WALLENIUS WILHELMSEN
LOGISTICS ASA

Quarterly Report

Q1 2017

Investor Relations contact
Bjørnar Bukholm

Phone +47 980 72 778
bjornar.bukholm@walleniuswilhelmsen.com

Media Contact
Anna Larsson

Phone +47 484 06 919
anna.larsson@walleniuswilhelmsen.com

www.walleniuswilhelmsen.com

Wallenius Wilhelmsen Logistics ASA ("WWL ASA")

Highlights for the first quarter 2017

- Improved operating profit, mainly due to non-recurring items
- Reduced ocean transported volumes quarter on quarter, driven by seasonality
- Continued pressure on ocean rates
- Continued positive underlying development in the landbased segment
- Delivery of one post-Panamax newbuild

Key figures for the first quarter 2017

Wilh. Wilhelmsen ASA (WWASA) pre-merger accounts

USD million	Proportionate method	Equity method
Total income	448	82
EBITDA	79	53
Operating profit (EBIT)	41	33
Profit after minorities	26	26
EPS (USD)	0.12	0.12

Wallenius Wilhelmsen Logistics ASA merger update

Post quarter events

- 1 April: All the necessary approvals received
- 4 April: Merger completed, including new board of directors and management team
- 5 April: Wallenius Wilhelmsen Logistics ASA started trading on the Oslo Stock Exchange under the new ticker "WWL"
- 20 April: Wallenius Lines AB sold 43 million shares (10% of total WWL ASA stock) in line with merger agreement

Results for the quarter

Wilh. Wilhelmsen ASA (WWASA) pre-merger accounts based on proportionate method

Total income and EBITDA
The total income for the WWASA group based on the proportionate method was USD 448 million in the first quarter. This was slightly down from the fourth quarter of 2016. EBITDA ended at USD 79 million, up from USD 43 million in the previous quarter.

The first quarter of 2017 included a USD 9 million gain related to sale of a vessel to a joint venture, while the previous quarter included non-recurring provisions and expenses of USD 37 million. Adjusting for these non-recurring items, the EBITDA was down 12% quarter-on-quarter.

The ocean segment
The total income from the ocean segment was USD 363 million in the first quarter, while EBITDA ended at USD 70 million. Adjusting for non-recurring items, EBITDA was down for the quarter.

The ocean operating entities transported 15.9 million cubic meters (CBM) of cargo in the first quarter, a 2% reduction quarter on quarter. The reduction was due to lower auto volumes, while H&H volumes experienced an increase.

Reduced volumes in the first quarter had a negative impact on revenue and operating profit. The cargo mix and rate pressure continued to be unfavourable.

Net bunker cost increased in the first quarter. This had a negative effect on operating profit due to a time lag in bunker compensation clauses.

The landbased segment
The total income and EBITDA for the landbased segment were USD 93 million and USD 11 million respectively. This was a slight improvement from 2016 levels.

The positive development in the landbased segment continued, mainly driven by technical services.

Financial items
Net financial expenses was USD 11 million for the quarter. Net interest expenses was USD 19 million, while net currency items were positive with USD 4 million.

Tax
The group recorded a tax expense of USD 3 million for the quarter.

Net profit
Profit after minority interest amounted to USD 26 million, compared with a loss of USD 21 million in the previous quarter.

WWASA pre-merger accounts based on equity method

Total income and EBITDA
The total income for the WWASA group based on the equity method was USD 82 million in the first quarter, while EBITDA was USD 53 million. Both were up from the previous quarter due to non-recurring items.

Net profit and EPS
Net profit was USD 26 million for the quarter, equivalent to earnings per share of USD 0.12.

Capital, financing and dividend

Liquidity
Cash and cash equivalents and current financial investments in WWASA pre-merger was USD 271 million by end of the first quarter, a reduction from USD 283 million three months earlier.

Total cash and cash equivalents and current financial investments in joint ventures was USD 455 million by the end of the first quarter, of which USD 201 million was WWASA's pre-merger share. This was an increase from USD 400 million and USD 181 million respectively by the end of 2016.

Interest bearing debt
WWASA pre-merger interest bearing debt was USD 1 267 million by the end of the first quarter, a USD 53 million reduction from USD 1 320 million by the end of 2016.

Interest bearing debt in joint ventures was USD 1 900 million by the end of the first quarter, of which USD 805 million was WWASA's pre-merger share. This was an increase of USD 100 million and USD 44 million respectively for the quarter, mainly due to new vessel financing.

Following the merger on 4 April (post quarter event), interest bearing debt increased with approximately USD 740 million in form of loans in Wallroll AB and USD 80 million in form of a new bond to Wallenius Lines AB.

Debt in joint ventures and Wallroll AB will be subject a fair value assessment as part of the merger accounts. The final merger balance including updated interest bearing debt for the new WWL group will be disclosed as part of the Q2'17 report.

Equity and shareholders
WWASA pre-merger equity increased by USD 27 million during the quarter, to USD 1 462 million. This represented a book equity ratio of 50% based on the equity method.

On 4 April, 203 104 938 new shares was issued to Wallenius Lines AB as part of the merger consideration. Wallenius Lines AB sold 43 104 938 shares on 20 April, where after new shareholding in WWL ASA was as follows:

- Wallenius Lines AB: ~37.8%
- Wilh. Wilhelmsen Holding ASA: ~37.8%
- Other shareholders: ~24.4%

The post-merger balance including updated equity will be disclosed as part of the Q2'17 report.

Dividend
The new WWL ASA board confirmed that no dividend will be proposed for the AGM for 2016

The new WWL ASA board has established the following new dividend policy:

"WWL ASA's objective is to provide shareholders with a competitive return over time through a combination of rising value for the WWL ASA share and payment of dividend to the shareholders.

