

> Wilh. Wilhelmsen ASA

Third quarter 2015



Wilh. Wilhelmsen ASA /// 11 November 2015

Jan Eyvin Wang, President and CEO

> Disclaimer

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> Anti-trust investigation

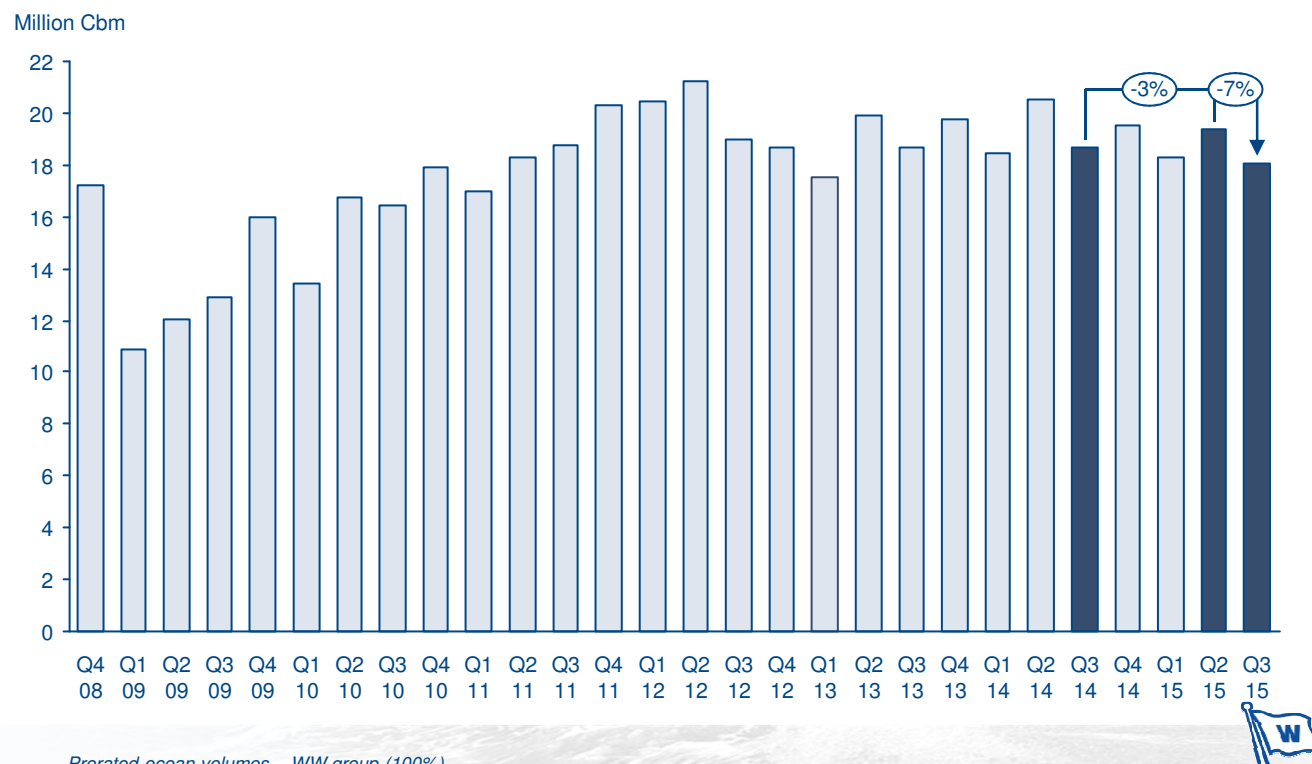
WWASA makes USD 200 million provision in the third quarter

- Investigation of the global car carrying industry started in September 2012 in several jurisdictions related to incidents prior to September 2012
- WWL and EUKOR have cooperated and are cooperating with respective authorities. These processes are confidential.
- Japanese and South African authorities have completed their investigations
 - WWL were fined USD 34 million in Japan and USD 8 million in South Africa (WWASA share USD 16.5 million and USD 4 million respectively)
- Final outcome of the investigations is uncertain and will take time
 - Some further clarifications expected in Q4 2015 and 2016
- The USD 200 million provision represents WWASA's share of the exposure related to the ongoing investigations



