



Wilh. Wilhelmsen ASA

> **Second Quarter 2014**

Jan Eyvin Wang – President and CEO

7 August 2014, Lysaker



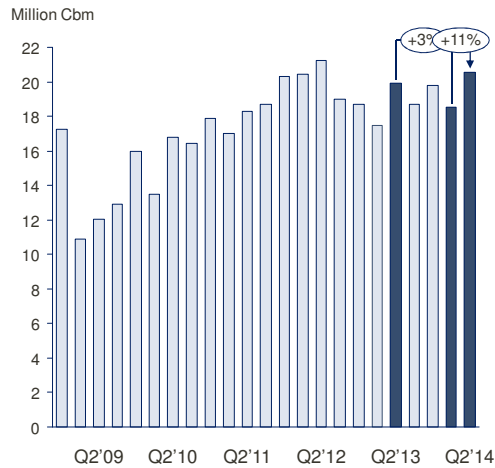
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> Volume highlights

Up from last quarter and last year



- Volumes came back after a weak first quarter
- Second quarter seasonally strong
- High demand in North America drives volumes



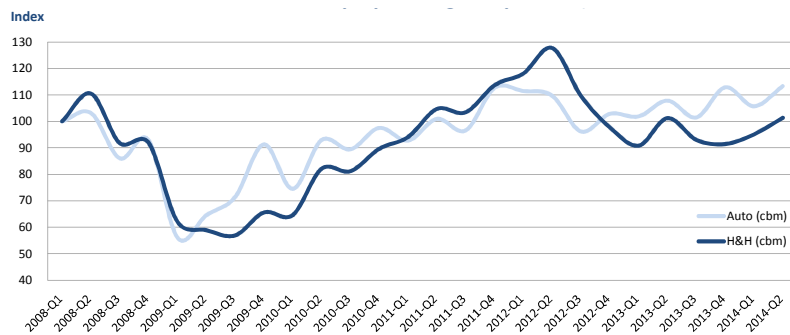
> Positive development in both cargo segments

High and Heavy

- North America drives volume growth
- Mining volumes remain weak

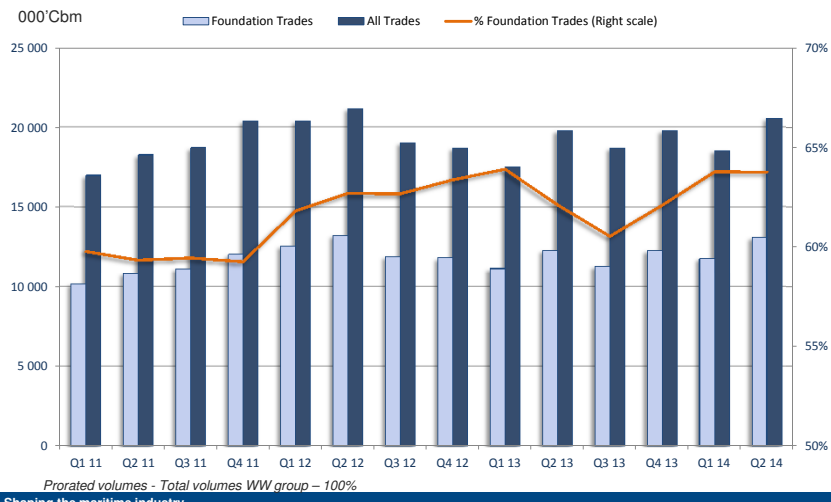
Auto

- Volume growth in all main trades
- North America and Europe saw strongest growth
- Q2 seasonality good quarter





> Share of foundation trades remain high



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> Profit improvement program in WWL

WWL focus areas

- Revenue generation
- Operational efficiency
- Organizational structure

OPEX savings in WWASA

- Reduction of Scandinavian seafarers





> WWASA Tonnage updates Q2 2014

EUKOR Newbuildings

- 5 PCTC's delivered to in 2014, three in Q2
 - 3 Post panamax vessels for Eukor's account
 - 2 conventional PCTC's, one for Eukor's account and one long term TC
- Evaluating further newbuildings/long term charters

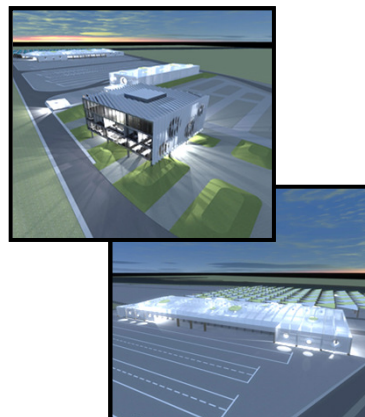
WWL Newbuildings

- 8 Post panamax vessels on order, first expected November 2014 - 4 for WWASA's account