The board targets a dividend which over time shall constitute between 30 and 50% of the company's profit after tax. When deciding the size of the dividend, the board will consider future capital requirements to ensure the implementation of its growth strategy as well as the need to ensure that the group's financial standing remains warrantable at all times.

Dividends will be declared in USD and paid out semi-annually."

Market update

Auto markets
In key markets, total light vehicle sales in the first quarter increased by 5% compared with the corresponding period last year. Sales rate for the first three months of 2017 indicated annual global sales of 95 million units.

Sales in the US lost momentum and were down both year over year and quarter on quarter. This followed a long period of consecutive growth.

Sales in Western Europe started the year with solid growth, but are expected to flatten out during 2017.

The Chinese auto market showed solid growth year over year. However, with tax incentives on domestic production the share of foreign cars is still low. Among foreign brands, Japanese brands are performing well.

The Russian auto market showed a positive sentiment and preliminary figures from Brazil may indicate growth albeit from low levels.

Japanese car export was down from the seasonally strong fourth quarter, with a 18% decrease quarter on quarter. However, export was up 1% year over year.

Car exports out of Korea saw the same decline in volumes and was similarly down 18% from the seasonally strong fourth quarter and down 4% from the corresponding quarter last year.

High and heavy markets
Global construction markets continued their overall positive development into 2017. After the US election, commodity prices and particularly oil saw an uptick. Analysts' market outlook for the year is positive, supported by various industry indices indicating expanding global demand for heavy machinery. The global construction equipment market followed the increase in demand, and continued its growth in the first quarter, albeit from low levels.

The global demand for mining equipment remained low in the first quarter but the sentiment is improving backed by a further increase in commodity prices.

Global demand for agriculture equipment continued the weak trend in the first quarter. Analysts forecast 2017 equipment demand to be flat.

Tonnage update

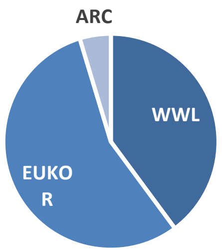
Global fleet
At the end of the quarter, the global fleet of pure car and truck carriers stood at approximately 740 vessels, with a combined lifting capacity of 3.9 million CEU.

Seven vessels entered service and six ships were sold for recycling, resulting in a net increase of one vessel

No new orders were reported in the quarter. The global orderbook[1] counted 45-50 vessels corresponding to 8-9% of global fleet capacity. Negotiations to postpone deliveries and/or cancel vessels on order have been reported.

WWL ASA current fleet
The group's fleet stands out in terms of average size and capability to lift high and heavy cargoes. This makes our operating companies well positioned to lift all types of rolling cargoes.

One vessel was delivered during the quarter, the 7 600 CEU post panamax PCTC Morning Peace which commenced service for EUKOR. WWL ASA increased its operated fleet from 127 to 128 vessels in the first quarter whereof 76 vessels were owned by group companies.



WWL:
51 vessels
369 000 CEU

EUKOR:
71 vessels
471 000 CEU

ARC:
6 vessels
34 000 CEU

In late March, Morning Composer and Morning Conductor were sold from Eukor to an external owner and leased back. A group internal sale was made when MV Topeka was sold from WWASA to ARC and changed name to Liberty.

No vessels were sold for recycling or redelivered to external owners during the quarter.

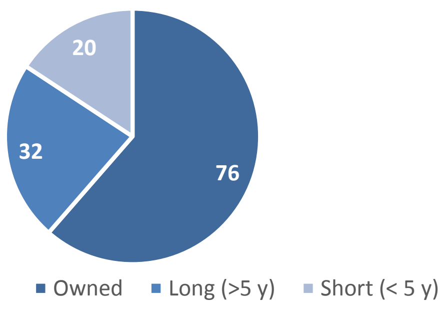
The combined lifting capacity of WWL ASA was increased by approximately 7 600 CEU in the quarter, and at the end of the quarter, the group had a combined lifting capacity of 873 000 CEU.

WWL ASA controlled approximately 20% of the global fleet by the end of the quarter.

WWL ASA newbuilding program
The group has five vessels under construction at shipyards in China and Korea. All five vessels are large Post-Panamax, also known as Neo-Panamax, with a lifting capacity of approximately 8 000 CEU each. Four vessels are on order by WWL ASA fully owned entities while one is under construction for EUKOR. Two vessels are expected to enter service in 2017, two in 2018 and one is scheduled for delivery in early 2019.

No new orders were placed by the group in the first quarter.

WWL ASA fleet flexibility
The group has 20 vessels on short term charter arrangements and has the flexibility to redeliver nine vessels by the end of 2017.



[1] not including unconfirmed orders and options

Health, safety, environment and quality[2]

Below reporting relates to the WWASA pre-merger operation and fleet only. WWL ASA will review reporting practice for all merged entities and work towards a future common reporting format covering all operation and fleet.

Fuel consumption and CO_2 emissions

For the first quarter, the 28 vessels monitored and analysed by WWASA consumed 60,4 thousand tonnes fuel and carried out 3838 million tonne miles[3] of transport work. This was equal to 15.7 gram fuel consumed per cargo tonne miles, down from 17.2 gram per tonne mile in the previous quarter. The overall transport efficiency increased as the transport work was slightly higher compared with previous quarter.

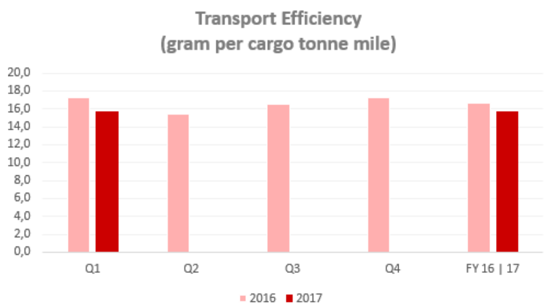
Correspondingly, the emitted CO_2 was 49.0 gram per cargo tonnes-miles[4], down from 53.5 in the previous quarter.

