnings outlook necessitate focus on the covenants. WWASA complied with all covenant requirements as of the fourth quarter of 2011.

Liquidity
At the end of 2011, the company's cash position was good. The cash flow from its operative companies is expected to be healthy during 2012.

Yards
Pursuant to clauses in its newbuilding contracts, WWASA pays instalments to the shipbuilding yards as work progresses on its newbuildings. Potential financial problems at the yards could cause challenges. WWASA has orders with some of the major yards in Korea and Japan. The contracts with the Korean yards include refund guarantees.

PROSPECTS
The underlying volume growth for transportation of both cars and high and heavy cargo is still positive.

Over the past two years, operators have taken out of operation less efficient tonnage. By the turn of the year, the world order book consisted of 45 vessels, of which the large part is expected to be delivered in the first half of 2012. There are few newbuildings on order in 2013 and onwards.

WWASA's strong position in the market coupled with its financial status give the company a sound platform to grow its business further and act on profitable opportunities.

The board acknowledges that the positive development in 2011 continued into 2012, with relatively high volumes and strong performance for the group companies.

The underlying volume growth potential is still positive. However, the board stresses the uncertainties related to the development in the world economy, with the GDP growth, development in the financial market and the oil price being important for WWASA's profitability.

Seoul, 22 March 2011
The board of directors of
Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
Chair

Diderik Schnitler

Nils P. Dyvik

Hege Sjo

Marianne Lie

Jan Eyvin Wang
President and CEO

ACCOUNTS AND NOTES

"The financial statements give a true and fair view of WWASA's income, profit and financial position."

VESSELS FOR THE FUTURE

The need to transport large quantities of goods over longer distances will always be present, and shipping is the most cost efficient and least environmentally harmful way to get the job done. Since our company was founded in 1861, we have been an active driver within the industry, often at the forefront with new technology and smart solutions for our customers. This has given us an enviable track record and a history of solid financial performance. New regulatory requirements, new cargo types, new destinations, new ship designs – WWASA will be there.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

INCOME STATEMENT > Wilh. Wilhelmsen ASA group

USD mill	Note	2011	2010
Operating revenue	1/17	**309**	213
Other income			
Share of profit from joint ventures and associates	2/3	**182**	184
Gain on sale of assets	1		4
Total income		**491**	402
Operating expenses			
Vessel expenses	1	**(55)**	(43)
Charter expenses		**(25)**	(23)
Employee benefits	4	**(70)**	(67)
Other expenses	1/17	**(12)**	(15)
Depreciation and impairments	5	**(76)**	(78)
Total operating expenses		**(237)**	(225)
Operating profit		**254**	176
Financial income/(expense)	1	**(125)**	(122)
Profit before tax		**129**	54
Income tax/(expense)	6	**14**	(41)
Profit for the year attributable to the owners of the parent		**143**	13
Basic and diluted earnings per share (USD)	7	**0.65**	0.06

COMPREHENSIVE INCOME > Wilh. Wilhelmsen ASA group

USD mill	Note	2011	2010
Profit for the year		**143**	13
Other comprehensive income			
Cash flow hedges in joint venture	2		(11)
Fair value adjustment available-for-sale financial assets		**(3)**	
Currency translation differences		**(1)**	(2)
Other comprehensive income, net of tax		**(5)**	(13)
Total comprehensive income attributable to owners of the parent		**138**	0

Notes 1 to 19 on the next pages are an integral part of these consolidated financial statements.

BALANCE SHEET > Wilh. Wilhelmsen ASA group

USD mill	Note	31.12.2011	31.12.2010
ASSETS			
Non current assets			
Goodwill and other intangible assets	5	**6**	6
Vessels and other fixtures	5	**1 731**	1 404
Pension assets	8	**3**	4
Investments in joint ventures and associates	2/3	**836**	694
Other non current assets	9/17	**34**	46
Total non current assets		**2 610**	2 154
Current assets			
Current financial investments	10	**110**	58
Other current assets	9/17	**36**	40
Cash and cash equivalents		**292**	524
Total current assets		**438**	622
Total assets		**3 048**	2 776
EQUITY AND LIABILITIES			
Equity			
Share capital		**30**	30
Retained earnings and other reserves		**1 177**	1 077
Total equity attributable to owners of the parent		**1 207**	1 107
Non current liabilities			
Pension liabilities	8	**46**	49
Deferred tax liabilities	6	**53**	99
Non current interest-bearing debt	12/13	**1 253**	1 106
Other non current liabilities	9	**185**	126
Total non current liabilities		**1 537**	1 381
Current liabilities			
Current income tax liabilities	6	**19**	10
Public duties payable		**1**	1
Other current liabilities	9/12/17	**285**	277
Total current liabilities		**305**	288
Total equity and liabilities		**3 048**	2 776

Seoul, 22 March 2012

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P. Dyvik	Hege Sjo	Marianne Lie	Jan Eyvin Wang President and CEO

Notes 1 to 19 on the next pages are an integral part of these consolidated financial statements.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CASH FLOW STATEMENT > Wilh. Wilhelmsen ASA group

USD mill	Note	2011	2010
Cash flow from operating activities			
Profit before tax		**129**	54
Financial (income)/expenses excluding financial derivatives unrealised	1	**60**	49
Financial derivatives unrealised	1	**60**	59
Depreciation/impairment	5	**76**	78
(Gain)/loss on sale of fixed assets			(4)
Change in net pension asset/liability		**2**	(5)
Cash out due to transfer of pension liabilities related to restructuring		**(5)**	(8)
Other change in working capital		**7**	(9)
Share of profit from joint ventures and associates	2/3	**(182)**	(184)
Dividend received from joint ventures and associates	2/3	**38**	75
Tax paid (company income tax, withholding tax)	4	**(20)**	
Net cash provided by/(used in) operating activities		**164**	105
Cash flow from investing activities			
Proceeds from sale of fixed assets			20
Investments in fixed assets	5	**(398)**	(98)
Investments in subsidaries	3		(2)
Investments in joint ventures and associates	2		(20)
Loan repayments received from joint ventures and associates	9/17	**6**	28
Loan from joint ventures and associates	12/17	**10**	
Proceeds from sale of financial investments		**8**	144
Investments in financial investments		**(68)**	(70)
Dividend received (financial investments)			1
Interest received		**3**	7
Changes in other investments		**(2)**	3
Net cash flow provided by/(used in) investing activities		**(441)**	14
Cash flow from financing activities			
Proceeds from issue of debt	12	**410**	80
Repayment of debt	12	**(248)**	(153)
Repayments of loan from related party	17	**(2)**	
Interest paid including interest derivates		**(90)**	(69)
Cash from other financial derivatives		**13**	9
IPO, net after cost			217
Group contribution/dividend related party			5
Dividend to shareholders		**(39)**	(16)
Net cash flow provided by/(used in) financing activities		**45**	74
Net increase in cash and cash equivalents		**(232)**	193
Cash and cash equivalents, excluding restricted cash, at 01.01		**524**	331
Currency on cash and cash equivalents*			
Cash and cash equivalents at 31.12		**292**	524

* The group is located and operating world wide and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

Notes 1 to 19 on the next pages are an integral part of these consolidated financial statements.

EQUITY > Wilh. Wilhelmsen ASA group

STATEMENT OF CHANGES IN EQUITY

USD mill	Invested equity	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 01.01.2010	616			21	257	895
Comprehensive income for the period:						
Profit for the year					13	13
Other comprehensive income				(13)		(13)
Total comprehensive income				(13)	13	0
Issue of new equity		9	217			226
Issue cost (net after tax)			(6)			(6)
Effect of restructuring/ merger	(616)	21	274		329	8
Dividends					(16)	(16)
Balance 31.12.2010	0	30	485	8	582	1 107

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 01.01.2011	**30**	**485**	**8**	**582**	**1 107**
Comprehensive income for the period:					
Profit for the year				**143**	**143**
Other comprehensive income			**(5)**		**(5)**
Total comprehensive income			**(5)**	**143**	**138**
Dividends			**(39)**	**(39)**	
Balance 31.12.2011	**30**	**485**	**3**	**686**	**1 207**

As of 31 December 2011 the company had no own shares.

See note 10 in the parent company accounts for information regarding the number of shares.

Dividend paid for fiscal year 2010 was NOK 0.50 per share paid in May 2011 and NOK 0.50 per share paid in December 2011.

The proposed dividend for fiscal year 2011 is NOK 0.65 per share, payable in the second quarter of 2012. A decision on this proposal will be taken by the annual general meeting on 26 April 2012. The proposed dividend is not accrued in the year-end balance sheet.

Restructuring of former WWI group in June 2010
The new group is a result of the restructuring process of the former Wilh. Wilhelmsen ASA group (WWI), which involved carrying forward the shipping and logistics activities in a separate listed entity.
After the restructuring and IPO the company's share capital is as follows:

	Number of shares	NOK mill	USD mill
Share capital	220 000 000	220	30

Notes 1 to 19 on the next pages are an integral part of these consolidated financial statements.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

ACCOUNTING POLICIES > Wilh. Wilhelmsen ASA group and Wilh. Wilhelmsen ASA

GENERAL INFORMATION

Wilh. Wilhelmsen ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2011 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

The annual accounts for the group and the parent company were adopted by the board of directors on 22 March 2012.

The parent company is a public limited company which is listed on the Oslo Stock Exchange.

Restructuring of former WWI group

The Wilh. Wilhelmsen ASA group (WWASA group) was listed on the Oslo Stock Exchange on 24 June 2010. The new group is a result of the restructuring process of the former Wilh. Wilhelmsen ASA group (WWI), which involved carrying forward the shipping and logistics activities in a separate listed entity. The first day of trading on the Oslo Stock Exchange for WWASA group was 24 June 2010.

Following the Restructuring of the WWI group, all assets and operations are managed collectively and constitute a business that is under the same ultimate ownership both before and after the Restructuring. Therefore, under IFRS, the restructuring is accounted for in a manner similar to pooling-of-interests in which the WWASA group book values in the historical financial statements are also the values prospectively. The combined income statements, comprehensive income, balance sheets, statements of change of equity and cash flows statements are presented as if the current group structure has been in existence from the earliest period presented. The WWASA group values are brought forward from the consolidated financial statements of WWI group.

BASIC POLICIES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act. Dividends and group contributions have been accounted for according to NGAAP as an exception from IFRS. The explanations of the accounting principles for the group also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company.

The group accounts are presented in US dollars (USD), rounded off to the nearest whole million. Most of the entities in WWASA group have USD as functional currency. The parent company is presented in its functional currency USD.

The income statements and balance sheets for group companies with a functional currency which differs from the presentation currency (USD) are translated as follows:

- the balance sheet is translated at the closing exchange rate on the balance sheet date
- income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of transaction are used.
- the translation difference is recognised in other comprehensive income.

Goodwill and the fair value of assets and liabilities related to the acquisition of entities which have a functional currency other than USD are attributed in the acquired entity's functional currency and translated at the exchange rate prevailing on the balance sheet date.

The accounts have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including financial derivatives) at fair value through the income statement.

Preparing financial statements in conformity with the IFRS requires the management to make use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable in the circumstances. The actual result can vary from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are described in more detail below in the section on critical accounting estimates and assumptions.

The accounting policies outlined below have been applied consistently for all the periods presented in the group accounts.

Standards, amendments and interpretations

New and amended standards adopted by the group and parent company from 1 January 2011 or later

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the group.

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

- IAS 19 Employee Benefits was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income (OCI) as the occur; to immediately recognise all past service cost; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.
- IFRS 9, Financial instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013. The standard is effective for annual periods beginning 1 January 2015, and the consequence is amendment to IFRS 7 Financial instruments regarding information requirements. This also affects IAS 32. IFRS 7 and IAS 32 are effective for annual periods beginning 1 January 2013. The group and company are currently evaluating the impact of adoption of IFRS 9.
- IFRS 10 Consolidated Financial Statements - Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or later than 1 January 2013.
- IFRS 12 Disclosure of Interests in Other Entities - The standard combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure requirement. Some were previously included in IAS 27, IAS 31 and IAS 28, while others are new. A new term 'structured entity' which replace and expands upon the concept of a 'special- purpose entity is introduced. The standard is effective for annual periods beginning 1 January 2013. The group and the company are currently evaluating the impact of adoption of IFRS 12.
- IFRS 13 Fair Value Measurement - The standard establishes guidance on how to measure fair value, when fair value is required or permitted to be used. The standard is effective for annual periods beginning 1 January 2013. The group and the company are currently evaluating the impact of adoption of IFRS 13.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

SHARES IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (PARENT COMPANY)

Shares in subsidiaries, joint venture and associates are presented according to the cost method. Group relief received is included in dividends from subsidiaries. Group contributions and dividends from subsidiaries are recognised in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its share holdings. Shares in subsidiaries, joint venture and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

CONSOLIDATION POLICIES

Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the group recognises any minority interests in the acquirer either at fair value or at the minority interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any minority interests in the acquire and the acquisition-date fair value of any previous equity interests in the acquire over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Joint ventures and associates

Joint ventures and associates are entities over which the group or parent company has joint control or significant influence respectively but does not control alone.

Significant influence generally accompanies investments where the group or the parent company has 20-50% of the voting rights. The group's investments in joint ventures and associates are accounted for by the equity method. Such investments are recognised at the date of acquisition at their acquisition cost, including possible goodwill.

The group's share of profit (after tax) from joint ventures and associates is recognised in the income statement as an operating income. The investments in joint ventures and associates are related to the group's operating activities and therefore classified as part of the operating activity.

The share of profit (after tax) from joint ventures and associates is added to the capitalised value of the investments together with its share of equity movements not recognised in the income statement. Sale and dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group. Unrealised gains on transactions are eliminated.

When an investment ceases to be an associate, the difference between (1) the fair value of any retained investment and proceeds from disposing of the part interest in the associate and (2) the carrying amount of the investment at the date when significant influence is lost, is recognised in the income statement.

If the ownership interest in a joint venture or an associate is reduced,

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

ACCOUNTING POLICIES > Wilh. Wilhelmsen ASA group and Wilh. Wilhelmsen ASA

but the investment continues to be a joint venture or an associate, a gain or loss is recognised in the income statement corresponding to the difference between the proportionate book value of the investment sold and the proceeds from disposing of the part interest in the joint venture or associate.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board and Corporate Management Team who makes the strategic decisions.

The shipping segment is engaged in ocean transport of cars, roll-on roll-off cargo and project cargo. Its main customers are global car manufacturers and manufacturers of agriculture and other high and heavy equipment. The customer's cargo is carried in a worldwide transport network. This is the group's most capital-intensive segment.

The logistics segment has much the same customer groups as shipping. Customers operating globally are offered sophisticated logistics services. The segment's primary assets are human capital (expertise and systems) and customer contacts reflected in long-term relationships.

The holding segment includes the parent company, and other minor activities (Den Norske Amerikalinje AS, Wilhelmsen Marine Consultants AS, Wilh. Wilhelmsen Netherland BV, Njord Insurance Ltd and corporate group activities like operational management, tax and finance) which fail to meet the definition for other core activities.

Eliminations are transactions between the group's three segments mentioned above.

RELATED PARTIES TRANSACTIONS

The group and the parent company have transactions with joint ventures and associated companies. These contracts are based on commercial market terms. They relate to the chartering of vessels on long-term charters.

See note 9 and 17 to the group accounts for loans to joint ventures and associates, and note 7 to the parent company's accounts.

See note 4 to the group accounts concerning remuneration of senior executives in the group, and note 2 to the parent company accounts for information concerning loans and guarantees for employees in the parent company.

FOREIGN CURRENCY TRANSACTION AND TRANSLATION

Transactions

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial expense.

Translations

In the consolidated financial statements, the assets and liabilities of non USD functional currency subsidiaries, joint ventures and associates, including the related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flow of non USD functional currency subsidiaries, joint venture and associates are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Exchange adjustments arising when the opening net assets and the net income for the year retained by non USD operation are translated into USD are recognised in other comprehensive income and accumulated in the Currency translation reserves in Reserves in equity. On disposals of a non USD functional currency subsidiary, joint venture or associates, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

REVENUE RECOGNITION

Revenue is recognised when it is probable that a transaction will generate a future economic benefit that will accrue to the entity and the size of the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

Total revenues and voyage related expenses in a period are accounted for as the percentage of completed voyages. Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Voyages are normally discharge-to-discharge. Except for any period a ship is declared off-hire due to technical or other owner's matters, a ship is always allocated to a voyage.

Freight revenue
Time charter (T/C) basis:

Freight revenue and expenses relating to vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period.

Contracts of affreightment:

Revenue and expenses related to voyages under contracts of affreightment are calculated on the basis of the length of the contractual delivery, based on the number of days before and after the end of the accounting period.

LUBOIL

Luboil are valued at the lower of cost and net realisable value. Luboil represent the lubrication oil held on board the vessels.

CASH-SETTLED COMPENSATION

Cash-settled payments

For cash-settled payments, a liability equal to the portion of goods or services received is recognised at the current fair value determined at each balance sheet date.

Cash-settled share based payment

The group operates a cash settled share based payment incentive scheme for employees at senior executive management level. A liability equal to the portion of services received is recognised at the current fair value of the synthetic options determined at each balance sheet date. The total expense is recognised over the vesting period which is 12 months from grant date. The social security contributions payable in connection with the grant of the options is considered an integral part of the grant itself and the charge will be treated as a cash-settled transaction.

See note 4 in the group accounts and note 2 to the parent accounts concerning remuneration of senior executives.

FIXED ASSETS

Vessels and other fixtures acquired by group companies are stated at historical cost. Depreciation is calculated on a straight-line basis. A residual value, which reduces the depreciation base, is estimated for vessels. The estimate is based on a 10 years average rolling demolition prices, for General Cargo. In addition, a charge for environmental friendly recycling is deducted. The calculation is done on an annual basis.

The carrying value of fixed assets equals the historical cost less accumulated depreciation and any impairment charges.

The group capitalises loan costs related to vessels on the basis of the group's average borrowing rate on interest-bearing debt. Shipbuilder instalments paid, other direct vessel costs and the group's interest costs related to financing the acquisition cost of vessels are capitalised as they are paid.

Other tangible fixed assets are depreciated over the following expected useful lives:

Vessels	30-35 years
Fixtures	3-10 years

Each component of a fixed asset which is significant for the total cost of the item will be depreciated separately. Components with similar useful lives will be included in a single component.

An analysis of the group's fleet concluded that vessels based on a pure car truck carrier/roll-on roll-off design do not need to be separated into different components since there is no significant difference in the expected useful life for the various components of these vessels over and above docking costs. Costs related to docking and periodic maintenance will normally be depreciated over the period until the next docking.

The estimated residual value and expected useful life of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges will be changed accordingly.

