WALLENIUS WILHELMSEN
LOGISTICS ASA

Report for the third quarter 2017

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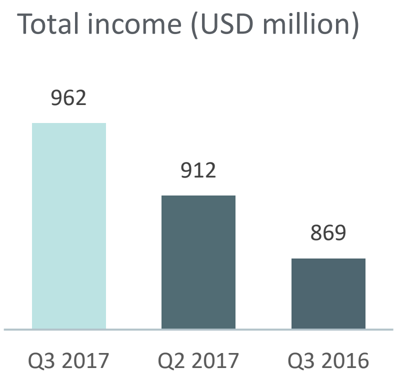
Highlights third quarter 2017

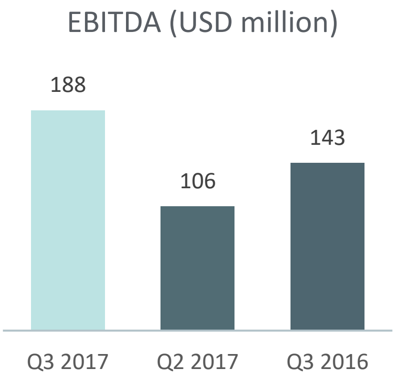
- Strong underlying results with EBITDA adjusted for extraordinary items of USD 193 million (up from USD 188 million in the second quarter)
- Continued positive development for Ocean volumes y-o-y
- Continued improvement in cargo mix with a High & Heavy share of 24.9%
- Still some overcapacity and pressure on freight rates
- Continued positive underlying development in the landbased business y-o-y
- More than half of the targeted annualized synergies have been confirmed. We maintain the USD 100 million synergy target for 2019

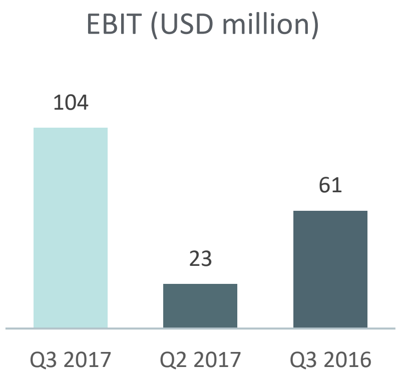
Commenting on the third quarter results, Craig Jasienski, President and CEO of WWL ASA, says:

"We are pleased to see the improved results in the third quarter which is normally weaker than the second quarter. The results are driven by stronger volumes than anticipated, good trade mix on Ocean, as well as reduced costs. On the other hand, we are still faced with some overcapacity and pressure on rates. We are well on the way with synergy realization, but the next wave of synergies will take more time to achieve".

Key financials[1)]







1) *Proforma numbers Q3 2016*

WWL ASA consolidated results – Third Quarter 2017

Underlying performance (EBITDA) for the third quarter 2017 adjusted for extraordinary items ended at USD 193 million, an improvement of 2% compared with the previous quarter.

USD million	Q3 2017	Q2 2017	Proforma Q3 2016[1)]	% change q-o-q
Total income	**962**	912	869	5%
EBITDA	**188**	106	143	77%
EBIT	**104**	23	61	345%
Profit /(loss) for the period	**55**	(20)	40	n/a
EPS[2)]	**0.12**	(0.06)	n/a	n/a
Net interest-bearing debt	**2 995**	3 171	n/a	(6%)
ROCE[3)]	**6.6%**	5.1%	n/a	n/a
Equity ratio	**35.5%**	34.7%	n/a	n/a
Total income adjusted	**959**	974	869	(2%)
EBITDA adjusted	**193**	188	143	2%

1) WWL ASA pre-merger proforma accounts are prepared as if the merger had taken place Jan 1st 2016 and adjusted for demerger of Treasure ASA and VSA acquisition as well as inclusion of SG&A costs in WallRoll AB.
2) After tax and non-controlling interests
3) ROCE calculated as annualized EBIT adjusted for extraordinary items minus restructuring costs divided by average CE in the quarter

Consolidated results

On April 4th 2017, the merger between Wilh. Wilhelmsen ASA and WallRoll AB was completed, with Wilh. Wilhelmsen ASA as the surviving company, renamed to Wallenius Wilhelmsen Logistics ASA (WWL ASA). Historical figures used for comparison with the third quarter below are the proforma WWL ASA figures.

