



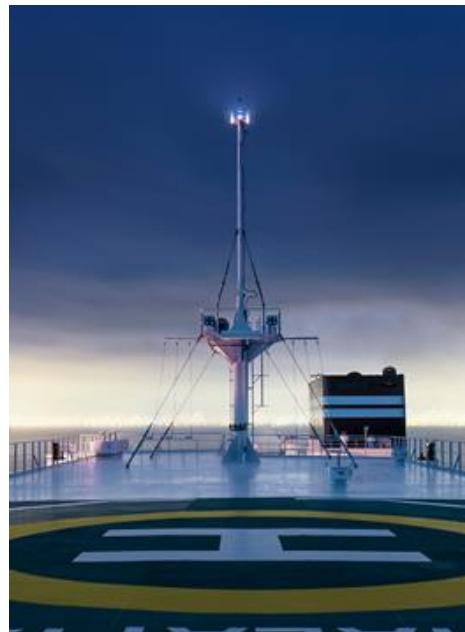
> Wilh. Wilhelmsen ASA

Fourth quarter 2016



> Agenda

- Developments during the fourth quarter
- Merger update
- Outlook



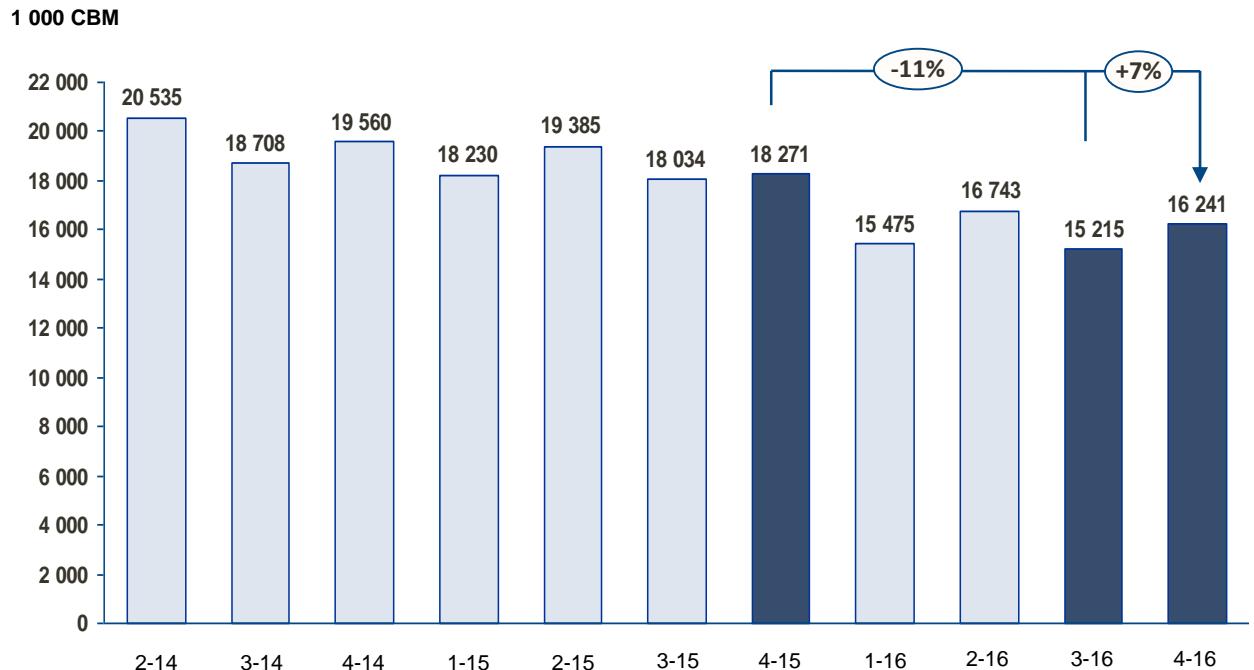
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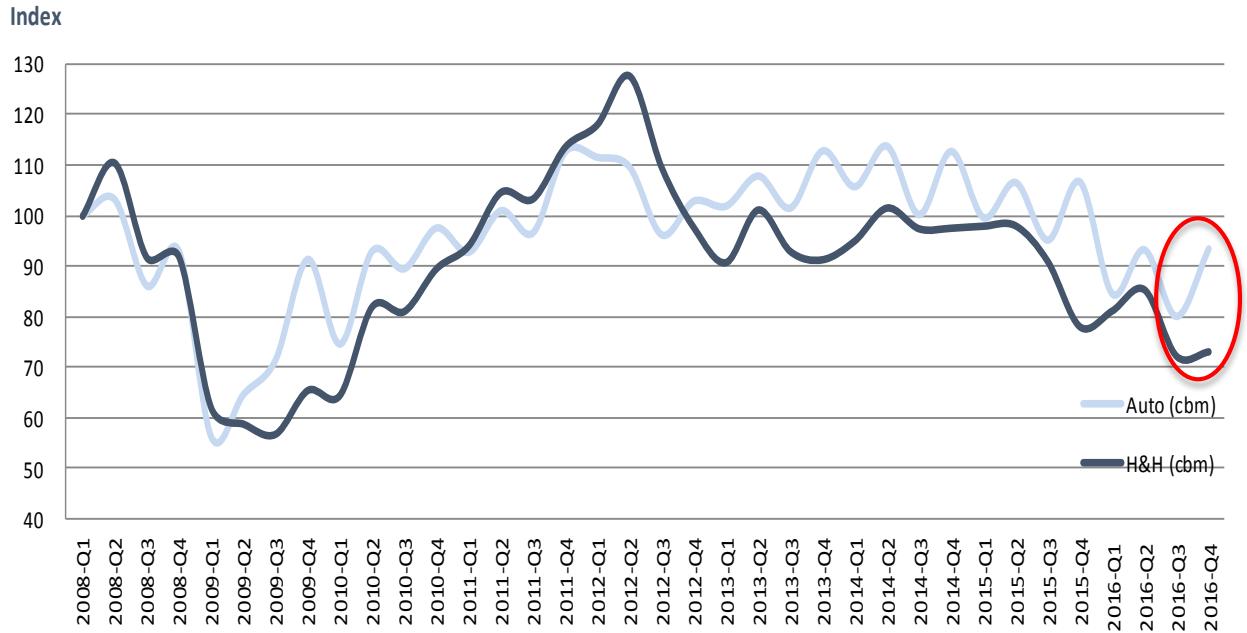
> Group ocean volume development

