



Wilh. Wilhelmsen

Wilh. Wilhelmsen ASA

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Wilh. Wilhelmsen ASA (WWASA): Results for the fourth quarter 2016

2016 ended with an improvement in transported volumes, which had a positive effect on total income for the fourth quarter. Adjusted for non-recurring items, WWASA also recorded an uplift in operating profit. Rate pressure continues, but the group expects soft volume recovery in the first half of 2017.

Total income for the fourth quarter was USD 450 million, up 8% from USD 418 million in the third quarter. The operating profit ended at USD 4 million due to non-recurring items, down from USD 32 million in the previous quarter.

“The third quarter, which is usually negatively affected by seasonality, was impacted additionally by comprehensive strikes in Korea. In addition to a seasonal improvement in the fourth quarter, the 7% volume increase was positively affected by a general improvement in transported volumes driven by increased light vehicle sales in key markets and several emerging markets. Yet, the cargo mix continued to be suboptimal given our advanced fleet,” says Jan Evyin Wang, president and CEO of WWASA.

“The underlying results for the logistics segment improved. However, due to internal cost allocations, the operating profit was weaker compared with the previous quarter,” says Wang.

Non-recurring items totalling USD 37 million, mainly caused by additional provisions related to anti-trust investigations in Wallenius Wilhelmsen Logistics and EUKOR Car Carriers, affected operating profit negatively in the fourth quarter. Adjusted for non-recurring items, the operating profit grew 28% quarter on quarter.

Pressure on rates affects the car carrying markets. “To mitigate the negative impact, we are implementing a wide range of initiatives to optimise our fleet to transportation demand,” says Wang.

The planned merger between Wallenius and WWASA is expected to be completed at the end of the first quarter of 2017.

Commenting on the prospects for WWASA, Mr Wang says: “Despite global political uncertainties, the volume decline we have experienced for a long time appears to have bottomed out. We expect a soft volume recovery in the first half of 2017, but with continued rate pressure.”

The board expects the proposed merger and the following effects to have long-term positive impact for the group's competitiveness.

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Wilh. Wilhelmsen ASA is through its operating companies (Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Shipping and Logistics) the world leading operator within the rolling cargo segment. It is the only listed company in its niche, and offers global car and high and heavy cargo customers sea transportation and integrated logistics solutions from factory to dealer. For more information, please visit www.wilhelmsenasa.com

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