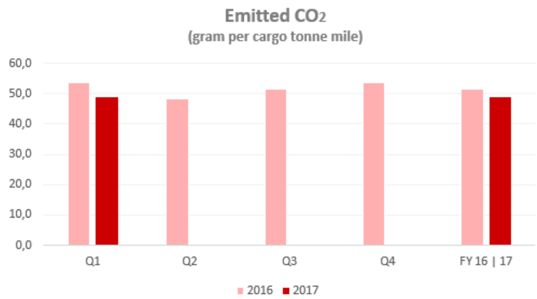
Operational excellence

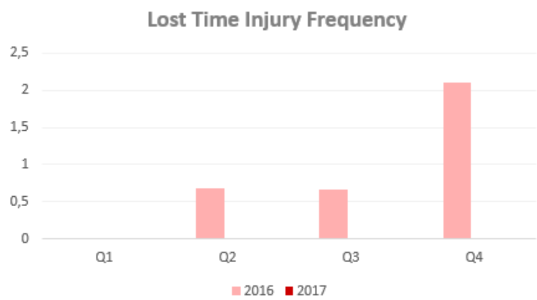
There were no environmental incidents in the first quarter. The fleet had 17 port state controls, 13 of them with zero (0) deficiencies noted. No vessels were detained and the deficiency rate indicates that the fleet is managed according to the group's standards.

Lost time injury frequency (LTIF)

WWASA's controlled vessels recorded zero (0) incidents resulting in lost working time. The LTIF ratio of zero (0) for the first quarter, below the groups target.







[2] HSEQ reporting is based on vessels owned and controlled by WWASA (pre merger).

[3] Measures number of tonnes by distance transported. For sea voyage reports at noon.

[4] The International Maritime Organisation measures energy efficiency as grams of CO_2 per tonne nautical mile.

Other issues

Update on the antitrust investigations
Approximately USD 310 million on 100% basis in provisions remain to cover potential extraordinary costs in jurisdictions with ongoing anti-trust investigations.

The ongoing investigations are confidential. WWL ASA is therefore not in a position to comment on the remaining investigations. The processes are expected to continue to take time, but further clarifications are expected during 2017.

Prospects

Market outlook
In mature markets, auto sales are expected to be relatively flat while the outlook for the emerging markets are mixed. Overall, the expectations are slightly positive.

Global construction, mining and agriculture equipment sales are forecasted to improve slightly from low levels.

Business outlook
The board expects that the merger will have positive impact on the group profitability.

While the positive effects in 2017 to a large degree will be offset by restructuring costs, the synergies will be substantial in 2018 and have full effect in 2019 (estimated up towards USD 100 million on an annual basis).

However, continued rate pressure combined with some overcapacity in the market will continue to put pressure on the ocean segment.

Lysaker, 9 May 2017
The board of directors of Wallenius Wilhelmsen Logistics ASA

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.

SEGMENT REPORTING

'17

Wilh. Wilhelmsen ASA - Pre-merger accounts

FIRST QUARTER 2017

Income statement - segment reporting [1]

Joint ventures based on proportionate method

USD mill	Ocean			Landbased			Holding			Eliminations			Total		
QUARTER	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016
Operating revenue	354	356	1 430	93	83	352	1	1	4	(8)	(8)	(34)	439	432	1 751
Other income															
Share of profit/(loss) from associates		1	2		12	12								13	13
Gain on sale of assets	9				80	80			375				9	80	455
Total income	363	357	1 431	93	175	444	1	1	379	(8)	(8)	(34)	448	525	2 219
Operating expenses															
Voyage expenses	(178)	(167)	(669)							7	7	30	(170)	(160)	(638)
Vessel expenses	(18)	(20)	(77)										(18)	(20)	(77)
Charter expenses	(60)	(67)	(260)										(60)	(67)	(260)
Employee benefits	(28)	(31)	(119)	(10)	(10)	(42)	(2)	(2)	(10)				(40)	(43)	(170)
Other expenses	(9)	(10)	(72)	(71)	(63)	(269)	(2)	(1)	(9)	1	1	4	(81)	(73)	(346)
Depreciation and impairment	(35)	(33)	(137)	(3)	(1)	(11)							(38)	(35)	(148)
Total operating expenses	(327)	(329)	(1 333)	(84)	(74)	(322)	(4)	(3)	(20)	8	8	34	(407)	(398)	(1 640)
Operating profit/(loss) (EBIT)[2]	35	28	98	8	100	122	(3)	(2)	359	0	(0)	0	41	126	580
Financial income/(expenses)	(10)	(17)	(30)		2	(1)	(1)		(5)				(11)	(15)	(37)
Profit/(loss) before tax	25	11	68	9	102	121	(4)	(2)	354	0	(0)	0	30	111	543
Tax income/(expense)	(1)	(4)	(21)	(3)	(3)	(13)	1		(5)				(3)	(6)	(39)
Profit/(loss)	24	7	47	6	99	108	(3)	(1)	349	0	(0)	0	27	105	504
Of which minority interest			(2)			(2)							(1)		(4)
Profit/(loss) after minority interest	24	7	45	5	99	106	(3)	(1)	349	0	(0)	0	26	104	500

[1] The report is based on the proportionate method for all joint ventures.
The equity method provides a fair presentation of the group's financial position but the group's internal financial reporting is based on the proportionate method. The major contributors in the shipping and logistics segments are joint ventures and hence the proportionate method gives the chief operating decision-maker a higher level of information and a better picture of the group's operations.

[2] Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

2017: Material gain/(loss) from disposal of assets and impairment charges

> Ocean Q1 - Gain of USD 8.6 mill from sale of vessel to joint venture.