Total volumes up 7% in the fourth quarter, partly seasonal



> Group ocean cargo segment development

Both auto and high&heavy volumes up in the fourth quarter



> Merger update

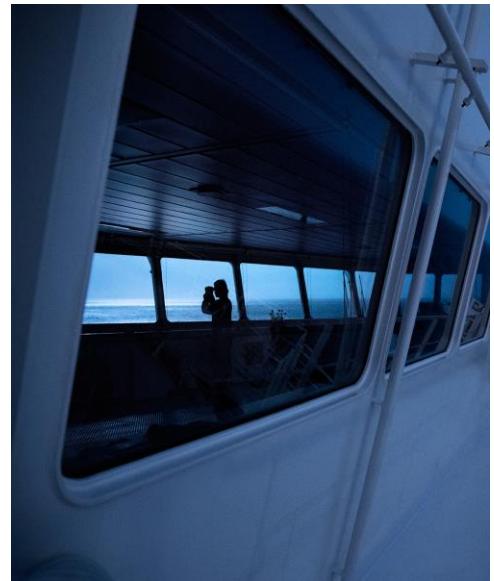
On track for April completion

- Merger approved by owners' extraordinary general meetings in January. Creditor period expires end March.
- Awaiting formal regulatory approvals. China and Japan pending.
- Organisational structure being planned
- Completing planned in April 2017
- Wallenius sell-down of 43 million Incremental Shares commences thereafter
 - At least 25 % within four weeks after Completion of merger
 - Remaining no later than three weeks after second quarter reporting of WWLASA
- Wilhelmsen and Wallenius to end up with 38% each



> Outlook

- Market
 - Sentiment improving slightly
 - Exports out of Asia largely stable
- Group tonnage
 - Order book of six newbuildings
 - Redelivery capacity ten vessels during 2017, two in 2018
 - Balanced through 2017
- Political uncertainty



> Prospects

With continued rate pressure, the volume decline appears to have bottomed out and the board expects a soft volume recovery in the first half of 2017.