> Decline in group volumes

Down of 7% q-o-q and 3% y-o-y



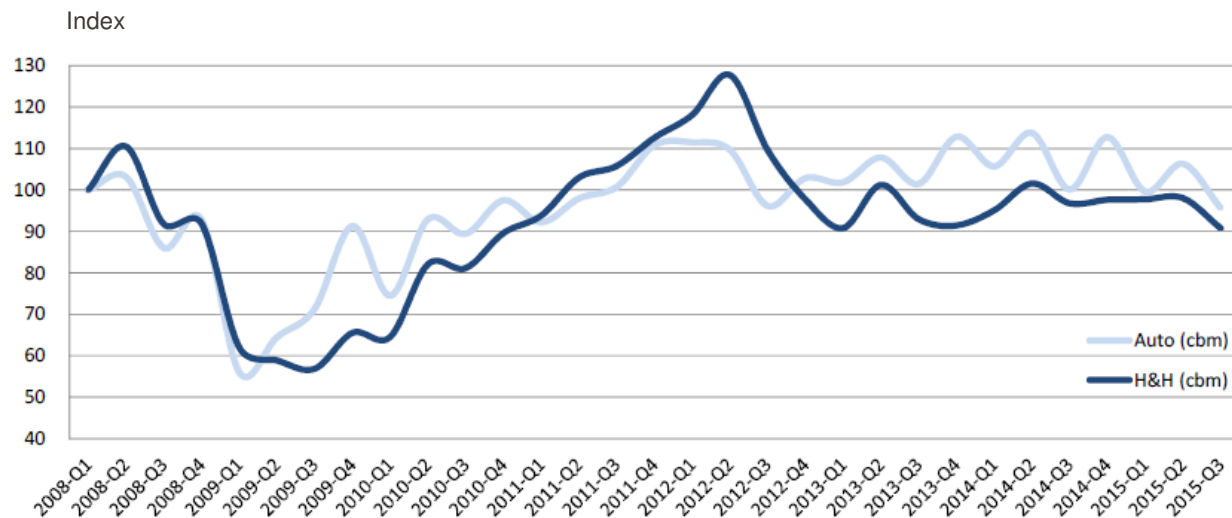
> Fall in both cargo segments

High and Heavy

- Decline in all main trades
- Construction volumes to North America remained strong, however weaker than first half of the year

Auto

- Oceania stronger and Europe slightly better
- Decline in all other trades



Unprorated ocean volumes – WWL and EUKOR (100%)

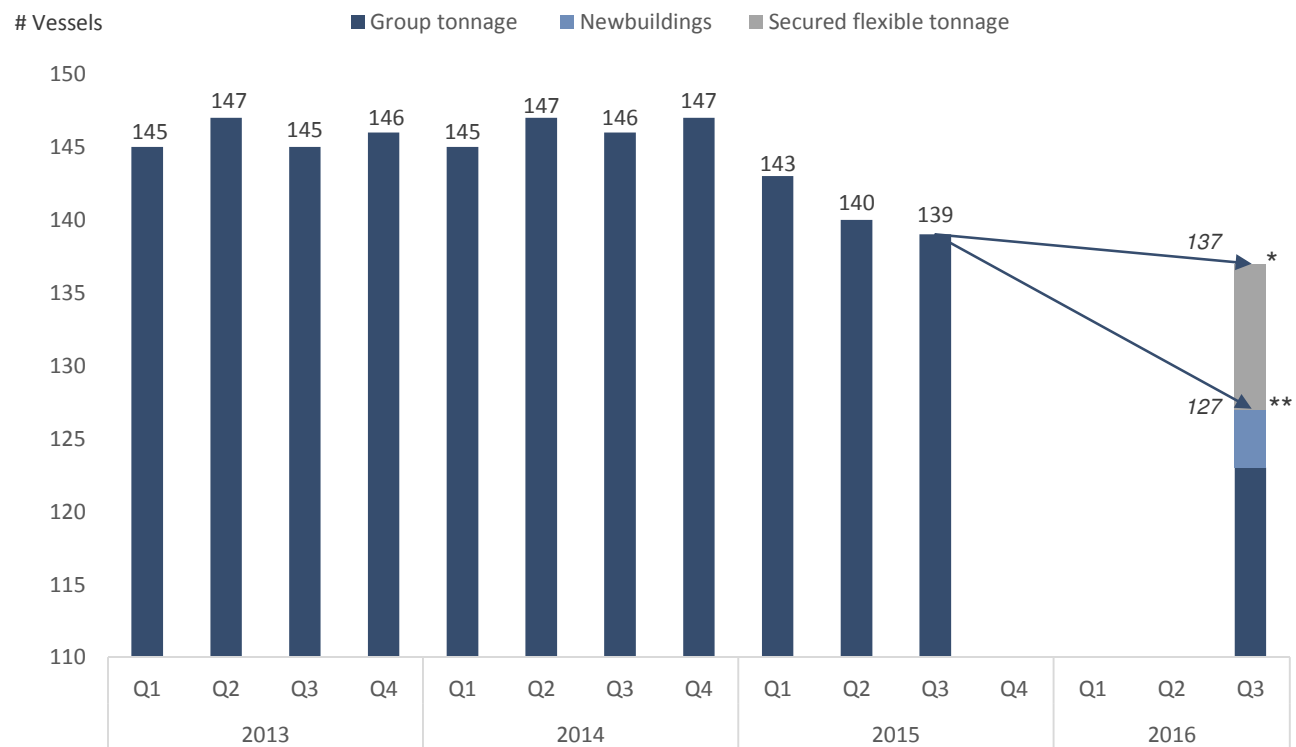


> Renewal of Ocean Carrier Contract

- EUKOR secured contract for 4 more years
- Volumes out of Korea;
 - 50% in 2016 and 2017
 - 40% in 2018 and 2019
- In 2014, EUKOR transported approximately 4.6 million units of which 1.7 million were on behalf of Hyundai and Kia



