



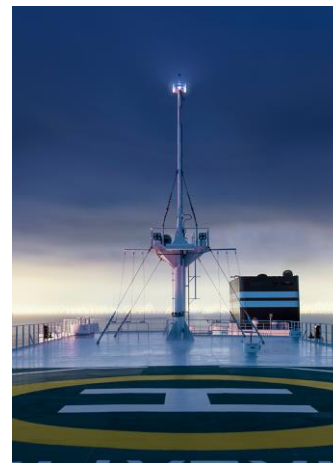
> Wilh. Wilhelmsen ASA

Third quarter 2016



> Agenda

- Macro developments
- Volume developments
- Outlook
- Merger between WW and OW



Disclaimer

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> Light vehicle sales in key markets – quarterly

Soft quarter in key markets

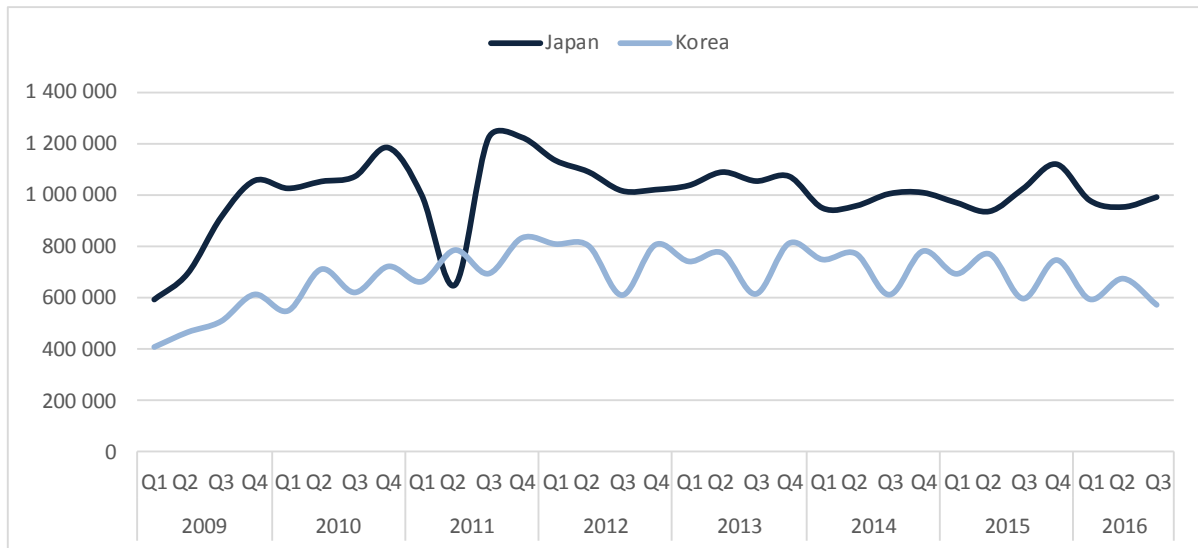
Million units

Region	Q3'16	Q2'16	QoQ change	Q3'15	YoY change	2016 FY
N America	5.38	5.64	-5 %	5.29	2 %	20.90
Europe*	3.98	4.67	-15 %	3.80	5 %	17.00
Oceania	0.32	0.35	-9 %	0.32	0 %	1.30
BRICs	7.96	7.90	1 %	7.09	12 %	32.40
.....Brazil	0.52	0.49	6 %	0.62	-16 %	2.00
.....Russia	0.35	0.35	0 %	0.41	-15 %	1.40
.....India	0.85	0.78	9 %	0.76	12 %	3.40
.....China	6.24	6.28	-1 %	5.30	18 %	26.00

