



> Wilh. Wilhelmsen ASA

Second quarter 2016



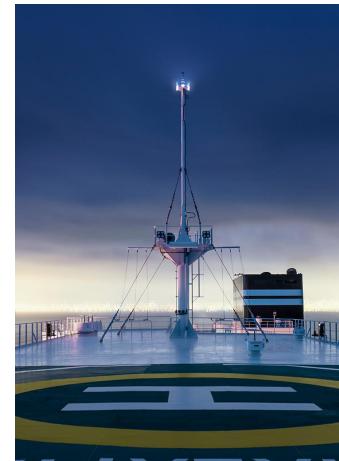
Wilh. Wilhelmsen ASA

5 August 2016

Jan Eyvin Wang, President and CEO

> Agenda

- Developments in the second quarter
- Market outlook
- Prospects



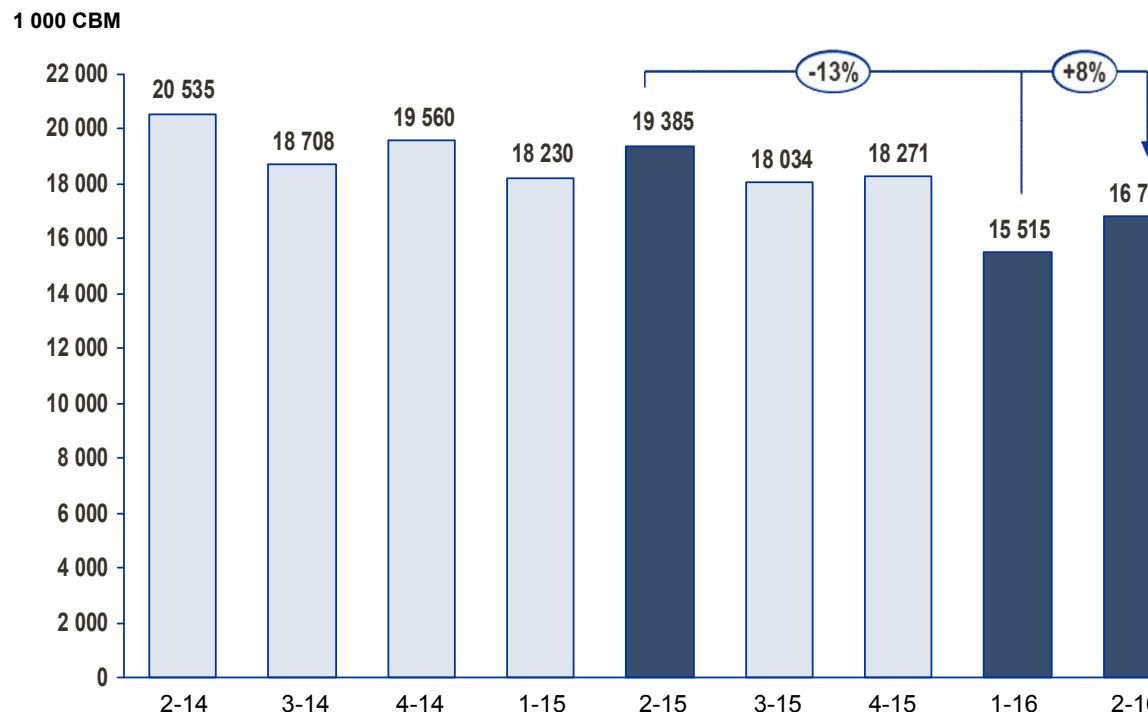
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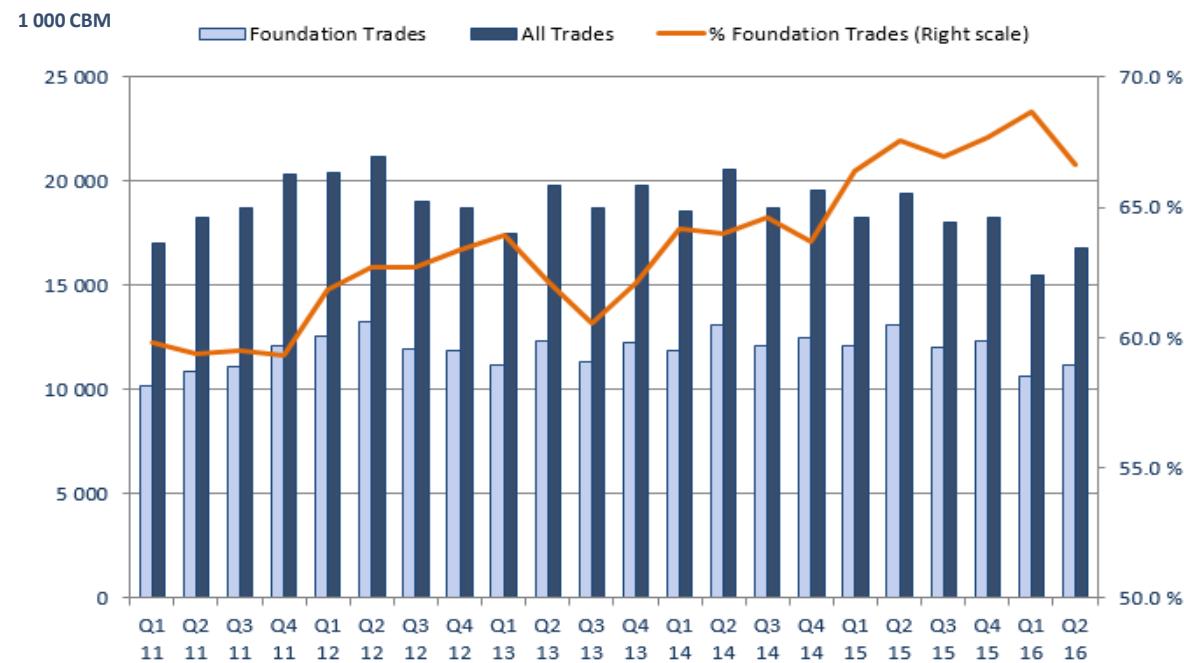