> Making use of the tonnage flexibility



* Base case - Secured capacity not including upside potential through possible charter-in's

** Vessels recycled at 25 years and all TC vessels redelivered at end of ordinary contract period, newbuilding included

Other reduction flexibility options include; Renegotiation of charter terms, sale of vessels, slow steaming



> Continued low commodity prices impact HH volumes

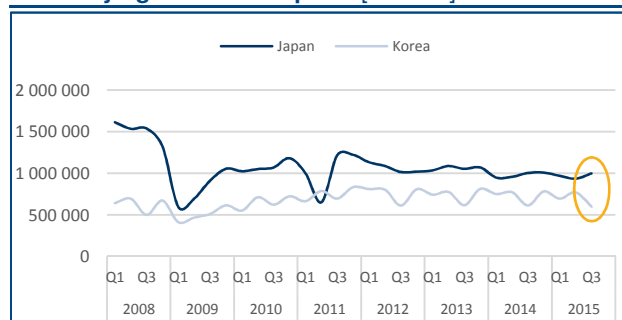
Lower growth in annual Chinese car sales

Light vehicle sales in key markets quarterly [M Units]

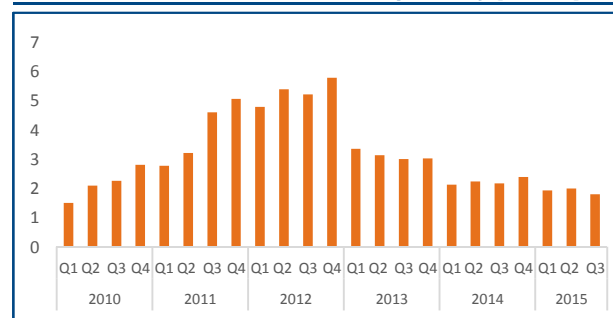
Region	Q3 2015	Q2 2015	QoQ change	Q3 2014	YoY change	2015 FY FC	2016 FY FC	2016/2015
N America	5,29	5,44	-3 %	5,08	4 %	20,30	20,60	1 %
Europe*	3,74	4,22	-11 %	3,42	9 %	15,60	15,80	1 %
Oceania	0,32	0,33	-3 %	0,31	4 %	1,30	1,30	0 %
BRICs	7,02	7,55	-8 %	7,50	-7 %	31,40	33,30	6 %
.....Brazil	0,62	0,63	-1 %	0,83	-26 %	2,50	2,40	-4 %
.....Russia	0,41	0,40	3 %	0,55	-25 %	1,60	1,60	0 %
.....India	0,77	0,73	5 %	0,75	3 %	3,20	3,50	9 %
.....China	5,22	5,79	-7 %	5,37	-3 %	24,10	25,80	7 %

*excluding Russia and Turkey

Quarterly light vehicle exports [M Units]



CAT - Resource industries sales quarterly [MUSD]



John Deere - Q3 2015 industry outlook

	2015 Forecast	Previous Forecast *
U.S. and Canada Ag	Down ~ 25%	
EU 28 Ag	Down ~ 10%	
South America Ag (Tractors and Combines)	Down 20-25%	Down 15-20%
Asia Ag	Down moderately	Down modestly
CIS Countries Ag	Down significantly	
U.S. and Canada Turf and Utility Equipment	Flat to up 5%	

*Agriculture and Turf Retail Sales



> Outlook

Auto

- Marginal growth in mature markets
- Growth in China but at lower levels
- Slow in other emerging markets

High and heavy

- Construction to remain healthy
- Mining and agricultural to remain weak

Tonnage

- Using tonnage flexibility to remain balanced



→ *Increased focus on synergies and cost reductions in all companies*

→ *Continue to expand land based activities*

> Prospect

The shipping activities in WWASA are expected to remain challenging, with added pressure on margins.

Logistics activities are expected to be on par with the 2015 levels.

The board will ensure a continuous focus on operational efficiency and cost-reducing initiatives.