> WWL secured investment in Melbourne Terminal

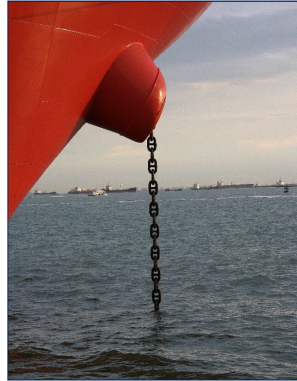
- WWL won bid for operation of Australia's largest auto terminal
- Terminal size; 350.000 square meters
- Throughput up to 1 million units annually
- Eco friendly terminal concept
- Contract period Nov 2015 – Jun 2040. Only RoRo terminal in Melbourne from Jan 2018
- Multiuser terminal and will take cars, H&H and Break Bulk cargo





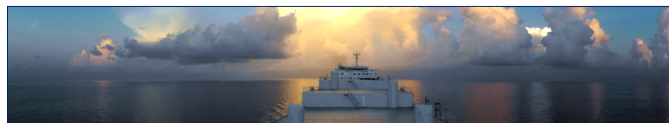
> Update - Anti trust investigation

- No further updates
- WWASA expects further clarification within the next 12 months



> Short term outlook

- Reduced activity in ASL due to lost GPC III-volumes
- Slow and steady growth in car volumes with North America and China leading the way
- European car sales continue their growth from low levels
- Uncertainty in regards to Russian car sales
- Risk of seasonal labour disputes in South Korea
- Mining to remain weak
- Cargo mix to remain sub optimal

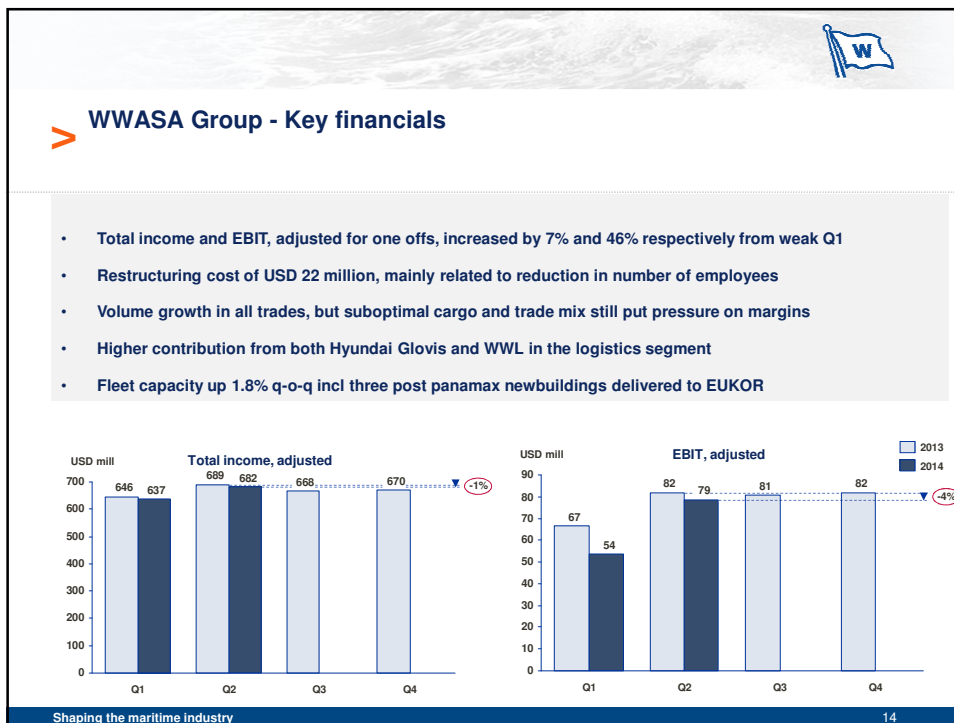




> Prospect

The board expects the slow volume growth trend to continue into the third quarter, however with normal seasonal variations and continued pressure on margins.