Total income for WWL ASA was USD 962 million in the third quarter, up 5% from previous quarter. Total income for the third quarter includes extraordinary items net of USD 3 million related to a USD 4.5 million gain on fixed assets sale and negative USD 1.5 million in loss on previously held equity interests in joint ventures. This is a consequence of the merger transaction where the accounting principle changed from equity accounting to full consolidation of the acquired subsidiaries at fair market value. Adjusted for the extraordinary items the total income was USD 959 million, down 2% from comparable figures from the seasonally stronger second quarter and up about 10% y-o-y.

Total EBITDA ended at USD 188 million in the third quarter, up 77% from USD 106 million in the previous quarter. In addition to the extraordinary items above, a loss of USD 8 million was recorded related to disposal of two vessels in EUKOR with regards to a sale lease back transaction. EBITDA adjusted for these items came in at USD 193 million, which is an underlying improvement of 2% compared with previous quarter. The adjusted EBITDA for the third quarter was positively impacted by improved cargo and trade mix coupled with increased realization of synergies. Furthermore, the results were positively impacted by project cargo shipments in the Atlantic which together with the above more than offset the negative impact of seasonally lower volumes.About two thirds of the targeted annualized synergies have been confirmed, through organizational restructuring and procurement of which more than USD 10 million was already realized in the second quarter (annualized effect of about USD 50 million). The remaining part of the confirmed synergies will gradually come into effect over the next 3-6 months. WWL ASA maintains the USD 100 million synergy target by 2019.

Net financial expenses were USD 21 million in the third quarter, significantly down from USD 41 million in the second quarter. Net financials expenses in the third quarter were positively impacted by USD 10 million in unrealized gains from interested hedges, USD 6 million related to movements in currency, and USD 3 million in interest income. Net interest expenses were USD 41 million, slightly higher than in the second quarter.

WWL ASA recorded a tax expense of USD 28 million for the third quarter. A significant part of this relates to a change in a deferred tax liability that was previously not recognized according to the equity method and a change in deferred tax due to USD/NOK currency translation for Norwegian tax purposes.

Profit/(loss) for the period amounted to USD 55 million for the third quarter compared with a loss of 20 million in the second quarter. Adjusted for extraordinary items of negative 5 million in the third quarter and USD 82 million in the second quarter, the net profit was USD 60 million and USD 62 million respectively.

The average Return on Capital employed (ROCE) in the third quarter was 6.6%.

Capital and financing

The equity ratio for WWL ASA increased from 34.7% in the second quarter to 35.5% in the third quarter mainly driven by the positive net result of USD 55 million in the third quarter. Cash and cash equivalents in WWL ASA by the end of the third quarter was USD 820 million. In addition, WWL ASA has approximately USD 230 million in undrawn credit facilities. Net interest-bearing debt in WWL ASA was USD 2 995 million at the end of the third quarter.

On 28th September 2017 the WWL ASA successfully completed a new 5-year NOK 1 000 million unsecured bond issue with a margin set at 3-month NIBOR plus 3.00% p.a. Net proceeds will be used to refinance existing bond debt and/or other general corporate purposes. Furthermore, WWL ASA has initiated a process to simplify the financial and legal structure following the merger. As part of this process, all ship loans in Wilhelmsen Lines and Wallenius Logistics with maturity in 2018 and 2019 will be refinanced into a new club deal facility.

In June 2017 Mexico’s Federal Economic Competition Commission (COEFCE) announced its conclusion from the investigation into alleged anti-competitive behaviour. WWL AS was fined USD 4 million which was paid during the third quarter. In August 2017 the Korean Fair-Trade Commission (KFTC) announced the outcome of its investigation, issuing a fine for EUKOR of about USD 1.8 million and for WWL AS of about USD 3.6 million. Both EUKOR and WWL AS have made provisions for the potential fines, resulting in no profit and loss effect for WWL ASA.

The ongoing investigations of WWL AS and EUKOR are confidential. WWL ASA is therefore not in a position to comment on the remaining investigations. Further clarifications are expected early 2018.

Ocean Operations – Third Quarter 2017

Adjusted earnings (EBITDA) improved 5% quarter on quarter despite seasonal reduction in volumes due to improved trade and cargo mix, synergies, and project cargo shipments.

USD million	Q3 2017	Q2 2017	Proforma Q3 2016[1)]	% change q-o-q
Total income	**775**	798	707	(3%)
EBITDA	**162**	145	125	11%
EBIT	**88**	73	53	21 %
Volume ('000 cbm) [2)]	16 670	17 614	15 159	(5%)
High & Heavy share	24.9%	24.7%	24.1%	n/a
Total income adjusted	**775**	798	707	(3%)
EBITDA adjusted	**170**	162	125	5%

1) *WWL ASA pre-merger proforma accounts are prepared as if the merger had taken place Jan 1st 2016 and adjusted for demerger of Treasure ASA and VSA acquisition as well as inclusion of SG&A costs in WallRoll AB.*
2) *Prorated volumes*

Total income for the ocean segment was USD 775 million in the third quarter, down 3% compared with second quarter, primarily driven by seasonal reduction in volumes.

