

> Wilh. Wilhelmsen ASA

First quarter 2016



> Disclaimer

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> Agenda

- Market development
- Volume development
- Prospects





> Global light vehicle sales

	Quarterly sales				
REGION	Q1 '15	Q4 '15	Q1 '16		
N America	4,63	5,27	4,84		
Europe (excl Ru. & Tu.)	4,07	3,90	4,38		
Oceania	0,31	0,33	0,32		
BRICs	8,41	9,42	8,23		
Brazil	0,94	0,60	0,40		
Russia	0,38	0,41	0,28		
India	0,79	0,83	0,82		
China	6,30	7,58	6,53		

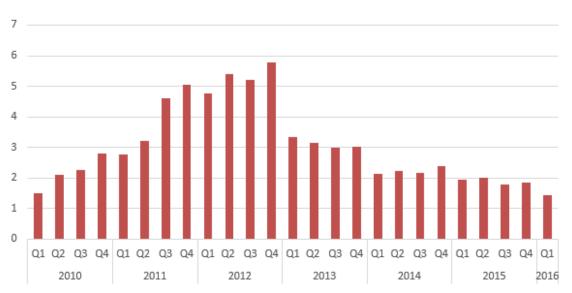
Cha	ngo
Y/Y%CH	Q/Q%CH
Q1'16/Q1'15	Q1'16/Q4'15
4%	-8% 🖶
8%	12%
3%	-2% 🖶
-2% 🖊	-13% 🖊
-40% 🖶	-34% 🖶
-28% 棏	-32% 🖶
3%	-1% 🖊
4%	-14%
	\ /

	Sales volume	
2015	2016FC	2017FC
20,7	21,2	21,5
15,9	16,3	16,5
1,3	1,3	1,3
31,2	32,5	33,6
2,5	2,1	2,2
1,6	1,6	1,7
3,1	3,5	4,0
24,0	25,3	25,7



Caterpillar – Resource Industries* sales quarterly Remaining soft

USD billion

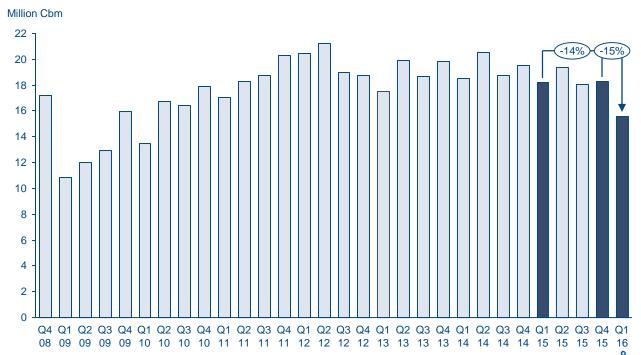


^{*}CAT Resource Industries: Customers using machinery primarily in mining, quarry, waste and material handling applications.



> Group ocean volume development

Sharp decline in Q1



> Group ocean cargo segment development

Auto

- Seasonality
- Reduced volumes in most main trades
- New EUKOR OCC

High and heavy

- · Slight pick up in volumes
- · Increased exports from Asia
- Overall volumes remain at a low level





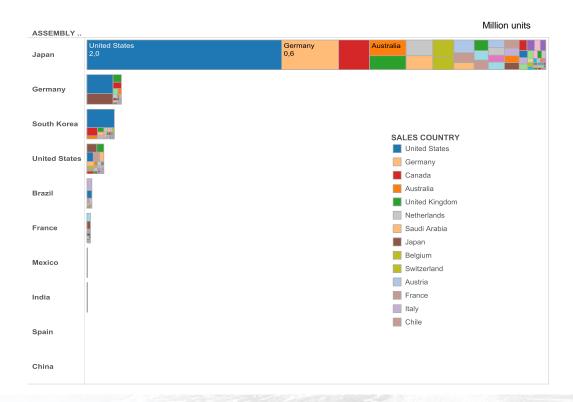
Japanese auto exports in a downward trend





> Auto deep sea market: Increasing fragmentation

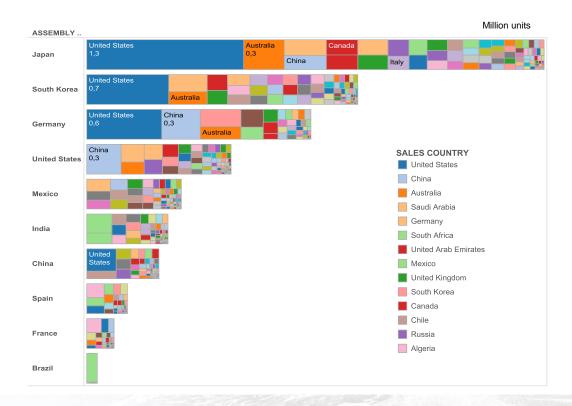
1990 - mainly a Japanese-US/German affair