> WWASA Group - Profit & Loss

Proportionate method

USD mill	2014 Q2	2014 Q1	2014 YTD	2013 YTD	2013 Q2	2013 FY
Operating income	667	626	1,292	1,307	678	2,609
Gain on sale of assets				(0)		1
Share of profits from JV's and associates	15	11	26	28	11	62
Total income	682	637	1,318	1,335	689	2,673
EBITDA	95	91	185	224	120	445
Depreciation and impairments	(38)	(37)	(75)	(76)	(38)	(152)
EBIT	57	54	111	149	82	293
Financial income/(expense)	(31)	(16)	(47)	15	22	(8)
Profit/(loss) before tax	26	38	64	163	104	285
Net profit¹⁾	25	31	56	146	92	272
Earnings per share (USD)	0.11	0.14	0.26	0.66	0.42	1.23

¹⁾ after minority interest

• Financial statements 2013 has been restated, ref. proportionate note 2



> Restructuring costs Q2 2014

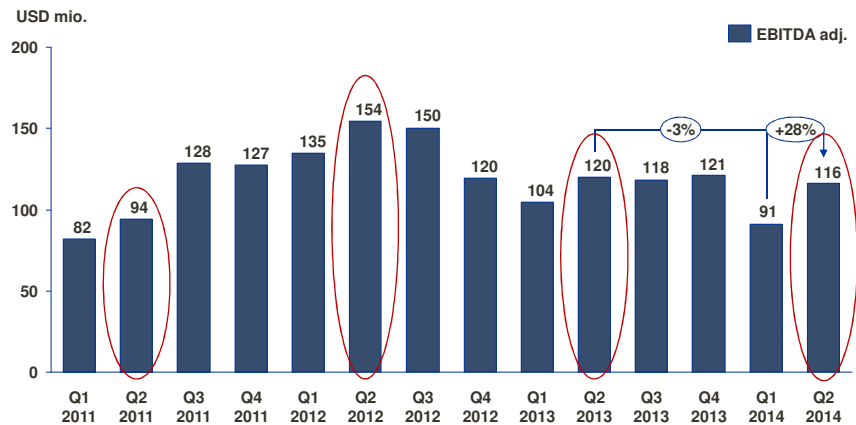
To reduce future cost base

MUSD	Shipping	Logistics	Total	Comment
WWL restructuring	13	1	14	Expected annual cost saving USD 15 million from 2015
Scandinavian seafarers	8		8	Expected annual cost saving USD 10 million from 2017
	21	1	22	



> WWASA Group - EBITDA adjusted for non-recurring items

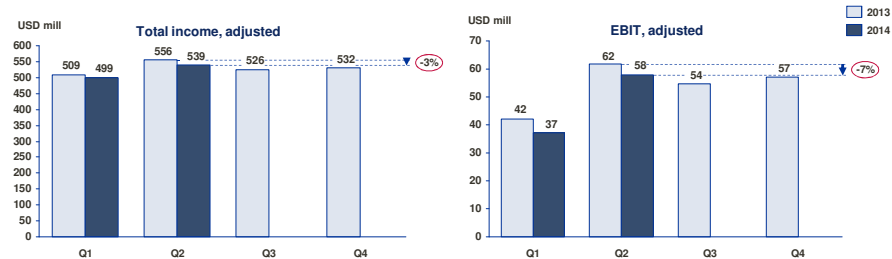
Strong improvement from seasonally weak Q1



> WWASA Shipping - Key financials

Improved underlying performance hurt by restructuring cost

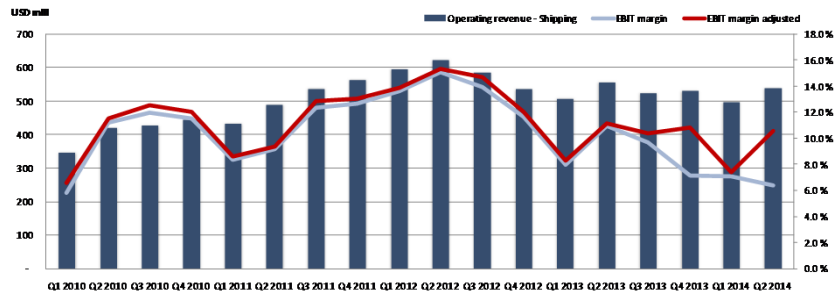
- Total income and EBIT, adjusted for one-offs, increased 8% and 56% respectively q-o-q.
- Increased utilization of fleet, but higher operational expenses due to increased number of port calls and lower average revenue/CBM
- Downsizing of organization in WWL and reduction in number of Norwegian seafarers
- Cost efficiency and tonnage optimisation initiatives continuing