2016: Material gain/(loss) from disposal of assets and impairment charges

> Landbased: Q1 - An accounting gain of USD 80 million as a result of step acquisition in Vehicle Services Americas (VSA) and CAT-WWL, and sale of Vehicle Services Europe (VSE).

> Ocean Q1 - Loss of USD 3.5 million related to recycling of three vessels.

> Ocean Q2 - Loss of USD 1.5 million related to recycling of one vessel.

> Holding: Q2 - The demerger of Den Norske Amerikalinje AS (owns the Hyundai Glovis shareholding) contributed with a non-recurring gain of USD 375 million in the second quarter.

Q3 - No material gain/(loss)

Q3 - No material gain/(loss)

Income statement - segment reporting [1]

Joint ventures based on proportionate method

USD mill	Ocean				Landbased				Holding				Total incl elimination			
QUARTER	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Operating revenue	372	337	365	354	88	89	92	93	1	1	1	1	452	418	450	439
Other income																
Share of profit/(loss) from associates																
Gain on sale of assets				9					375				375			9
Total income	372	337	365	363	88	89	92	93	376	1	1	1	827	418	450	448
Operating expenses																
Voyage expenses	(168)	(162)	(171)	(178)									(160)	(155)	(164)	(170)
Vessel expenses	(20)	(19)	(18)	(18)									(20)	(19)	(18)	(18)
Charter expenses	(69)	(59)	(65)	(60)									(69)	(59)	(65)	(60)
Employee benefits	(28)	(29)	(31)	(28)	(10)	(10)	(10)	(10)	(2)	(2)	(5)	(2)	(40)	(41)	(47)	(40)
Other expenses	(16)	(8)	(39)	(9)	(66)	(68)	(72)	(71)	(3)	(1)	(4)	(2)	(83)	(76)	(114)	(81)
Depreciation and impairment	(34)	(34)	(35)	(35)	(4)	(3)	(3)	(3)					(38)	(37)	(38)	(38)
Total operating expenses	(334)	(311)	(359)	(327)	(81)	(81)	(86)	(84)	(4)	(3)	(9)	(4)	(410)	(386)	(446)	(407)
Operating profit/(loss) (EBIT)[2]	38	26	6	35	8	8	6	8	372	(2)	(9)	(3)	417	32	4	41
Financial income/(expenses)	(10)	(5)	2	(10)	(1)	1	(3)		(9)	4		(1)	(21)			(11)
Profit/(loss) before tax	28	21	9	25	6	9	4	9	363	2	(9)	(4)	396	32	4	30
Tax income/(expense)		(3)	(15)	(1)	(3)	(3)	(3)	(3)			(5)	1	(3)	(6)	(24)	(3)
Profit/(loss)	28	19	(6)	24	3	6	0	6	363	1	(14)	(3)	393	26	(20)	27
Of which minority interest	(1)		(1)										(1)	(1)	(1)	(1)
Profit/(loss) after minority interest	27	18	(7)	24	2	5	(0)	5	363	1	(14)	(3)	392	25	(21)	26

[1/2] Comments - see previous page

Wilh. Wilhelmsen

Notes - segment reporting

Joint ventures based on proportionate method

Note 1 - Financial income/(expenses)

USD mill	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Financials			
Investment management [1]	1.4	0.3	11.3
Interest income	1.9	1.6	6.9
Other financial items	(0.1)	(0.9)	0.8
Net financial items	3.2	1.0	19.1
Net financials - interes rate			
Interest expenses	(17.4)	(15.3)	(68.4)
Interest rate derivatives - realised	(6.1)	(7.5)	(29.6)
Net interest expenses	(23.6)	(22.8)	(98.0)
Interest rate derivatives - unrealised	5.1	(14.4)	25.1
Net financial - currency			
Net currency gain/(loss)	3.9	(1.2)	(13.2)
Derivatives for hedging of cash flow risk - realised	1.4	0.3	(22.6)
Derivatives for hedging of cash flow risk - unrealised	(1.6)	8.4	38.6
Derivatives for hedging of translation risk - realised	(0.5)	(0.5)	(19.9)
Derivatives for hedging of translation risk - unrealised	0.6	13.2	27.1
Net currency items	3.9	20.1	10.1
Financial derivaties bunkers			
Valuation of bunker hedges	(3.0)	1.4	9.3
Realised portion of bunker hedges	3.1	(0.7)	(2.2)
Net financial derivatives bunkers	0.0	0.7	7.1
Financial income/(expenses)	(11.3)	(15.4)	(36.6)

[1] Includes financial derivatives for trading

Realised portion of bunker and fuel hedges included in operating expenses

USD mill	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Cash settled portion of bunker and fuel hedges	0.4	(3.6)	(5.4)

Notes - segment reporting [1]

Joint ventures based on proportionate method

Note 2 - Restatement of “pass through” revenues/costs

After WWL acquired the full ownership of WWL Vehicle Services Americas (VSA), the group has reviewed and analyzed the past accounting and reporting practices. For Inland Distribution Nissan compensates VSA for procurement and process management with a fixed fee leaving no business risk with VSA. In the past this was accounted for on a gross basis in the WWASA consolidated figures. Going forward this is considered “pass through” revenues/costs and will therefore be accounted for on a net basis. As per third quarter 2016 the accounting practice has changed, and previous reported figures have been restated accordingly.