GOODWILL AND OTHER INTANGIBLE ASSETS

Amortisation of intangible fixed assets is based on the following expected useful lives:

Goodwill	Indefinite life
Computer software	3-5 years
Other intangible assets	5-10 years

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any minority interests in the acquire and the acquisition-date fair value of any previous equity interests in the acquire over the fair value of the group's share of the identifiable net assets of the acquired subsidiary, joint venture or associate. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. Goodwill arising from the acquisition of an interest in an associated company is included under investment in associated companies, and tested for impairment as part of the carried amount of the investment.

Goodwill from acquisition of subsidiaries is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the sale of a business includes the carried amount of goodwill related to the sold business.

Goodwill is allocated to relevant cash-generating units ("CGU"). The allocation is made to those CGU or groups of CGU which are expected to benefit from the acquisition.

Details concerning the accounting treatment of goodwill are provided in the section on consolidation policies above.

Other intangible assets

Computer software and start-up licences are capitalised in the balance sheet. Costs related to software licences, development or maintenance is expensed as incurred. Costs directly associated with the development of identifiable software owned by the group, with an expected useful life of more than one year, are capitalised. Direct costs include software development personnel and a share of relevant overheads.

Capitalised computer software developed in-house is amortised using the straight-line method over its expected useful life.

Capitalised expenses related to other intangible assets are amortised over the expected useful lives in accordance with the straight-line method.

IMPAIRMENT OF GOODWILL AND OTHER NON-FINANCIAL ASSETS

Non-financial assets

At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are done. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on an interest rate according to a weighted average cost of capital ("WACC") reflecting the group's required rate of return. The WACC is calculated based on the group's long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows. The group has made the following assumptions when calculating the "value in use" for material tangible and intangible assets.

Vessels and newbuilding contracts

Future cash flow is based on an assessment of what is the group's expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organized and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. The majority of vessels are trading in global network as part of a fleet, where the income of a specific vessel is dependent upon the total fleet's earnings and not the individual vessel's earnings. Further the group's vessels are interchangeable among the operating companies which are seen through the ongoing operational co-operation (long term chartering activities, vessel swaps,

ACCOUNTS AND NOTES

ACCOUNTING POLICIES > Wilh. Wilhelmsen ASA group and Wilh. Wilhelmsen ASA

space chartering, combined schedules etc). As a consequence, vessels will only be impaired if the total value of the fleet based on future estimated cash flows is lower than the total book value.

Goodwill
Goodwill acquired through business combinations has been allocated to the relevant CGU. An assessment is made as to whether the carrying amount of the goodwill can be justified by future earnings from the CGU to which the goodwill relates. Future earnings are based on next year's expectations with a zero growth rate.

If the "value in use" of the CGU is less than the carrying amount of the CGU, including goodwill, goodwill will be written down first. Thereafter the carrying amount of the CGU will be written down. Impairment losses related to goodwill cannot be reversed.

LEASES
Leases for vessels and equipment where the group carries substantially all the risks and rewards of ownership are classified as financial leases.

Financial leases are capitalised at the inception of the lease at the lower of fair value of the leased item or the present value of agreed lease payments. Each lease payment is allocated between liability and finance charges. The corresponding rental obligations are included in other non-current liabilities. The associated interest element is charged to the income statement over the lease period so as to produce a periodic rate of interest on the remaining balance of the liability for each period.

Financial leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any financial incentives from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

FINANCIAL ASSETS
The group and the parent company classify financial assets in the following categories: trading financial assets at fair value through the income statement, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose of the asset.

Management determines the classification of financial assets at their initial recognition.

Financial assets carried at fair value through the income statement are initially recognised at fair value, and transaction costs are expensed in the income statement.

Short term investments
This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short-term price gains. Short term investments are valued at fair value. The resulting unrealised gains and losses are included in financial income and expense. Derivatives are also placed in this category unless designated as hedges. Assets in this category are classified as current.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivable are classified as other current assets or other non current assets in the balance sheet.

Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realised gains and losses are recognised in the income statement in the period they arise.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available for sale financial assets are measured at fair value with gains or losses recognised as a separate component in other comprehensive income until the investments are derecognised, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of the investments that are actively traded in organised financial markets is determined by reference to quoted market bid price at the close of business on the balance sheet date. For investments where there is no active market fair value are determined applying commonly used valuation techniques.

Available-for-sale financial assets are included in non current assets unless the investment matures of management intends to dispose of it within 12 months of the end of the reporting period.

FINANCIAL DERIVATIVES
Derivatives which do not qualify for hedge accounting
Most derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments which do not qualify for hedge accounting are recognised in the income statement stated in financial income/expense.

Derivatives are included in current assets or current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets or other non-current liabilities as they form part of the group's long-term economic hedging strategy and are not classified as held for trading.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured on a continuous basis at their fair value.

Derivatives which do qualify for hedge accounting
The group designates certain derivatives as hedges of highly probable forecast transactions (cash-flow hedges).

At the date of the hedging transaction, the group documents the relationship between hedging instruments and hedged items, as well as the object of its risk management and the strategy underlying the various hedge transactions. The group also documents the extent to which the derivatives used are effective in offsetting the changes in fair value or cash flow associated with the hedge items. Such assessments are documented both initially and on an ongoing basis.

The fair value of derivatives used for hedging is shown in note 13 to the group accounts. Changes in the valuation of qualified hedges are recognised directly in other comprehensive income until the hedged transactions are realised.

The fair value of financial derivatives traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial derivatives not traded in an active market is determined using valuation techniques, such as the discounted value of future cash flows. Independent experts verify the value determination for instruments which are considered material.

Cash-flow hedge
The effective portion of changes in the fair value of derivatives designated as cash-flow hedges are recognised directly in equity together with the deferred tax effect. Gain and loss on the ineffective portion is recognised in the income statement. Amounts recognised directly in equity are recognised as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

DEFERRED TAX / DEFERRED TAX ASSET
Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

For group companies subject to tonnage tax regimes, the tonnage tax is recognised as an operating cost.

PENSION OBLIGATIONS
Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. These schemes are generally funded through payments to insurance companies or pension funds on the basis of periodic actuarial calculations. The group and the parent company have both defined contribution and defined benefit plans.

A defined contribution plan is one under which the group and the parent company pay fixed contributions to a separate legal entity. The group and the parent company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group and the parent company pay contributions till publicly- or privately administered pension insurance plans on an obligatory, contractual or voluntary basis. The group and the parent company have no further payment obligations once the contributions have been paid. The contributions are recognised as a payroll expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is one which is not a defined contribution plan. This type of plan typically defines an amount of pension benefit an employee will receive on retirement, normally dependent on one or more factors such as age, years of service and pay.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, adjusted for unrecognised actuarial gains or losses and unrecognised costs related to pension earnings in earlier periods.

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method.

Actuarial gains and losses arising from new information or changes to actuarial assumptions in excess of the higher of 10% of the value of the pension assets or 10% of the pension obligations are recognised in the income statement over the expected average remaining working lives of the employees.

Changes in pension plan benefits are recognised immediately in the income statement unless rights in the new pension plan are conditional on the employee remaining in service for a specific period of time (the vesting period). In that case, the costs associated with the change in benefit are amortised on a straight-line basis over the vesting period.

RECEIVABLES
Trade receivables and other receivables, that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are recognised at face value less any impairment. Provision for impairment is made to specified receivable items when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the receivable, the estimated future cash flows of the investments have been affected.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash in hand, deposits held at call with banks, and other current highly-liquid investments with original maturities of three months or less. Bank overdrafts are shown under borrowings in current liabilities on the balance sheet.

SHARE CAPITAL AND TREASURY SHARES
When the parent company purchases its own shares (treasury shares), the consideration paid, including any attributable transaction costs net of income tax, is deducted from the equity attributable to the parent company's shareholders until the shares are cancelled or sold. Should such shares subsequently be sold or reissued, any consideration received is included in share capital.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

ACCOUNTING POLICIES > Wilh. Wilhelmsen ASA group and Wilh. Wilhelmsen ASA

DIVIDEND IN THE GROUP ACCOUNTS

Dividend payments to the parent company's shareholders are recognised as a liability in the group's financial statements from the date when the dividend is approved by the general meeting.

DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS

Proposed dividend for the parent company's shareholders is shown in the parent company accounts as a liability at 31 December current year. Group contribution to the parent company is recognised as a financial income and current asset in the financial statement at 31 December current year.

LOANS

Loans are recognised at fair value when the proceeds are received, net of transaction costs. In subsequent periods, loans are stated at amortised cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the loan.

Loans are classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

PROVISIONS

The group and the parent company make provisions for legal claims when a legal or constructive obligation exists as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be estimated with a sufficient degree of reliability. Provisions are not made for future operating losses.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, the group and the parent company must make assumptions and estimates. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and oil prices which are outside the group's and parent company's control. This presents a substantial risk that actual conditions will vary from the estimates.

Revenue recognition

Revenues and costs associated with vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period. Sales of goods and maritime services are recognised in the accounting period in which the services are rendered, based on the degree of completion of the relevant transaction. The degree of completion is based on the actual services provided as a proportion of the total services to be provided. This method requires the group to exercise its judgement in assessing how large a share of the total service has been delivered on the balance sheet date.

Income tax

The group is subject to income tax in many jurisdictions. Various tax systems have required some use of judgement for certain countries in determining income tax for all countries taken together in the consolidated accounts.

The final tax liability for some transactions and calculations will be uncertain.

The group recognised tax liabilities associated with future decisions in tax cases/disputes, based on estimates of the likelihood that additional income tax will fall due. Should the final outcome of these cases vary from the amount of the original provision, this variance will affect the stated tax expense and provision for deferred tax in the period when the final outcome is determined.

The parent company recognises tax liabilities when these are incurred. In other words, the tax expense is related to the accounting profit/loss before tax. The tax expense comprises tax payable and the change in net deferred tax.

See note 6 for additional info.

Impairment of vessels

Future cash flow is based on an assessment of what is the group's expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organized and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. As a consequence, vessels will only be impaired if the total value of the fleet based on future estimated cash flows is lower than the total book value.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

If available estimated fair value of an asset is obtained externally. In addition, the group has financial models which calculate and determine the value in use through a combination of actual and expected cash-flow generation discounted to present value. The expected future cash-flow generation and models are based on assumptions and estimate.

The discount factor applied in the cash flow budgets is based on the group's long-term financing costs for debt-financed capital. Beyond the period covered by the business plan, a growth factor which varies between 0% and 5% is applied, with an expectation that gross margins will not weaken substantially over time.

See note 5 for additional info.

RISK MANAGEMENT

For information about risk management see note 13 in the group accounts.

NOTE 1 > Combined items, income statement

USD mill	Note	2011	2010
OPERATING REVENUE			
Freight revenue	17	**309**	210
Other revenue	17		4
Total operating revenue		**309**	213
GAIN ON SALE OF ASSETS			
Gain on sales of vessels			4
Total gain on sale of assets			4
VESSEL EXPENSES			
Luboil		**(8)**	(6)
Stores (water, safety, chemicals, ropes, etc)		**(5)**	(4)
Maintenance of vessels		**(24)**	(18)
Insurance		**(7)**	(8)
Other		**(10)**	(8)
Total vessel expenses		**(55)**	(43)
OTHER EXPENSES			
Office expenses		**(1)**	(5)
Communication and IT expenses		**(1)**	(1)
External services		**(2)**	(2)
Travel and meeting expenses		**(1)**	(1)
Marketing expenses		**(1)**	(2)
Other administration expenses		**(7)**	(5)
Total other expenses		**(12)**	(15)
FINANCIAL INCOME/(EXPENSE)			
Financials			
Investment management*		**1**	
Interest income		**3**	4
Net financial items		**4**	4
Net financials - interest rate			
Interest expenses		**(42)**	(36)
Interest rate derivatives - realised		**(45)**	(31)
Net interest expense		**(87)**	(67)
Interest rate derivatives - unrealised		**(45)**	(38)
Net financial - currency			
Net currency gain/(loss)		**4**	(9)
Currency derivatives - realised		**6**	5
Currency derivatives - unrealised		**(6)**	(12)
Cross currency derivatives - realised		**7**	4
Cross currency derivatives - unrealised		**(8)**	(10)
Net financial - currency		**2**	(21)
Financial income/(expense)		**(125)**	(122)

*Includes financial derivatives for trading

See note 13 on financial risk and the section of the accounting policies concerning financial derivatives.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

NOTE 2 > Investments in joint ventures

USD mill	Business office, country	2011 Voting share/ownership	2010 Voting share/ownership
Shipping			
Mark I Shipping Pte Ltd	Singapore	**50.0%**	50.0%
Tellus Shipping AS	Lysaker, Norway	**50.0%**	50.0%
American Roll-on Roll-off Carrier Holding Inc	New Jersey, USA	**50.0%**	50.0%
Fidelio Inc	New Jersey, USA	**50.0%**	50.0%
Fidelio Limited Partnership	New Jersey, USA	**50.0%**	50.0%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	**40.0%**	40.0%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	**40.0%**	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	**40.0%**	40.0%
Shipping/logistics			
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	**50.0%**	50.0%
Logistics			
American Shipping & Logistics Group Inc	New Jersey, USA	**50.0%**	50.0%
American Logistics Network LLC	New Jersey, USA	**50.0%**	50.0%

	2011	2010
Summarised financial information - according to the group's ownership		
Share of profit		
Share of total income	**2 066**	1 719
Share of operating expenses	**(1 893)**	(1 536)
Share of net financial items	**(22)**	(11)
Share of tax expense	**(15)**	(13)
Share of profit for the year	**135**	158
Share of equity (equity method)		
Book value	**626**	527
Excess value (goodwill)	**16**	16
Joint ventures' assets, equity and liabilities (group's share of investments)		
Share of non current assets	**1 117**	1 090
Share of current assets	**538**	446
Total share of assets	**1 656**	1 535
Share of equity 01.01	**543**	450
Share of profit for the period	**135**	158
Cash flow hedges (net after tax)		(11)
Capital contribution		20
Dividend received/repayments of share capital	**(34)**	(72)
Currency translation differences	**(1)**	(2)
Share of equity 31.12	**642**	543
Share of non current liabilities	**610**	666
Share of current liabilities	**403**	325
Total share of liabilities	**1 013**	990
Total share of equity and liabilities	**1 656**	1 535
Reconciliations of the group's income statement and balance sheet		
Share of profit from joint ventures	**135**	158
Share of profit from associates, see note 3	**47**	26
Share of profit from joint ventures and associates	**182**	184
Share of equity from joint ventures	**642**	543
Share of equity from associates, see note 3	**194**	150
Share of equity from joint ventures and associates	**836**	694

The group's share of profit (after tax) from joint ventures and associates is recognised in the income statement as an operating income. The investments in joint ventures and associates are related to the group's operating activities and therefore classified as part of the operating activity.

NOTE 3 > Investments in associates

USD mill	Business office, country	2011 Voting share/ownership	2010 Voting share/ownership
Logistics/Shipping			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	**15.0%**	15.0%

	2011	2010
Summary financial information - according to the group's ownership		
Assets	**432**	299
Liabilities	**238**	148
Equity	**194**	150
Operating income	**951**	687
Net profit	**47**	26
Share of profit/(loss) from associates		
Hyundai Glovis Co Ltd	**47**	28
Other associates		(3)
Share of profit from associates	**47**	26
Book value of associates		
Hyundai Glovis Co Ltd	**194**	150

Norwegian Car Carriers ASA is a Norwegian ship owning company resulting from a business combination of Eidsiva Rederi ASA and Dyvi Shipping in July 2010. After the business combination the group's ownership is 7.9% (diluted to 7.7% as per 31 December 2010) and the investment is no longer considered an associate. The investment has consecutively been written down to fair value and therefore the reclassification, to available-for-sale financial assets, did not give an income statement effect.

Even if the share interest in Hyundai Glovis is 15%, the investment is treated as an associate in accordance with IFRS. The reason is that the group has entered into a shareholders' agreement regarding their shareholding in Hyundai Glovis, including two representatives on the board of directors (33.3%). The agreement, which has an indefinite term, contains provisions, inter alia, restrictions on transfer of shares, corporate governance, composition of and procedures for the board of directors, matters which require a qualified majority at the general meeting of shareholders, and mechanisms in case a resolution cannot be reached by the partners. In addition the business relationship between the group's joint venture EUKOR Car Carriers Inc and Hyundai Glovis is strong as Hyundai Glovis is a global logistics service provider for EUKOR's main customers Hyundai Motor Group and Kia Motor Group.

Hyundai Glovis Co Ltd was listed on 23 December 2005, and the group's equity interest had a stock market value at 31 December 2011 of USD 934 million (2010: USD 750 million).

	2011	2010
Specification of share of equity and profit/loss:		
Share of equity 01.01	**150**	130
Share of profit for the year	**47**	26
Purchase of and capital contribution in Norwegian Car Carriers ASA		2
Reclassification of Norwegian Car Carriers ASA		(4)
Dividend	**(4)**	(3)
Share of equity 31.12	**194**	150
Share of equity		
Book value	**172**	127
Excess value, goodwill	**22**	22
Total share of equity	**194**	150

ACCOUNTS AND NOTES

NOTE 4 > Employee benefits

USD mill	2011	2010
Pay	**7**	10
Payroll tax	**2**	2
Pension cost	**4**	9
Employee benefits seagoing personnel*	**56**	44
Other remuneration	**1**	2
Total employee benefits	**70**	67

*Seagoing personnel is hired and not employed by the group. Hence they are not included as group employees.

Number of employees:		
Group companies in Norway	**33**	34
Group companies abroad	**12**	11
Total employees*	**45**	45
Average number of employees	**45**	70

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK thousand
2011						
President and CEO - Jan Eyvin Wang	**910***	**54**	**394**	**45**	**1 402**	**7 859**
CFO - Benedicte Bakke Agerup	**293**	**59**	**21**	**21**	**395**	**2 215**

*Including additional expenses related to future pensions: president and CEO Jan Eyvin Wang USD 344.

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

Remuneration of the three external directors totalled USD 146 in 2011. One of the board members, Diderik Schnitler, has an additional consulting agreement with the group where he got paid USD 37.
The board's remuneration for the fiscal year 2011 will be approved by the general meeting 26 April 2012.