*) Excluding Russia and Turkey

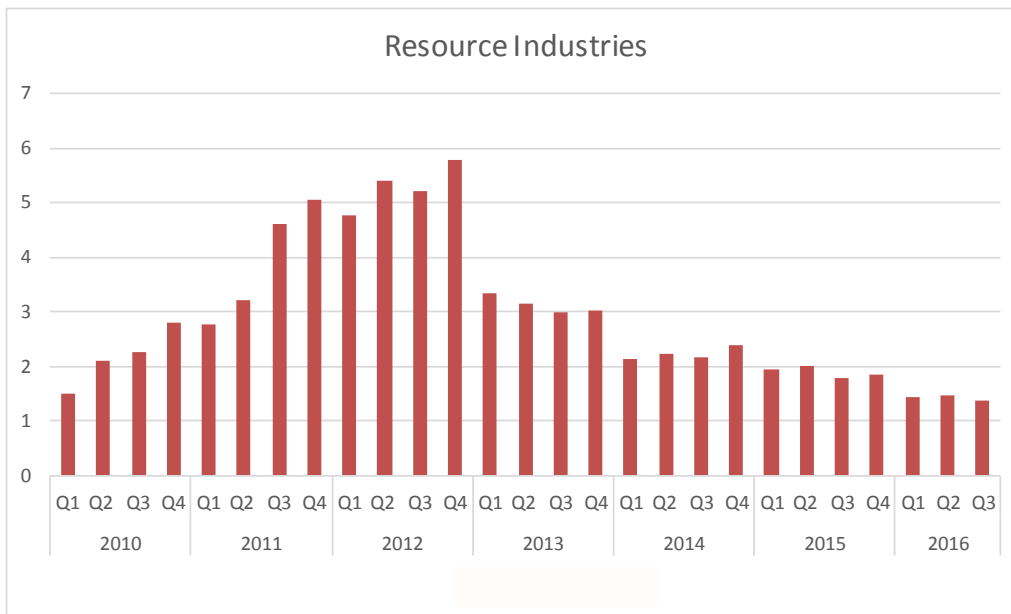
> Quarterly light vehicle exports (units)

Weak Korean exports due to strike



> CAT resource industries sales (USD billion)

Bottoming out?