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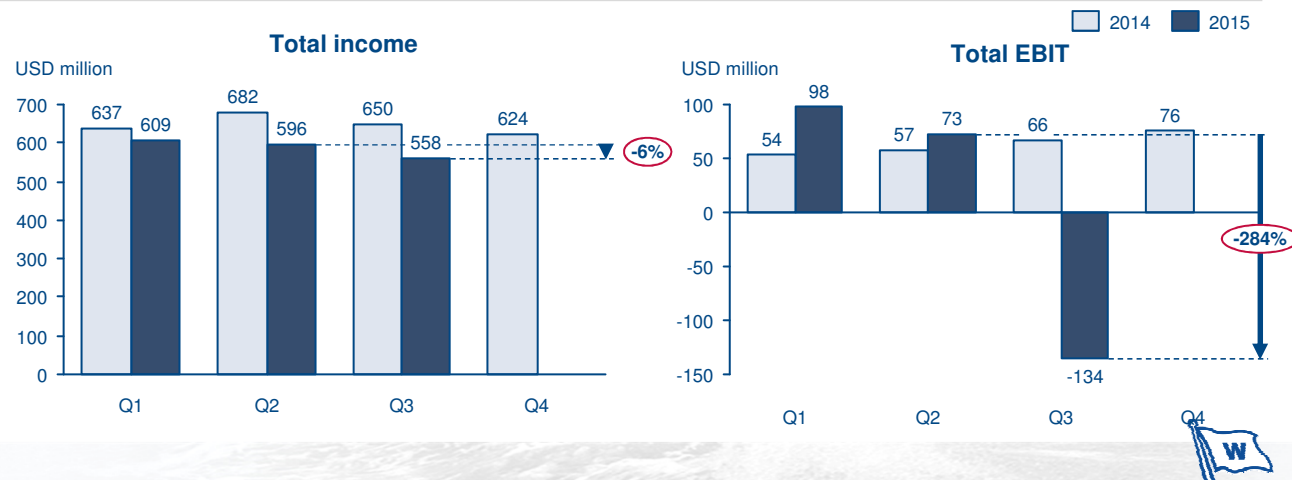
11 November 2015

Benedicte B. Agerup, CFO

> WWASA Group – Key financials

Provision impact shipping segment negatively in Q3

- Total income reported - 6% q-o-q, - 14% y-o-y
- EBIT reported negative USD 134 million, EBIT adjusted for non-recurring items USD 68 million
- Shipping segment negatively impacted by a provision of USD 200 million
- Lower ocean profitability q-o-q, partly seasonal, logistics stable



> **WWASA Group - Profit and Loss 2015**
Proportionate method

WW ASA Group

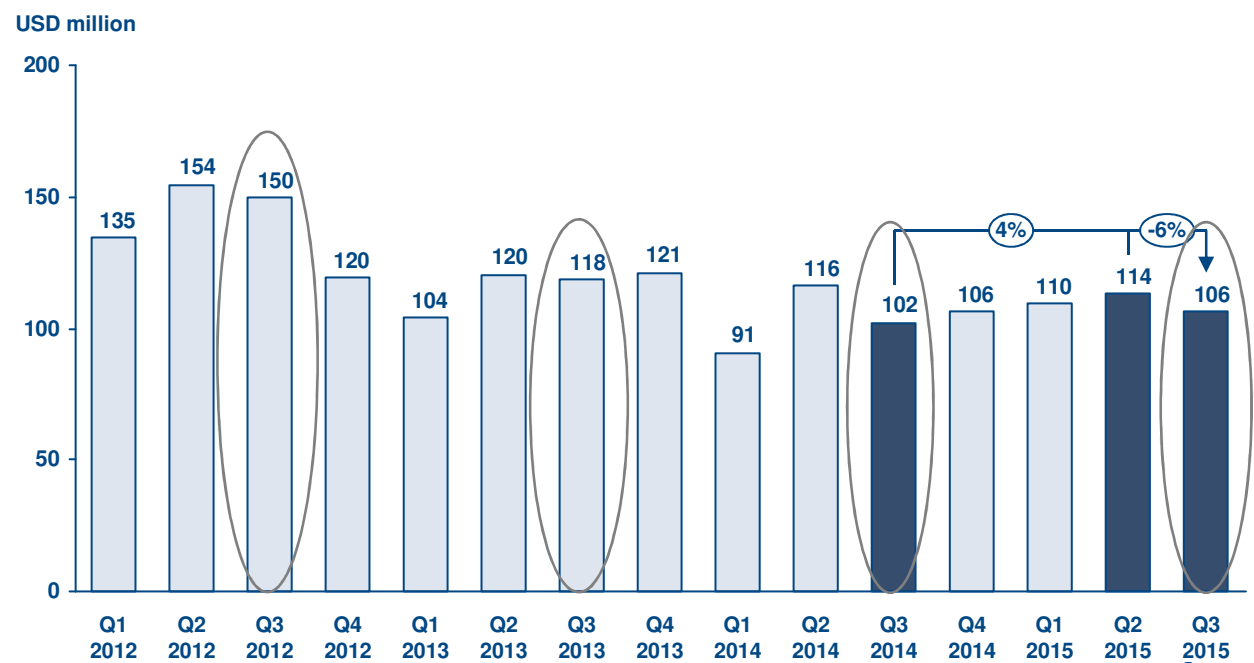
USD mill	2015 Q3	2015 Q2	2015 YTD	2014 YTD	2014 Q3	2014 FY
Operating income	546	583	1 702	1 912	619	2 525
Gain on sale of assets			26			
Share of profits from JV's and associates	12	14	35	56	30	66
Total income	558	596	1 763	1 968	650	2 592
EBITDA	(94)	113	155	295	110	413
Depreciation and impairments	(41)	(40)	(118)	(118)	(44)	(160)
EBIT	(134)	73	36	177	66	253
Financial income/(expense)	(73)	4	(115)	(56)	(9)	(131)
Profit/(loss) before tax	(207)	77	(78)	121	57	122
Net profit ¹⁾	(213)	70	(86)	111	54	166
Earnings per share (USD)	(0.97)	0.32	(0.39)	0.50	0.25	0.75