USD 1 000	Pay/fees/ pension	Bonus	Pension premium	Other remuneration	Total	Total in NOK thousand
2010						
President and CEO - Jan Eyvin Wang from 1 June 2010	476*		201	19	696	4 205
CFO - Benedicte Bakke Agerup from 1 June 2010	157		5	11	173	1 045
Working chair - until 1 June 2010	181			5	187	1 128
Group CEO - until 1 June 2010	285		19	15	319	1 925
Deputy group CEO - until 1 June 2010	239		17	8	264	1 593
Deputy group CEO - until 1 June 2010	140		15	12	167	1 007
Group CFO - until 1 June 2010	248		95	18	360	2 177
Group vice president logistics ** - until 30 June 2010	178			85	263	1 591

*Including additional expenses related to future pensions: president and CEO Jan Eyvin Wang USD 177.
** Group vice president logistics Stephen P Cadden had been seconded to WWASA from a US subsidiary on an expatriate basis for a fixed time period.

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

CONT NOTE 4 > Employee benefits

Board of directors
Wilhelm Wilhelmsen - working chair until 15 April 2010
Thomas Wilhelmsen - chair from 15 April 2010
Nils P. Dyvik - from 1 June 2010

Remuneration of the four external directors totalled USD 215 in 2010 related to former Wilh. Wilhelmsen ASA (WWI).

See also note 3, Pay and other remuneration, in the parent company accounts.

OPTION PROGRAMME FOR SENIOR EXECUTIVES

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents
The extraordinary general meeting of Wilh. Wilhelmsen ASA (WWASA) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at senior executive level in the company.

The programme has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for Wilh. Wilhelmsen ASA was authorised to decide the beneficiaries under the programme. The board initially allocated annually 80 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2011 is average share price over the two weeks after the release of the results for the fourth quarter 2010 was NOK 40 (WWASA shares).

Granted share equivalents annually given:

	Options in WWASA shares
Jan Eyvin Wang (president and CEO)	50 000
Benedicte Bakke Agerup (CFO)	30 000

Per 31 December the options were out of the money for 2011.

Option programme from 31 October 2007 until 31 December 2010 - Cash-settled share-based
The board of directors of WWI resolved at a board meeting on 31 October 2007 to renew the share option programme for employees at management level in the company, and in its associated subsidiaries.

The board initially allocated 390 000 option rights in WWI (A shares) to the programme and authorised the group chief executive to decide who should be offered the option rights under the programme.

Due to the restructuring of the group and that the options were out of the money, the cash-settled share-based programme was eliminated in 2010 and hence fair value of the outstanding option rights at 31 December 2010 was zero. USD 0.24 million was recognised as an income through the income statement for 2010.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 4 > Employee benefits

Movements in the number of option rights (share options for 2007) outstanding, to employees of the entities in the group and related party Wilhelmsen Maritime Services, and their related weighted average exercise prices are as follows

	2010	
	Average exercise price NOK per share	Number of options granted
At 01.01	212.0	320 000
Granted	212.0	
Repealed	212.0	
Eliminated due to restructuring		(320 000)
Outstanding options 31.12		0

EXPENSED AUDIT FEE

USD mill	2011	2010
Statutory audit	**0.4**	0.4
Other assurance services	**0.0**	0.2
Tax advisory fee	**0.1**	0.1
Other assistance	**0.1**	0.1
Total expensed audit fee	**0.5**	0.8

NOTE 5 > Vessels and other fixtures

USD mill	Other fixtures	Vessels/ Newbuilding contracts	Total fixed assets	Intangible assets
FIXED ASSETS				
2011				
Cost price 01.01	**3**	**1 925**	**1 928**	**8**
Additions*		**401**	**402**	
Disposal	**(1)**	**(29)**	**(29)**	
Cost price 31.12	**2**	**2 298**	**2 301**	**8**
Accumulated depreciation and impairment losses 01.01	**(2)**	**(522)**	**(524)**	**(2)**
Depreciation		**(75)**	**(75)**	
Disposal		**29**	**29**	
Accumulated depreciation and impairment losses 31.12	**(2)**	**(568)**	**(571)**	**(2)**
Carrying amounts 31.12	**1**	**1 730**	**1 731**	**6**
2010				
Cost price 01.01	10	1 939	1 948	8
Additions*		100	100	
Disposal	(3)	(113)	(116)	
Reversal of currency translation differences	(5)		(5)	
Cost price 31.12	3	1 925	1 928	8
Accumulated depreciation and impairment losses 01.01	(7)	(544)	(551)	(1)
Depreciation		(77)	(77)	(1)
Disposal	1	99	99	
Reversal of currency translation differences	5		5	
Accumulated depreciation and impairment losses 31.12	(2)	(522)	(524)	(2)
Carrying amounts 31.12	1	1 404	1 404	6
Economic lifetime	3-10 years	30-35 years		
Depreciation schedule	Straight line	Straight line		

USD mill	2011	2010
Segment-level summary of the goodwill allocation:		
Shipping	**6**	6
Total goodwill allocation	**6**	6

The group has financial lease agreements for 9 (2010: 9) vessels in the shipping segment. Those car carriers covered by the leases had a book value at 31 December of USD 291 million (2010: USD 306 million), and depreciation for the year came to USD 15 million (2010: USD 21 million). The leasing commitment is classified as a non current liability. See note 12.

*Interest expenses of USD 3.2 million relating to newbuilding contracts were capitalised in 2011 (2010: USD 2.3 million).

During 2011, 4 new vessels were delivered. Through 2012, WWASA has 3 new vessels due for delivery.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 5 > Vessels and other fixtures

Impairment
The group has evaluated the need for potential impairment losses on its fleet in accordance with the accounting policies.
Fair value is the amount obtained from the sale of an asset or cash generating unit (CGU) in an arm's length transaction. Value in use is the net present value of future cash flows arising from continuing use of the asset or CGU, including any disposal proceeds. The impairment test has been performed based on the estimated future value in use of the fleet.

Key assumptions are future estimated cash flows, time charter income reduced by estimated vessel operating expenses, based on group management's latest long term forecast. The estimated future cash flows reflect both past experience as well as external sources of information concerning expected future market development.

Management has estimated a moderate improvement in cash flows over the five year forecasting period 2012-2016. Cash flows remain stable (90% of the 2016 level) over the remaining useful lives of vessels following the five year forecast period (0% growth rate).

The net present value of future cash flows was based on weighted average cost of capital (WACC) of 6.31% in 2011.

The WACC can be estimated as follows:
Borrowing rate: Debt ratio*(implied 18 year US swap rate + loan margin)
+ Equity Return: Equity ratio*(implied 18 year US swap rate + Beta*market premium)
= WACC

Based on the value in use estimates, management has concluded that no impairment is required as per 31 December 2011.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 212 million which would not have resulted in an impairment loss. Had the WACC been one percentage point lower, the estimated value in use would be increased by USD 247 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 195 million which would not have resulted in an impairment loss. Had the estimated time charter income been five percentage points higher, the estimated value in use would be increased by USD 196 million.

NOTE 6 > Tax

Tonnage tax
Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of vessels in international waters, such as financial income, is usually taxed according the ordinary taxation rules applicable in the resident country of each respective company. The group had two wholly owned companies resident in UK and Malta which were taxed under a tonnage tax regime in 2011. Further, the group had one tonnage taxed joint venture company resident in the Republic of Korea, one tonnage taxed joint venture company resident in Norway and three tonnage taxed joint venture companies in Singapore in 2011.

The tonnage tax is considered as operating expense in the accounts.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% of net profit. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.
For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. For 2011, the companies considered part of the Norwegian tax group (i.e. more than 90% owned, directly or indirectly, by the group) had a net tax-payable profit. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised.

Forced exit taxation
As a consequence of the decision by the Norwegian Supreme Court in February 2010 disallowing the transition to the new Norwegian tonnage taxation regime, WWASA's subsidiary Wilhelmsen Lines Shipowning AS (WLS) decided to apply for taxation under the new rules. However, in November 2010 the tax office decided to turn down the application. As a result WLS have been ordinary taxed since 2007. The tax office decision to turn down the application for tonnage tax for WLS has been brought before the tax appeal board. The group anticipate a decision from the tax appeal board within the end of second quarter 2012.

During 2011 WWASA has received the 2008, 2009 and 2010 tax assessment for WLS. The effect of these assessments is a total tax payable of USD 15 millions.

Foreign taxes
Companies domiciled outside Norway will be subject to local taxation, either on ordinary terms or under special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This generally applies to dividends paid by companies domiciled outside the EEA.

USD mill	2011	2010
Allocation of tax income/(expense) for the year		
Payable tax (including witholding tax)	**(28)**	(10)
Change in deferred tax	**42**	(31)
Total tax income/(expense)	**14**	(41)
Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%		
Profit before tax	**129**	54
28% tax	**36**	15
Tax effect from:		
Permanent differences	**1**	2
Non-taxable income	**(19)**	(7)
Share of profits from joint ventures and associates	**(49)**	(52)
Payable taxes previous year due to exit tonnage tax regime	**8**	
Reversed deferred tax assets due to exit of tonnage tax regime	**8**	
Currency translation differences		(1)
Witholding tax	**2**	
Reversed environment part of exit tonnage tax		83
Calculated tax income/(expense) for the group	**(14)**	41
Effective tax rate for the group	**(11%)**	75%

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 6 > Tax

The effective tax rate for the group will from period to period change, dependent on the group gains and losses from investments inside exemption method and non tax deductible revenues from tonnage tax regime. Deferred tax liability regarding the environmental share of the exit of tonnage tax regime in 2007 of reversal of USD 66 million (in 2009) and accruals of USD 83 million (in 2010) has brought a materiel effect of the group effective tax rate.

USD mill	2011	2010
Deferred tax assets to be recovered after more than 12 months	**16**	4
Deferred tax assets to be recovered within 12 months	**50**	111
Deferred tax liabilities to be recovered after more than 12 months	**(93)**	(132)
Deferred tax liabilities to be recovered within 12 months	**(26)**	(82)
Net deferred tax liabilities	**(53)**	(99)
Net deferred tax liabilities at 01.01	**(99)**	(95)
Currency translation differences	**4**	(1)
Tax effect of group contribution to related parties (change of taxation for 2007)		25
Tax charged to equity		3
Income statement charge	**42**	(31)
Net deferred tax assets/(deferred tax liabilities) at 31.12	**(53)**	(99)
Deferred tax assets in balance sheet		
Deferred tax liabilities in balance sheet	**(53)**	(99)
Net deferred tax liabilities at 31.12	**(53)**	(99)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

USD mill	Fixed assets	Tonnage tax regime	Other	Total
Deferred tax liabilities				
At 01.01.2010	(28)	(178)	(7)	(213)
Through income statement	(3)	(23)		(26)
Tax effect of group contribution to related parties (change of taxation for 2007)		25		25
Currency translations	(1)			(1)
At 31.12.2010	(31)	(176)	(6)	(214)
Through income statement	**(3)**	**89**	**6**	**92**
Currency translations		**2**		**2**
At 31.12.2011	**(34)**	**(85)**	**0**	**(120)**

CONT NOTE 6 > Tax

USD mill	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 01.01.2010	3	3	112	118
Through income statement	13	(3)	(16)	(6)
Charged directly to equity			3	3
At 31.12.2010	17	0	99	115
Through income statement	**47**	**1**	**(98)**	**(50)**
Currency translations	**1**		**1**	**2**
At 31.12.2011	**65**	**1**	**2**	**67**

Temporary differences related to joint ventures and associates are USD 0 for the group, since all the units are regarded as located within the area in which the exemption method applies, and no plans exist to sell any of these companies.

The temporary differences related to exit tonnage tax, fixed assets, current assets and liabilities and most of the tax losses carry forward are nominated in NOK and translated to balance date rate. The net currency gain and losses are recognised on entities level through the income statement due to different functional currency than local currency.

Tax effect of cash flow hedges in comprehensive income is zero due to tonnage tax regime.

NOTE 7 > Earnings per shares

Earnings per share are calculated by dividing profit for the period by numbers of shares. There are no shares or dilutive instruments outstanding.

Earnings per share is calculated based on 220 000 000 shares.

NOTE 8 > Pensions

Description of the pension scheme

- The group had for many years a defined benefit plan for its employees in Norway, organised as a collective policy in a life insurance company.
- Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules.
- At 1 January 1993, WW established its own pension fund – Wilh. Wilhelmsen Pensjonskasse. Pension benefits include coverage for old age, disability, spouse and children, and these supplement payments by the Norwegian National Insurance system. The full pension obligation is earned after 30 years of service and gives the right to an old age pension at a level of 66% of gross salary, including other occupational pensions and National Insurance.
- It was resolved in the first quarter of 2005 that the group would convert to a defined contribution pension scheme. All employees were given full freedom of choice. WW Pensjonskasse was then closed and a contract for a defined contribution pension plan was established with Vital Forsikring. Contributions paid by the employer are the maximum permitted by law. Insurance for disability, spouse/co-habitant and children's pension is linked to the defined contribution pension coverage. WW Pensjonskasse is dissolved and all pension liabilities related to defined benefit scheme (now closed) are from 01.01.2011 transferred to Storebrand Livsforsikring.
- The group also has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. Pension obligations related to salaries in excess of 12G and early retirement are mainly financed from operations.
- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

ACCOUNTS AND NOTES

CONT NOTE 8 > Pensions

USD mill	Funded 2011	Funded 2010	Unfunded 2011	Unfunded 2010
Number of people covered by pension schemes at 31.12				
In employment	**38**	36	**94**	115
On retirement (inclusive disability pensions)	**274**	290	**696**	706
Total number of people covered by pension schemes	**312**	326	**790**	821

USD mill	Expenses 2011	Expenses 2010	Commitments 31.12.2011	Commitments 31.12.2010
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	**5.0%**	5.6%	**4.7%**	5.0%
Discount rate	**3.6%**	4.4%	**2.8%**	3.6%
Anticipated pay regulation	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated increase in National Insurance base amount (G)	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated regulation of pensions	**1.5%**	2.0%	**1.0%**	1.5%

It is given that the group's assumptions for the pension calculation differ from the pension assumptions from the Norwegian Accounting Standards, based on the group's composition of average age of employees in employment and those in retirement, and the history of the group's pension plan. The assumptions are set by the actuary in collaboration with the group.

The expected return on assets reflects the weighted average expected returns for each asset class, and is affected by the closure of the pension fund. The discount rate is based on market yields of government bonds, 14 years in average for all plans.

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations.

Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2005 mortality tariff. The disability tariff is based on the KU table.

USD mill	2011	2010
Pension assets investments		
Short-term bonds	**11%**	32%
Bonds held to maturity	**35%**	43%
Money market	**1%**	1%
Equities	**14%**	24%
Other (property, credit bonds)	**39%**	
Total pension assets investments	**100%**	100%

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December. The recorded return on assets administered by Storebrand Kapitalforvaltning was 2.5% for 2011 (2010: 8.4%).

CONT NOTE 8 > Pensions

USD mill	Funded	Unfunded	2011 Total	Funded	Unfunded	2010 Total
Pension expenses						
Net present value of pension obligations	**1**		**1**	1		2
Interest expenses on pension obligations	**2**	**2**	**4**	2	3	5
Anticipated return on pension fund	**(2)**		**(2)**	(2)		(2)
Amortisation of changes in estimates not recorded in the accounts			**0**	3	1	3
Cost of defined contribution plan			**0**			0
Net pension expenses	**0**	**3**	**4**	4	4	9

USD mill	Funded	Unfunded	2011 Total	Funded	Unfunded	2010 Total
Recorded pension obligations						
Accrued pension obligations	**46**	**53**	**98**	44	57	101
Estimated effect of future salary regulation	**(1)**		**(1)**	(1)		(1)
Total pension obligations	**45**	**53**	**98**	43	57	100
Value of pension funds	**42**		**42**	42		42
Net pension obligations	**(3)**	**(53)**	**(55)**	0	(57)	(58)
Changes in the estimates not recorded in the accounts	**6**	**6**	**12**	4	8	12
Recorded pension obligations	**3**	**(46)**	**(43)**	4	(49)	(46)
Amounts in the balance sheet						
Assets			**3**			4
Liabilities			**(46)**			(49)
Net asset/(liability)			**(43)**			(46)

USD mill	2011	2010
Pension obligations		
Opening balance 01.01	**100**	132
Effect of exchange rates	**(3)**	(1)
Accumulated pension entitlements	**1**	2
Interest expenses	**3**	5
Pension payments	**(8)**	(8)
Disposal due to restructuring		(28)
Changes in estimates not recorded in the accounts	**4**	(2)
Pension obligations 31.12	**98**	100
Gross pension assets		
Opening balance 01.01	**42**	54
Effect of exchange rates	**(1)**	
Expected return	**2**	3
Premium payments		1
Pension payments	**(4)**	(4)
Disposal due to restructuring		(14)
Changes in estimates not recorded in the accounts	**2**	2
Gross pension assets 31.12	**42**	42

Premium payments in 2012 are expected to be USD 0.2 million (2011: USD 0.2 million). Payments from operations are estimated at USD 4.7 million (2011: USD 4.8 million).

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 8 > Pensions

The sensitivity of the overall pension liability to changes in weighted principal assumption is:

USD mill	Change in assumption	Impact of service cost	Impact pension obligation (PBO)
Basis 2.75%			
Discount rate	Increase by 0.5%	(0)	(10)
Discount rate	Decrease by 0.5%	0	5

USD mill	2011	2010	2009	2008	2007
Historical developments					
Defined benefit obligation	**(98)**	(100)	(132)	(110)	(143)
Plan assets	**42**	42	54	48	68
Surplus/(deficit)	**(55)**	(58)	(78)	(62)	(75)
Experience adjustments on plan liabilities	**0**	5	8	(2)	4
Experience adjustments on plan assets	**2**	2	(2)	(6)	1

NOTE 9 > Combined items, balance sheet

USD mill	Note	2011	2010
OTHER NON CURRENT ASSETS			
Loans to joint ventures	17	**14**	20
Available-for-sale financial assets		**3**	5
Financial derivatives		**10**	14
Other non current assets		**7**	8
Total other non current assets		**34**	46
OTHER CURRENT ASSETS			
Luboil		**4**	4
Accounts receivables		**9**	12
Financial derivatives		**6**	8
Loans to joint ventures	17	**6**	6
Payroll tax withholding account	11	**1**	1
Other current receivables		**10**	10
Total other current assets		**36**	40
OTHER NON CURRENT LIABILITIES			
Financial derivatives		**164**	126
Related party non current liabilities	17	**21**	
Total other non current liabilities		**185**	126
OTHER CURRENT LIABILITIES			
Accounts payables		**4**	7
Next year's instalment on interest-bearing debt	12	**230**	214
Financial derivatives		**15**	
Related party other current liabilities	17	**4**	32
Other current liabilities		**31**	23
Total other current liabilities		**285**	277

ACCOUNTS RECEIVABLES

Historically, the percentage of bad debts has been low and the group expects the customers to repay outstanding receivables. As of year end there was no receivables fallen due.