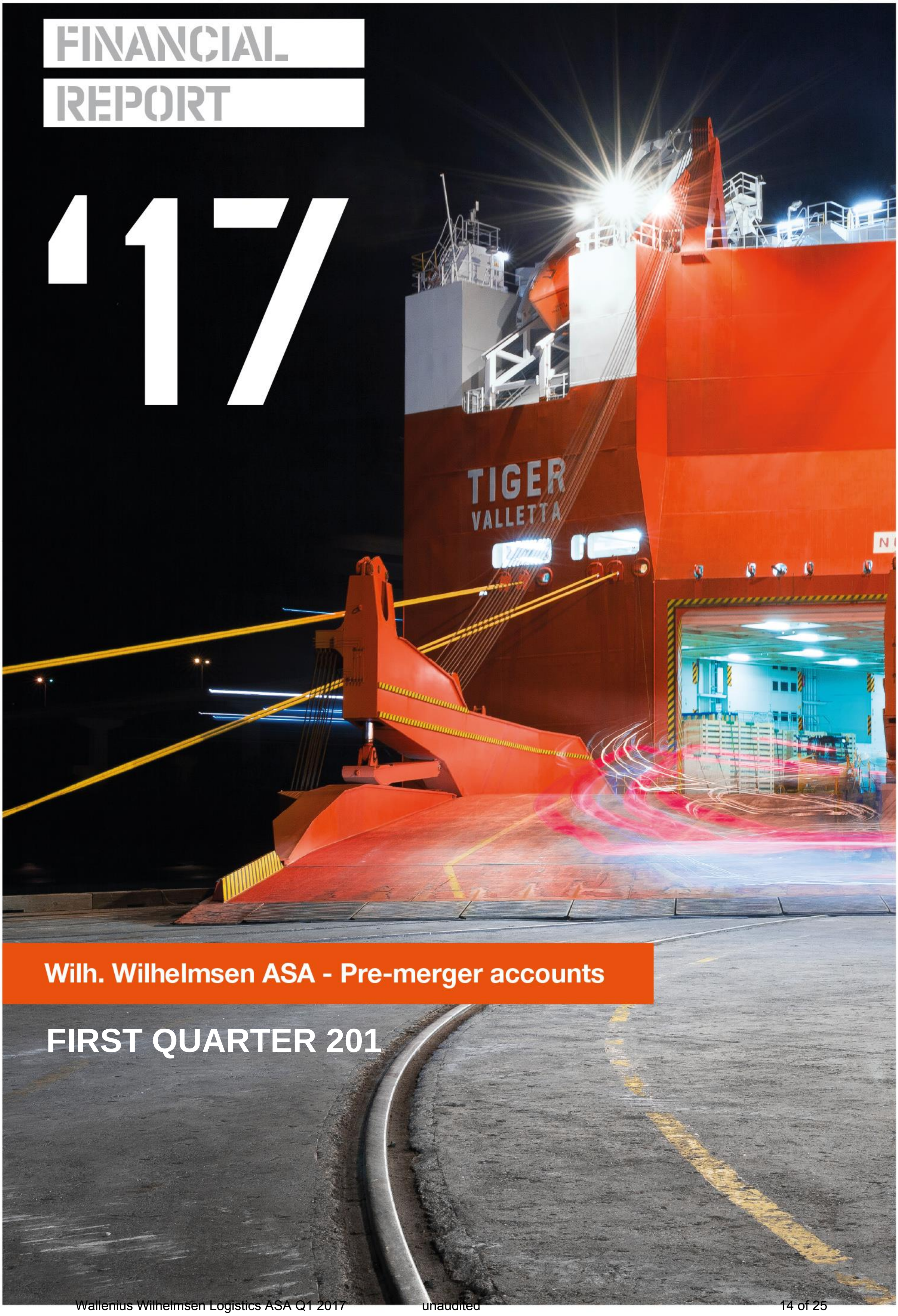
The Q1 and Q2 2016 figures are restated as showed below.

These revenues/costs are a part of the group revenue/cost in the Income statement based on proportionate consolidation for joint ventures. The adjustments have no effect on EBIT or net profit.

	As reported						Restated figures			
USD mill	Landbased		Total incl elimination		Restatement		Landbased		Total incl elimination	
QUARTER	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Operating revenue	167	167	515	530	(84)	(78)	83	88	432	452
Other income										
Share of profit from associates	12		13				12		13	
Gain on sale of assets	80		80	375			80		80	375
Total income	259	167	608	905	(84)	(78)	175	88	525	827
Operating expenses										
Voyage expenses			(160)	(160)					(160)	(160)
Vessel expenses			(20)	(20)					(20)	(20)
Charter expenses			(67)	(69)					(67)	(69)
Employee benefits	(10)	(10)	(43)	(40)			(10)	(10)	(43)	(40)
Other expenses	(146)	(145)	(157)	(162)	84	78	(63)	(66)	(73)	(83)
Depreciation and impairment	(1)	(4)	(35)	(38)			(1)	(4)	(35)	(38)
Total operating expenses	(158)	(159)	(482)	(488)	84	78	(74)	(81)	(398)	(410)
Operating profit (EBIT) 2	100	8	126	417	0	0	100	8	126	417
Financial income/(expenses)	2	(1)	(15)	(21)			2	(1)	(15)	(21)
Profit/(loss) before tax	102	6	111	396	0	0	102	6	111	396
Tax income/(expense)	(3)	(3)	(6)	(3)			(3)	(3)	(6)	(3)
Profit/(loss)	99	3	105	393	0	0	99	3	105	393
Of which minority interest				(1)						(1)
Profit/(loss) after minority interest	99	2	104	392	0	0	99	2	104	392

[1] The report is based on the proportionate method for all joint ventures.

[2] Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.