¹⁾ after minority interest



> **WWASA EBITDA adjusted for non-recurring items**

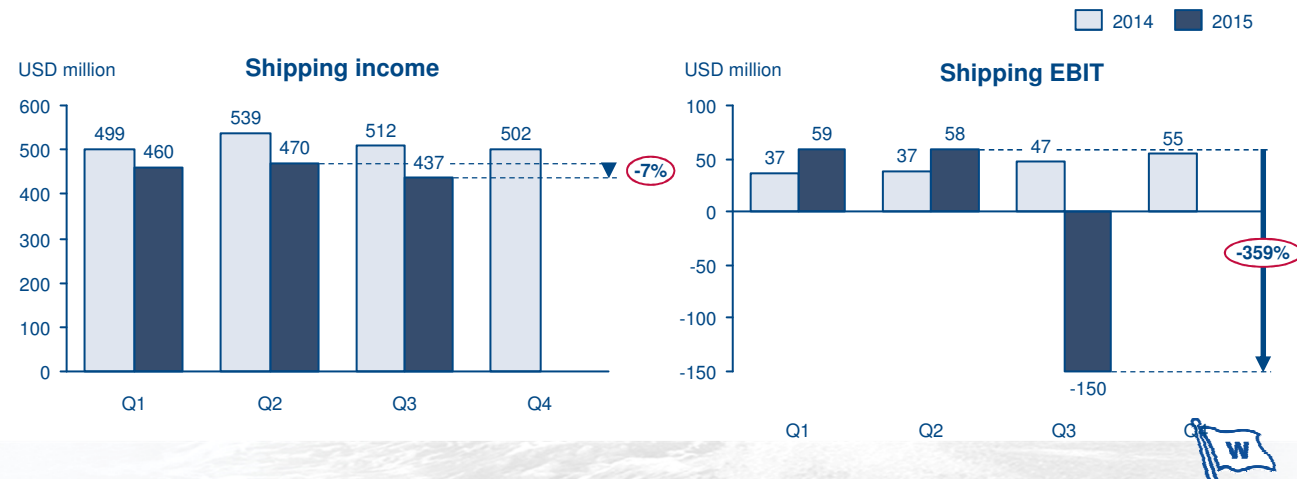
Down 6% q-o-q, partly seasonal



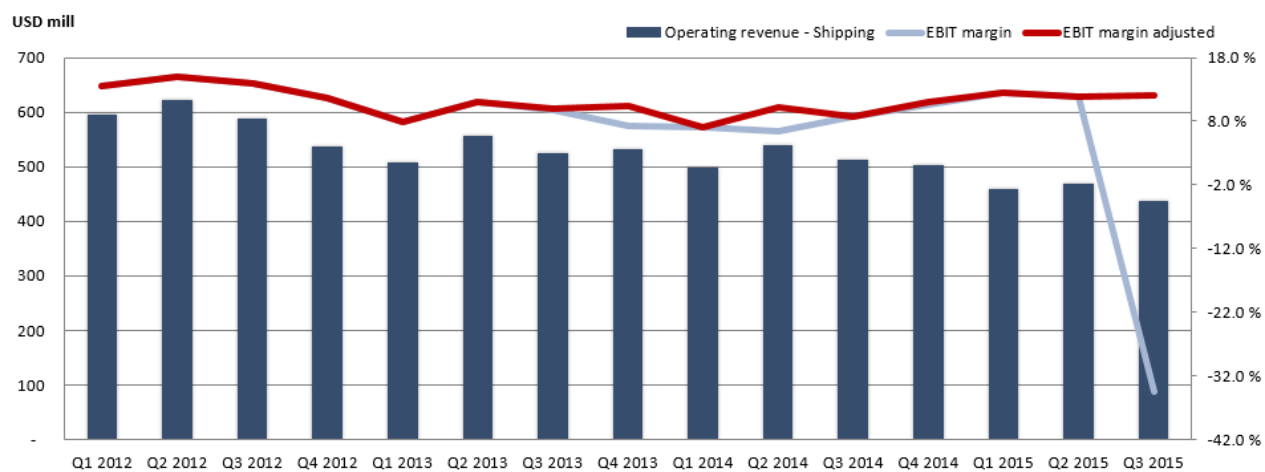
> WWASA Shipping – Key financials

Significantly impacted by a provision in connection with anti-trust investigations

- Total income reported - 7% q-o-q, - 15% y-o-y
- EBIT reported negative USD 150, EBIT adjusted for non-recurring items USD 53 million
- Transported volumes down 7%, decline of both autos and H/H cargo
- Suboptimal cargo and trade mix
- Margins under pressure