In addition, 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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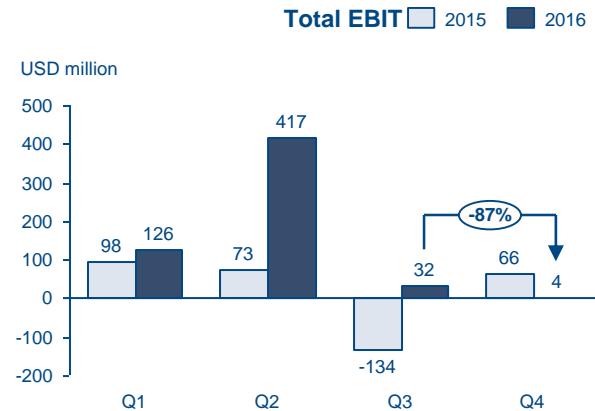
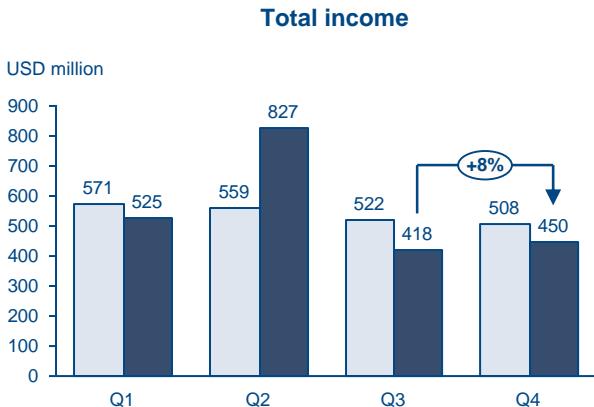
Fourth quarter 2016



> WWASA Group – Key financials

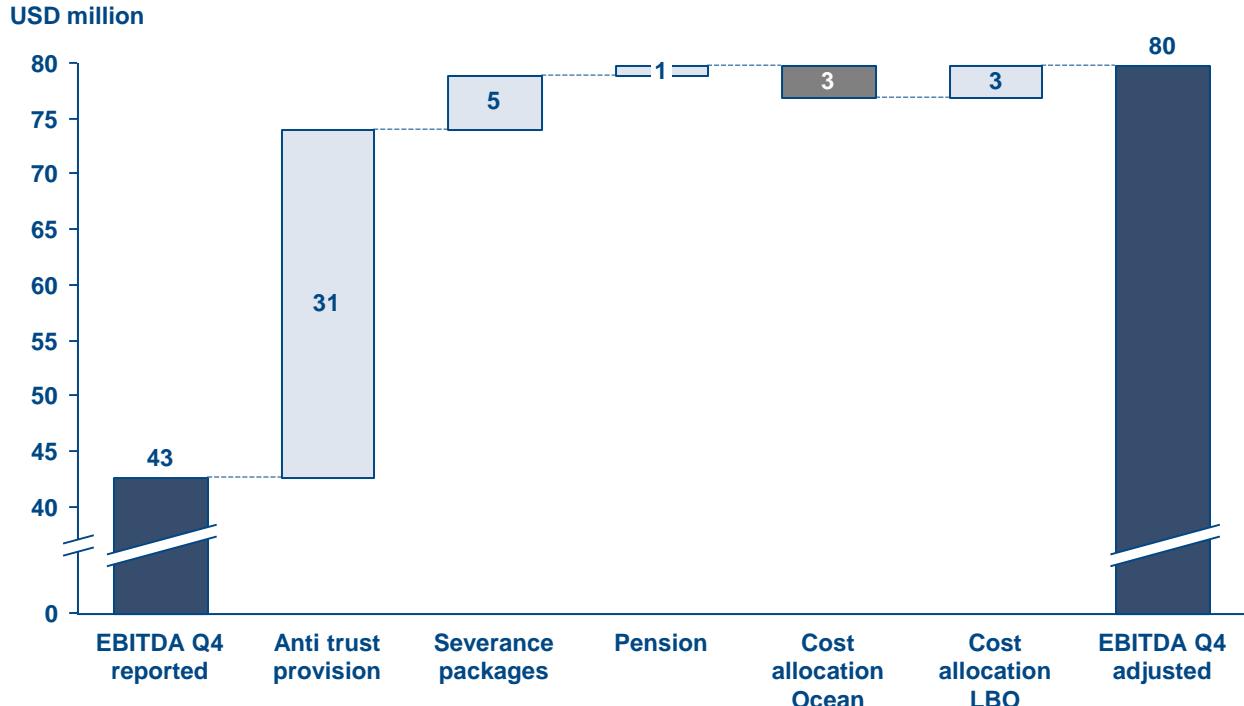
Underlying income and results improved q-o-q