> Group ocean volume development

Seasonal rebound in the second quarter



> Group ocean Foundation Trades' share of total
Dropping in the second quarter, from a very high level



> Group ocean cargo segment development

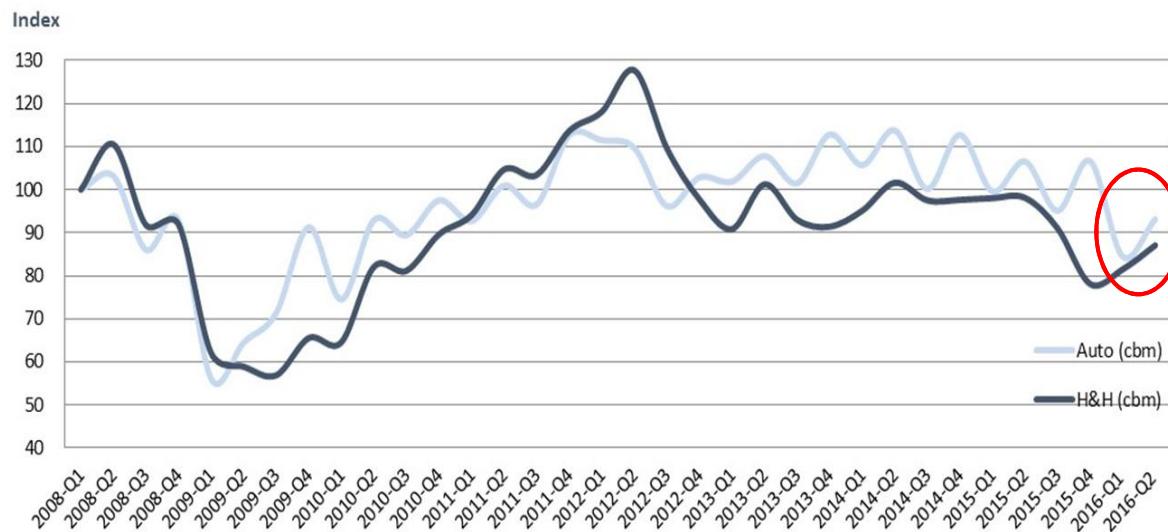
Seasonal rebound in the second quarter, both for Auto and High & Heavy