> **WWASA Shipping – EBIT margin**
Underlying margins stable q-o-q



+ Lower G&A cost base

- Reduced BAF surcharges
- Suboptimal cargo and trade mix
- Continued pressure on margins



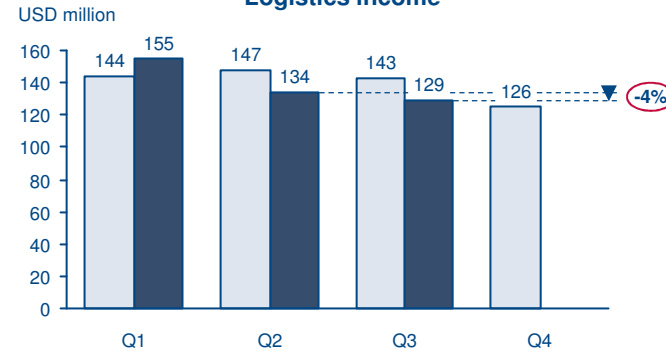
> WWASA Logistics – Key financials

Underlying EBIT flat q-o-q

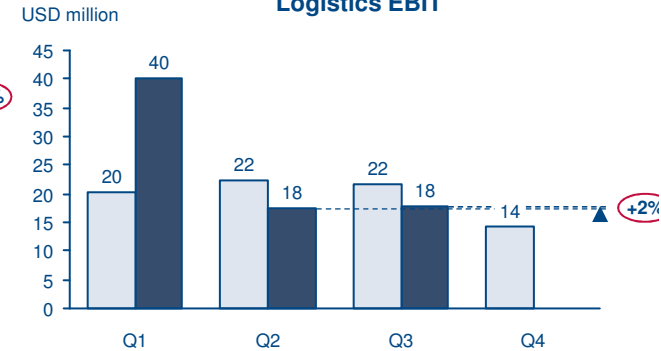
- Total income reported - 4% q-o-q, - 10% y-o-y
- EBIT reported + 2% q-o-q, - 18% y-o-y
- Contribution from WWL logistics was on par with previous quarter
- Contribution from Hyundai Glovis stable in Q3, but will be substantially lower in Q4 due to currency effects based on their reported net profit in Q3.¹⁾
- Market value of 12.0% ownership in Hyundai Glovis was USD 853 million on 30 September 2015

2014 2015

Logistics income



Logistics EBIT



> **WWASA Group – Financial income (expense)**
 Unrealised losses on derivatives

USD mill	2015 Q3	2015 Q2	2015 YTD	2014 YTD	2014 Q2	2014 FY
Net financial items	(15.9)	(0.8)	(8.8)	2.1	(2.4)	(0.5)
Net interest expenses	(22.0)	(23.3)	(67.9)	(68.1)	(25.4)	(91.2)
Interest rate derivatives - unrealised	(15.3)	18.5	4.6	(1.7)	(6.4)	(16.8)
Net financial - currency	(15.2)	8.6	(40.1)	12.3	3.5	(22.0)
Net financial derivatives bunkers	(4.2)	0.9	(2.6)	(0.3)	(0.1)	(0.3)
Financial income/(expense)	(72.6)	4.0	(114.8)	(55.6)	(30.8)	(130.9)

Proportionate

- Net financial items
 - Negative return on investment management
 - Termination fee of USD 9 million for the deferred tax inherent in UK tax leases
- Stable net interest expenses
- Unrealised losses on both interest rate- and currency derivatives, due to a stronger USD and lower medium to long term USD interest rates



> **WWASA Group – Balance Sheet**
Continued strong balance sheet

USD mill	30.09.2015		30.06.2015		31.12.2014	
<u>Assets</u>						
Non current assets	2 900	88 %	3 080	88 %	2 955	88 %
Current assets (excl liquid funds)	24	1 %	31	1 %	23	1 %
Liquid funds	378	11 %	408	12 %	375	11 %
Total assets	3 302	100 %	3 519	100 %	3 353	100 %
<u>Equity & liabilities</u>						
Equity	1 588	48 %	1 806	51 %	1 707	51 %
Non current interest-bearing debt	1 239	38 %	1 277	36 %	1 236	37 %
Other non current liabilities	275	8 %	249	7 %	264	8 %
Current liabilities	201	6 %	187	5 %	145	4 %
Total equity and liabilities	3 302	100 %	3 519	100 %	3 353	100 %