Accounts receivable per segment		
Shipping (shipowners)	**8**	12
Holding	**1**	
Total accounts receivables	**9**	12

See note 13 on credit risk.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

NOTE 10 > Current financial investments

USD mill	2011	2010
Market value current financial investments		
Bonds	**109**	57
Other financial assets	**1**	1
Total current financial investments	**110**	58

The fair value of all equity securities, bonds and other financial assets is based on their current bid prices in an active market.
Net unrealised loss at 31 December 2011 was USD 10.6 million (2010: gain of USD 1.4 million)

NOTE 11 > Restricted bank deposits and undrawn committed drawing rights

USD mill	2011	2010
Payroll tax withholding account	**1**	5
Undrawn committed drawing rights	**100**	100
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	**(61)**	(4)
Undrawn committed loans	**242**	540

NOTE 12 > Interest-bearing debt

USD mill	Note	2011	2010
Interest-bearing debt			
Mortgages		**824**	642
Leasing commitments		**265**	275
Bonds		**384**	403
Loans from joint ventures	17	**10**	
Total interest-bearing debt		**1 483**	1 320
Book value of mortgaged and leased assets:			
Vessels		**1 471**	996
Newbuilding contracts			146
Total book value of mortgaged and leased assets		**1 471**	1 142
Repayment schedule for interest-bearing debt			
Due in year 1	9	**230**	214
Due in year 2		**78**	141
Due in year 3		**160**	47
Due in year 4		**72**	110
Due in year 5 and later		**943**	808
Total interest-bearing debt		**1 483**	1 320
Net interest-bearing debt (joint ventures based on equity method)			
Non current interest-bearing debt		**1 253**	1 106
Current interest-bearing debt	9	**230**	214
Total interest-bearing debt		**1 483**	1 320
Cash and cash equivalents		**292**	524
Current financial investments	10	**110**	58
Net interest-bearing debt		**1 081**	738
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt		**579**	666
Current interest-bearing debt		**170**	140
Total interest-bearing debt in joint ventures		**749**	806
Cash and cash equivalents		**179**	181
Current financial investments			
Net interest-bearing debt in joint ventures		**571**	625

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 12 > Interest-bearing debt

- A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 100 million at 31 December 2011 (2010: USD 100 million).
- The group's total leasing commitments, USD 265 million at 31 December 2011 (2010: USD 275 million) relates to a financial lease agreement for 9 (2010: 9) car carriers. The leasing agreement for 3 car carriers runs until 2013 with options for repurchase, and the leasing agreement for 6 car carriers runs until 2029 (1), 2030 (2) and 2031 (3) when the ownership is transferred to the group. The charter for 3 car carriers has a fixed interest rate (fixed annual nominal charter rate), while the charter for a further 6 carriers has a floating interest rate (varying annual nominal charter rate).
- Leasing liabilities for the 3 (2010: 3) ships on fixed interest rates had a fair value of about USD 14 million (2010: USD 22 million) as against a carrying amount of USD 14 million at 31 December 2011 (2010: USD 21 million). The fair value is calculated on the basis of cash flows discounted by an average interest cost of 2.8%. All other non current liabilities have floating interest rates.

- Loan agreements entered into by the group contain financial covenants relating to free liquidity, debt-earnings ratio and current ratio. In additions one loan facility contain financial covenants relating to value-adjusted equity. The group was in compliance with these covenants at 31 December 2011 (analogous for 2010).
- The overview above shows the actual maturity structure, with the amount due in year one as the first year's instalment classified under other current liabilities.

USD mill	2011	2010
Guarantee commitments		
Guarantees for group companies	**956**	934
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	**1 012**	828
NOK	**384**	403
GBP	**87**	89
Total	**1 483**	1 320
The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows		
12 months or less	**1 416**	1 299

See otherwise note 13 for information on financial derivatives (interest rate and currency hedges) relating to interest-bearing debt.

NOTE 13 > Financial risk

The group has exposure to the following risks from its ordinary operations:
- Market risk
  - – Investment portfolio risk
  - – Foreign exchange rate risk
  - – Interest rate risk
  - – Bunker price risk
- Credit risk
- Liquidity risk

MARKET RISK INCLUDING BUNKERS

Economic hedging strategies have been established in order to reduce market risks in line with the financial strategy approved by the board of directors. Hedge accounting according to IAS 39 has not been applied for these economic hedges, and the effect is recognised through the income statement.

Joint ventures and associates, entities in which the group has joint control or significant influence respectively, hedge their own exposures. These are recorded in the accounts in accordance with the equity method, so that the effect of realised and unrealised changes in financial instruments in these companies are included in the line "share of profit/loss from joint ventures and associates" in the group accounts.

Investment portfolio risk
The group actively manages a defined portfolio of liquid financial assets for a proportion of the group's liquidity. The board defines the strategic asset allocation by setting weights for the main asset classes: Bonds, money market instruments and cash. A maximum of 60% of the portfolio can be invested in investment grade corporate bonds.

Foreign exchange rate risk
The group is exposed to currency risk on revenues and costs in non-functional currencies (transaction risk) and balance sheet items denominated in currencies other than USD (translation risk). The group's largest individual foreign exchange exposure is NOK against USD. However, the group is also exposed to a number of other currencies whereof EUR, KRW, GBP and JPY are most important.

Hedging of cash flow risk
The group's foreign exchange strategy is to hedge 25-75% of its net transaction risk. The USD/NOK exposure is hedged using a four year rolling portfolio of forwards and options. The average hedge ratio at the end of 2011 was approximately 39%. Hedge ratios (in both nominal and delta terms) are gradually reduced over the period. Exposures against other currencies are hedged on an ad-hoc basis.

The group realised a gain of USD 5.8 million (2010: USD 5.0 million) on currency derivatives in 2011. The market value of outstanding FX hedges by end of December 2011 was USD 1.0 million (2010: USD 7.6 million).

Hedging of translation risk
The group has outstanding bonds in the Norwegian market of about NOK 2.3 billion (USD 384 million). The corresponding amount was NOK 2.4 billion (USD 403 million) for 2010. A large part of this debt (NOK 900 million) has been hedged against USD with cross currency swaps. The group had an unrealised loss of USD 4.8 million on these derivatives in 2011 (compared to an unrealised gain of USD 7.4 million in 2010), ending 2011 with a USD 9.5 million positive fair value of outstanding cross currency swaps (2010: USD 14.3 million).

The group has financial leases related to three car carriers in GBP with a value of USD 87 million at 31 December 2011. This debt has been hedged against USD using cross currency swaps. The weaker GBP against USD has resulted in a currency revaluation gain on the USD value of the lease liability and a corresponding revaluation loss on the cross currency swaps. In sum, these cross currency swaps had a negative market value of USD 12.3 million (2010: USD 9.1 million) on 31 December.

FX sensitivities
The only material hedges for the group that were in place on 31 December 2011 were in USD/NOK. This portfolio of derivatives had an incremental income statement sensitivity as follows:

ACCOUNTS AND NOTES

CONT NOTE 13 > Financial risk

USD mill					
Change	**(20%)**	**(10%)**	**0%**	**10%**	**20%**
Income statement sensitivities of economic hedge program (post tax)					
USD/NOK spot rate	4.78	5.38	5.98	6.57	7.17
Incremental income statement effect	32	14		(7)	(16)

(Tax rate used is 28% that equals the Norwegian tax rate)

On 31 December 2011 material balances in foreign currency subject to translation risk were in NOK and EUR. Sensitivities post tax for the amounts booked in these currencies were as follows:

USD mill					
Change	**(20%)**	**(10%)**	**0%**	**10%**	**20%**
USD/NOK	4.78	5.38	5.98	6.57	7.17
Incremental income statement effect	(32)	(25)		21	17
USD/EUR	1.04	1.17	1.29	1.42	1.55
Incremental income statement effect	(0)	(0)		0	0

(Tax rate used is 28% that equals the Norwegian tax rate)

There were no material translation risks booked directly against equity in the general ledger as of 31 December 2011. All financial derivatives are booked against the income statement. Equity sensitivities will therefore equal sensitivities in the income statement.

Interest rate risk
The group's long-term interest rate strategy is to ensure that a minimum of 30% and a maximum of 70% of the interest-bearing debt portfolio have a fixed interest rate exposure.

Interest rate hedge contracts held by the group corresponded to about 75% (2010: 65%) of its outstanding long-term interest exposure at 31 December 2011.

At 31 December, the overall portfolio of loan hedging derivatives had a negative value of USD 161 million (2010: negative USD 117 million).

USD mill	2011	2010
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1	**225**	115
Due in year 2		225
Due in year 3	**60**	
Due in year 4	**140**	60
Due in year 5 and later *	**710**	850
Total interest rate hedges	**1 135**	1 250
*of which forward starting	**60**	430

To replace maturing interest rate hedge contracts and new debt uptake, the group has entered into forward starting swaps and swaptions with a notional of USD 60 million. These derivatives commence in 2012, and run in the 2012 period.

USD mill	2011	2010
Forward starting in:		
2011		370
2012	**60**	60
Total forward starting	**60**	430

CONT NOTE 13 > Financial risk

This implies that the group intends to increase its hedged proportion somewhat compared to today's level over the next few years. The average remaining term of the existing loan portfolio is approximately 5.5 years, while the average remaining term of the running hedges and fixed interest loans is approximately 4.2 years.

The group's interest rate sensitivity is moderate. At 31 December 2011, if interest rates at the date had been 1% lower with all other variables held constant, post tax profit for the year would have been about USD 7 million higher (2010: USD 5 million higher), arising mainly as a result of lower net interest expense on variable borrowing (net interest-bearing debt). Furthermore, a 1% change in the interest rate will give changes in the market values of the interest derivatives which will impact unrealised gain/loss by approximately USD 32 million (2010: USD 42 million).

All financial derivatives are booked against the income statement in accordance with the fair value accounting principle. Equity sensitivities will therefore equal sensitivities in the income statement.

	2011		2010	
USD mill	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives				
Wilh. Wilhelmsen ASA		**27**		25
Wilhelmsen Lines Shipowning AS		**8**		5
Wilhelmsen Lines AS		**124**		76
Wilhelmsen Lines Car Carriers Ltd		**3**		11
Total interest rate derivatives		**161**		117
Currency cash flow derivatives				
Wilhelmsen Lines Shipowning AS	**6**			
Wilh. Wilhelmsen ASA		**5**	8	
Total currency cash flow derivatives	**6**	**5**	8	
Cross currency derivatives (basis swaps)				
Wilh. Wilhelmsen ASA	**10**		14	
Wilhelmsen Lines Car Carriers Ltd		**12**		9
Total cross currency derivatives (basis swaps)	**10**	**12**	14	9
Total market value of capitalised financial derivatives	**16**	**179**	22	126

Book value equals market value

Bunker price risk
The group's strategy for bunker is to secure bunker adjustment clauses (BAF) in contracts of affreightment. Various forms of BAF's are included in most of the contracts of affreightment held by the operating joint ventures.

The profitability and cash flow of the group will depend upon the market price of bunker fuel which is affected by numerous factors beyond the control of the group. After a steep increase in the first part of 2011, the bunker price decreased somewhat during the summer. Rotterdam FOB 380 started the year at USD 490 per tonne and climbed to USD 630 per tonne at year end.

The group is exposed to bunker price fluctuations through its investments in Wallenius Wilhelmsen Logistics (WWL) (50%), American Shipping and Logistics Group (50%) and EUKOR Car Carriers (40%), and through adjustment in vessel charter hire from WWL.

EUKOR have entered into derivative contracts to hedge part of the remaining bunker price exposure. The group's share of these contracts corresponds to its share of earnings in EUKOR. The group's share of the market value relating to bunker contracts held by EUKOR were positive USD 5.4 million (2010: positive USD 2.5 million) at 31 December.

CREDIT RISK

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and originates primarily from the group's customer receivables, financial derivatives used to hedge interest rate risk or foreign exchange risk, as well as investments, including bank deposits.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 13 > Financial risk

Loans and receivables

Trade receivables

The group's direct exposure to credit risk on its receivables is limited as the group does not have any direct relationship with the customers.

However, the group's underlying exposure to credit risk through its joint ventures is influenced mainly by individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group's shipping segment has historically been considered to have low credit risk as the joint ventures do business with large and well reputed customers. In addition, cargo can be held back.

However, due to the financial difficulties currently facing some customers, the credit risk has increased somewhat, but is still regarded as moderate.

Cash and bank deposits

The group's exposure to credit risk on cash and bank deposits is considered to be very limited as the group maintain banking relationships with well reputed and familiar banks and where the group - in most instances - has a net debt position towards these banks.

Financial derivatives

The group's exposure to credit risk on its financial derivatives is considered to be limited as the group's counterparties are well reputed and familiar banks.

Loans to joint ventures

The group's exposure to credit risk on loans to joint ventures is limited as the group, together with is joint venture partner, control the entities to which loans have been provided.

No loans or receivables were past due or impaired at the end of 2011 (analogous for 2010).

Guarantees

The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within the subsidiaries. See note 12 for further details.

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the reporting date was:

USD mill	Note	2011	2010
Exposure to credit risk			
Financial derivatives	9	**16**	22
Account receivables	9	**9**	12
Current financial investments	10	**110**	58
Other non current assets	9	**21**	28
Other current assets	9	**21**	20
Cash and bank deposits		**292**	524
Total exposure to credit risk		**469**	664

Book value equals market value

LIQUIDITY RISK

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to at all times meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's liquidity risk is considered to be low in that it holds significant liquid assets in addition to credit facilities with the banks.

The liquidity increased significantly during 2010 mainly as a result of issuance of new equity.

At 31 December, the group had USD 399 million (2010: USD 578 million) in liquid assets which can be realised over a three-day period in addition to USD 100 million (2010: USD 100 million) in undrawn capacity under its bank facilities.

CONT NOTE 13 > Financial risk

USD mill	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Undiscounted cash flows financial liabilities as per 31.12.2011:				
Mortgages	**175**	**82**	**332**	**346**
Leasing commitments	**19**	**19**	**35**	**224**
Bonds	**83**	**17**	**345**	**38**
Financial derivatives	**40**	**27**	**54**	**26**
Total interest-bearing debt	**317**	**145**	**766**	**635**
Current liabilities (excluding next year's instalment on interest-bearing debt)	**55**			
Total gross undiscounted cash flows financial liabilities 31.12.2011	**372**	**145**	**766**	**635**
Undiscounted cash flows financial liabilities as per 31.12.2010:				
Mortgages	280	133	126	312
Leasing commitments	24	26	64	343
Bonds	21	85	140	270
Financial derivatives	27	41	70	33
Total interest-bearing debt	353	285	401	958
Current liabilities (excluding next year's instalment on interest-bearing debt)	62			
Total gross undiscounted cash flows financial liabilities 31.12.2010	415	285	401	958

Interest expenses on interest-bearing debt included above have been computed using interest rate curves as of year end.

COVENANTS

Most financing is subject to certain financial and non-financial covenants or restrictions. The main covenant related to the company's bond debt is limitation on the ability to pledge assets.

The main bank and lease financing of the group (Wilhelmsen Lines group) and its wholly-owned subsidiaries have financial covenant clauses relating to one or several of the following:

- Minimum liquidity
- Current assets/current liabilities
- Net interest-bearing debt/ EBITDA
- Leverage (Market value adjusted assets/Total liabilities)

The minimum ratios are adjusted to reflect the financial situation of the relevant borrowing company or group of companies. Certain loan agreements have loan-to-value clauses (ship values), however, the company has the ability to provide additional security if necessary. Certain subsidiary loan agreements also have change of control clauses. As of the balance date, the company is not in breach of any financial or non-financial covenants.

Covenants can be adjusted in the event of material changes in accounting principles.

CAPITAL RISK MANAGEMENT

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors return on capital employed, which the group defines as profit before tax adjusted for interest expenses and realised losses (gains) on interest rate derivatives divided by capital employed (shareholders equity and interest-bearing debt). The long-term objective is a return on capital employed higher than the weighted average cost of capital. The board also monitors the level of dividends to shareholders.

The group seeks to maintain a balance between the potentially higher returns that can be achieved with a higher level of debt and the advantages of maintaining a solid capital position. The group's target is to achieve a return on capital employed over time that exceeds the risk adjusted long term weighted average cost of capital. In 2011 the return on capital employed was 9.9% (2010: 7.5%). In comparison, the risk adjusted long-term weighted average cost of capital is about 6.5%.

The group has a covenant on value adjusted equity. The requirement is that value adjusted equity shall exceed 30% of total assets.

ACCOUNTS AND NOTES

CONT NOTE 13 > Financial risk

FAIR VALUE ESTIMATION

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes.
These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value and
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

USD mill	Fair value	Carrying amount
Interest-bearing debt 31.12		
Mortgages	**790**	**824**
Leasing commitments	**266**	**265**
Bonds	**375**	**384**
Loans from joint ventures	**10**	**10**
Total interest bearing debt 2011	**1 441**	**1 483**
Mortgages	602	642
Leasing commitments	254	275
Bonds	393	403
Total interest bearing debt 2010	1 249	1 320

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

CONT NOTE 13 > Financial risk

Total financial instruments and short term financial investments:

USD mill	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement				
Financial derivatives		**16**		**16**
Bonds	**107**		**3**	**110**
Available-for-sale financial assets	**3**			**3**
Other financial assets			**1**	**1**
Total assets 31.12.2011	**110**	**16**	**3**	**129**
Financial liabilities at fair value through income statement				
Financial derivatives		**179**		**179**
Total liabilities 31.12.2011	**0**	**179**	**0**	**179**
Financial assets at fair value through income statement				
Financial derivatives		22		22
Bonds	50	4	3	57
Available-for-sale financial assets	5			5
Other financial assets			1	1
Total assets 31.12.2010	55	26	4	85
Financial liabilities at fair value through income statement				
Financial derivatives		126		126
Total liabilities 31.12.2010		126		126

The following table presents the changes in level 3 instruments:

USD mill	2011	2010
Changes in level 3 instruments		
Opening balance 01.01	**4**	18
Disposals	**(1)**	(15)
Transfer to level 3		1
Closing balance 31.12	**3**	4

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of 2011 are liquid investment grade bonds (analogous for 2010).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These instruments are included in level 2. Instruments included in level 2 are FX and IR derivatives and illiquid high yield corporate bonds.

If one or more of the significant inputs is not based on observable market data, the instrument is in level 3. Primarily illiquid investment funds and structured notes are included in level 3.