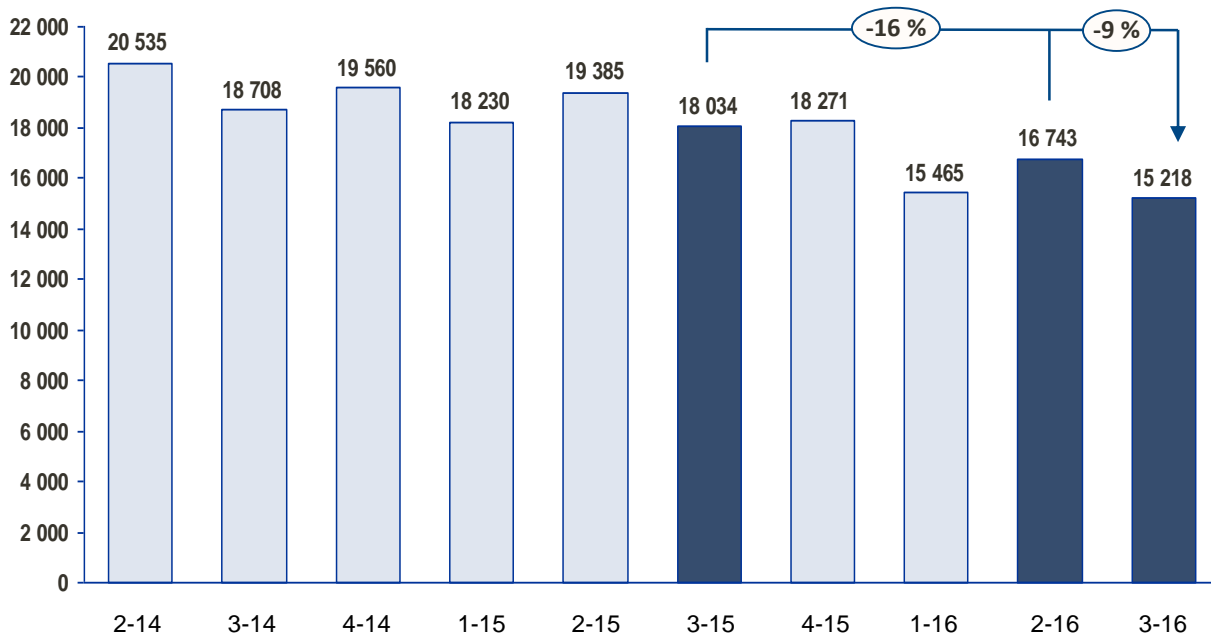


> Group ocean volume development

Weaker volumes; seasonality and strikes in Korea

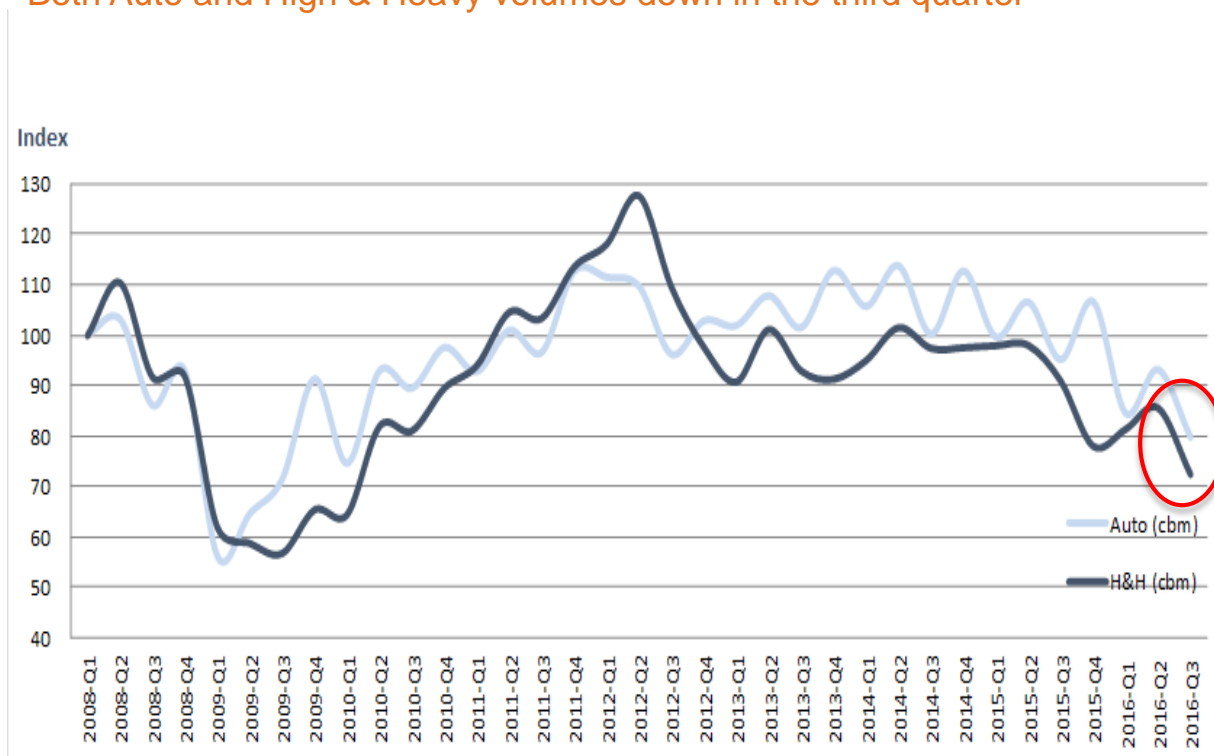
Strike impact for EUKOR 70,000 units

1 000 CBM



> Group ocean cargo segment development

Both Auto and High & Heavy volumes down in the third quarter

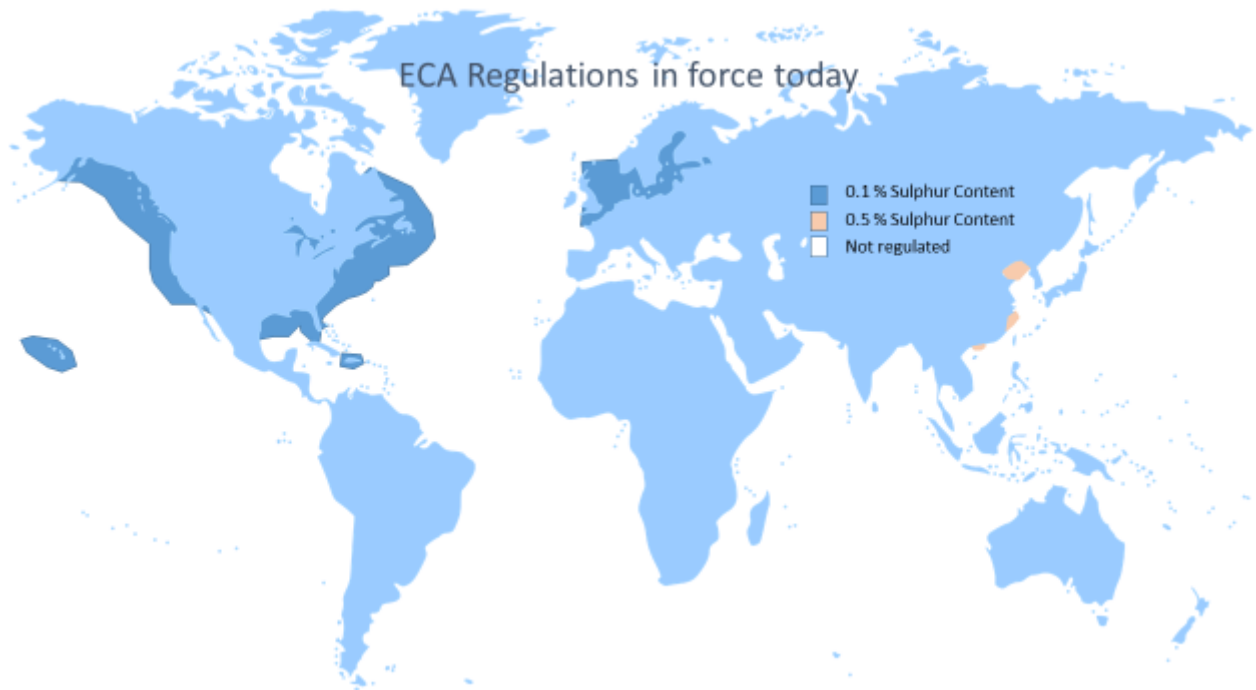


> Outlook

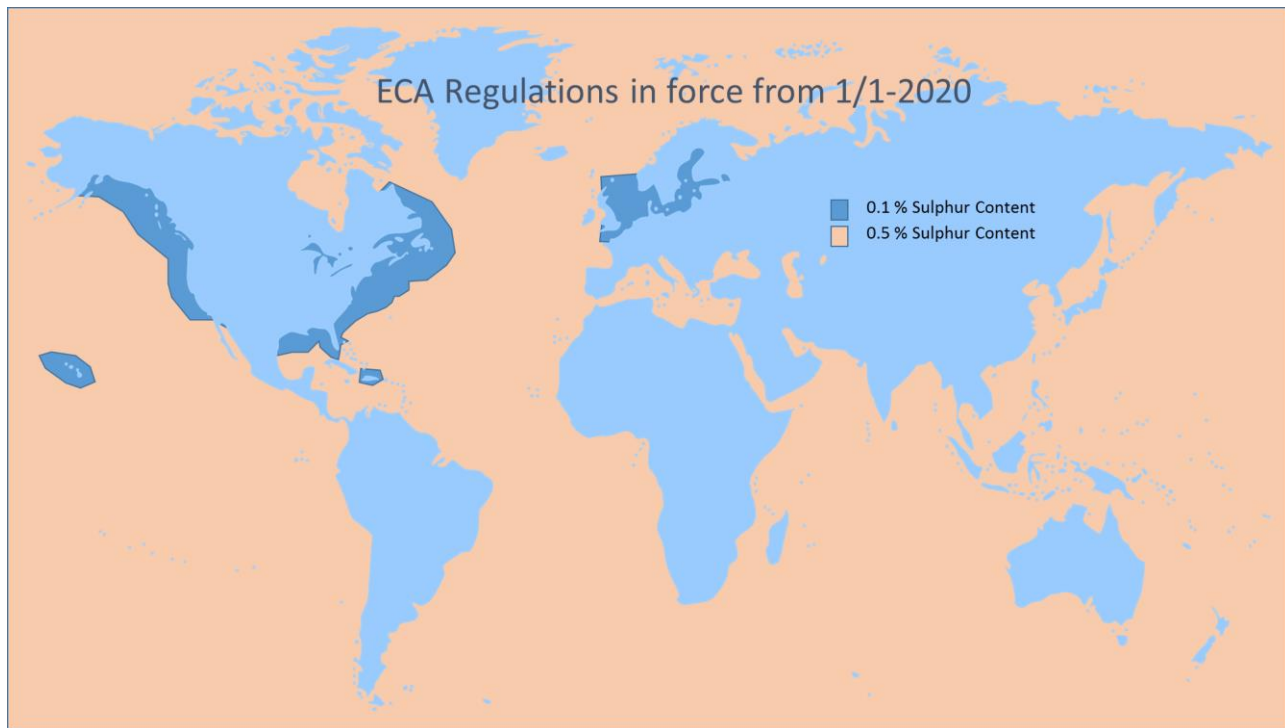
- Continued soft fundamentals are exacerbated by political uncertainties
- Anti-trust provisions stands at USD 108 million
- IMO: 0.5 % global Sulphur content of fuel from 2020
- Creation of WWLASA on schedule for end Q1 approval



> Sulphur content in fuel – today



> Sulphur content in fuel – from 2020



> Sulphur content – Three ways to comply

1. Purchase Sulphur compliant fuel
 - Marine Gas Oil or Ultra Low Sulphur Fuel Oil – 0.1 %
 - Low Sulphur Fuel Oil – 0.5 %
2. Install Scrubber technology and operate High Sulphur Fuel Oil – 3.5 %
 - Payback time 2-6 years
3. Install propulsion system based on LNG as fuel