Auto

- Seasonality
- Increased volumes in most main trades
- European imports strong

High & Heavy

- Seasonality
- Mainly driven by agriculture segment
- Overall volumes still at a low level



➤ On-going anti trust investigation

- WWL
 - reached a settlement with the US DoJ in July, whereby they will pay USD 98.9 million in fines
 - WWASA share 50 %
 - No accounting effects for WWASA
- EUKOR
 - not fined by the US DoJ



> Market outlook

Increased uncertainty and volatility

- Brexit
- US election
- Geo political instability
- Protectionism



Leading to a soft volume development

> Our response

- Creating a more **agile** structure
- Tonnage optimization 2016-2017
 - Newbuildings
 - 2 vessels delivered (WWASA), 6 vessels remaining (4 OW, 2 EUKOR)
 - Recycling of old vessels
 - 4 vessels recycled (3 WWASA, 1 EUKOR), 3 vessels planned Q3 (OW)
 - Redelivery of charter vessels
 - 1 vessel redelivered (EUKOR), 3 vessels planned Q3 (EUKOR)
 - Redelivery flexibility
 - 9 vessels July 2016-June 2017 (EUKOR)



> Prospects

The board expects volume growth to remain weak over the next period.

The current global political landscape adds further uncertainties.





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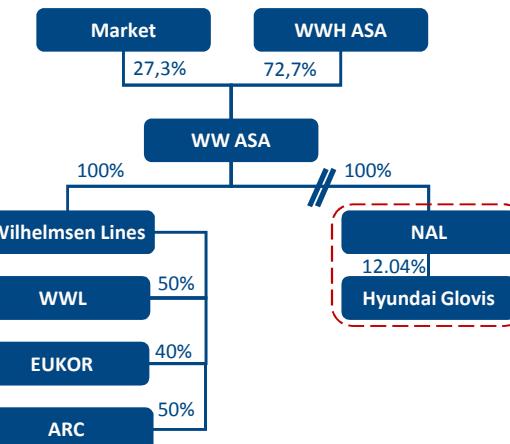
5 August 2016

Benedicte B. Agerup, CFO

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Post demerger NAL AS

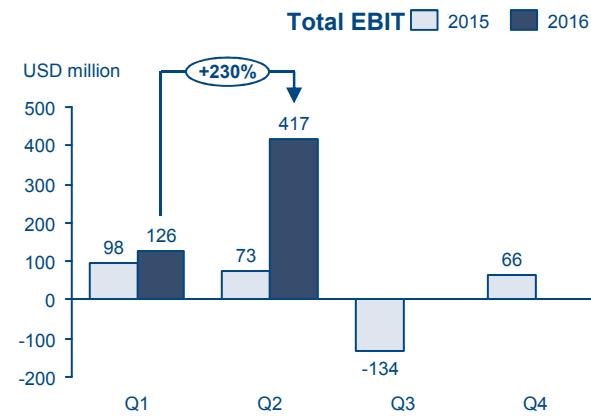
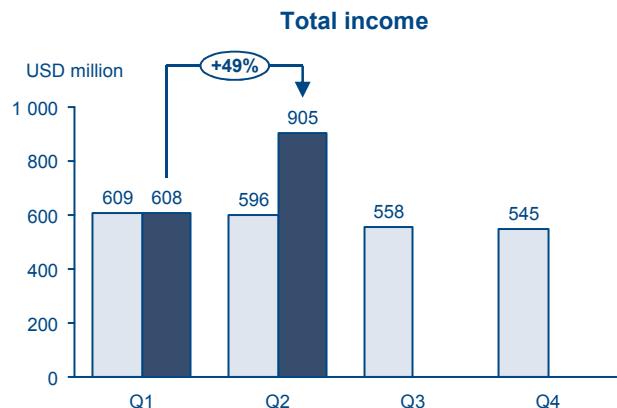
- Effective on 8 June 2016
- Significant non-recurring gain of USD 375 million (recorded in the holding segment)
- BV of equity reduced by USD 730 million (incl accounting gain)
- Demerged entity Treasure ASA listed on Oslo Stock Exchange 8 June 2016