ACCOUNTS AND NOTES

CONT NOTE 13 > Financial risk

Financial instruments by category

USD mill	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets	**14**	**10**	**3**	**7**	**34**
Current financial investments		**110**			**110**
Other current assets	**15**	**6**		**15**	**36**
Cash and cash equivalent	**292**				**292**
Assets at 31.12.2011	**321**	**126**	**3**	**22**	**472**

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Liabilities			
Non current interest-bearing debt		**1 253**	**1 253**
Other non current liabilities	**164**	**21**	**185**
Other current liabilities		**285**	**285**
Liabilities 31.12.2011	**164**	**1 559**	**1 723**

USD mill	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets	20	14	5	8	46
Current financial investments		58			58
Other current assets	18	8		14	40
Cash and cash equivalent	524				524
Assets at 31.12.2010	562	80	5	22	668

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 106	1 106
Other non current liabilities	126		126
Other current liabilities		277	277
Liabilities 31.12.2010	126	1 383	1 509

NOTE 14 > Segment reporting

SEGMENTS

The chief operating decision-maker monitors the business by combining operations having similar operational characteristics such as product services, market and underlying asset base, into operating segments. The shipping segment offers a global service covering major global trade routes which makes it difficult to allocate to geographical segments.

The equity method provides a fair presentation of the group's financial position but the group's internal financial reporting is based on the proportionate method. The major contributors in the shipping and logistics segments are joint ventures and hence the proportionate method gives the chief operating decision-maker a higher level of information and a better picture of the group's operations.

For the holding segment the financial reporting will be the same for both equity and proportionate methods.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2011 is as follows:

USD mill	Shipping 2011	Shipping 2010	Logistics 2011	Logistics 2010	Holding 2011	Holding 2010
INCOME STATEMENT						
Total income	**2 028**	1 645	**417**	332	**7**	10
Primary operating profit*	**363**	310	**84**	50	**(12)**	(22)
Depreciation and impairment	**(138)**	(131)	**(6)**	(5)		(1)
Operating profit	**226**	179	**79**	45	**(12)**	(23)
Financial income/(expense)	**(124)**	(88)			**(23)**	(46)
Profit/(loss) before tax	**102**	91	**79**	45	**(36)**	(68)
Tax income/(expense)	**3**	(68)	**(12)**	(8)	**9**	22
Profit/(loss) for the year	**105**	23	**66**	37	**(27)**	(46)
Of which minority interest			**(1)**	(1)		
Profit/(loss) after minority interest			**65**	36		

USD mill	Eliminations 2011	Eliminations 2010	Total 2011	Total 2010
INCOME STATEMENT				
Total income	**(30)**	(24)	**2 422**	1 963
Primary operating profit*			**436**	338
Depreciation and impairment			**(144)**	(137)
Operating profit	**0**	0	**292**	201
Financial income/(expense)			**(147)**	(134)
Profit/(loss) before tax	**0**	0	**145**	67
Tax income/(expense)			**(1)**	(54)
Profit/(loss) for the year	**0**	0	**144**	13
Of which minority interest			**(1)**	(1)
Profit/(loss) after minority interest			**143**	13

*Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

Income in 2011 of approximately USD 248 million (2010: USD 220 million) is from one external customer belonging to the group's shipping segment.

USD mill	Note	2011	2010
Reconciliations between the operational segments and the group's income statement			
Total segment income	13	**2 422**	1 963
Share of total income from joint ventures	2	**(2 066)**	(1 719)
Share of profit from joint ventures	2	**135**	158
Total income		**491**	402
Share of profit from joint ventures and associate	2/3	**(182)**	(184)
Gain on sale of assets	1		(4)
Operating revenue	1	**309**	213
Segment note's profit for the year	14	**143**	13
Profit for the year (Income statement)		**143**	13

ACCOUNTS AND NOTES

CONT NOTE 14 > Segment reporting

The amounts provided to the chief operating decision-maker with respect to total assets, liabilities and equity are measured in a manner consistent with that of the balance sheet. The balance sheet is based on equity consolidation and is therefore not directly consistent with the segment reporting for the income statement.

	Shipping		Logistics		Holding	
USD mill	31.12.2011	31.12. 2010	31.12. 2011	31.12. 2010	31.12. 2011	31.12. 2010
BALANCE SHEET						
Fixed assets	**1 736**	1 409			**1**	1
Investments in joint ventures and associates	**527**	464	**309**	229		
Non current receivables/investments	**19**	26			**407**	284
Current assets	**343**	461			**97**	240
Total assets	**2 625**	2 361	**309**	229	**505**	525
Equity	**854**	869	**309**	229	**45**	9
Non current liabilities	**1 532**	1 141			**393**	500
Current liabilities	**239**	351			**67**	16
Total equity and liabilities	**2 625**	2 361	**309**	229	**505**	525
Investments in fixed assets	**401**	100				

	Eliminations		Total	
USD mill	31.12.2011	31.12.2010	31.12.2011	31.12.2010
BALANCE SHEET				
Fixed assets			**1 737**	1 411
Investments in joint ventures and associates			**836**	694
Non current receivables/investments	**(388)**	(260)	**37**	50
Current assets	**(2)**	(79)	**438**	622
Total assets	**(390)**	(339)	**3 048**	2 776
Equity			**1 207**	1 107
Non current liabilities	**(388)**	(260)	**1 537**	1 381
Current liabilities	**(2)**	(79)	**305**	288
Total equity and liabilities	**(390)**	(339)	**3 048**	2 776
Investments in fixed assets			**402**	100

GEOGRAPHICAL AREAS

	Total		Europe		Americas		Asia & Africa		Other	
USD mill	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Total income	**491**	402	**27**	14	**21**	45	**135**	134	**308**	210
Total assets	**3 048**	2 775	**203**	253	**27**	12	**194**	150	**2 625**	2 361
Investment in fixed assets	**402**	100							**401**	100

Assets and investments in shipping-related activities are not allocated to geographical segments, since these assets constantly move between the geographical segments and a breakdown would not provide a sensible picture. This is consequently allocated under the "other" geographical area.

Russia is defined as Europe.

CONT NOTE 14 > Segment reporting

Total income
Segment income is based on the geographical location of the company and includes sales gains and share of profits from joint ventures and associates.

Charter hire income received by shipowning companies cannot be allocated to any geographical area. This is consequently allocated under the "other" geographical area.

The share of profits from joint ventures and associates is allocated in accordance with the location of the relevant company's head office. This does not necessarily reflect the geographical distribution of the underlying operations, but it would be difficult to give a correct picture when consolidating in accordance with the equity method.

Total assets
Segment assets are based on the geographical location of the assets.

Investments in tangible fixed assets
Segment capital expenditure is based on the geographical location of the assets.

ADDITIONAL SEGMENT REPORTING

The equity method is used in communicating externally, in accordance with IFRS. The amounts provided with respect to the segment split are in a manner consistent with that of the income statement.

	Shipping		Logistics		Holding	
USD mill	2011	2010	2011	2010	2011	2010
INCOME STATEMENT						
Income other operating segments					**6**	5
Income external customers	**308**	209			**2**	5
Share of profits from joint ventures and associates*	**117**	148	**65**	36		
Gain on sales of assets		4				
Total income	**425**	361	**65**	36	**7**	10
Primary operating profit	**277**	240	**65**	36	**(12)**	(22)
Depreciation and impairment	**(75)**	(77)				(1)
Operating profit	**201**	163	**65**	36	**(12)**	(23)
Financial income/(expense)	**(102)**	(77)			**(23)**	(46)
Profit/(loss) before tax	**100**	87	**65**	36	**(35)**	(68)
Tax income/(expense)	**5**	(63)			**9**	22
Profit/(loss) for the year	**105**	23	**65**	36	**(26)**	(46)

	Eliminations		Total	
USD mill	2011	2010	2011	2010
INCOME STATEMENT				
Income other operating segments	**(6)**	(5)		
Income external customers			**309**	213
Share of profits from joint ventures and associates*			**182**	184
Gain on sales of assets				4
Total income	**(6)**	(5)	**491**	402
Primary operating profit			**330**	254
Depreciation and impairment			**(76)**	(78)
Operating profit	**0**	0	**254**	176
Financial income/(expense)			**(125)**	(122)
Profit/(loss) before tax	**0**	0	**129**	54
Tax income/(expense)			**14**	(41)
Profit/(loss) for the year	**0**	0	**143**	13

* Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

ACCOUNTS AND NOTES

NOTE 15 > Business combinations

There were no material business acquisitions in the period 1 January 2010 to 31 December 2011.

NOTE 16 > Commitments

The group has lease agreements for 5 vessels on operating leases. 3 leases run over 15 years from 2006 (2 vessels) and 2007 (1 vessel) with an option to extend for additional 5 + 5 years. 2 leases run for 2 years from end of 2010 with further options 1+1+1 year. In addition the group has lease agreements for office rental and office equipment.
The commitment related to this is as set out below (nominal amounts):

USD mill	2011	2010
Due in year 1	**26**	25
Due in year 2	**23**	26
Due in year 3	**23**	23
Due in year 4	**23**	23
Due in year 5 and later	**137**	161
Value of operating lease commitments	**232**	257

Through 2012, WWASA has 3 new vessels due for delivery.

The commitments related to the newbuilding programme is set out below:

USD mill	2011	2010
Due in year 1	**200**	352
Due in year 2		200
Value of newbuilding commitments	**200**	552

NOTE 17 > Related party transaction

The ultimate owner of Wilh.Wilhelmsen ASA is Tallyman AS. Mr Wilhelm Wilhelmsen controls Tallyman AS.
Through different companies Mr Wilhelm Wilhelmsen controls 44% of the voting shares of Wilh.Wilhelmsen ASA.

Remuneration of Mr Wilhelm Wilhelmsen totaled USD 301 whereof USD 268 was ordinary paid pension and USD 34 in other remuneration.

See note 4 in the group accounts, and note 2 in the parent accounts, for fee's to board of directors. See note 10 in the parent accounts for largest shareholders.

The group has undertaken several transactions with related parties Wilh. Wilhelmsen Holding ASA group (WWH group). All transactions are entered into in the ordinary course of business of the company and the agreements pertaining to the transactions are all entered into on commercial market terms.

USD mill	2011	2010
Operating revenues from WWH group		4
Operating revenues from related parties are as following: Management fee, tax, legal and communication services		
Operating expenses to WWH group	**7**	2

As a consequence of the restructuring, Wilh. Wilhelmsen Holding ASA (WWH) delivers services to the WWASA group related to inter alia human resources, tax, communication, treasury and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. In addition, according to service level agreements, WWASA delivers accounting services to WWH. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

Historically and currently there are several agreements and transactions made between the group and companies in the Wilhelmsen Maritime Services group (WMS group), all of which are made on an arm's length principle based on market terms, based on the principles set out in the OECD's transfer pricing guidelines for group services, including, inter alia, cost plus basis or based on independent broker estimates, as the case may be. In the event services are provided to both external and internal parties, the prices set forth in the contracts regarding such services, are on same level for both the external and the internal customers. The contracts cover:

- Ship management including crewing, technical and management service
- Agency services
- Freight and liner services
- Marine products to vessels
- IT Services

Most of the above expenses will be a part of time charter income from all joint ventures. Net income from joint venture include the expenses from the related parties as a part of the share of profit from associates and joint ventures.

In addition, WWASA group has several transactions with associates. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

OPERATING REVENUE FROM RELATED PARTY

USD mill	Business office, country	Ownership	Note	2011	2010
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%		**259**	159
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%		**42**	42
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		**8**	8
Freight revenue from related party			1	**309**	210

Wallenius Wilhelmsen Logistics (WWL) is a joint venture between WWASA and Wallenius Lines AB (Wallenius). It is an operating company within both the shipping segment and the logistics segment. It operates most of the WWASAs and Wallenius' owned vessels. The distribution of income from WWL to WWASA and Wallenius is based on the total net revenue earned by WWL from the operating of the combined fleets of WWASA and Wallenius, rather than the net revenue earned by each party's vessels.
EUKOR Car Carriers Inc is also chartering vessel from WWASA. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

ACCOUNTS AND NOTES

CONT NOTE 17 > Related party transaction

USD mill	Note	2011	2010
Non current loan to related parties (WWH group)			
Non current loans to related parties			1
Loan repayments received			(1)
Non current loan to related parties		**0**	0
Non current loan from related parties (WWH group)			
Loans from related parties		**23**	
Loan repayments		**(2)**	
Non current loan from related parties*	9	**21**	
Current receivables related parties WWH group		**0**	0
Current payables related parties WWH group	9	**4**	32

*The non current loan from WMS group is interest free.

USD mill	Note	2011	2010
Loan from joint venture			
Non current interest-bearing debt		**7**	
Current interest-bearing debt		**3**	
Total loan from joint venture**	12	**10**	
Loan to joint venture			
Non current assets	9	**14**	20
Current assets	9	**6**	6
Total loan to joint venture**		**20**	25

**Loans to and from Fidelio Limited Partnership is provided at commercially reasonable market terms (average margins 4.5%). Interest rates are based on floating LIBOR-rates.

NOTE 18 > Contingencies

The size and global activities of the group dictate that companies in the group will be involved from time to time in disputes and legal actions. However, the group is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements. Any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

NOTE 19 > Events after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

INCOME STATEMENT > Wilh. Wilhelmsen ASA

USD mill	Note	2011	2010
Operating income	1	**7**	8
Operating expenses			
Employee benefits	2	**(12)**	(19)
Depreciation and impairments	3		(1)
Other operating expenses	1	**(7)**	(10)
Total operating expenses		**(19)**	(31)
Net operating profit/(loss)		**(12)**	(22)
Financial income and expense			
Financial income	1	**115**	149
Financial expense	1	**(32)**	(34)
Financial derivatives	1	**(15)**	(18)
Financial income / (expense)		**67**	97
Profit/(loss) before tax		**55**	74
Income tax expense	4	**(15)**	(12)
Profit/(loss) for the year		**40**	63
Transfers and allocations			
(To)/from equity		**(16)**	(51)
Fund for unrealised gains			7
Dividends		**(24)**	(19)
Total transfers and allocations		**(40)**	(63)

Notes 1 to 14 on the next pages are an integral part of these financial statements.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

BALANCE SHEET > Wilh. Wilhelmsen ASA

USD mill	Note	31.12.11	31.12.10
ASSETS			
Non current assets			
Deferred tax asset	4	**16**	32
Fixtures	3	**1**	1
Investments in subsidiaries	5	**528**	528
Investments in joint ventures and associates	6	**63**	63
Other non current assets	7	**396**	218
Total non current assets		**1 005**	842
Current assets			
Current financial investments	8/9	**1**	1
Other current assets	7	**36**	209
Cash and cash equivalents		**92**	146
Total current assets		**128**	356
Total assets		**1 133**	1 198
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**30**	30
Premium fund	10	**485**	485
Retained earnings	10	**62**	66
Total equity		**578**	582
Non current liabilities			
Pension liabilities	11	**43**	45
Non current interest-bearing debt	12	**323**	400
Other non current liabilites	7	**65**	111
Total non current liabilities		**430**	556
Current liabilities			
Public duties payable		**1**	1
Other current liabilities	7/12	**124**	60
Total current liabilities		**125**	61
Total equity and liabilities		**1 133**	1 198

Seoul, 22 March 2012

Thomas Wilhelmsen
Chair

Diderik Schnitler

Nils P. Dyvik

Hege Sjo

Marianne Lie

Jan Eyvin Wang
President and CEO

Notes 1 to 14 on the next pages are an integral part of these financial statements.

CASH FLOW STATEMENT > Wilh. Wilhelmsen ASA

USD mill	Note	2011	2010
Cash flow from operating activities			
Profit before tax		**55**	74
Depreciation and impairments	3		1
Financial (income)/expense excluding financial derivatives unrealised		**(72)**	(148)
Financial derivatives unrealised	1	**20**	22
Currency exchange operation - through P/L		**(15)**	1
(Gain)/loss from sale of subsidiary	1		(1)
Change in net pension asset/liability	11	**(2)**	(11)
Change in current financial investment	8	**1**	1
Change in other current assets		**1**	18
Other change in working capital		**(6)**	(3)
Net cash provided by/(used in) operating activities		**(19)**	(46)
Cash flow from investing activities			
Proceeds from sale of fixed assets	3		2
Proceeds from sale of subsidiaries and other companies			2
Loan repayments received from subsidiaries		**27**	2
Loans granted to subsidiaries		**(3)**	(202)
Interest received		**10**	5
Group contribution		**(1)**	3
Dividends received from associates		**3**	
Loans repayments from subsidiaries		**4**	
Loans repayments to subsidiaries		**(1)**	
Return on financial investments		**(1)**	3
Net cash flow provided by/(used in) investing activities		**38**	(185)
Cash flow from financing activities			
Proceeds from issuance of debt		**33**	38
Repayment of debt		**(48)**	(57)
Dividends paid		**(39)**	(16)
Amortization discount WW bonds		**(1)**	(2)
Interest paid including interest rate derivates realised		**(20)**	(28)
Issue equity, net			217
Net cash flow provided by/(used in) financing activities		**(74)**	153
Net increase/(decrease) in cash and cash equivalents		**(55)**	(77)
Cash and cash equivalents at 01.01*		**146**	225
Cash and cash equivalents at 31.12		**92**	146

*The company has several banks accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

Notes 1 to 14 on the next pages are an integral part of these financial statements.

ACCOUNTS AND NOTES

NOTE 1 > Combined items

USD mill	2011	2010
OPERATING INCOME		
Inter-company income	**7**	8
Total operating income	**7**	8
OTHER OPERATING EXPENSES		
Inter-company expenses	**(3)**	(3)
Other administration expenses	**(4)**	(8)
Total other operating expenses	**(7)**	(10)
FINANCIAL INCOME/(EXPENSE)		
Financial income		
Dividend from subsidiaries, associate and group contribution	**89**	132
Interest income	**10**	5
Gain on sale of investments		1
Net currency gain	**16**	
Other financial income		12
Total financial income	**115**	149
Financial expense		
Interest expense	**(23)**	(22)
Net currency loss		(2)
Return on current financial investments	**(1)**	(3)
Other financial expense	**(8)**	(8)
Total financial expense	**(32)**	(34)
Financial derivatives		
Realised gain/(loss) related to currency derivatives	**12**	9
Realised gain/(loss) related to interest rate derivatives	**(7)**	(5)
Unrealised gain/(loss) related to currency derivatives	**(18)**	(17)
Unrealised gain/(loss) related to interest rate derivatives	**(3)**	(5)
Total financial derivatives	**(15)**	(18)

NOTE 2 > Employee benefits

USD mill	2011	2010
Pay	**5**	8
Payroll tax	**2**	2
Pension cost	**4**	8
Other remuneration	**1**	1
Total employee benefits	**12**	19
Average number of employees	**33**	34

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2011						
President and CEO - Jan Eyvin Wang	910*	54	394	45	1 402	7 859
CFO - Benedicte Bakke Agerup	293	59	21	21	395	2 215

* Including additional expenses related to future pensions: president and CEO Jan Eyvin Wang USD 344.