> WWASA Shipping – EBIT margin

Growth in underlying margin q-o-q



- Higher cargo volumes
- Suboptimal cargo and trade mix

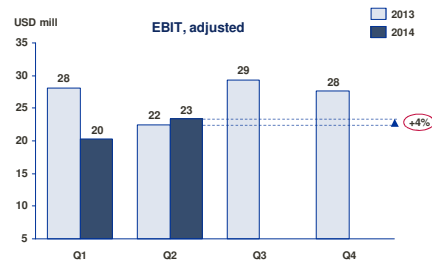
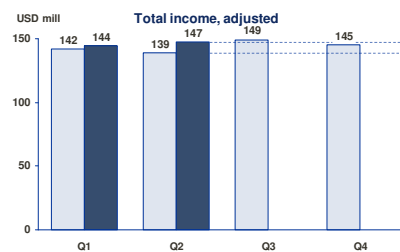
- Increased voyage costs
- Lower revenue/CBM



> WWASA Logistics - Key financials

Operating profit improved q-o-q

- Total income relatively flat, but EBIT, adjusted for one-offs, improved by 15% q-o-q
 - Higher contribution from Hyundai Glovis and WWL logistics
 - ASL contribution impacted by reduced activity related to loss of POV-contract 1. May 2014
- WWL chosen to operate automotive terminal in Melbourne, will improve product mix over time
- Hyundai Glovis share price increased – 12.5% ownership valued at USD ~ 1,3 billion





> WWASA Group - Financial income (expense) – breakdown

Higher financial expenses q-o-q

USD mill	2014 Q2	2014 Q1	2014 YTD	2013 YTD	2013 FY
Net financial items	(2,4)	5,0	2,5	1,2	15,9
Net interest expenses	(25,4)	(18,0)	(43,4)	(45,7)	(99,3)
Interest rate derivatives - unrealised	(6,4)	(5,6)	(12,0)	50,2	71,2
Net financial - currency	3,5	2,9	6,4	9,0	7,7
Net financial derivatives bunkers	(0,1)	(0,2)	(0,3)	(0,1)	(3,2)
Financial income/(expense)	(30,8)	(16,0)	(46,8)	14,7	(7,7)

- Good return on excess liquidity
- Transaction tax on Hyundai Glovis internal transfer
- Stable interest expenses on loans, adjusted for fair value gain on interest derivatives in Q1
- Fair value loss on interest rate derivatives from changes in US interest rate curve.



> WWASA Group - Balance sheet

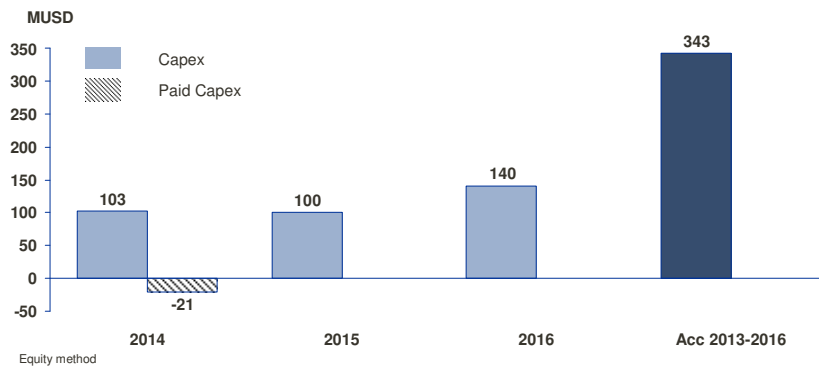
Strong financial flexibility

USD mill	30.06.2014		31.03.2014		30.06.2013	
Assets						
Non current assets	2,967	86%	2,941	86%	2,916	87%
Current assets (excl liquid funds)	34	1%	50	1%	27	1%
Liquid funds	450	13%	428	13%	420	12%
Total assets	3,451	100%	3,419	100%	3,362	100%
Equity & liabilities						
Equity	1,658	48%	1,669	49%	1,538	46%
Non current interest-bearing debt	1,308	38%	1,308	38%	1,446	43%
Other non current liabilities	219	6%	212	6%	241	7%
Current liabilities	267	8%	229	7%	137	4%
Total equity and liabilities	3,451	100%	3,419	100%	3,362	100%