EBITDA ended at USD 162 million in the third quarter, up 11% from USD 145 million in the previous quarter. However, the current quarter included extraordinary costs of USD 8 million related to disposal of two vessels in EUKOR. Hence the adjusted EBITDA was USD 170 million, representing an improvement of 5% compared with adjusted figures in the second quarter.

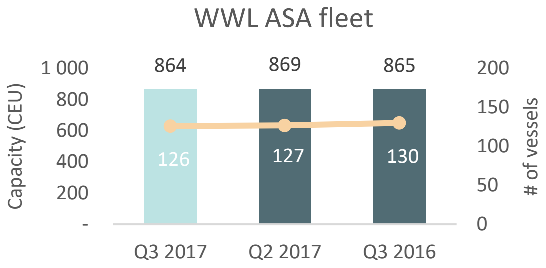
The seasonal reduction in volumes of 5% quarter on quarter took place across all main trades and was primarily driven by volumes out of Asia to Europe and volumes out of Europe to Asia, which fell 11% and 6% respectively. The adjusted EBITDA for the third quarter was positively impacted by improved cargo and trade mix coupled with increased realization of synergies. Furthermore, the results were positively impacted by project cargo shipments in the Atlantic occupying empty space which together with the above more than offset the negative impact of seasonally lower volumes.

The volumes year over year increased by 10%, primarily driven by an increase in transported volumes from Asia to North America of 23% and from Europe to Asia of 11%. Transported volumes from Europe to Oceania have increased by 6%, while we are experiencing a modest increase of 2% in shipments out of Asia to Europe.

WWL ASA fleet

WWL ASA operated 126 vessels with carrying capacity of 864K CEU, accounting for 20% of the global car carrier fleet.

One chartered-in vessel was redelivered to the external owner as per agreement. Currently, WWL ASA has the flexibility to redeliver one vessel by the end of 2017, three in 2018 and 18 vessels from 2019 to 2022.



Source: WWLASA

Four Post-Panamax vessels are under construction with combined capacity of 32K CEU. Three of these vessels are expected to enter service in 2018 and one is scheduled for delivery in 2019. The outstanding instalments for these vessels are USD 170 million. The vessels have been financed through regular bank facilities.

Landbased Operations – Third Quarter 2017

Underlying performance (EBITDA adjusted) was down USD 3 million or 9% compared with the previous quarter, driven by reduced value-adding services coupled with congestions at certain plant locations.

USD million	WWL ASA Q3 2017	WWL ASA Q2 2017	Proforma Q3 2016[1)]	% change q-o-q
Total income	203	192	177	6%
EBITDA	29	26	20	12%
EBIT	19	15	10	21%
Total income adjusted	199	192	177	4%
EBITDA adjusted	24	27	20	(9%)

1) WWL ASA pre-merger proforma accounts are prepared as if the merger had taken place Jan 1st 2016 and adjusted for demerger of Treasure ASA and VSA acquisition as well as inclusion of SG&A costs in WallRoll AB.

The total income and EBITDA for third quarter was USD 203 million and USD 29 million respectively, an increase in EBITDA of 12% quarter on quarter. However, the third quarter included an extraordinary item of USD 4.5 million related to sales gain for a facility in the US.

EBITDA adjusted for the extraordinary sales gain was USD 24 million, representing an underlying decline in earnings of 9% compared with previous quarter, but up 19% y-o-y. The negative development q-o-q was driven by reduced contribution from technical services and terminals globally.

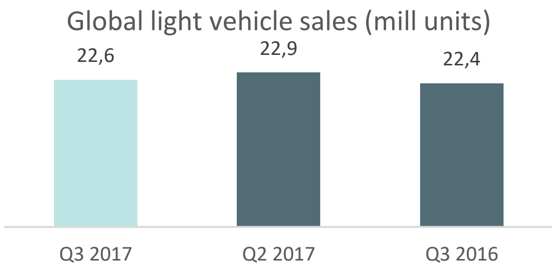
During the quarter, technical services in North America experienced stable volumes, but less value-adding services coupled with congestion at certain plant locations pulled results down. In line with slowing US auto sales, the build-up of auto inventories in the US continued in Q3 2017. Contribution from the technical services and inland distribution portfolio in Europe and Asia Pacific contributed to the positive development in the third quarter. The improvement was mainly driven by improvement for technical services in Australia due to a combination of higher volumes, improved efficiencies and reduced cost.