Will become part of BAF recovery system

> WWASA Group

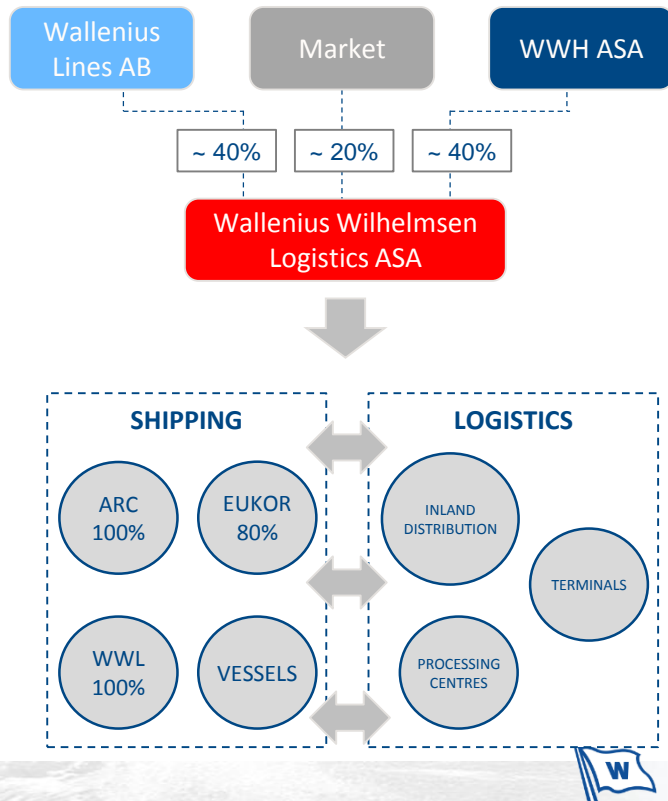
LOI signed with Wallenius

Highlights

- Enhancing our world-leading shipping and logistics platform
- Will be listed on Oslo Stock Exchange based on the Wilh. Wilhelmsen ASA structure
- Head office will be in Norway and Craig Jasienski will become CEO
- Balanced shareholder agreement

Rationale

- Sub-optimal governance model in old structure
- Current market conditions require an agile and efficient business model
- Synergy potential of USD 50-100m



> WWASA and OW merger

Tentative timeline and key milestones

- **Early / mid December:** BoD resolution of merger plan and summons to EGM
- **Mid / end January:** IM published and EGM held
- **Mid/end March:** Creditor periods expire
- **End March:** Expected clearance of anti trust filings

Completion of merger end March/early April, subject to above



> Prospects

The board expects volume growth to remain weak going into 2017.

The current global political landscape adds further uncertainties.





> Wilh. Wilhelmsen ASA

Third quarter 2016

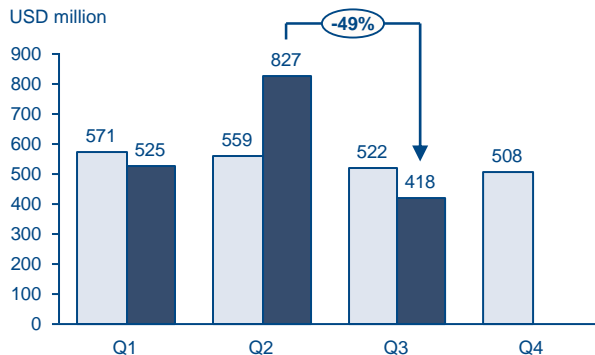


> WWASA Group – Key financials

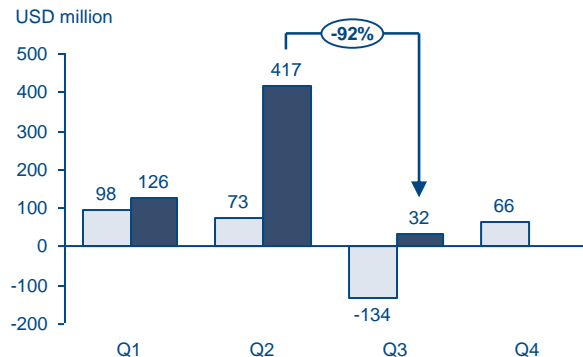
Underlying income and profitability declined q-o-q

- Total income reported - 49% q-o-q, - 20% y-o-y
- EBIT reported - 92% q-o-q
- Substantial positive non recurring item in Q2 2016 caused by demerger of NAL
- Ocean transported volumes fell by 9%
- Stable contribution from logistics segment q-o-q