FINANCIAL REPORT

'17

Wilh. Wilhelmsen ASA - Pre-merger accounts

FIRST QUARTER 201

Income statement - financial report
Joint ventures based on equity method

USD mill	Notes	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Operating revenue		59	69	257
Other income				
Share of profit/(loss) from joint ventures and associates		14	102	119
Gain on sale of assets	2	9		375
Total income		82	171	751
Operating expenses				
Vessel expenses		(8)	(10)	(36)
Charter expenses		(7)	(5)	(25)
Employee benefits		(11)	(13)	(51)
Other expenses		(3)	(6)	(18)
Depreciation and impairment	3	(20)	(20)	(81)
Total operating expenses		(49)	(54)	(212)
Operating profit/(loss) (EBIT)		33	117	539
Financial income/(expenses)	4	(8)	(10)	(17)
Profit/(loss) before tax		25	107	522
Tax income/(expense)		1	(3)	(22)
Profit/(loss) for the period attributable to the owners of the parent		26	104	500
Basic and diluted earnings per share (USD)*		0.12	0.47	2.27

* EPS is calculated based on 220 000 000 shares.

Statement of comprehensive income - financial report
Joint ventures based on equity method

USD mill	Notes	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Profit/(loss) for the period		26	104	(4)
Other comprehensive income				
Items that may be subsequently reclassified to the income statement				
Cash flow hedges in joint venture, net of tax		(0)	2	(7)
Currency translation differences in joint venture		2	1	(5)
Items that will not be reclassified to the income statement				
Remeasurement postemployment benefits, net of tax		0		5
Other comprehensive income, net of tax		1	3	(8)
Total comprehensive income attributable to owners of the parent		27	108	(12)

The above consolidated income statement and comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet - financial report

Joint ventures based on equity method

USD mill	Notes	31.03.2017	31.03.2016	31.12.2016
ASSETS				
Non current assets				
Deferred tax assets		56	75	55
Goodwill and other intangible assets	3	6	6	6
Investments in vessels and other tangible assets	3	1 822	1 803	1 879
Investments in joint ventures and associates		775	741	768
Financial asset held for distribution	2		349	
Other non current assets		1	1	1
Total non current assets		2 659	2 977	2 708
Current assets				
Current financial investments		150	251	202
Other current assets		16	65	22
Cash and cash equivalents		121	87	81
Total current assets		287	403	305
Total assets		2 946	3 380	3 013
EQUITY and LIABILITIES				
Equity				
Share capital	6	16	30	16
Retained earnings and other reserves		1 446	1 732	1 419
Total equity attributable to owners of the parent		1 462	1 762	1 435
Non current liabilities				
Pension liabilities		40	44	40
Non current interest-bearing debt	8	1 155	1 125	1 205
Other non current liabilities		124	178	128
Total non current liabilites		1 318	1 347	1 374
Current liabilities				
Current income tax liabilities		7	9	7
Public duties payable		1	1	1
Other current liabilities		159	261	197
Total current liabilities		166	270	204
Total equity and liabilities		2 946	3 380	3 013

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Wilh. Wilhelmsen

Cash flow statement - financial report

Joint ventures based on equity method

USD mill	Note	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Cash flow from operating activities				
Profit/(loss) before tax		25	107	522
Financial (income)/expenses, excluding unrealised financial derivates		9	21	117
Financial derivatives unrealised		(1)	(11)	(100)
Depreciation/impairment	3	20	20	81
(Gain)/loss on sale of tangible assets		(9)	3	3
(Gain)/loss on demerger				(375)
Change in net pension assets/liabilities			2	(1)
Other change in working capital		(23)	(2)	22
Share of (profit)/loss from joint ventures and associates		(14)	(102)	(119)
Dividend received from joint ventures and associates				64
Tax paid (company income tax, witholding tax)				(5)
Net cash flow provided by/(used in) operating activities		7	39	211
Cash flow from investing activities				
Proceeds from sale of tangible assets		54	13	13
Investments in vessels, other tangible and intangible assets	3	(0)	(13)	(149)
Proceeds from sale of financial investments		68	13	117
Investments in financial investments		(15)	(16)	(79)
Dividend received (financial investments)			1	3
Interest received				
Net cash flow provided by/(used in) investing activities		107	(2)	(95)
Cash flow from financing activities				
Proceeds from issue of debt				248
Repayment of debt		(54)	(37)	(258)
Interest paid including interest derivatives		(21)	(21)	(73)
Realised financial derivatives		1	(0)	(42)
Dividend to shareholders/ demerger Den Norske Amerikalinje AS				(17)
Net cash flow provided by/(used in) financing activities		(74)	(58)	(143)
Net increase in cash and cash equivalents		40	(21)	(27)
Cash and cash equivalents, excluding restricted cash, at beginning of period		81	108	108
Currency on cash and cash equivalents*				
Cash and cash equivalents at end of period		121	87	81

* The group is located and operating world wide and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Wilh. Wilhelmsen

Statement of changes in equity - financial report

Joint ventures based on equity method

USD mill	Share capital	Retained earnings	Total equity
2017 - Year to date			
Balance at 31.12.2016	16	1 419	1 435
Profit/(loss) for the period		26	26
Other comprehensive income		1	1
Total comprehensive income	0	27	27
Balance 31.03.2017	16	1 446	1 462

2016 - Year to date			
Balance at 31.12.2015	30	1 623	1 655
Profit/(loss) for the period		104	104
Other comprehensive income		3	3
Total comprehensive income	0	108	108
Balance 31.03.2016	30	1 732	1 762

2016 - Full year			
Balance at 31.12.2015	30	1 623	1 655
Profit/(loss) for the year		500	500
Other comprehensive income		10	10
Total comprehensive income	0	510	510
Demerger Den Norske Amerikalinje AS	(15)	(716)	(730)
Balance 31.12.2016	16	1 419	1 435

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Wilh. Wilhelmsen

Notes - financial report

Joint ventures based on equity method

Note 1 - Accounting principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2016 for Wilh.Wilhelmsen ASA group (WWASA), which has been prepared in accordance with IFRS's endorsed by the EU.