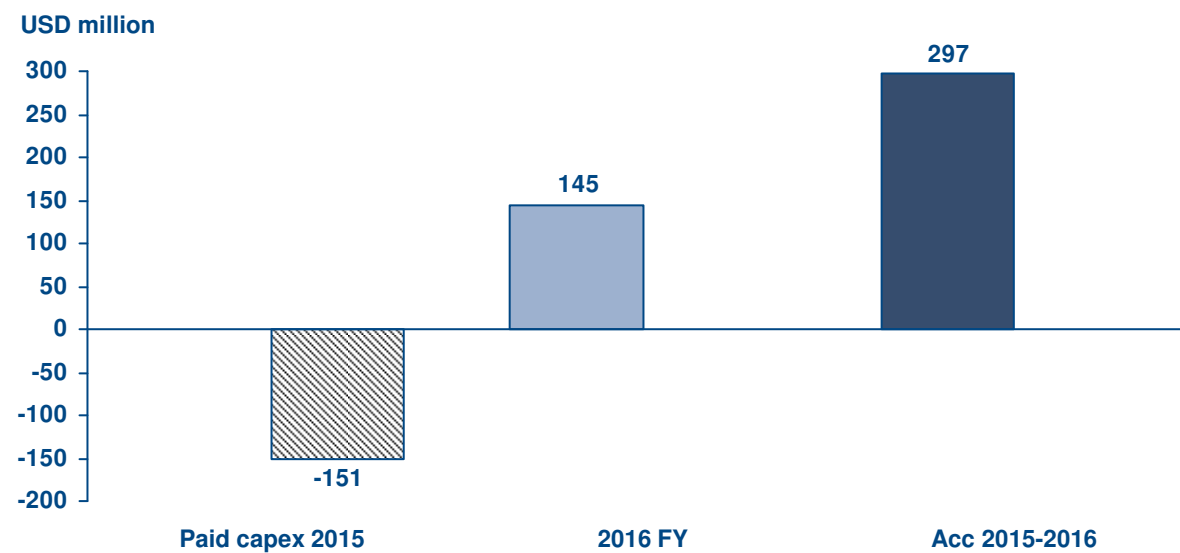
Equity

Effect of provision of USD 200 million

- Reduction in investment in joint ventures and associates
- Reduction in equity



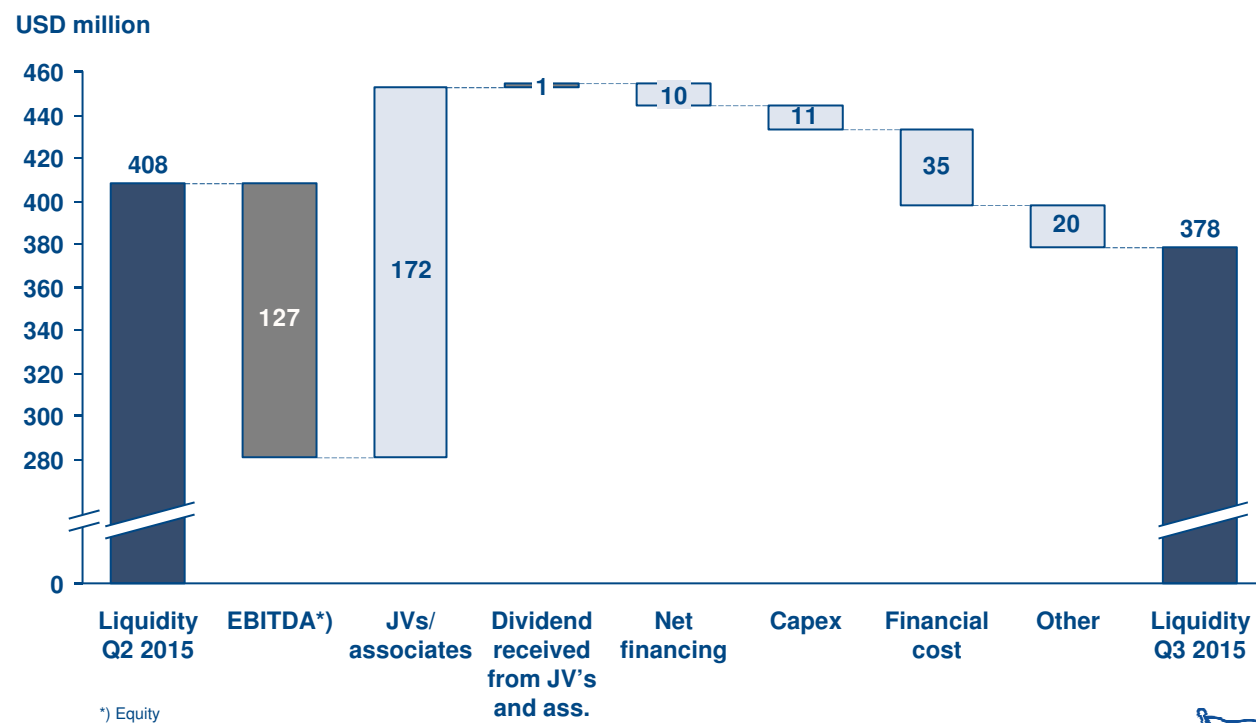
➤ **WWASA Group - Committed CAPEX, incl. dry-docking**



- Capex in 2015 already paid
- Capex in 2016 financed through sale / lease back with a positive cash effect