Total income



Total EBIT 2015 2016



> WWASA Group – Profit and Loss Q3 2016

Proportionate method

USD million	2016 Q3	2016 Q2	2016 YTD	2015 YTD	2015 Q3	2015 FY
Operating income	418	452	1 301	1 591	511	2 095
Gain on sale of assets		375	455	26		29
Share of profits from JV's and associates			13	35	12	36
Total income	418	827	1 769	1 652	522	2 159
EBITDA	69	455	685	155	(94)	262
Depreciation and impairments	(37)	(38)	(110)	(118)	(41)	(160)
EBIT	32	417	575	36	(134)	103
Financial income/(expense)	0	(21)	(36)	(115)	(73)	(128)
Profit/(loss) before tax	32	396	539	(78)	(207)	(25)
Net profit ¹⁾	25	392	521	(86)	(213)	(4)
Earnings per share (USD)	0.11	1.78	2.37	-0.39	-0.97	-0.02

1) after minority interest

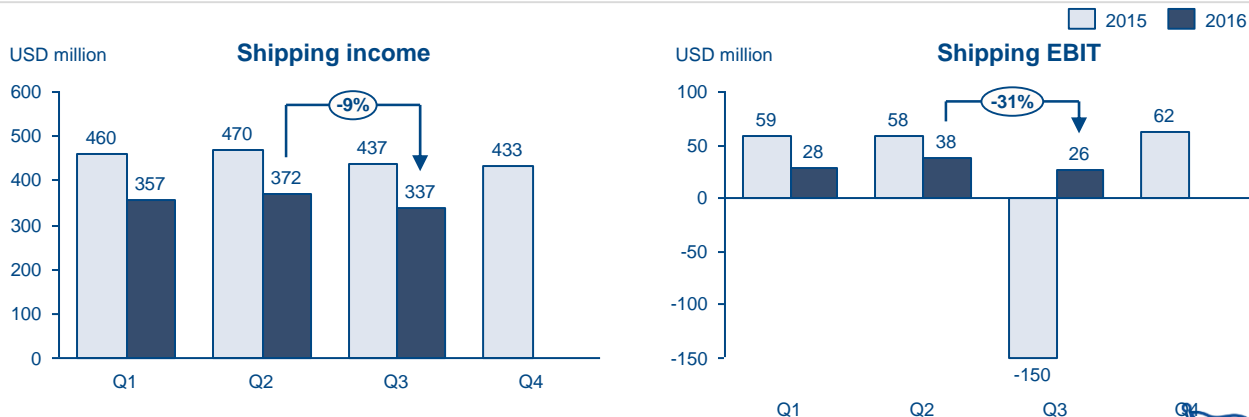
- Total income adjusted -8% q-o-q and - 20% y-o-y
- Total EBIT adjusted -27% q-o-q and -53% y-o-y



> WWASA Shipping – Key financials

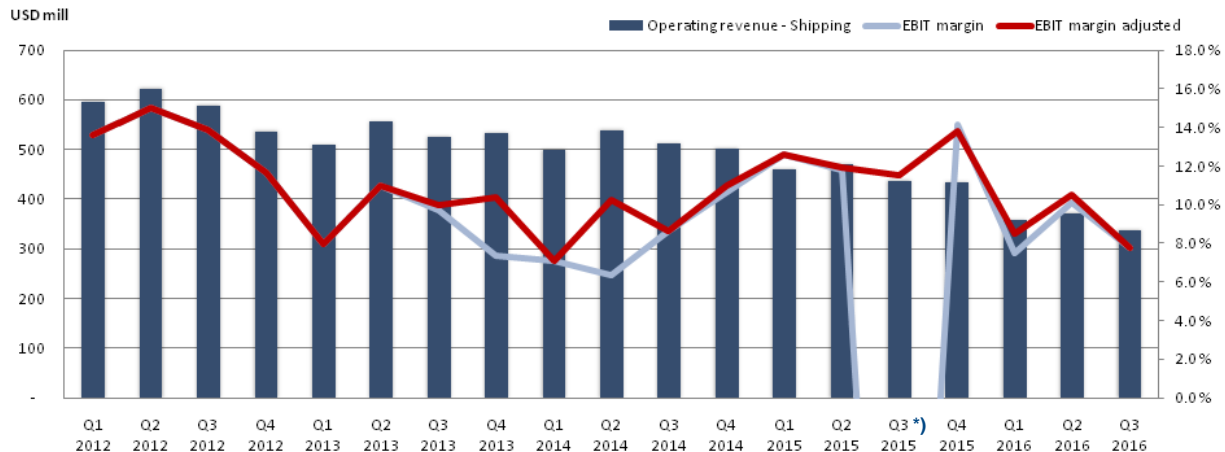
Lower transported volumes, partly seasonal