- Total income reported +8% q-o-q, -11% y-o-y
- EBIT reported -87% q-o-q, -94% y-o-y
- Negative non recurring items in Q4 2016, mainly related to additional provision anti trust
- Ocean transported volumes increased by 7%
- Improved contribution from logistics segment q-o-q



> WWASA Group – non recurring items

Additional anti trust provision negatively impacting earnings



> WWASA Group – Profit and Loss Q4 2016

Proportionate method

USD million	2016 Q4	2016 Q3	2016	2015	2015 Q4
Operating income	450	418	1,751	2,095	504
Gain on sale of assets			455	29	2
Share of profits from JV's and associates			13	36	2
Total income	450	418	2,219	2,159	508
EBITDA	43	69	728	262	108
Depreciation and impairments	(38)	(37)	(148)	(160)	(41)
EBIT	4	32	580	103	66
Financial income/(expense)	0	0	(37)	(128)	(13)
Profit/(loss) before tax	4	32	543	(25)	53
Net profit¹⁾	(21)	25	500	(4)	82
Earnings per share (USD)	(0.09)	0.11	2.27	-0.02	0.37

1) after minority interest

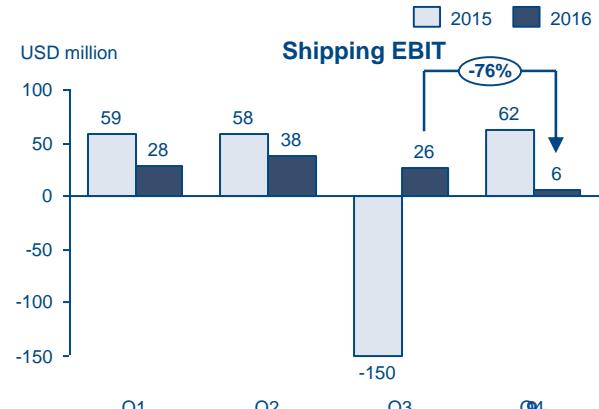
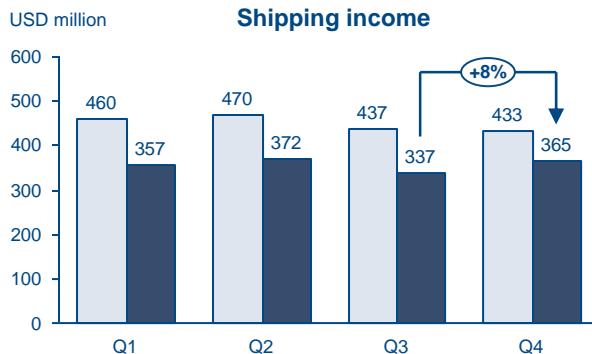
- Total income adjusted +8% q-o-q and -11% y-o-y
- Total EBIT adjusted +30% q-o-q and -35% y-o-y



> WWASA Shipping – Key financials

Increase in both auto and HH volumes

- Total income reported +8% q-o-q, -16% y-o-y
- EBIT reported -76% q-o-q, -90% y-o-y, negatively affected by non recurring items
- Increase in ocean transported volumes, mainly within the auto segment
- Net bunker cost stable for the quarter and compared with full year 2015
- Pressure on rates and unfavourable cargo and trade mix