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year.
Rates of remuneration can be compared by taking account of changes in the USD exchange rate.
Remuneration of the three external directors totalled USD 146 in 2011.
The board's remuneration for the fiscal year 2011 will be approved by the general meeting 26 April 2012.

The president and CEO has a performance based bonus scheme which gives him the right to a maximum of 4 monthly salary payments.

The president and CEO has a pay guarantee scheme which gives him the right up to 62 years of age to receive 50% of his salary for 30 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted with up to 50%. This guarantee scheme comes into force after six months notice period. See note 14 for further details.

USD 1 000	Pay/fees/ pensions	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2010						
President and CEO - Jan Eyvin Wang from 1 June 2010	476*		201	19	696	4 205
CFO - Benedicte Bakke Agerup from 1 June 2010	132		5	11	149	898
Working chair - until 1 June 2010	181			5	187	1 128
Group CEO - until 1 June 2010	285		19	15	319	1 925
Deputy group CEO - until 1 June 2010	239		17	8	264	1 593
Deputy group CEO - until 1 June 2010	140		15	12	167	1 007
Group CFO - until 1 June 2010	248		95	18	360	2 177
Group vice president logistics ** - until 30 June 2010	178			85	263	1 591

* Including additional expenses related to future pensions: president and CEO Jan Eyvind Wang USD 177.
** Group vice president logistics Stephen P Cadden had been seconded to WWASA from a US subsidiary on an expatriate basis for a fixed time period.

Remuneration of the four external directors totalled USD 215 in 2010 (2009: USD 179) related to former Wilh.Wilhelmsen ASA (WWI).

The president and CEO has a bonus scheme which gives him the right to a maximum of 4 monthly salary payments.

The president and CEO has a pay guarantee scheme which gives him the right up to 62 years of age to receive salary for 30 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted with up to 50%. This guarantee scheme comes into force after six months notice period.

PARENT COMPANY

ACCOUNTS AND NOTES

CONT NOTE 2 > Employee benefits

LOANS AND GUARANTEES

USD 1 000	Employees	Board	Chair	CEO	CFO	Related parties
Total loans						

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31.12.2011

	Number of shares	% of shares
Name		
Board of directors		
Thomas Wilhelmsen (chair)	42 000	0.02 %
Nils P. Dyvik	4 132	0.00 %
Diderik Schnitler	40 000	0.02 %
Senior executives		
Jan Eyvin Wang (president and CEO)	24 924	0.01 %
Benedicte Bakke Agerup (CFO)	20 924	0.01 %

OPTION PROGRAMME FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents
The extraordinary general meeting of Wilh. Wilhelmsen ASA (WWASA) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at senior executive level in the company.

The programme has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for Wilh. Wilhelmsen ASA was authorised to decide the beneficiaries under the programme. The board initially allocated annually 80 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2011 is average share price over the two weeks after the release of the results for the fourth quarter 2010 was NOK 40 (WWASA shares).

Granted share equivalents annually given:

	Options in WWASA shares
Jan Eyvin Wang (president and CEO)	50 000
Benedicte Bakke Agerup (CFO)	30 000

Per 31 December the options were out of the money for 2011.

Option programme from 31 October 2007 until 31 December 2010 - Cash-settled share-based
The board of directors of WWI resolved at a board meeting on 31 October 2007 to renew the share option programme for employees at management level in the company, and in its associated subsidiaries.

The board initially allocated 390 000 option rights in WWI (A shares) to the programme and authorised the group chief executive to decide who should be offered the option rights under the programme.

Due to the restructuring of the group and that the options were out of the money, the cash-settled share-based programme was eliminated in 2010 and hence fair value of the outstanding option rights at 31 December 2010 was zero. USD 0.24 million was recognised as an income through the income statement for 2010.

CONT NOTE 2 > Employee benefits

	2010 Average exercise price NOK per share	2010 Number of options granted
At 01.01	212.0	320 000
Granted	212.0	
Forfeited	212.0	
Eliminated due to restructuring		(320 000)
Outstanding options 31.12		0

EXPENSED AUDIT FEE **(excluding VAT)**

USD 1 000	2011	2010
Statutory audit	**92**	151
Other assurance services	**47**	74
Tax advisory fee		1
Total expensed audit fee	**139**	226

NOTE 3 > Intangible and fixed assets

USD mill	Intangible assets	Fixed assets
2011		
Cost price 01.01	**2.0**	**2.6**
Additions		**0.1**
Disposals		**(0.5)**
Cost price 31.12	**2.0**	**2.1**
Accumulated ordinary depreciation 01.01	**1.6**	**1.8**
Reversal on disposals		**(0.5)**
Depreciation	**0.2**	**0.2**
Accumulated ordinary depreciation 31.12	**1.8**	**1.6**
Carrying amounts 31.12	**0.2**	**0.6**
2010		
Cost price 01.01	2.0	5.0
Additions		0.1
Disposals		(2.6)
Cost price	2.0	2.6
Accumulated ordinary depreciation 01.01	1.1	2.3
Reversal on disposals		(0.9)
Deprecation	0.5	0.4
Accumulated ordinary depreciation 31.12	1.6	1.8
Carrying amounts 31.12	0.4	0.7
Economic lifetime	Up to 3 years	3-10 years
Depreciation schedule	Straight line	Straight line

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

CONT NOTE 3 > Intangible and fixed assets

The company has a lease agreement for the office building, Strandveien 20

	2011	2010
Due in year 1	**1**	1
Due in year 2	**1**	1
Due in year 3	**1**	1
Due in year 4	**1**	1
Due in year 5 and later	**5**	6
Total expense related to lease agreement of office building	**7**	8

NOTE 4 > Tax

USD mill	2011	2010
Distribution of tax expenses		
Change in deferred tax	**15**	12
Total income tax	**15**	12
Basis for tax computation		
Profit before tax	**55**	74
28% tax	**15**	21
Tax effect from		
Permanent differences		1
Non taxable income and loss	**(1)**	(10)
Current years calculated tax	**15**	12
Effective tax rate	**27.7%**	15.8%
Deferred tax asset		
Tax effect of temporary differences		
Current assets and liabilities	**(6)**	(1)
Non current liabilities and provisions for liabilities	**(10)**	(13)
Tax losses carried forward		(18)
Deferred tax asset	**(16)**	(32)
Composition of deferred tax and changes in deferred tax		
Deferred tax asset 01.01	**32**	41
Change in deferred tax through income statement	**(16)**	(12)
Tax charged to equity		3
Deferred tax asset 31.12	**16**	32

NOTE 5 > Investments in subsidiaries

Investments in subsidiaries are recorded at cost. Where a reduction in the value of shares in subsidiaries is considered to be permanent and significant, an impairment to net realisable value is recorded.

USD 1 000	Business office, country	Voting share Ownership share	2011 Book value	2010 Book value
Njord Insurance Company Ltd	Hamilton, Bermuda	100%	**475**	475
Wilh. Wilhelmsen Netherlands BV	Breda, Netherlands	100%	**174**	174
Wilhelmsen Lines AS	Lysaker, Norway	100%	**515 373**	515 373
Den Norske Amerikalinje AS (formerly known as Wilhelmsen Offshore & Chartering AS)	Lysaker, Norway	100%	**12 300**	12 300
Total investments in subsidiaries			**528 322**	528 322

NOTE 6 > Investments in joint ventures and associates

	Business office, country	2011 Voting share/ownership	2010 Voting share/ownership
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd	Singapore	**40.0%**	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	**40.0%**	40.0%
Associates			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	**12.5%**	12.5%

USD 1 000	Business office, country	2011 Book value	2010 Book value
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd	Singapore	**24**	24
EUKOR Shipowning Singapore Pte Ltd	Singapore	**11**	11
Associates			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	**62 681**	62 681
Book value of joint ventures and associates		**62 716**	62 716

NOTE 7 > Combined items, balance sheet

USD mill	2011	2010
OTHER NON CURRENT ASSETS		
Non current loan group companies	**389**	211
Subordinated loan pension and core capital pension	**7**	7
Total other non current assets	**396**	218
Of which non current debitors falling due for payment later than one year:		
Loans to subsidiaries	**364**	186
Total other non current assets due after one year	**364**	186
OTHER CURRENT ASSETS		
Inter-company receivables	**26**	185
Other current receivables	**10**	23
Total other current assets	**36**	209
OTHER NON CURRENT LIABILITES		
Loans from subsidiaries	**65**	111
Total other non current liabilites	**65**	111
OTHER CURRENT LIABILITIES		
Inter-company payables	**2**	8
Next year's instalment on interest-bearing debt	**61**	4
Dividend	**24**	19
Other current liabilities	**37**	30
Total other current liabilities	**124**	60

The fair value of current receivables and payables is virtually the same as the carried amount, since the effect of discounting is insignificant.

Lending is at floating rates of interest with margins approximately at today's market terms except for bonds. Fair value is virtually identical with the carried amount except for bonds where the fair value is approximately USD 9 million lower than the carried amount.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

NOTE 8 > Current financial investments

USD mill	2011	2010
Market value current financial investment		
Other financial assets	**1**	1

NOTE 9 > Restricted bank deposits and undrawn committed drawing rights

USD mill	**2011**	**2010**
Payroll tax withholding account	**1**	1
Undrawn committed drawing rights	**100**	100
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	**(61)**	(4)

NOTE 10 > Equity

USD mill	Share capital	Own shares	Premium fund	Fund for unrealised gains	Retained earnings	Total
Current year's change in equity						
Dividends					**(20)**	**(20)**
Proposed dividend					**(24)**	**(24)**
Net profit					**40**	**40**
Equity 31.12.2011	**30**	**0**	**485**	**0**	**62**	**578**
Equity 01.01.2010	131	(9)		7	399	528
Current year's change in equity						
Write down own shares	(9)	9				0
Dividend in kind					(211)	(211)
Merger	(101)		274		(173)	0
Issue equity, net after tax	9		211			220
Proposed dividend					(19)	(19)
Net profit				(7)	70	63
Equity 31.12.2010	30	0	485	0	66	582

At 31 December 2011 the company's share capital comprises 220 000 000 shares with a nominal value of NOK 1 each. The company had no own shares.

Distributable equity in the parent company was USD 70 million at 31 December 2011.

In accordance with the board of directors' proposal, the extraordinary general meeting held on 6 December 2011 resolved that the company's share premium reserve should be reduced with NOK 2.3 million. The reduction amount will be transferred to other equity (unrestricted equity). This will not be effectuated in the accounts before 2012.

Dividend paid
Dividend paid for fiscal year 2010 was NOK 0.50 per share paid in May 2011 and NOK 0.50 per share paid in December 2011.

The proposed dividend for fiscal year 2011 is NOK 0.65 per share, payable in the second quarter of 2012. A decision on this proposal will be taken by the annual general meeting on 26 April 2012.

CONT NOTE 10 > Equity

The largest shareholders at 31.12.2011

	Number of shares	% of shares
Shareholders		
Wilh. Wilhelmsen Holding ASA*	160 000 000	72.73%
Skandinaviska Enskilda Banken	5 794 252	2.63%
JP Morgan Chase Bank	4 132 000	1.88%
Ferd AS Invest	2 927 740	1.33%
Odin Norge	2 817 936	1.28%
Odin Norden	2 677 230	1.22%
Other	41 650 842	18.93%
Total number of shares	**220 000 000**	**100.00%**

* Through different companies Mr Wilhelmsen controls 44% of Wilh.Wilhelmsen ASA.

Shares on foreigners hands
At 31.12.2011 - 18 235 257 (8.29%) shares.
At 31.12.2010 - 20 189 260 (9.18%) shares.

NOTE 11 > Pensions

Descripton of the pension scheme

- The company had for many years a defined benefit plan for its employees in Norway, organised as a collective policy in a life insurance company.
- At 1 January 1993, the WW group established its own pension fund – Wilh. Wilhelmsen Pensjonskasse. Pension benefits include coverage for old age, disability, spouse and children, and these supplement payments by the Norwegian National Insurance system. The full pension obligation is earned after 30 years of service and gives the right to an old age pension at a level of 66% of gross salary, including other occupational pensions and National Insurance.
- It was resolved in the first quarter of 2005 that the company would convert to a defined contribution pension scheme. All employees were given full freedom of choice. WW Pensjonskasse was then closed and a contract for a defined contribution pension plan was established with Vital Forsikring. Contributions paid by the employer are the maximum permitted by law. Insurance for disability, spouse/co-habitant and children's pension is linked to the defined contribution pension coverage. WW Pensjonskasse is dissolved and all pension liabilities related to defined benefit scheme (now closed) are from 01.01.2011 transferred to Storebrand Livsforsikring.
- The company also has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. Pension obligations related to salaries in excess of 12G and early retirement are mainly financed from operations.
- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

	Funded		Unfunded	
	2011	2010	2011	2010
Number of people in pension plans at 31.12				
Employees (including disabled)	**38**	36	**94**	115
Retired employees	**183**	195	**661**	669
Total number of people covered by pension schemes	**221**	231	**755**	784

	Expenses		Commitments	
	2011	2010	2011	2010
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	**5.0%**	5.6%	**4.7%**	5.0%
Discount rate	**3.6%**	4.4%	**2.8%**	3.6%
Anticipated pay regulation	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated regulation of National Insurance base amount (G)	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated regulation of pensions	**1.5%**	2.0%	**1.0%**	1.5%

ACCOUNTS AND NOTES

CONT NOTE 11 > Pensions

It is given that the group's assumption for the pension calculation differ from the pension assumptions from the Norwegian Acccounting Standards, based on the group's composition of average age of employees in employement and those in retirement, and the history of the group's pension plan. The assumptions are set by the actuary in collaboration with the group.
The expected return on assets reflects the weighted average expected returns for each asset class, and is affected by the closure of the pension fund. The discount rate is based on market yields of government bonds, 14 years in average for all plans.
Anticipated pay regulation are business sector spesific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations.
Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.
Actuarial assumptions: all calculations are calculated on the basis of the K2005 mortality tariff. The disability tariff is based on the KU table.

	31.12.2011	31.12.2010
Pension assets investments		
Short-term bonds	**11%**	32%
Bonds held to maturity	**35%**	43%
Money market	**1%**	1%
Equities	**14%**	24%
Other (property, credit bonds)	**39%**	
Total pension assets investments	**100%**	100%

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December. The recorded return on assets administered by Storebrand Kapitalforvaltning was 2.5% for 2011 (2010: 8.4%).

USD mill	Funded	Unfunded	2011 Total	Funded	Unfunded	2010 Total
Pension expenses						
Net present value of pension obligations	**1**		**1**	1		1
Interest expenses on pension obligations	**1**	**2**	**3**	1	3	4
Anticipated return on pension fund	**(1)**		**(1)**	(2)		(2)
Amortisation of changes in estimates not recorded in the accounts			**0**	3	1	3
Cost of defined contribution plan			**0**			0
Net pension expenses	**1**	**2**	**4**	3	4	8

USD mill	Funded	Unfunded	2011 Total	Funded	Unfunded	2010 Total
Total pension obligations						
Accrued pension obligations	**30**	**49**	**79**	27	53	81
Estimated effect of future salary regulations	**1**		**1**	1		1
Total pension obligations	**31**	**50**	**80**	28	54	82
Value of pensions funds	**28**		**28**	28		28
Total pension obligations	**(2)**	**(50)**	**(52)**	0	(54)	(54)
Changes in estimates not recorded in the accounts	**4**	**5**	**9**	2	6	9
Recorded pension obligations	**2**	**(44)**	**(43)**	2	(48)	(45)
Amounts in the balance sheet						
Assets			**2**			2
Liabilities			**(44)**			(48)
Net asset/(liability)			**(43)**			(45)

CONT NOTE 11 > Pensions

USD mill	2011	2010
Pension obligations		
Opening balance 01.01	**82**	111
Effect of exchange rates	**(2)**	(1)
Accumulated pension entitlements	**1**	1
Interest expenses	**3**	4
Pension payments	**(6)**	(6)
Acquisition and disposal of subsidiaries		(24)
Changes in estimates not recorded in the accounts	**3**	(3)
Balance 31.12	**80**	82
Gross pension assets		
Opening balance 01.01	**28**	38
Effect of exchange rates	**(1)**	
Expected return	**1**	2
Premium payments		1
Pension payments	**(2)**	(2)
Acquisition and disposal of subsidiaries		(11)
Changes in estimates not recorded in the accounts	**1**	1
Balance 31.12	**28**	28

Premium payments in 2011 are expected to be USD 0.2 million (2010: USD 0.2 million). Payments from operations are estimated at USD 4.4 million (2009: USD 4.8 million).

USD mill	31.12.2011	31.12.2010
Historical developments		
Defined benefit obligation	**(80)**	(82)
Plan assets	**28**	28
Surplus/(deficit)	**(52)**	(54)
Experience adjustments on plan liabilities	**(0)**	(5)
Experience adjustments on plan assets	**1**	1

NOTE 12 > Interest-bearing debt

USD mill	2011	2010
Interest-bearing debt		
Bonds	**384**	403
Repayment schedule for interest-bearing debt		
Due in year 1	**61**	4
Due in year 2		94
Due in year 3	**87**	
Due in year 4		69
Due in year 5 and later	**236**	238
Total interest-bearing debt	**384**	403

As of 31 December 2011 average interest rate on interest-bearing debt is 5.37%.

ACCOUNTS AND NOTES

OPTIMISING CARGO MIX | FLEXIBLE TONNAGE | VESSELS FOR THE FUTURE | ENERGY EFFICIENCY | POSITIONED FOR GROWTH

CONT NOTE 12 > Interest-bearing debt

USD mill	Loans and receivables	Assets at fair value through the income statement	Other	Total
Financial instruments by category				
Assets				
Other non current assets	**396**			**396**
Current financial investments		**1**		**1**
Other current assets	**26**		**10**	**36**
Cash and cash equivalent	**92**			**92**
Assets at 31.12.2011	**514**	**1**	**10**	**525**

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amotised cost	Total
Liabilities			
Non current interest-bearing debt		**323**	**323**
Other non current liabilities	**65**		**65**
Other current liabilities		**124**	**124**
Liabilities 31.12.2011	**65**	**447**	**512**

USD mill	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets	218			218
Current financial investments		1		1
Other current assets	185		23	209
Cash and cash equivalent	146			146
Assets at 31.12.2010	549	1	23	574

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amotised cost	Total
Liabilities			
Non current interest-bearing debt		400	400
Other non current liabilities	111		111
Other current liabilities		60	60
Liabilities 31.12.2010	111	460	571

FINANCIAL RISK

See note 13 to the group accounts for further information on financial risk, and note 12 to the group accounts concerning the fair value of interest-bearing debt.