- Total income reported - 9% q-o-q, - 23% y-o-y
- EBIT reported - 31% q-o-q
- Drop in ocean transported volumes, both auto and H/H
- Strike at manufacturing plants in Korea, affecting EUKOR volumes negatively
- Mitigating actions towards surplus tonnage situation
- Continued pressure on rates combined with unfavourable cargo and trade mix



> WWASA Shipping – EBIT margin

Weak EBIT margin



*) Q3 2015 EBIT margin -34.4%, large negative non-recurring item

- + Lower G&A cost base
- + Reduced OPEX
- Suboptimal cargo and trade mix
- Reduced volumes
- Rate pressure

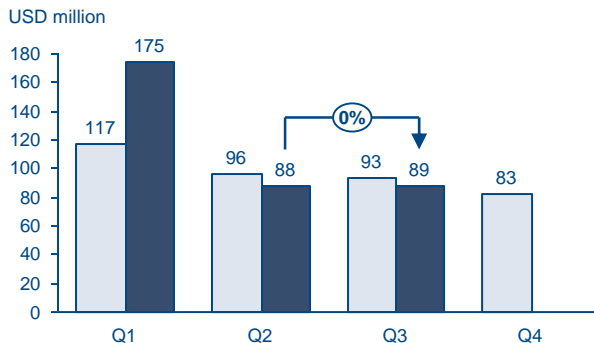
> WWASA Logistics – Key financials

Results on par q-o-q

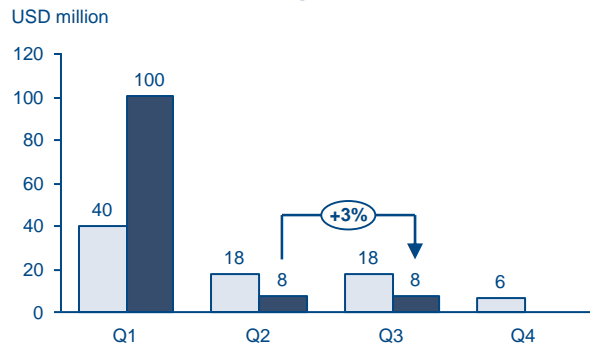
- Total income reported stable q-o-q, - 5% y-o-y
- EBIT reported stable q-o-q, - 56% y-o-y. Hyundai / Glovis included in Q3 2015.
- Underlying result on par with previous quarter
- Restatement of pass-through revenue/cost within inland distribution

2015 2016

Logistics income



Logistics EBIT



> WWASA

Newbuilding program ended Q2 2016

- Capex program finalized Q2 2016 with delivery of 2 post panamax vessels in April and June
- Normal dry-docking of MUSD 10-15 MUSD on an annual basis only planned capex



> WWASA Group – Financial income/(expense) ^{*)}

Decline in net financial expenses q-o-q

USD million	2016 Q3	2016 Q2	2015 Q3	2015 FY
Net financial items	5.2	5.0	(15.9)	(6.3)
Net interest expenses	(24.7)	(26.1)	(22.0)	(91.4)
Interest rate derivatives - unrealised	10.6	(1.1)	(15.3)	24.3
Net financial - currency	8.9	(3.2)	(15.2)	(48.7)
Net financial derivatives bunkers	(0.1)	4.3	(4.2)	(6.3)
Financial income/(expense)	0.0	(20.9)	(72.6)	(128.3)

^{*)} Proportionate figures

- Unrealised gain on hedging contracts
- Positive return from investment portfolio, mainly as a result of narrowing credit spreads