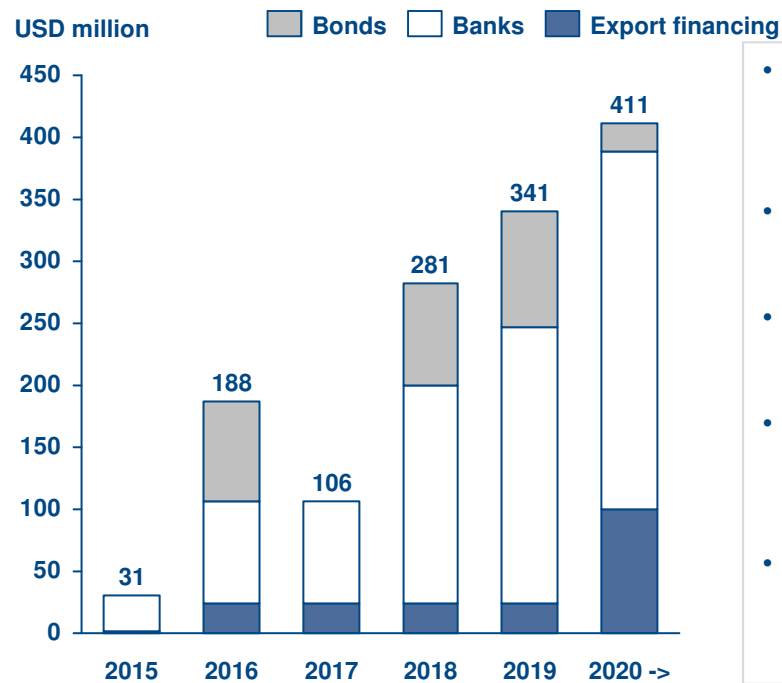


> **WWASA Group – Liquidity development**
Continued high liquidity buffers



> WWASA Group – interest bearing debt

Sound maturity profile

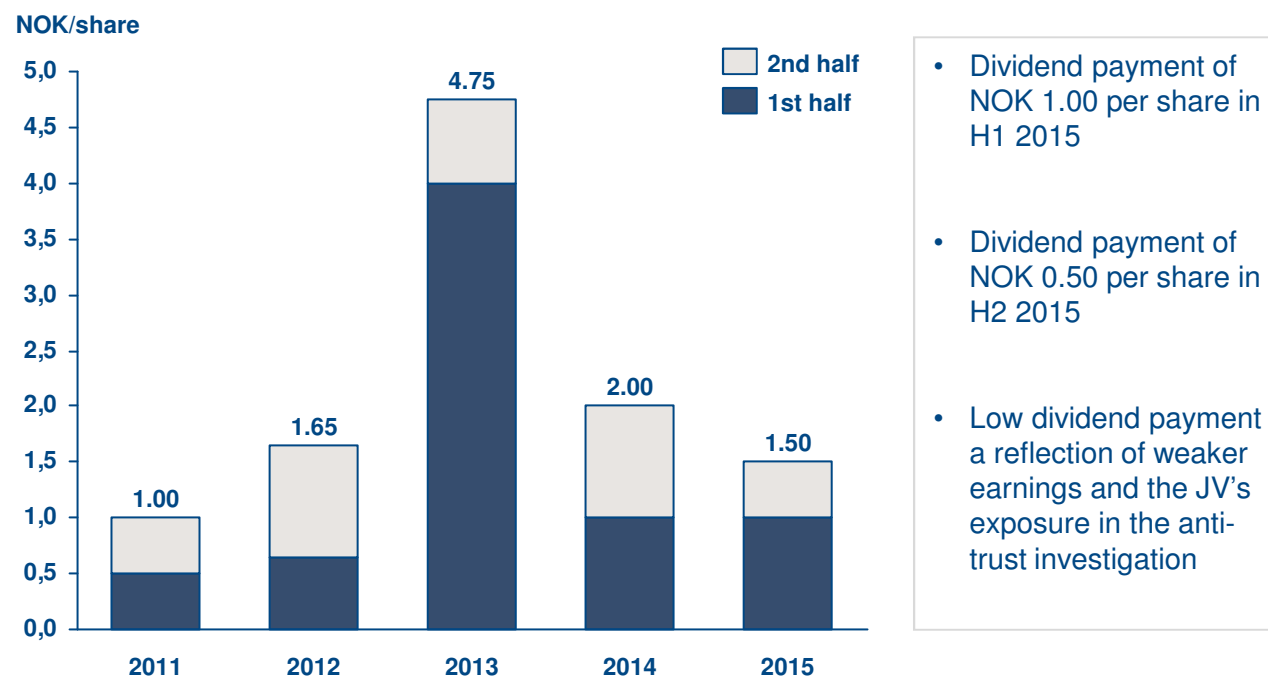


- Three vessels previously on UK tax lease refinanced to ordinary bank debt in July.
- Ordinary instalments of USD 23 million in Q3.
- Revolving credit facility of USD 50 million renewed in July.
- Bond maturity in March 2016 of approx. USD 15 million will be financed from cash position
- Covenant waivers received from main banks to cover Q3 provision



> WWASA Group – Semi-annual dividend per share

Dividend of NOK 0.50 per share in H2 2015



> Thank you!



www.wilhelmsenasa.com