The accounting policies implemented are consistent with those of the annual financial statements for WWASA for the year end 31 December 2016.

There are no new standards or amendments to standards released during 2017.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2 - Significant acquisitions and disposals

Demerger of NAL (Hyundai Glovis)

The demerger of Den Norske Amerikalinje AS (owns the Hyundai Glovis shareholding) from the group was effective on 8 June 2016. The demerger was accounted for at fair value and contributed with a significant non-recurring gain in the second quarter of USD 375 million. The book value of equity, after the accounting gain, was reduced with 730 million by the demerger.

The demerged entity named Treasure ASA was listed on the Oslo Stock Exchange on 8 June 2016. All shareholders of WWASA received 1 share in Treasure ASA for every share held in WWASA.

Investments in logistics in WWL

In the first quarter of 2016, WWL acquired the full ownership of WWL Vehicle Services Americas (VSA), previously a joint venture, based in USA. The company employs 3 400 employees and handles some 4.7 million units annually.

With full ownership, WWL strengthens its position as a leading provider of vehicle processing for automotive manufacturers in North America.

WWL has also acquired the full ownership of CAT-WWL, previously a joint venture, based in South Africa.

With full ownership in CAT-WWL, a network of ten vehicle-processing facilities, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.
The business employs more than 900 workers and handles some 680 000 units.

In addition, WWL has sold Vehicle Services Europe (VSE) to Groupe CAT. The company employs some 400 employees with truck based inland distribution in Europe and three vehicle processing centres in Germany.

Wilh. Wilhelmsen

Notes - financial report

Joint ventures based on equity method

Note 3 - Vessels, other tangible and intangible assets

USD mill	Other tangible assets	Vessels & Newbuilding contracts	Total tangible assets	Intangible assets
2017 - Year to date				
Cost price at 01.01	2	2 457	2 459	7
Additions				
Disposal		(54)	(54)	
Cost price at 31.03	2	2 404	2 405	7
Accumulated depreciation and impairment losses at 01.01	(1)	(579)	(581)	(1)
Depreciation		(20)	(20)	
Disposal		17	17	
Accumulated depreciation and impairment losses at 31.03	(1)	(582)	(584)	(1)
Carrying amounts at 31.03	0	1 821	1 822	6
2016 - Year to date				
Cost price 01.01	2	2 472	2 474	7
Additions		13	13	
Disposal		(159)	(159)	
Cost price at 31.03	2	2 326	2 328	7
Accumulated depreciation and impairment losses 01.01	(1)	(646)	(648)	(1)
Depreciation		(20)	(20)	
Disposal		142	142	
Accumulated depreciation and impairment losses at 31.03	(1)	(523)	(525)	(1)
Carrying amounts at 31.03	0	1 803	1 803	6
2016 - Full year				
Cost price at 01.01	2	2 472	2 474	7
Additions		149	149	
Disposal		(164)	(164)	
Cost price at 31.12	2	2 457	2 459	7
Accumulated depreciation and impairment losses at 01.01	(1)	(646)	(648)	(1)
Depreciation		(81)	(81)	
Disposal		148	148	
Accumulated depreciation and impairment losses at 31.12	(1)	(579)	(581)	(1)
Carrying amounts at 31.12	0	1 878	1 879	6

Wilh. Wilhelmsen

Notes - financial report

Joint ventures based on equity method

Note 4 - Financial income/(expenses)

USD mill	01.01-31.03 2017	01.01-31.03 2016	Full year 2016
Financials			
Investment management [1]	1.4	0.3	11.3
Interest incomes	0.2	0.1	0.5
Other financial items	(0.1)	(0.3)	(1.4)
Net financial items	1.5	0.2	10.4
Net financials - interes rate			
Interest expenses	(10.2)	(9.2)	(40.9)
Interest rate derivatives - realised	(5.9)	(7.1)	(28.1)
Net interest expenses	(16.1)	(16.2)	(69.1)
Interest rate derivatives - unrealised	4.7	(11.5)	24.7
Net financial - currency			
Net currency gain/(loss)	2.0	(4.5)	(13.6)
Derivatives for hedging of cash flow risk - realised	1.4	0.3	(22.6)
Derivatives for hedging of cash flow risk - unrealised	(1.6)	8.4	38.6
Derivatives for hedging of translation risk - realised	(0.5)	(0.5)	(19.9)
Derivatives for hedging of translation risk - unrealised	0.6	13.2	27.1
Net financial - currency	2.0	16.9	9.7
Financial derivatives bunkers			
Valuation of bunker hedges	(3.0)	1.4	9.3
Realised portion of bunker hedges	3.1	(0.7)	(2.2)
Net financial derivatives bunkers	0.0	0.7	7.1
Financial income/(expenses)	(7.9)	(10.0)	(17.3)

[1] Includes financial derivatives for trading

Note 5 - Tax

The effective tax rate for the WWASA group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes.
Tonnage tax is considered as operating expense in the accounts.

In regards to the withholding tax case on dividends from EUKOR to Wilhelmsen Ships Holding Malta Ltd for the period 2010-2014 the company have decided to bring the 2010 decision in National Tax Tribunal before the administrative court in Korea. The administrative appeal to the Board of Audit and Inspection (BAI) for the period 2011-2014 is still pending.

Note 6 - Shares

The company's share capital is as follows:

	Number of shares	NOK mill	USD mill
Share capital	220 000 000	114	16

The demerger of Den Norske Amerikalinje AS from the group led to a reduction of the share capital with NOK 106 million / USD 15 million in the second quarter of 2016.

Notes - financial report

Joint ventures based on equity method

Note 7 - Paid/ proposed dividend

Dividend/Equity transaction

WWASA pre-merger did not declare any dividend for fiscal year 2016.