> WWASA Group – Balance Sheet^{*)}

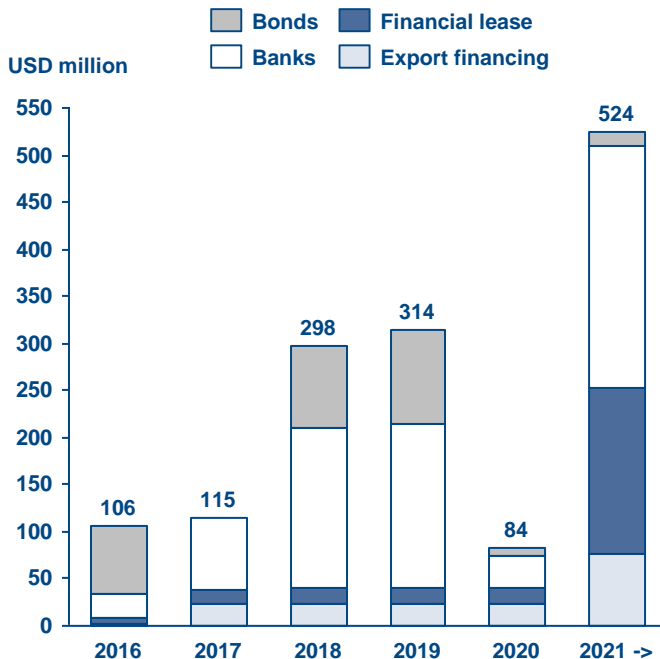
Continued strong balance sheet

USD million	30.09.2016		31.12.2015	
<u>Assets</u>				
Non current assets	2 779	87 %	2 925	89 %
Current assets (excl liquid funds)	17	1 %	24	1 %
Liquid funds	412	13 %	349	11 %
Total assets	3 207	100 %	3 299	100 %
<u>Equity & liabilities</u>				
Equity	1 455	45 %	1 655	50 %
Non current interest-bearing debt	1 259	39 %	1 135	34 %
Other non current liabilities	193	6 %	225	7 %
Current liabilities	301	9 %	285	9 %
Total equity and liabilities	3 207	100 %	3 299	100 %

^{*)} Equity

> WWASA Group – interest bearing debt

Refinancing of balloons in 2018/2019

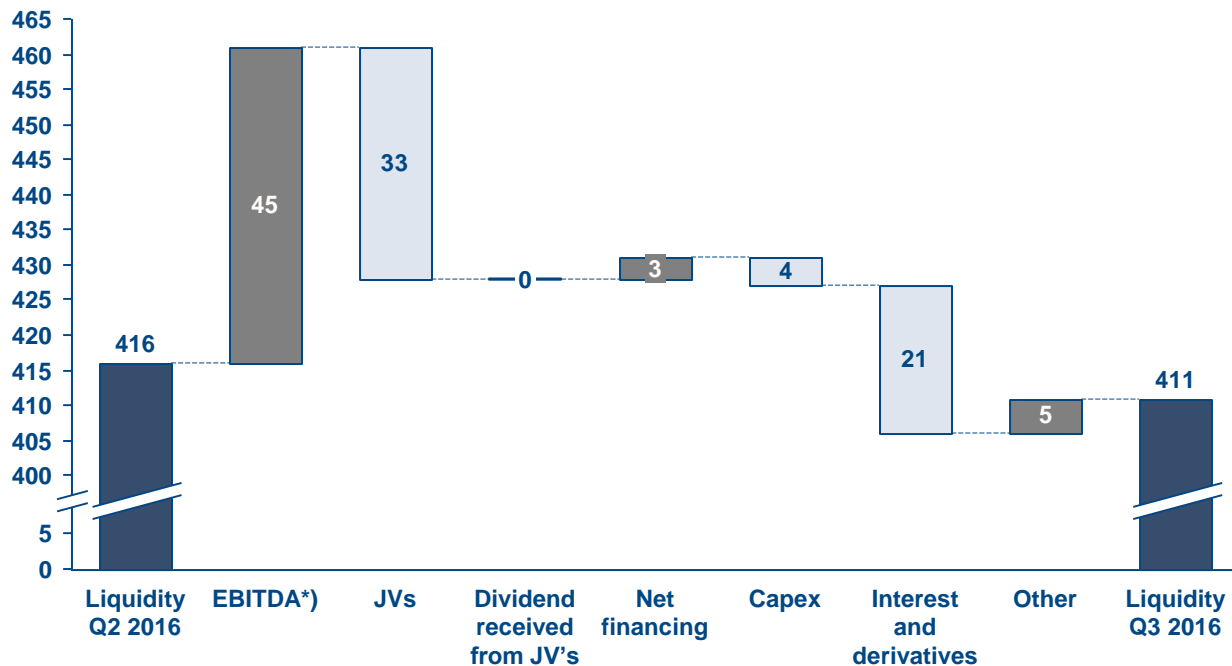


- Ordinary installments of approx USD 25 million in Q3.
- Bond maturity in November 2016 of approx. USD 70 million to be financed from cash position.
- Two vessels refinanced in August/September, reducing 2019 balloons.
- Process of refinancing the 2018/2019 balloons continuing.

> WWASA Group – Liquidity development

Positive contribution from operations

USD million



*) Equity



> Thank you!



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