> WWASA Shipping – EBIT margin

Improved underlying EBIT margin q-o-q



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

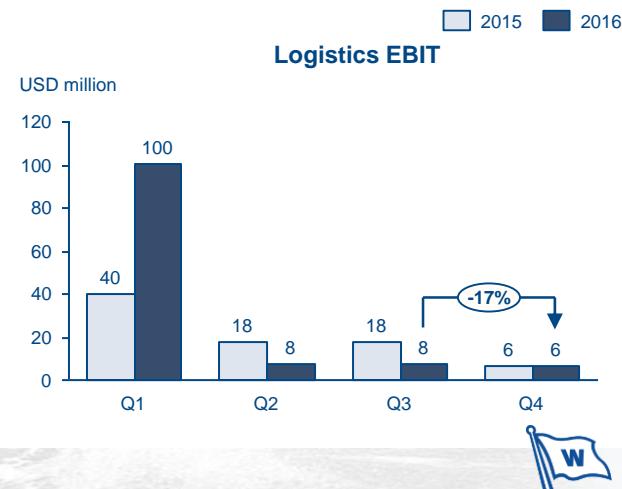
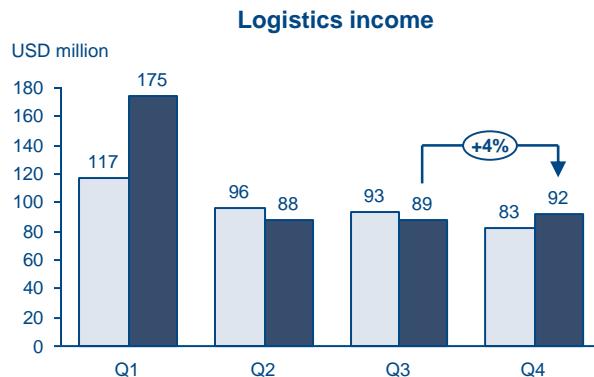
+ Lower G&A cost base	- Suboptimal cargo and trade mix
+ Reduced OPEX	- Rate pressure
+ Increased volumes	



> WWASA Logistics – Key financials

Improvement in underlying results q-o-q

- Total income reported +4% q-o-q, +11% y-o-y
- EBIT reported -17% q-o-q, stable y-o-y
- Reallocation of costs between shipping and logistics segment recorded in Q4
- Underlying results improved q-o-q



> WWASA Group – Financial income/(expense)

Low net financial expenses

USD million	2016 Q4	2016 Q3	2016 FY	2015 FY	2015 Q4
Net financial items	7.8	5.2	18.3	(6.3)	2.5
Net interest expenses	(24.4)	(24.7)	(98.0)	(91.4)	(23.5)
Interest rate derivatives - unrealised	30.0	10.6	25.1	24.3	19.7
Net financial - currency	(15.8)	8.9	10.1	(48.7)	(8.5)
Net financial derivatives bunkers	2.1	(0.1)	7.1	(6.3)	(3.7)
Financial income/(expense)	(0.3)	0.0	(37.4)	(128.3)	(13.5)

Proportionate

- Positive return from investment portfolio
- Unrealised gains on financial instruments
- Realised losses on hedging contracts in the fourth quarter, particularly connected to repayment of bond debt in NOK



> WWASA Group – Balance sheet

Continued strong balance sheet

USD million	31.12.2016		31.12.2015	
<u>Assets</u>				
Non current assets	2 708	90 %	2 925	89 %
Current assets (excl liquid funds)	22	1 %	24	1 %
Liquid funds	283	9 %	349	11 %
Total assets	3 013	100 %	3 299	100 %
<u>Equity & liabilities</u>				
Equity	1 435	48 %	1 655	50 %
Non current interest-bearing debt	1 205	40 %	1 135	34 %
Other non current liabilities	169	6 %	225	7 %
Current liabilities	204	7 %	285	9 %
Total equity and liabilities	3 013	100 %	3 299	100 %