➤ WWASA Group – Key financials

Non-recurring gain lifted operating profit significantly

- Total income reported + 49% q-o-q, + 52% y-o-y
- EBIT reported + 230% q-o-q, + 471% y-o-y
- Non-recurring gain of USD 375 million in the holding segment
- Ocean transported volumes increased by 8%
- Two new Post Panamax vessels delivered for WWASA's account



➤ WWASA Group – Profit and Loss Q2 2016

Proportionate method

USD mill	2016 Q2	2016 Q1	2016 YTD	2015 YTD	2015 Q2	2015 FY
Operating income	530	515	1,046	1,156	583	2,243
Gain on sale of assets	375	80	455	26		29
Share of profits from JV's and associates		13	13	23	14	36
Total income	905	608	1,514	1,205	596	2,308
EBITDA	455	161	616	248	113	262
Depreciation and impairments	(38)	(35)	(72)	(78)	(40)	(160)
EBIT	417	126	543	171	73	103
Financial income/(expense)	(21)	(15)	(36)	(42)	4	(128)
Profit/(loss) before tax	396	111	507	129	77	(25)
Net profit¹⁾	392	104	496	126	70	(4)
Earnings per share (USD)	1.78	0.47	2.26	0.57	0.32	-0.02

¹⁾ after minority interest

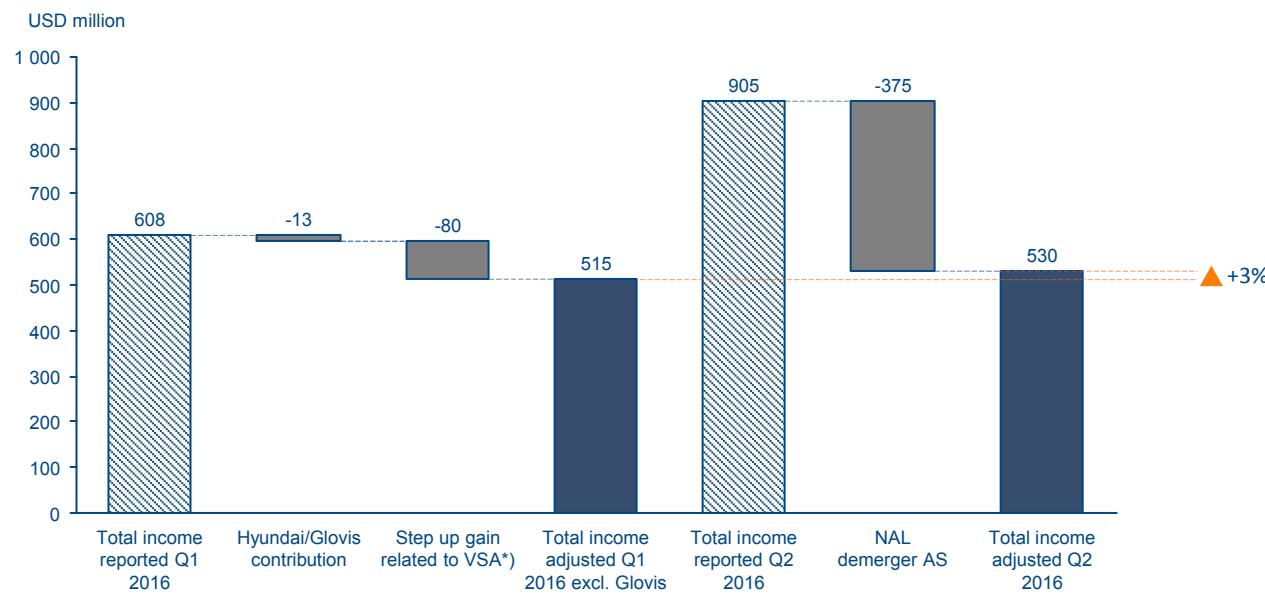
Q2 2016 includes non-recurring net gain of USD 373 million