NOTE 13 > Events after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

NOTE 14 > Declaration on the determination of employee benefits for senior executives

This declaration applies for fiscal year 2012 and has been adopted by the board of WWASA at its meeting of 22 March 2012 pursuant to section 6-16a of the Norwegian Act on Public Limited Companies.

General
The board of WWASA wants the group to have an international profile which ensures the breadth of expertise it requires in shipping and logistics. As a result, the board's goal is that compensation arrangements for the corporate management team will be on a par with other Norwegian companies working internationally.

Company employees regarded as senior executives for the purposes of this declaration are: Jan Eyvin Wang, president and CEO, and Benedicte Bakke Agerup, CFO.

Salary
The salary of the CEO is determined by the board of WWASA, while the salary of the CFO is determined administratively on the basis of frameworks specified by the board.

Benefits in kind
The senior executives are provided with a company car and receive free newspapers, free telephone, free mobile phone and coverage of the cost of tele communication to specified standards. The CEO is also compensated for certain taxable expenses.

Bonus
The senior executives participate in a bonus system which is performance-oriented and based on pre-defined levels varying from 3 to 4 months salary.

Options
The extraordinary general meeting in WWASA in December 2011 approved a bonus programme under which the senior executives are granted synthetic options which give the holders right to certain cash payment based on the number of options and the development of the market price of the WWASA share. Annual payment is limited to 50% of the basic salary for each of the senior executives.

Pension scheme
Wilh.Wilhelmsen Pensjonskasse is dissolved and its funds and liabilities are transferred to Storebrand. Pension benefits for senior executives include coverage for old age, disability, spouse and children, and supplement payments by the Norwegian National Insurance system. The full pension entitlement is earned after 30 years of service and gives the right to an old age pension at a level of 66% gross salary, maximum 12 times the Norwegian National Insurance base amount (G) including National Insurance and other social security payments.

The senior executives also have rights related to salaries in excess of 12G and the option to take early retirement from the age of 62-65. Pension obligations related to salaries in excess of 12G and early retirement are insured or financed from operations.

Pay guarantee scheme
The CEO has a pay guarantee scheme which gives him the right up to 62 years of age to receive 50% of salary for 30 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during this period is deducted with up to 50%. This guarantee scheme comes into force after six months notice period.

Guidelines for pay determination, etc in 2012 – 2013
The CEO's pay for 1 July 2012 to 30 June 2013 will be determined by the board. Pay for the CFO over the same period will be determined administratively within frameworks established by the board. The determination by the board of the CEO's pay and the framework for the CFO will build on the general development of pay in the community and the development of pay for corresponding positions in Norwegian maritime enterprises working internationally will be taken into consideration.

Statement on senior executive pay in 2011
Pay policy for senior executives in the previous fiscal year built on the same policies as those described above for 2012-13. See note 2 concerning pay and other remuneration for senior executives of the parent company and note 4 of the group accounts concerning senior executives of the group.

Effect on the company of senior executive pay agreements concluded in 2011
Other than option programme introduced in December 2011 as described above, no new remuneration agreements for the senior executives have been entered into during 2011.

ACCOUNTS AND NOTES

AUDITOR'S REPORT > For 2011

pwc

To the General Shareholders' Meeting of Wilh. Wilhelmsen ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Wilh. Wilhelmsen ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2011, income statement, comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, www.pwc.no
Org.no.: 987 009 713 MVA, Medlem av Den norske Revisorforening

AUDITOR'S REPORT > For 2011

pwc

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Wilh. Wilhelmsen ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Wilh. Wilhelmsen ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 March 2012
PricewaterhouseCoopers AS

Rita Granlund
State Authorised Public Accountant (Norway)

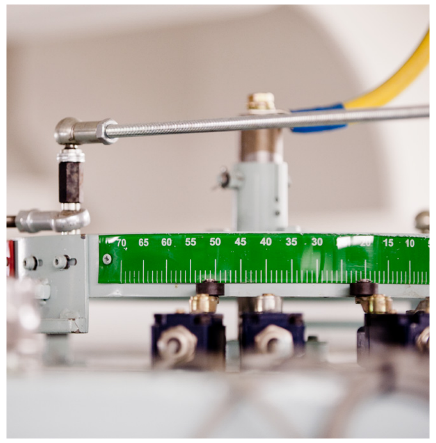
ACCOUNTS AND NOTES

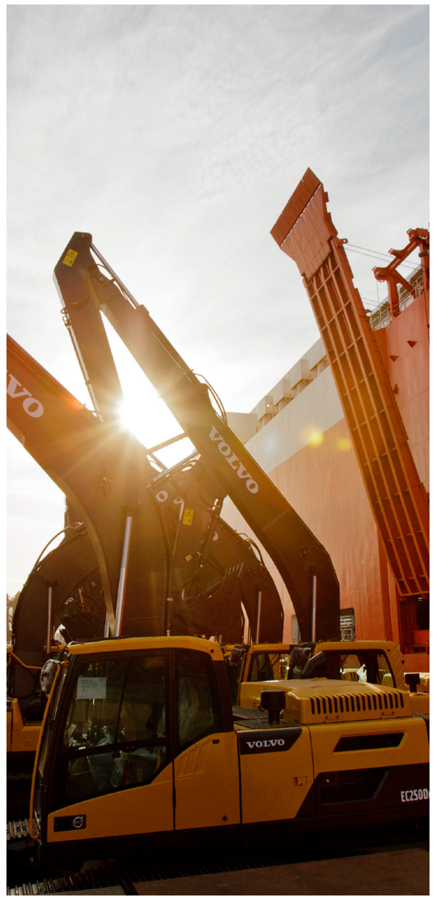
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2011 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and loss for the entity and profit for the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Seoul, 22 March 2012
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P. Dyvik	Hege Sjo	Marianne Lie	Jan Eyvin Wang President and CEO





"Total volumes shipped in 2011 climbed 16% to 75.2 million cubic metres."

"Sound cargo mix increased utilisation of WWASA's fleet, improving the group's profitability."

CORPORATE GOVERNANCE

"Sound corporate governance lays the foundation for profitable growth, contributes to a healthy company culture and creates value over time."

ENERGY EFFICIENCY

The need for energy efficiency is driven by the cost of fuel and the need to reduce emissions. We choose to be at the forefront of efficient vessel design, energy management systems and crew competence. We equip our vessels with systems to monitor conditions and adjust speed and other parameters for best energy efficiency. This has yielded appreciable gains in vessel performance, operating costs and lower emissions. Several projects are under way to examine new energy carriers, hull and propeller design and machinery and cargo operations.

CORPORATE GOVERNANCE

OPTIMISING CARGO MIX FLEXIBLE TONNAGE VESSELS FOR THE FUTURE ENERGY EFFICIENCY POSITIONED FOR GROWTH

Wilh. Wilhelmsen ASA (WWASA) is a public limited company organised under Norwegian law. The company is listed on the Oslo Stock Exchange, and subject to the Norwegian securities legislation and stock exchange regulations.

Sound corporate governance is believed to lay the foundation for profitable growth, to contribute to a healthy company culture and to create value over time for shareholders and other stakeholders.

A "COMPLY OR EXPLAIN" PRINCIPLE

The board of directors in WWASA issues a report on governance performance annually. The report is based on the requirements listed in the Norwegian Code of Practice for Corporate Governance, the Public Limited Companies Act and the Norwegian Accounting Act. The report is published as part of the annual report, but is also available on the company's web site.

The code is built on a "comply or explain" principle, which means that reasons must be given for possible divergence from the provisions. Justification for deviations and the alternative solution the company has chosen are described where applicable.

GOVERNING ELEMENTS

The governing elements, the foundation for corporate governance in WWASA, are developed in order to improve business performance, and secure that the right results are achieved in the right way. The elements include the company vision, the values and basic philosophy as well as the code of conduct, leadership expectations and eight company principles.

One of the principles outlines a commitment to be a socially responsible company. A more detailed description of the governing elements can be found on WWASA's web site.

The governing elements are available in detail to all employees on the web based global information management system, Navigator, both as written documentation and as e-learning. In 2011, most employees conducted training in governance.

THE BUSINESS

According to the articles of association, the objective of the company is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith. This may take place as direct operations or in an indirect manner by way of insuring guarantees, subscribing shares or in other ways.

WWASA aims at creating value by offering global car/ro-ro customers high quality sea transportation and integrated logistics solutions from factory to dealer. Through the operating companies, WWASA will manifest the position as world leading operator within this niche and continue to expand the services in emerging markets.

"WWASA adheres to the Norwegian Code of Practice for Corporate Governance."

WWASA seeks to achieve an optimal fleet utilisation through the operating companies. The companies operate a mix of car carriers and ro-ro vessels, which together constitute a flexible and modern fleet of chartered and owned tonnage. These capabilities will be combined with a truly global infrastructure and local expertise in a seamless logistics network tailored to suit customers' needs and changing export/import flows.

WWASA grow the business through securing affordable tonnage and strategically important logistics infrastructure to further strengthen the leading position in the market.

EQUITY AND DIVIDEND

The WWASA group has a sound level of equity. As of 31 December 2011, the total equity amounted to USD 1 207 million, corresponding to 40% of the total capital.

A dividend policy approved by the board states that the company's goal is to provide shareholders with a competitive return over time through a combination of increased market value and payment of dividend. Gains will either be reinvested or distributed as dividend, depending on what is expected to give best return for the shareholders. Subject to the financial results and future investment requirements, the objective is to pay dividend semi-annually.

In 2011, the company paid dividend semi-annually to shareholders, totalling NOK 1.00 per share or USD 39 million.

WWASA does not hold own shares. At the annual general meeting in April 2011, the board was authorised to increase the share capital by up to NOK 22 million. For an overview of the terms and conditions for the authorisation, please refer to the minutes from the meeting.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

WWASA has one share class, comprising 220 million shares, all with equal rights. The shares are listed at the Oslo Stock Exchange under the ticker WWASA. Updated share information is available on the company's web page or on the Oslo Stock Exchange web page.

WWASA has 3 155 shareholders as of 31 December 2011, of whom 86 were foreign and 2 069 Norwegian. An updated list of the 20 largest shareholders can be found on the company's web page.

Wilh. Wilhelmsen Holding ASA (WWH) controls more than 70% of WWASA's shares and the governance structure reflects this. WWASA will be transparent and treat all shareholders fairly in compliance with the code.

"The objective is to pay semi-annually dividend."

CORPORATE GOVERNANCE

Any transactions taking place between a principal shareholder and the company will be conducted on market terms.

Pursuant to the instructions issued by and for the WASA board, directors are required to inform the WWASA board if they have interests, directly or indirectly, in relations with the WWASA group.

If transactions take place between the principal shareholder and WWASA, it will be conducted on market terms. The company is not authorised to trade in WWASA share.

Pursuant to the instructions issued for the board, directors and executive management are required to inform the board if they have a significant interest, directly or indirectly, in contracts concluded by WWASA.

A list of insiders can be found on www.ose.no under the company's ticker.

NEGOTIABILITY

WWASA share is listed on the Oslo Stock Exchange under the ticker WWASA. The share is freely negotiable.

GOVERNANCE BODIES

The group's governing bodies consist of the general meeting, the executive committee for industrial democracy, the board of directors, the group chief executive and the management team.

Annual general meeting

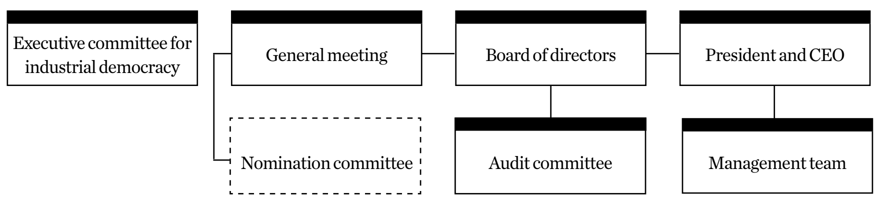
The ordinary annual general meeting is normally held in the second quarter. The following matters are to be dealt with and decided by the annual general meeting:

- Adoption of the annual report and accounts, including the consolidated accounts and the distribution of dividend
- Adoption of the auditor's remuneration
- Determination of the remuneration for board members
- Election of members to the board and election of the auditors (if up for election)
- Other matters required by law

The chair of the board attends the annual general meeting and acts as chair according to the specifications in the articles of association.

> "The company is listed on the Oslo Stock Exchange under the ticker WWASA."

GOVERNANCE BODIES



Shareholders with known addresses are notified by mail no later than 21 days prior to the meeting. Information on the meeting and all relevant documents are published on the company's web site no later than 21 days prior to the meeting. The company will make an effort to develop resolutions and supporting documents sufficiently detailed and comprehensive to give shareholders necessary background information for decision-making. Summons from the meetings are published on the company's web site.

The notice of the annual general meeting may state that shareholders wishing to participate in the annual general meeting have to report to the company by a certain deadline which shall not be less than two working days prior to the annual general meeting. Shareholders can appoint a proxy to vote for their shares. The company will upon request nominate a proxy for shareholders who are not able to be present at the meeting. Form for the appointment of a proxy can be found at company's web site. The Public Limited Companies Act opens for, subject to relevant provisions in the company's articles of association, shareholders to take part at the annual general meeting without being present in person. WWASA has no intention of including such an amendment as of today.

Pursuant to the Public Limited Companies Act, WWASA has included a provision in its articles of association stating that documents to be handled at the annual general meeting need not to be mailed in hard copy to the shareholders. Hard copies can however be provided to shareholders upon request. All the documents are available to shareholders on the company's web site.

The company is not aware of any shareholder agreements among its shareholders.

Nomination committee

The general meeting of WWASA appoints a nomination committee and have approved guidelines for the nomination committee's work. The nomination committee nominates directors to the WWASA board and proposes remuneration.

WWASA's nomination committee consists of up to three members. No director or representative from management is a member of the nomination committee. The members are elected by the annual general meeting for a term of two years.

As of 31.12.2011, the nomination committee consisted of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig. Information on the committee members can be found on WWASA's web site.

NOMINATION COMMITTEE

Wilhelm Wilhelmsen, chair
Gunnar Frederik Selvaag
Jan Gunnar Hartvig

CORPORATE GOVERNANCE

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

Executive committee and board of directors – composition and independence
The annual general meeting elects the board, which can be made up of five to seven members. At present, WWASA's board comprises five directors elected for two years at a time. The board chooses its own chair, which currently is Thomas Wilhelmsen. Two of the directors are women. Two directors are independent of the majority owner and all five are independent of the executive management. The board is perceived to comprise a broad competence base ensuring shareholders' interests. Members of the administration attend the board meetings, but are not part of the board.

Information on the background and experience of the directors can be found on the company web site, which also provides a specification of the shares in the company owned by the directors.

WWASA does not have a corporate assembly. The interests of the employees are met by an executive committee for industrial democracy in foreign trade shipping, chaired by Thomas Wilhelmsen. The committee comprises six members, four appointed from the management and two elected by the workforce. It meets regularly through the year. Issues submitted for consideration by the committee include a draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce.

Work of the board
The board establishes an annual plan for its work. Eight regular meetings are normally held every year including strategy meetings. The board otherwise meets as and when required. Directors are also kept regularly informed about the group's development between board meetings. Documents to be discussed at board meetings are prepared by the administration in cooperation with the chair of the board.

Instructions have been drawn up for the executive management and for the board itself.

The board regularly assesses its mode of working.

Audit committee
WWASA has an audit committee consisting of three members elected by and from the board of directors. Members are elected for a term of two years. At least one of the committee members should be independent of the undertaking and have accounting or auditing expertise. The audit committee reviews drafts of quarterly and annual accounts before these are presented to the board of directors. The CFO and the external auditor is present at the committee meetings.

THE BOARD OF DIRECTORS
Thomas Wilhelmsen, chair
Nils P. Dyvik
Marianne Lie
Diderik Schnitler
Hege Sjo

The audit committee is instructed to have a particular attention at issues relating to the integrity of WWASA's financial statements and financial reporting processes and internal controls:

- WWASA's risk assessment
- Risk management policies related to financial reporting
  - qualifications
  - independence
  - performance of the external auditor
  - performance of the function related to internal controls over financial reporting.

Anti-corruption and fraud received a particular attention from the audit committee in 2011. The company also presented an enterprise risk management system to be implemented in full in 2012.

The current members of the audit committee are Nils Petter Dyvik, Hege Sjo and Marianne Lie. All three are independent of the management in the company, while two are also independent of the majority shareholder.

Management team
The management team meets regularly to discuss and coordinate business and management issues to optimise use of knowhow and resources and align decision making related to the implementation of the company's strategy. In addition to the executive management (president and CEO and CFO), the team consists of department heads and main corporate functions.

President and CEO
The president and chief executive officer (president and CEO) heads the management team and is responsible for the financial result and for conducting the businesses and affairs of the company and its subsidiaries in a proper and efficient manner, for the benefit of company and the shareholders and according to instructions and guidelines from the board.

The president and CEO keeps the board informed of the progress of the group's business and affairs on a regular basis and any other specific issues if requested by the board. The president and CEO also submits a monthly report to the board describing the group's operations, financial results, projections and financial status according to instructions from the board.

CFO
The chief financial officer (CFO) heads finance and accounting for WWASA and consolidated WWASA group. The CFO is responsible for providing the president and CEO and the board with timely, reliable, relevant and sufficient financial information related to the business activities, and assuring that such information comply with requirements for listed companies.

THE CURRENT MEMBERS OF THE AUDIT COMMITTEE ARE:
Nils P. Dyvik
Hege Sjo
Marianne Lie

CORPORATE GOVERNANCE

Governance of subsidiaries
The WWASA group consists of several legal entities (for a full overview, please see pages 104-105). Each of the entities has its own board, which is responsible for issues relevant for the specific entity.

Control and management of all entities are based on the same governance principles, whether the entity is organisationally part of the parent company or an independent legal entity in the form of a wholly or partly owned subsidiary. WWASA's ownership in its subsidiaries is formally exercised through the respective company's general meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The governing elements contribute to securing that WWASA has sound internal control and systems for handling strategic, commercial, financial, operational and regulatory risks. The board conducts a review of the company's most important risk areas regularly as well as the company's internal control arrangements. An overview of the company's main risk factors is included in the board of directors' report, on page 21.

The company's risk management and internal control systems are designed as a consequence of the extent and nature of the group's business activities. Internal control is broadly defined as a process designed to provide reasonable assurance of:

- Effective and efficient operations
- Reliable financial reporting
- Compliance with laws and regulations
- Necessary resources provided and used in cost efficient ways.

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and board of director's confidence that WWASA complies with external and internal rules and regulations.