The demerger of Den Norske Amerikalinje AS (owns the Hyundai Glovis shareholding) from the group was effective on 8 June 2016. The demerged entity named Treasure ASA was listed on the Oslo Stock Exchange on 8 June 2016. All shareholders of WWASA received 1 share in Treasure ASA for every share held in WWASA.

Visualising values for WWASA's shareholders through the spin-off, the annual general meeting held 3 May 2016 resolved not to pay dividend for the fiscal year 2015.

Note 8 - Interest-bearing debt

USD mill	31.03.2017	31.03.2016	31.12.2016
Non current interest-bearing debt	1 155	1 125	1 205
Current interest-bearing debt	112	175	115
Total interest-bearing debt	1 267	1 299	1 320
Cash and cash equivalents	121	87	81
Current financial investments	150	251	202
Net interest-bearing debt	996	962	1 038

Net interest-bearing debt in joint ventures (group's share)	31.03.2017	31.03.2016	31.12.2016
Non current interest-bearing debt	700	731	668
Current interest-bearing debt	105	67	93
Total interest-bearing debt	805	797	761
Cash and cash equivalents	201	294	181
Current financial investments			
Net interest-bearing debt	604	504	580

Specification of interest-bearing debt	31.03.2017	31.03.2016	31.12.2016
Mortgages	836	1 027	886
Leasing commitments	235		239
Bonds	196	273	196
Total interest-bearing debt	1 267	1 299	1 320
Repayment schedule for interest-bearing debt			
Due in year 1	88	152	115
Due in year 2	289	106	292
Due in year 3	283	285	307
Due in year 4	83	343	83
Due in year 5 and later	524	413	523
Total interest-bearing debt	1 267	1 299	1 320

Notes - financial report

Joint ventures based on equity method

Note 9 - Financial level

Total financial instruments and short term financial investments:

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the income statement				
Financial derivatives		3		3
Equities				0
Bonds	150			150
Total financial assets 31.03.2017	150	3	0	153
Financial liabilities at fair value through the income statement				
Financial derivatives		147		147
Total financial liabilities 31.03.2017	0	147	0	147
Financial assets at fair value through the income statement				
Financial derivatives		9		9
Equities	59			59
Bonds	143			143
Total financial assets 31.12.2016	202	9	0	210
Financial liabilities at fair value through the income statement				
Financial derivatives		153		153
Total financial liabilities 31.12.2016	0	153	0	153

	2017	2016
Changes in level 3 instruments		
Opening balance 01.01	0	0
Closing balance	0	0

Fair value estimation

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes.

These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value and
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 are listed equities and liquid investment grade bonds.

The fair value of financial instruments that are not traded in an active market are based on third-party quotes (Mark-to-Market). These quotes use the maximum number of observable market rates for price discovery. The different valuation techniques typically applied by financial counterparties (banks) were described above. These instruments - FX and IR derivatives - are included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is in level 3. Primarily illiquid investment funds and structured notes are included in level 3.

Wilh. Wilhelmsen

Notes - financial report

Joint ventures based on equity method

Note 10 - Segments

USD mill	Ocean			Landbased			Holding			Eliminations			Total		
QUARTER	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016	Q1 2017	Q1 2016	Full year 2016
Operating revenue	59	69	257				1	1	4	(1)	(1)	(4)	59	69	257
Share of profit/(loss) from joint ventures and associates[1]	9	3	12	5	99	106							14	102	119
Gain on sale of assets	9								375				9		375
Total income	77	72	269	5	99	106	1	1	379	(1)	(1)	(4)	82	171	751
Operating profit before depreciation and impairment	51	40	155	5	99	106	(3)	(2)	359				53	137	620
Depreciation and impairment	(20)	(20)	(81)										(20)	(20)	(81)
Operating profit/(loss) (EBIT)	30	20	73	5	99	106	(3)	(2)	359	0	(0)	0	33	117	539
Financial income/(expense)	(7)	(10)	(12)				(1)		(5)				(8)	(10)	(17)
Profit/(loss) before tax	24	10	62	5	99	106	(4)	(2)	354	0	(0)	0	25	107	522
Tax income/(expenses)	0	(3)	(17)				1		(5)				1	(3)	(22)
Profit/(loss) for the period attributable to the owners of the parent	24	7	45	5	99	106	(3)	(1)	349	0	(0)	0	26	104	500

Wilh. Wilhelmsen

Notes - financial report

Joint ventures based on equity method

Note 11 - Related party transactions

Wilh. Wilhelmsen Holding ASA (WWH) delivers services to the WWASA group related to inter alia human resources, accounting services, tax, communication, treasury and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.
In addition, WWASA group has several transactions with associates. The contracts governing such transactions are based on commercial market terms and mainly relate to the chartering of vessels on short and long term charters.

Note 12 - Contingencies

Update on the anti-trust investigations

The ongoing investigations of WWL and EUKOR are confidential. The group is therefore not in a position to comment on the remaining investigations. The processes are expected to continue to take time, but further clarifications are expected during 2017.

Note 13 - Events occurring after the balance sheet date

New ownership structure for joint ventures

On 4 April, the merger between Wilh. Wilhelmsen ASA and Wallroll AB was registered as completed, with Wilh. Wilhelmsen ASA as the surviving company. From now on, the new name of Wilh. Wilhelmsen ASA shall be Wallenius Wilhelmsen Logistics ASA.

After completion of merger and following share transactions on 20 April, Wilh. Wilhelmsen Holding ASA and Wallenius Lines AB each owns 160,000,000 shares in the company, representing 37.8% of the share capital and the votes in the company.

For a full description of the transaction agreement, please refer to the Stock Exchange Notice from WWASA dated 22 December 2016.

No other material events occurred between the balance sheet date and the date when the accounts were presented providing new information about conditions prevailing on the balance sheet date.