- Gain of USD 375 million in holding segment and loss of USD 1.5 million in shipping segment



➤ WWASA Group – Total income bridge

Total income slightly positive q-o-q

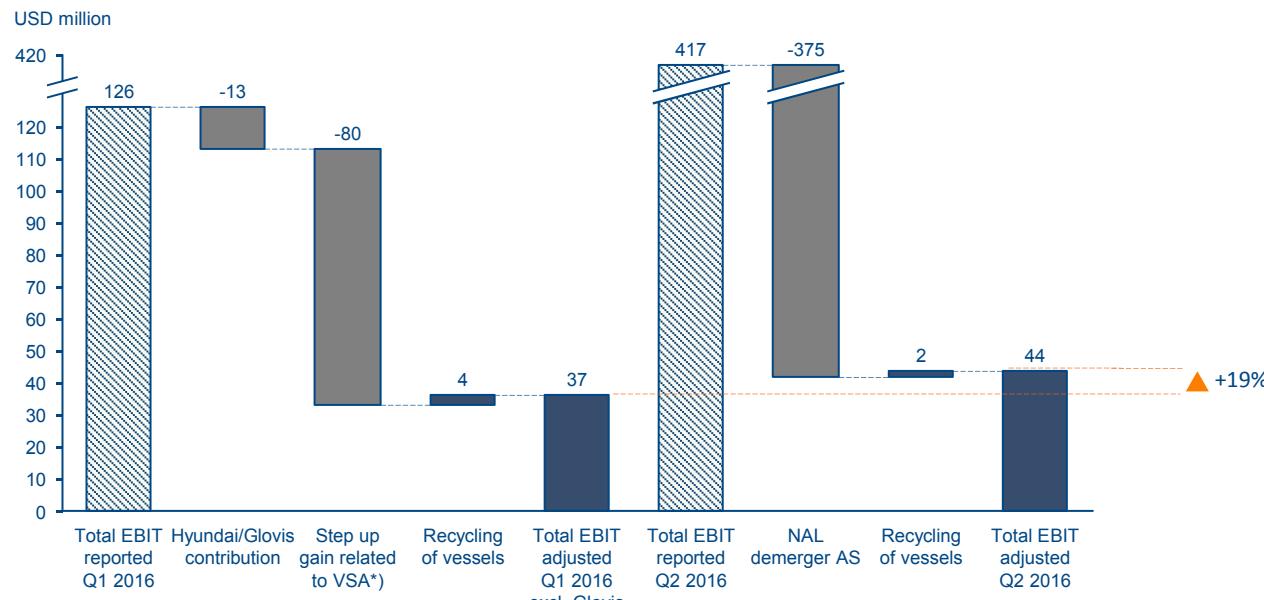


*) non recurring gain of USD 80 million related to the acquisition of full ownership of Vehicle Services Americas and CAT-WWL in South Africa (both previously joint ventures), and the sale of Vehicle Services Europe (VSE)



➤ WWASA Group – EBIT bridge

Total EBIT adjusted up 19% from a weak Q1



- Hyundai/Glovis contribution discontinued in Q2

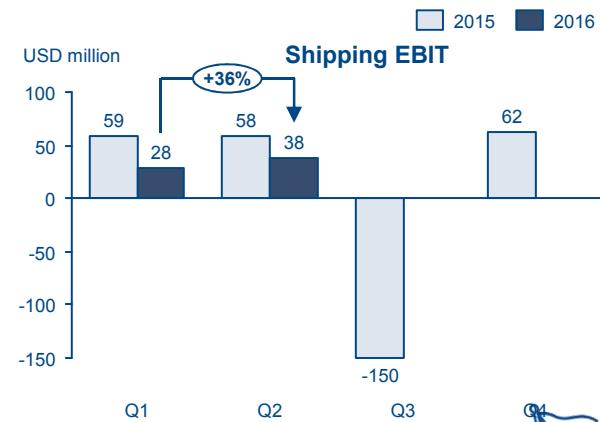
*) non recurring gain of USD 80 million related to the acquisition of full ownership of Vehicle Services Americas and CAT-WWL in South Africa (both previously joint ventures), and the sale of Vehicle Services Europe (VSE)