> Auto deep sea market: Increasing fragmentation

2020 - much more fragmented and complex





> Market outlook

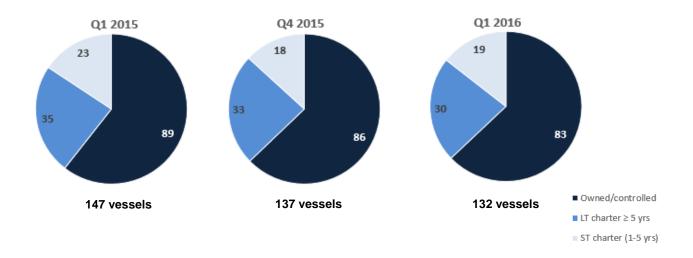
- Soft auto market expected to continue
 - Earthquake in Japan only to have limited impact
- No pick-up in high and heavy volumes
 - Mining activity to remain sluggish
 - Construction and agriculture flat
- Growth in logistics activities
 - Positive trend to continue





> Our response

Adjusting group tonnage to reduced volumes



- Five group vessels taken out in Q1, of which three were recycled by WWASA
- Two newbuildings to be delivered to WWASA in Q2



> Prospects

The board expects volume growth to remain weak over the next period, with continued pressure on margins.

The approved demerger of Den Norske Amerikalinje AS will reduce the future contribution from the logistics segment.











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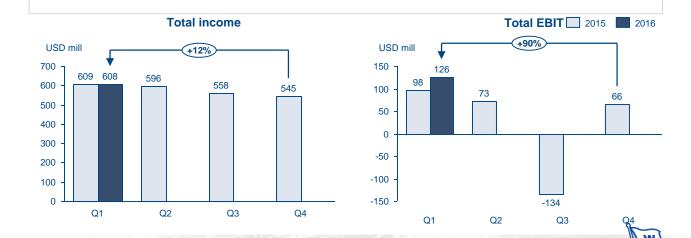
First quarter 2016



WWASA Group – Key financials

Non recurring gain lifted operating profit

- Total income reported +12% q-o-q, stable y-o-y
- EBIT reported +90% q-o-q, +29% y-o-y
- Non recurring gain of USD 80 million in the logistics segment
- Sharp decline in ocean transported volumes
- · Three vessels recycled for WWASA's account



WWASA Group – Profit and Loss Q1 2016

Proportionate method

USD mill	2016 Q1	2015 Q4	2015 Q1	2015 FY
Operating income	515	541	573	2 243
Gain on sale of assets	80		26	29
Share of profits from JV's and associates	13	2	9	36
Total income	608	545	609	2 308
EBITDA	161	108	136	262
Depreciation and impairments	(35)	(41)	(38)	(160)
EBIT	126	66	98	103
Financial income/(expense)	(15)	(13)	(46)	(128)
Profit/(loss) before tax	111	53	52	(25)
Net profit 1)	104	82	56	(4)
Earnings per share (USD)	0.47	0.37	0.26	-0.02

¹⁾ after minority interest

Q1 2016 includes non recurring net gain of USD 76.5 million

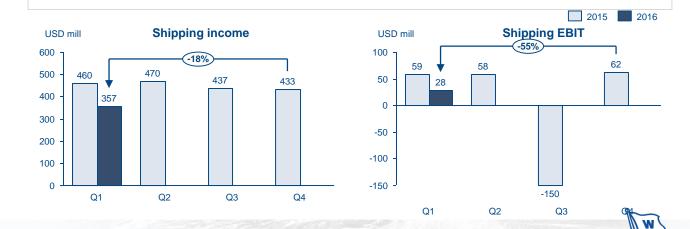




> WWASA Shipping – Key financials

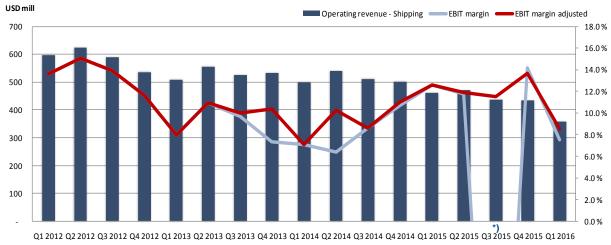
Sharp decline in auto volumes, H/H stable at a low level

- Total income reported 18% q-o-q, 22% y-o-y
- EBIT reported 55% q-o-q, 53% y-o-y.
- Lower fleet utilisation caused by sharp decline in cargo volumes
- Pressure on freight rates continued
- Non recurring loss of USD 3.5 million related to recycling of three vessels



> WWASA Shipping – EBIT margin

Underlying margin falling q-o-q



- *) Q3 2015 EBIT margin -34.4%, large negative non-recurring item
- Lower G&A cost base
- + Reduced OPEX