Terminals experienced a slight reduction in results given the overall decline in ocean volumes, especially for Zeebrugge and Port Hueneme, while other terminals performed in line with the second quarter. The terminal results continue to be negatively impacted by planned low volumes as part of the start-up of the Melbourne terminal, which will be fully operational from 2018, and low volumes into Kotka (Finland). The Southampton terminal also saw continued low volumes, as shipments have been shifted to Bristol to allow for construction work to expand capacity.

Market Update

Overall, auto sales development was soft with a decline of 1.7% compared to last quarter. The high & heavy market continues to show signs of having bottomed out in several regions, with construction equipment trade growing globally. On the fleet side, no new orders were reported in the third quarter.

Auto markets

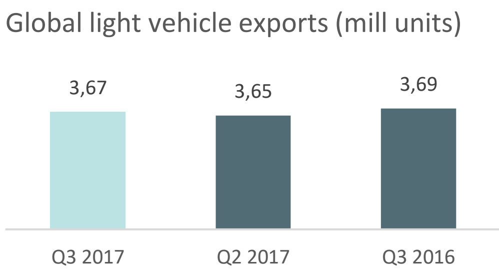


Source: IHS Markit

In key markets, total light vehicle (LV) sales in the third quarter increased by 0.8% compared to the corresponding period last year, but declined 1.7% compared to second quarter. The sales rate for the first nine months of 2017 indicate annual global sales of 95 million units (up 1.6% y-o-y).

Sales in the US continued the soft development, and were down 3.6% q-o-q due to seasonality, while down 4.7% y-o-y. Despite softer sales, the absolute sales figures are still strong. Sales in Western Europe were stable in the third quarter y-o-y, and down 15.0% q-o-q mainly due to seasonality, as most European countries have annual vacation in the third quarter.

The Chinese market showed a marginal decline in the third quarter y-o-y (-0.5%), and grew by 4.0% q-o-q as the second quarter was weaker than expected due to a reduction in tax incentives. Both the Russian (16.4% y-o-y and 2.5% q-o-q) and the Brazilian (10.5% y-o-y and 4.3% q-o-q) markets continued to show a positive development in the third quarter.



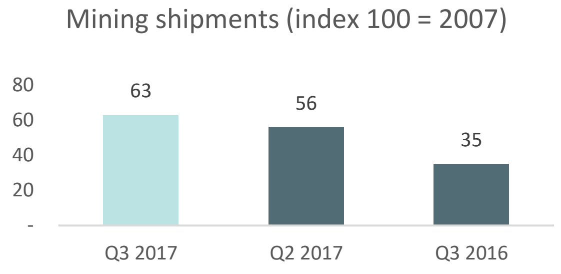
Source: IHS Markit

Total exports in the third quarter were marginally down (0.6%) compared to the corresponding period last year, but increased 0.4% compared to the second quarter. Exports out of NAFTA in the third quarter increased 6.1% y-o-y and 2.1% q-o-q as Mexican exports are ramping up. European exports were up 2.8% y-o-y and 0.6% q-o-q in the third quarter. Japanese exports in the third quarter were up 2.0% q-o-q and down 1.0% y-o-y. Exports out of South Korea was down 11.0% y-o-y mainly driven by decreased volumes to the US as production capacity in Mexico is being ramped up. Exports q-o-q were down 2.9% due to seasonality.

High & heavy markets

The global economy is now enjoying its most widespread and solid growth since a short-lived rebound after the global recession in 2010. On the back of this, world construction equipment markets continue to show signs of being in the early stages of recovery. Equipment imports have grown continuously in all continents excluding Africa this year, but there are still significant regional differences when it comes to the state of the construction industry. The Chinese equipment market remains the global growth engine, and excavator sales in July and August continued the trend of doubling compared to last year. Despite a non-residential spending slump in the US, construction machinery deliveries from US manufacturers grew 18% y-o-y for the two months that ended in August. The Eurozone construction sector continued to post solid growth this quarter, but activity in the UK is now slowing for the first time in thirteen months due to Brexit uncertainty. Australian activity has also expanded every month in the third quarter.

While some prices fell strongly in September, the third quarter was another positive for mining commodity prices. Global deliveries of mining equipment continued the positive trend and posted another quarter of growth, but volumes are still low in a historical context. Australia has seen values stabilise in the last few quarters, and finally experienced growth this quarter, albeit from very low levels.