➤ WWASA Shipping – Key financials

Increase in both auto and HH volumes

- Total income reported + 4% q-o-q, - 21% y-o-y
- EBIT reported + 36% q-o-q, - 34% y-o-y
- Increased volumes combined with improved cargo and trade mix, but still suboptimal mix
- Increased net bunker cost due to reduced bunker compensation and increased bunker price
- Non-recurring loss of USD 1.5 million related to recycling of one vessel



➤ WWASA Shipping – EBIT margin

Improvement in underlying margin q-o-q



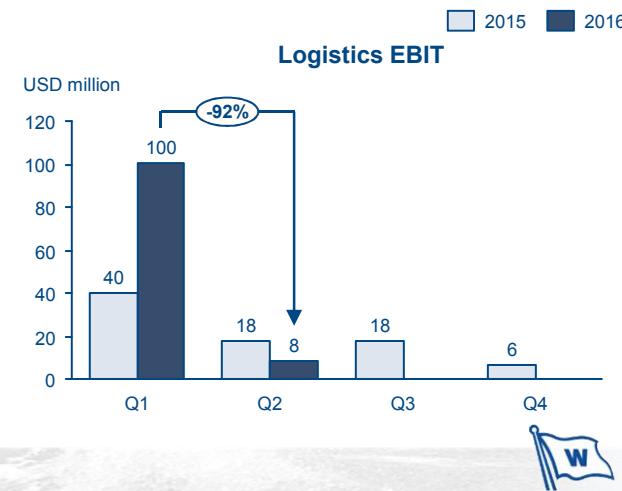
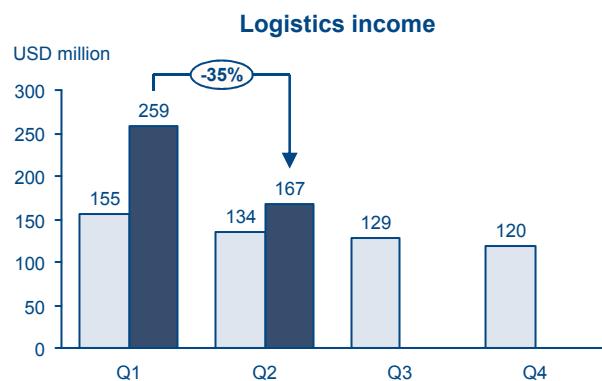
- + Lower G&A cost base
- + Reduced OPEX
- + Improved volumes
- Higher net bunker costs
- Suboptimal cargo and trade mix
- Rate pressure



➤ WWASA Logistics – Key financials

Underlying result on par q-o-q

- Total income reported - 35% q-o-q, + 25% y-o-y
- EBIT reported - 92% q-o-q, - 57% y-o-y
- Underlying result on par with previous quarter
- Contribution from Hyundai Glovis discontinued 17 March 2016 following the demerger of NAL AS



➤ WWASA

Committed capex ending in Q2 2016

- CAPEX program finalized Q2 2016 with delivery of 2 post panamax vessels in April and June
- Both vessels financed through sale leaseback
- Positive cash effect in Q2 of USD ~ 35 million (at time of delivery)



➤ WWASA Group – Financial income/(expense)

Slight increase in net financial expenses q-o-q

USD mill	2016 Q2	2016 Q1	2015 Q2	2015 FY
Net financial items	5.0	1.0	(0.8)	(6.3)
Net interest expenses	(26.1)	(22.8)	(23.3)	(91.4)
Interest rate derivatives - unrealised	(1.1)	(14.4)	18.5	24.3
Net financial - currency	(3.2)	20.1	8.6	(48.7)
Net financial derivatives bunkers	4.3	0.7	0.9	(6.3)
Financial income/(expense)	(20.9)	(15.4)	4.0	(128.3)