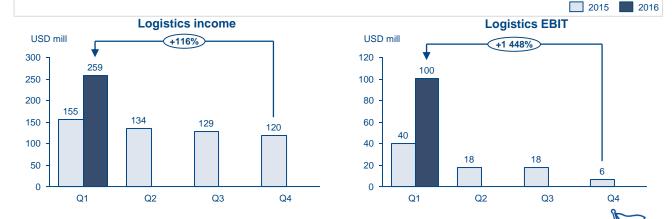
- Reduced BAF surcharges
- Soft volumes
- Suboptimal cargo and trade mix
- Rate pressure



> WWASA Logistics – Key financials

Non recurring gain of 80 million lifted operating profit

- Total income reported + 116% q-o-q, + 67% y-o-y
- EBIT adjusted +212% q-o-q, +43% y-o-y
- USD 80 million gain related to WWL's acquisitions in the US and South Africa and sale of entity in EU
- Higher contribution from Hyundai Glovis and logistics entities in WWL q-o-q
- Contribution from Hyundai Glovis discontinued 17 March 2016 following the demerger of NAL AS
- Non recurring gain from demerger to be reported in Q2



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)

Stable net financial expenses q-o-q

USD mill	2016 Q1	2015 Q4	2015 Q1	2015 FY
Net financial items	1.0	2.5	7.8	(6.3)
Net interest expenses	(22.8)	(23.5)	(22.6)	(91.4)
Interest rate derivatives - unrealised	(14.4)	19.7	1.4	24.3
Net financial - currency	20.1	(8.5)	(33.4)	(48.7)
Net financial derivatives bunkers	0.7	(3.7)	0.7	(6.3)
Financial income/(expense)	(15.4)	(13.5)	(46.1)	(128.3)

Proportionate

- Lower USD interest raters led to unrealized losses on interest derivatives
- Gains on financial derivatives due to stronger USD and an increase in bunker prices



> WWASA Group – Balance Sheet

Strong balance sheet

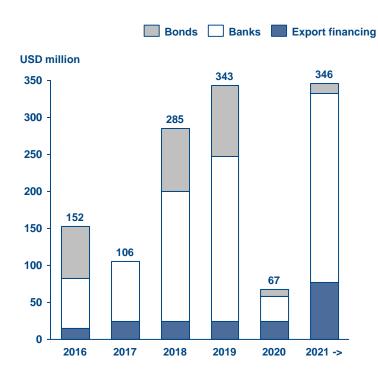
USD mill	31.03.2016		31.12.2015	
<u>Assets</u>				
Non current assets	2,628	78%	2,925	89%
Financial assets held for distribution	349	10%	n/a	
Current assets (excl liquid funds)	65	2%	24	1%
Liquid funds	338	10%	349	11%
Total assets	3,380	100%	3,299	100%
Equity & liabilities				
Equity	1,762	52%	1,655	50%
Non current interest-bearing debt	1,125	33%	1,135	34%
Other non current liabilities	222	7%	225	7%
Current liabilities	270	8%	285	9%
Total equity and liabilities	3,380	100%	3,299	100%

Financial asset held for distribution related to demerger of NAL (Hyundai Glovis)



WWASA Group – interest bearing debt

Refinancing of balloons in 2018/2019

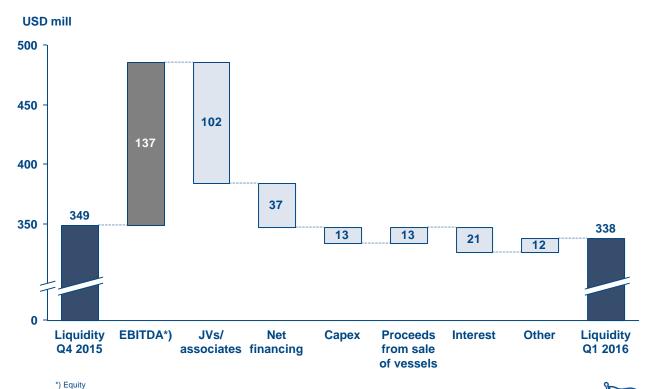


- Ordinary instalments of approx. USD 20 million in Q1.
- Bond maturity in March of approx. USD 15 million financed from cash position.
- Bond maturity in November 2016 of approx. USD 70 million also to be financed from cash position.
- Delivery of MV Theben in April, financed through sale leaseback

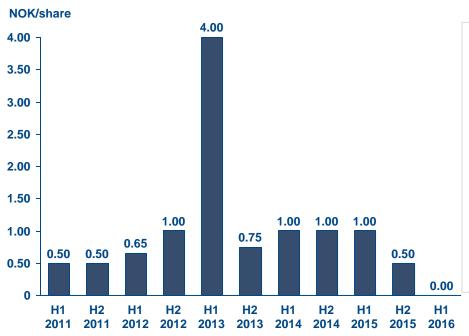


> WWASA Group – Liquidity development

Continued high liquidity buffers



> WWASA Group – Semi-annual dividend per share



- No dividend to be paid in Q2 2016 for the fiscal year 2015
- Demerger of NAL
 (Hyundai Glovis) to
 visualize values for
 shareholders
- Substatial lift in share price of WWASA following announcement of demerger