Various internal control activities give management assurance that the internal control of financial systems is working adequately and according to expectations. The activities can be split in three categories:

- Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per subsidiary)
- Procedure for year-end financial statement and the board of directors' responsibility statement semi-annually and annually
- Enterprise risk assessment – including reporting of the segment's internal control
- Quarterly reporting on risk assessment to the board and semi-annually publicly to the market

Governing elements, policies and other guidelines are documented and electronically available to employees.

"Control and management of all entities are based on the same governance principles."

The finance department is responsible for updating internal control procedures regarding:

- Financial strategy, policies and guidelines
- Budget processes
- Financial monthly reporting process
- Group accounting principles
- Group financial reporting and analysis

The company's financial strategy is approved by the board and covers all main elements related to financial management of the group, including:

- Financial organisation, responsibility and authority
- Objectives and key ratios
- Equity and dividend targets
- Investor relation
- Financing and debt management
- Cash and liquidity management
- Financial investment management
- Currency and interest rate management
- Credit management
- Contingent liabilities
- Accounting and financial reporting
- Tax management
- Internal control and risk management
- Reporting to the board

Group finance and accounting updates the financial information and prepares miscellaneous analysis every month. A monthly report is forwarded to the management and the board.

Based on the financial strategy, limits are given for hedge ratios on currency and interest rates. A separate mandate is issued for the management of the investment portfolio.

WWASA's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

The company has guidelines for whistle blowing as part of its health, environment and safety handbook, available to all employees.

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of board members is determined by the general meeting and is not dependent on the financial

"Governing elements, policies and other guidelines are documented and electronically available to employees."

CORPORATE GOVERNANCE

results of the company. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to the work and the complexity of the business. No board member holds share options in the company.

None of the directors performs assignments for the company other than serving on the board of the company or one or more of its subsidiaries, except for board member Schnitler's company Løkta AS, which perform certain consultancy work for the company.

An overview of the board of directors' remuneration is specified in note 4 to WWASA group accounts and note 3 to the parent company accounts, of which the latter includes an overview of shares in the company held by the individual director.

REMUNERATION OF EXECUTIVE PERSONNEL

Salary and other components of the president and CEO's and CFO's remuneration package are detailed in note 4 to WWASA's group accounts and note 2 to the parent company accounts.

The board determines the president and CEO's remuneration and establishes a framework for adjustments to the pay of other employees. Pay adjustments for each employee are then determined administratively within the set limits. The board carries out a broad-based comparison with pay conditions in other Norwegian shipping companies, and gives weight to the general level of pay adjustments in Norway.

A bonus scheme has been instituted by the board for WWASA's employees in Norway. Its subsidiaries have different arrangements. The programme is linked to the group's long-term strategy, and is intended to reinforce the focus on performance and results. The bonus scheme is based on the annual return on capital employed and a set of predefined key performance indicators. The programme limits remuneration to a maximum of three months salary for senior management, and the board determines the annual norm for the bonus scheme.

In 2011, the annual general meeting endorsed a synthetic option programme as part of the remuneration to the president and CEO and the CFO. The programme comprises share equivalents, runs over three years and entitles the holders to a cash reward based on the total share return of the underlying shares (a synthetic share option programme). Maximum annual payment is set to 50% of annual basic salary. For further information on the determination of employee benefits for senior executives, please refer to note 2 to WWASA parent accounts.

"WWASA is committed to give an open, prudent and fair view of the business."

INFORMATION AND COMMUNICATION

WWASA is committed to prepare and properly report the financial statements and to give an open, prudent and fair view of the business. Financial information is to be timely, accurate and reliable, and in line with market and legal requirements. The communication activities are carried out in an environment of transparency and accountability.

The main source of information about the WWASA group is the company's web site.

The company publishes both current information and holds archives of previously released information on the web site in order to make this available to the financial market.

In addition to the annual general meeting, shareholders and other stakeholders are invited to quarterly presentations of the financial results and market outlook and to the annual capital markets day. The intention is to serve the market with necessary information to make an estimate of the business activities and results in order to secure pricing of the share in accordance with underlying value and future prospects for the company.

When WWASA discloses information by publishing a stock exchange announcement through the Oslo Stock Exchange's company message system, the same information will be published immediately afterwards on company's web site.

The company holds a minimum of four public meetings a year presenting its quarterly results to the market. Two of the presentations are webcast. In addition, the company arranges capital market days and similar events on a regular basis. IR stakeholders are invited to attend such events. Information about planned events is published on the IR web site. WWASA representatives also meet investors and analysts regularly both in large and small groups and on an individual basis.

For a period of two weeks before the planned release of quarterly financial reports – the silent period – the company will not comment on matters related to the general financial results or expectations and contact with external analysts, investors and journalists will be minimised. This is done to reduce the risk of information leaks and of providing potentially unequal information to the market.

The company's shareholder policy is published on wilhelmsenasa.com

The company's CFO, Ms Benedicte Bakke Agerup, is the main contact

FINANCIAL CALENDAR

- 26 April: Annual general meeting
- 10 May: Q1 2012 presentation
- 8 August: Q2 2012 presentation
- 25 September: Capital Markets Day
- 9 November: Q3 2012 presentation
- 13 November: Extraordinary general meeting
- February 2013: Q4 2012 presentation

CORPORATE GOVERNANCE

person for the financial market and the Oslo Stock Exchange.

WWASA aims at fulfilling the Norwegian Investor Relations Association's and Oslo Stock Exchange's recommendations regarding IR information on its website.

TAKEOVERS

The board has not established any key principles for its response to possible takeover bids. Were such circumstances to arise, the board and the company's management will seek to treat all shareholders equally and take action to secure that shareholders receive sufficient and timely information to consider the offer.

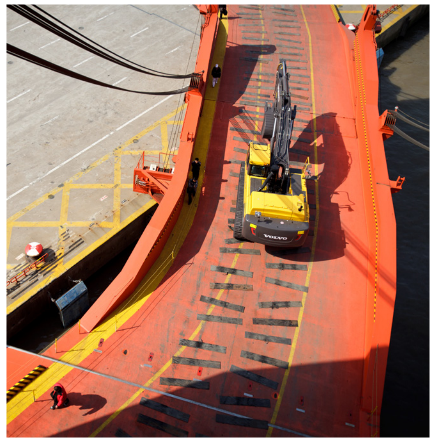
AUDITOR

The company's auditor attends board meetings as required, and is present when the annual accounts are approved and when the audit committee reviews the quarterly results. The auditor meets the board at least once a year without the executive management being present. The auditor provides the board with a review of work on the annual accounts and explains changes in the accounting principles and other significant aspects.

The group's present external auditor is PricewaterhouseCoopers. The auditor's fee, broken down by audit work, audited related services, tax services and other consultancy services, is specified in note 4 to the WWASA group accounts and note 3 to the parent company accounts.

"WWASA aims at fulfilling the Norwegian Investor Relations Association's and Oslo Stock Exchange's recommendations regarding IR information on its website."

"Sound corporate governance – achieving the right results the right way."



VISION AND VALUES

Our vision: Shaping the maritime industry.

READY FOR THE FUTURE

The remaining four vessels in WWASA's newbuilding program are fully financed. The underlying growth in the volume of cars and high and heavy cargo transported is positive. Our market position is strong, and our financial position is sound. This gives us a solid platform to grow our business and act on profitable opportunities that may materialise. We will continue to pursue growth opportunities through tonnage renewal and investments in land based logistics activities.

OUR PHILOSOPHY:

We believe that empowered employees in an innovative, learning organisation are our main competitive advantage in meeting the needs and wants of our customers.

OUR VALUES:

Customer centred
We place our customers in the centre and focus on their needs. This drives us forward to develop services, products and solutions that benefit both the customers and us.

Empowerment
Involvement and recognition generate positive energy and increase ownership of our individual contributions. The freedom to act and take initiative within agreed frameworks motivates us to reach our full potential and do a better job.

Learning and innovation
The world around us changes constantly. As a learning organisation we continually seek to renew ourselves, to work smarter and improve everything we do. As a result, we are more able to recognise opportunities and develop new and innovative solutions.

Stewardship
We prioritise and manage our resources in a responsible way to continuously create value. We are concerned for the safety and well being of people, society and the environment.

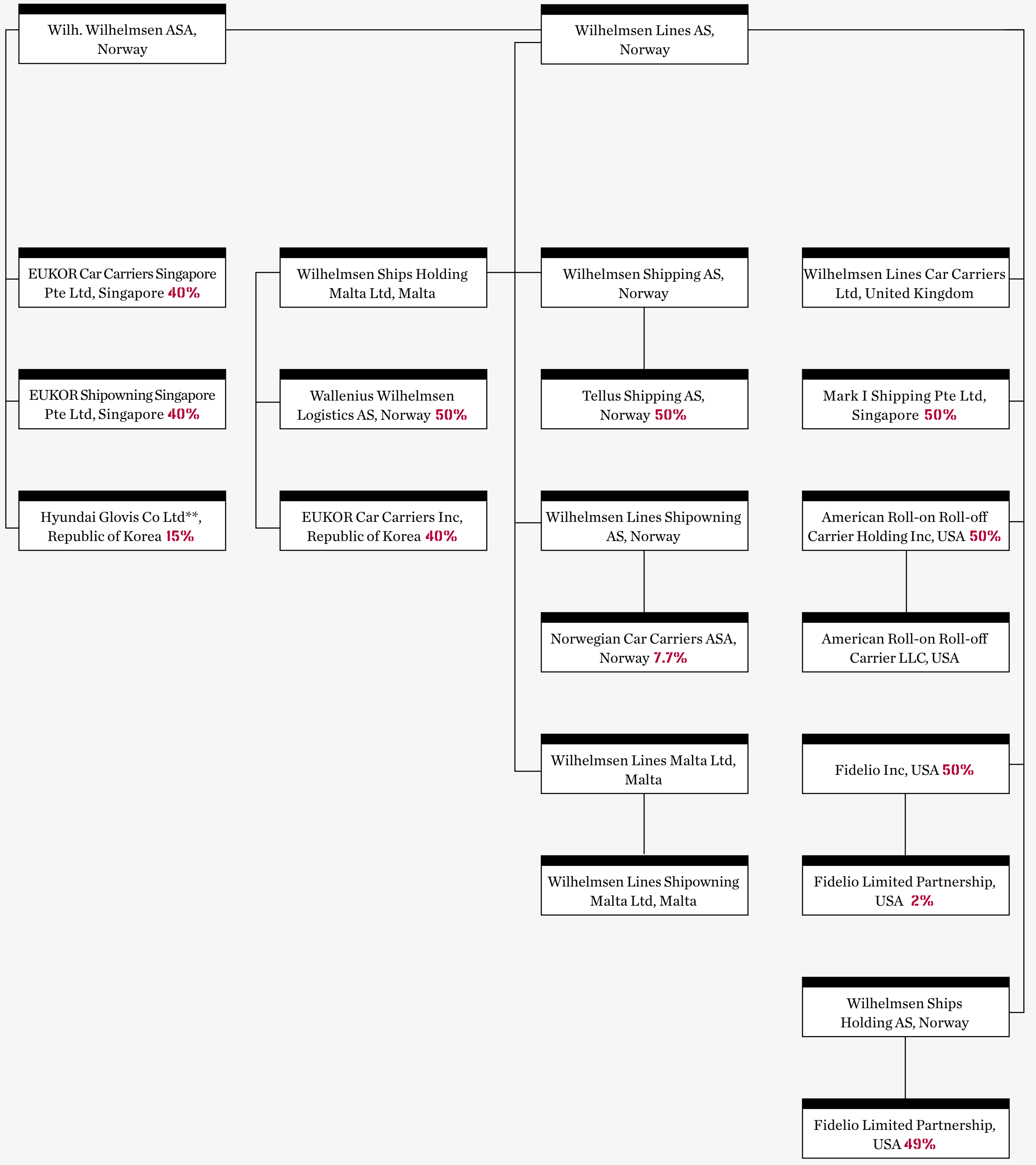
Teaming and collaboration
Our most important competitive advantage is our qualified and competent people worldwide, working together across different cultures toward common goals. Collaboration drives our creative energy and gives us better solutions.

CORPORATE STRUCTURE*

OPTIMISING CARGO MIX · FLEXIBLE TONNAGE · VESSELS FOR THE FUTURE · ENERGY EFFICIENCY · POSITIONED FOR GROWTH

SHIPPING SEGMENT

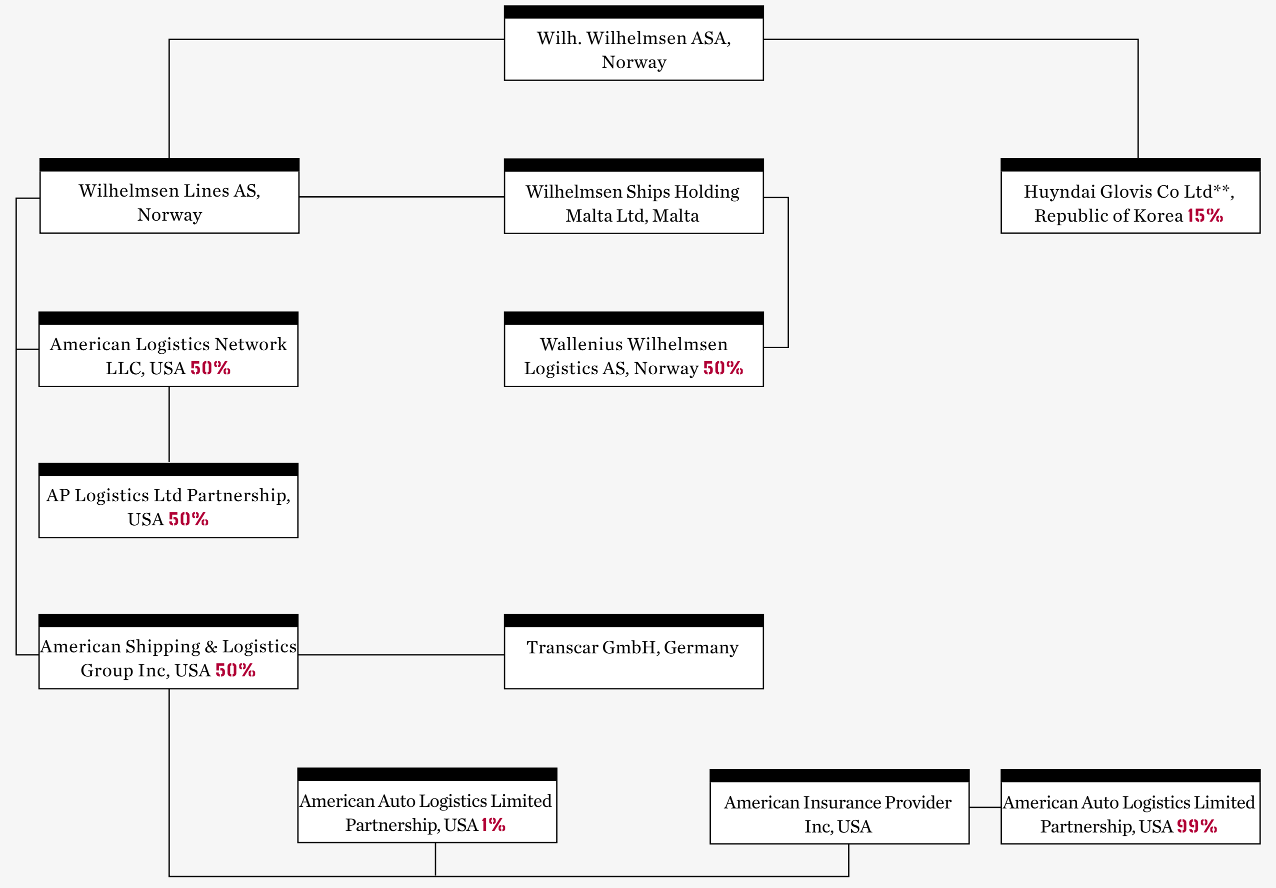
As of 31 December



*Unless otherwise stated, the company is wholly-owned
** Owned through Wilh. Wilhelmsen ASA (12.5%) and Wilhelmsen Lines (2.5%)

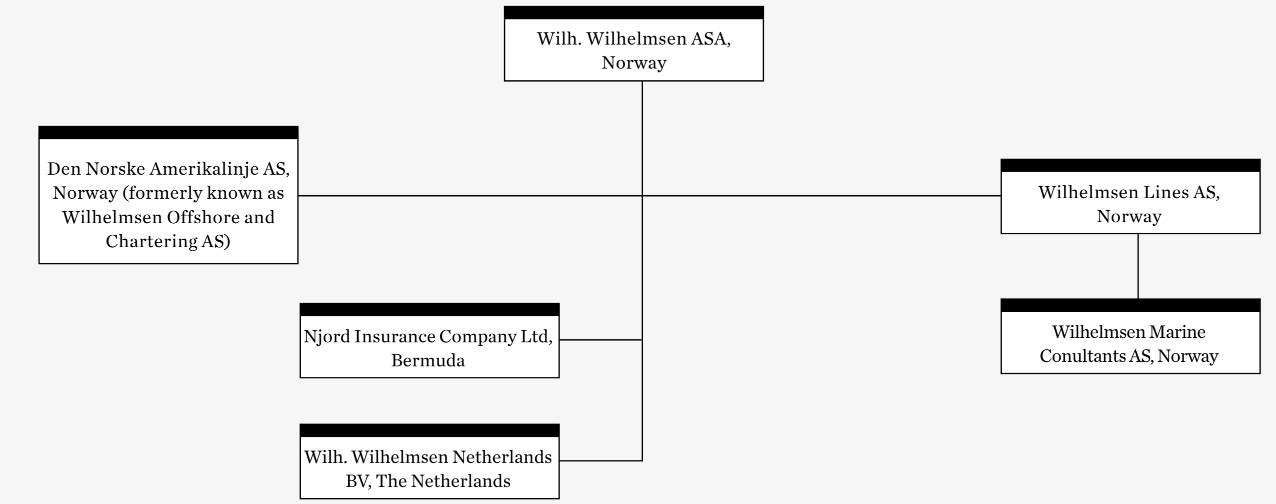
LOGISTICS SEGMENT

As of 31 December



*Unless otherwise stated, the company is wholly-owned
** Owned through Wilh. Wilhelmsen ASA (12.5%) and Wilhelmsen Lines (2.5%)

HOLDING SEGMENT



*Unless otherwise stated, the company is wholly-owned


STEADY
COURSE

Wilh. Wilhelmsen ASA
P O Box 33
NO-1324 Lysaker, NORWAY
Tel: +47 67 58 40 00
E-mail: wwasa@wilhelmsenasa.com
www.wilhelmsenasa.com

Org no 995 216 604 MVA

Designed by REDINK. Photos by Tommy Normann.