Proportionate

- Increased net interest expenses due higher interest bearing debt
- Positive return from investment portfolio



➤ WWASA Group – Balance Sheet

Continued strong balance sheet post demerger of NAL AS

USD mill	30.06.2016		31.12.2015	
<u>Assets</u>				
Non current assets	2,759	87%	2,925	89%
Current assets (excl liquid funds)	21	1%	24	1%
Liquid funds	406	13%	349	11%
Total assets	3,186	100%	3,299	100%
<u>Equity & liabilities</u>				
Equity	1,430	45%	1,655	50%
Non current interest-bearing debt	1,245	39%	1,135	34%
Other non current liabilities	211	7%	225	7%
Current liabilities	300	9%	285	9%
Total equity and liabilities	3,186	100%	3,299	100%

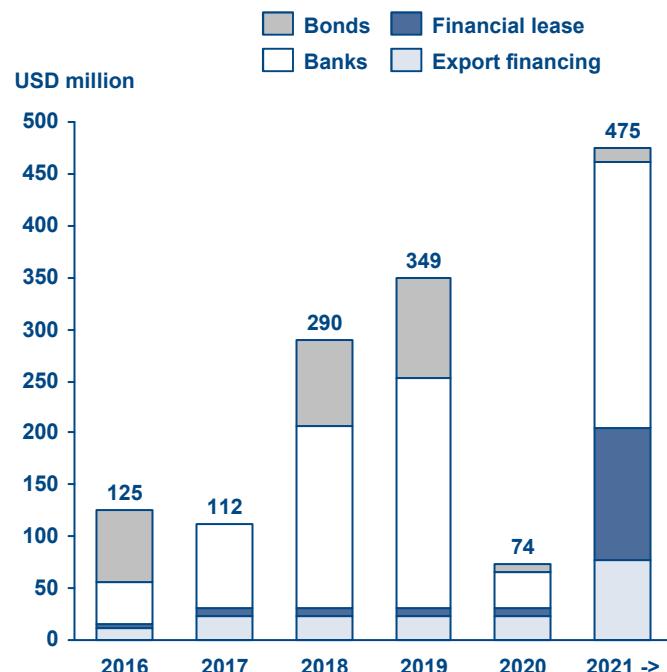
Equity

Equity ratio reduced to 45% due to demerger of NAL AS (Hyundai/Glovis)