Source: Parker Bay

The equipment manufacturers delivered another very solid quarter in their mining divisions, with broad-based geographical growth. However, aftermarket sales remain the driver. Order intake developed favourably for key OEMs, with growth in many cases accelerating sequentially.

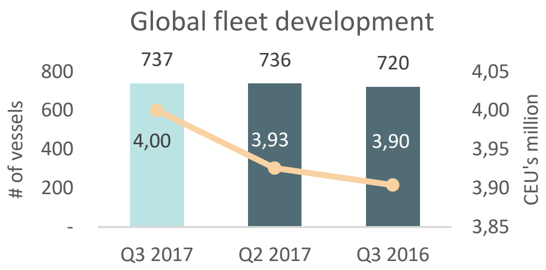
Agriculture equipment markets largely continued the development from the first half of the year in the third quarter. US large tractor sales declined -17% y-o-y and -27% q-o-q, while combine sales were flat y-o-y and up 30% q-o-q. The Australian tractor market extended its good development, and sales increased 15% y-o-y in both July and August. The big European tractor markets of Germany (-22% y-o-y and -9% q-o-q), France (-5% y-o-y and -3% q-o-q) and UK (-3% y-o-y and -6% q-o-q) all contracted in the third quarter, but the y-o-y declines were largely due to emissions-related deadlines that boosted registrations in September last year.

Global fleet

The global car carrier fleet totalled 737 vessels with a capacity of 4 million CEU.

Five vessels were delivered and four vessels were sold for recycling, resulting in a net increase of one vessel. No new orders, cancellations or conversions were reported in the quarter.

The orderbook for vehicle carriers stands at 37 vessels, representing 6% of the total fleet.



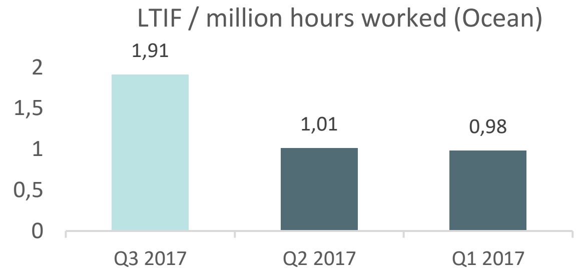
Source: Seaweb

Health, Safety and Environment

A small increase in lost time incidents resulted in the deterioration of the LTIF. The total and relative CO2 emissions remained at similar level compared with the previous two quarters.

Health and Safety (Ocean)

In the third quarter there were a total of 8 lost time incidents, double that of the previous quarter. Exposure hours increased only 5% over the same interval, hence the significant rise in LTIF. The second quarter result has been restated to 1.01 from 1.10 due to an error in the reporting of exposure hours.

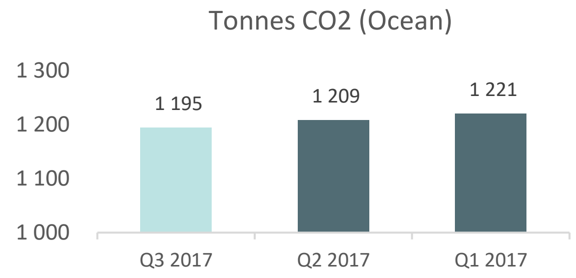


Source: WWLASA

Environment

Total CO2 emissions for the fleet remained at a similar level to the two preceding quarters, which was in line with total fuel consumption not varying by more than 1% over the three quarters (382.3 – 386.8 thousand tonnes).

The fleet's relative CO2 emissions came to 33.5 grams of CO2 per tonne-kilometre, representing a 2% increase from the second quarter. The result is reflective of the total cargo work done varying within a narrow range of 34.9-36.3bn tonne kilometres.



Source: WWLASA

The total and relative CO2 results reflect the performance of the entire fleet of 126 vessels, both owned and chartered.

Prospects

The board expects the merger to continue to have a positive impact on WWL ASA's profitability. The organizational restructuring is completed, and realization of synergies are well under way, but the remaining synergies will take more time to achieve. The USD 100 million target is maintained with full effect from 2019.

Even if this will positively impact the business, the board remains cautious about the outlook as the recovery in the high & heavy segment remains slow and no significant improvement for large mining shipments is expected in the short term. In addition, continued rate pressure combined with some overcapacity in the market will continue to put pressure on the ocean business.

Lysaker, 7 November 2017
The board of directors of Wallenius Wilhelmsen Logistics ASA

Håkan Larsson - Chair

Thomas Wilhelmsen Jonas Kleberg Marianne Lie Margareta Alestig

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made, but are inherently subject to uncertainties and contingencies that are difficult or impossible to predict. WWL ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.