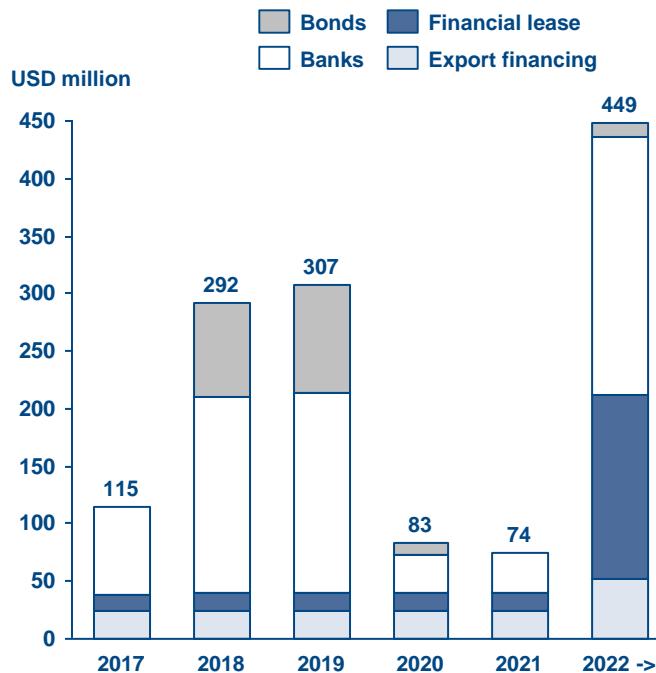
Equity

- NAL AS (including Hyundai Glovis ownership) demerged in 2016
- 2 new vessels delivered 2016



> WWASA Group – Interest bearing debt

Balloons to be refinanced in 2018/2019



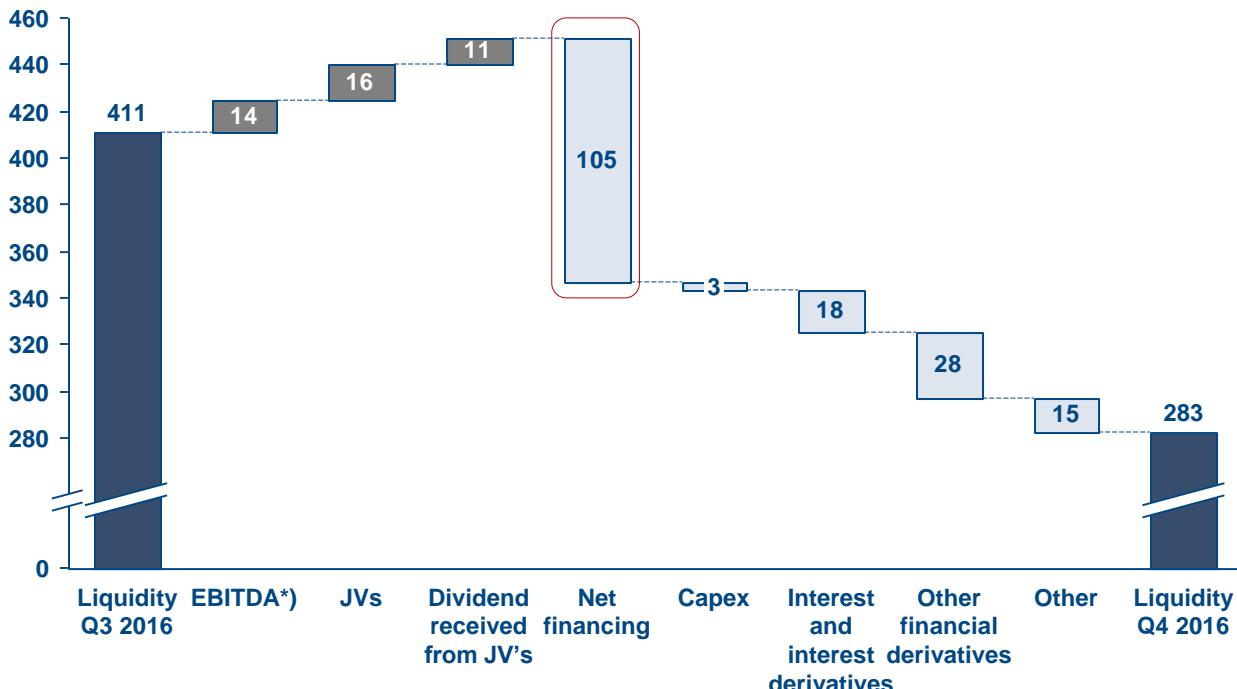
- Ordinary instalments of approx MUSD 35 in Q4
- Bond maturity in November 2016 of MUSD 67 financed from cash position
- Realised loss on cross currency hedge of MUSD 18



> WWASA Group – Liquidity development

Repayment of debt reduced liquidity

USD million





> Thank you!