➤ WWASA Group – interest bearing debt

Refinancing of balloons in 2018/2019

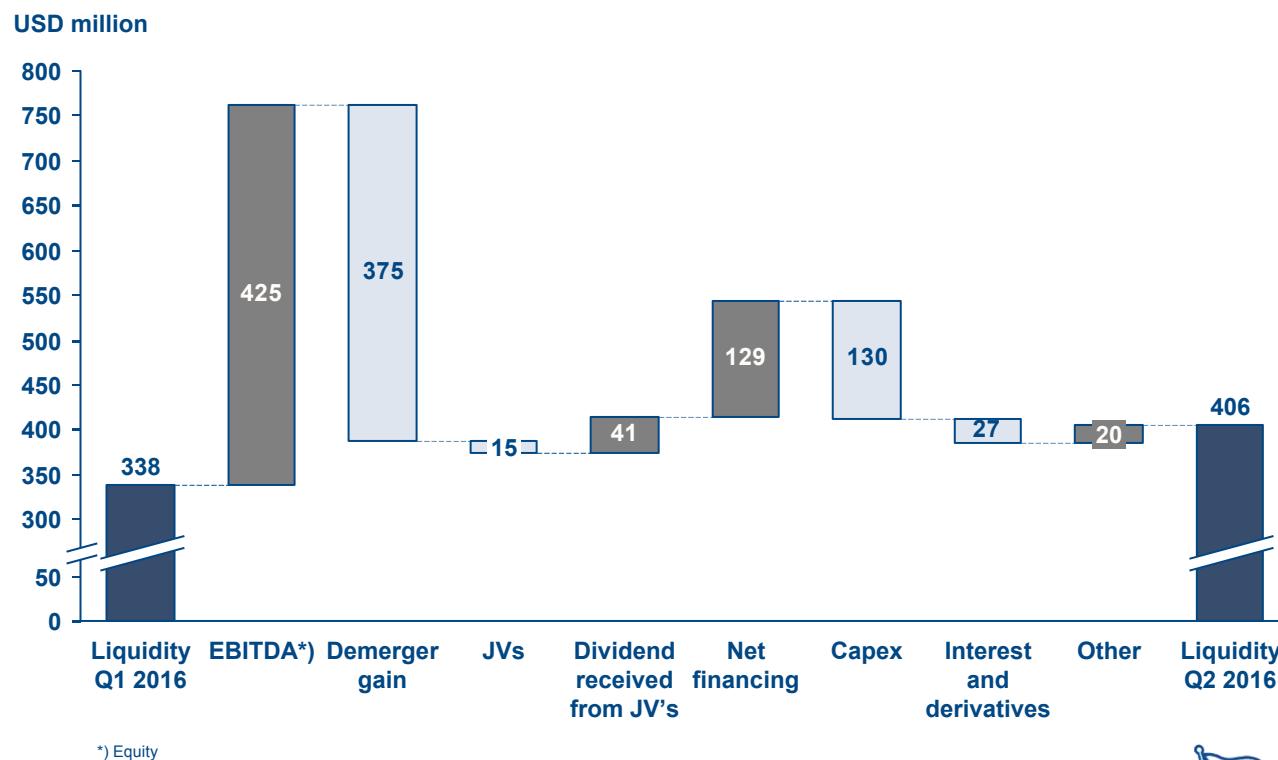


- Ordinary instalments of approx. USD 30 million in Q2.
- Bond maturity in November 2016 of approx. USD 70 million to be financed from cash position.
- Delivery of MV Theben in April and MV Themis in June, both financed through sale leaseback
- In process of refinancing part of the balloons in 2018/2019



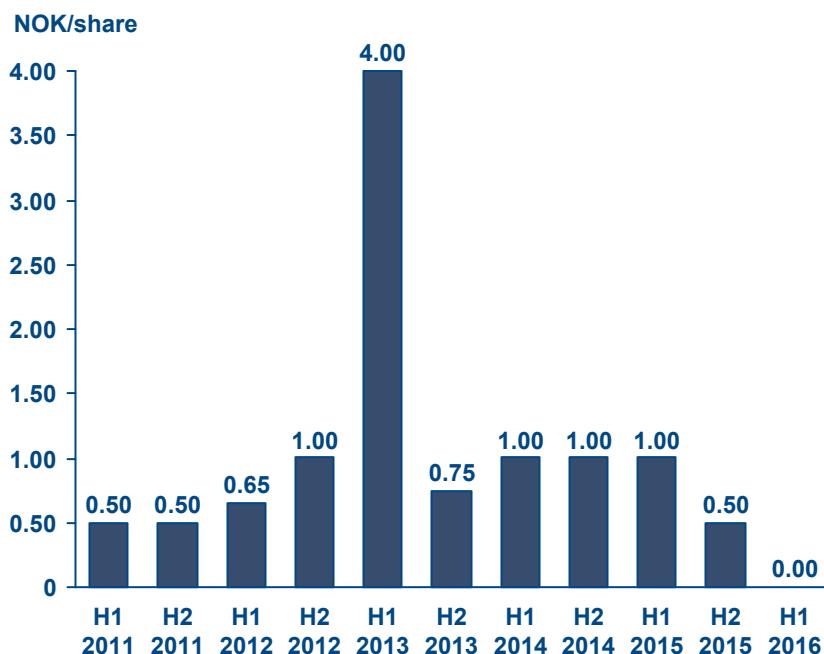
➤ WWASA Group – Liquidity development

Continued high liquidity buffers



➤ WWASA Group – Semi-annual dividend per share

No dividend payment in H1 or planned in H2 2016



- No dividend to be paid in 2016 for the fiscal year 2015
- Visualizing values for shareholders through demerger of NAL (Hyundai Glovis shareholding)



> Thank you!