Equity method



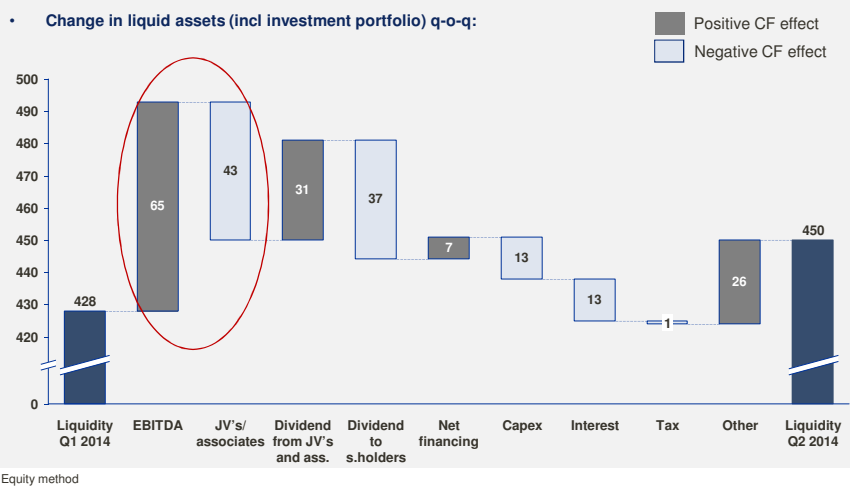
> **WWASA committed CAPEX, including dry docking**
4 new post panamax vessels on order



- Financing is secured for two of the four vessels
- The two last vessels in the committed newbuilding program will be delivered in 2016



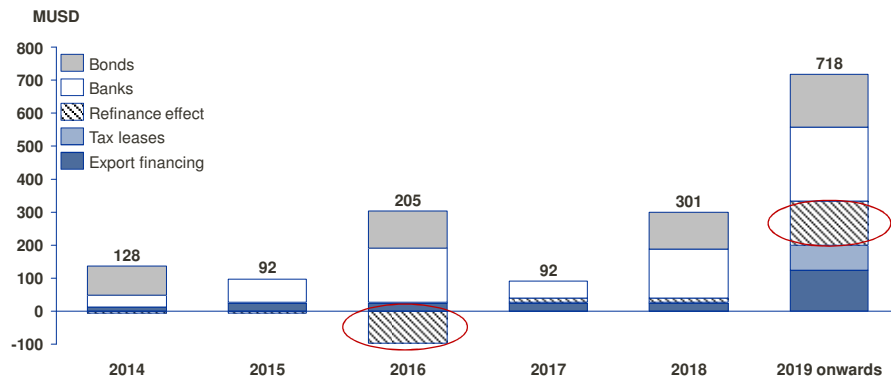
> **WWASA Group - Liquidity development**
Continued ample liquidity





> WWASA Group - Outstanding debt

Maturity profile incl. refinancing July 2014



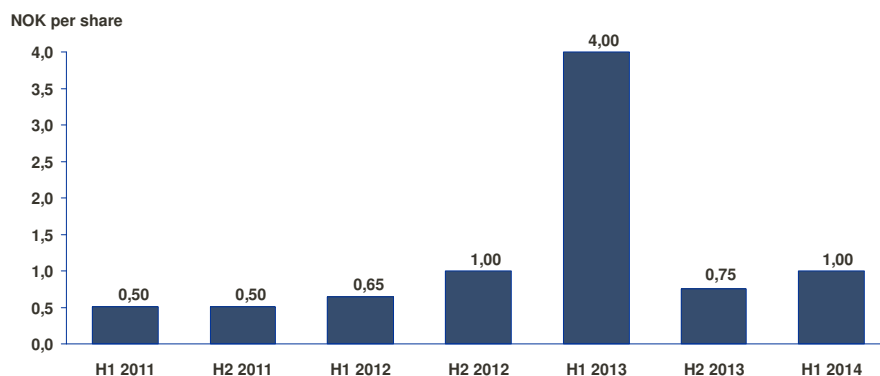
- Repayment of bond maturing in November 2014 will be financed by existing liquidity
- Issue of NOK 800 million 5-year bond, and repurchase of NOK 576 million in 2016 maturity bonds in Q2
- Refinanced 3 LCTC's in July and extended maturities from 2016 to 2023/24, effect Q3

Equity method



> WWASA Group - Semi-annual dividend per share

Dividend payment of USD 37 million first half 2014



- AGM authorized BoD to pay an additional dividend of up to NOK 1,25 per share



Shaping the
maritime industry

> Thank you for your attention

For more information: www.wilhelmsenasa.com