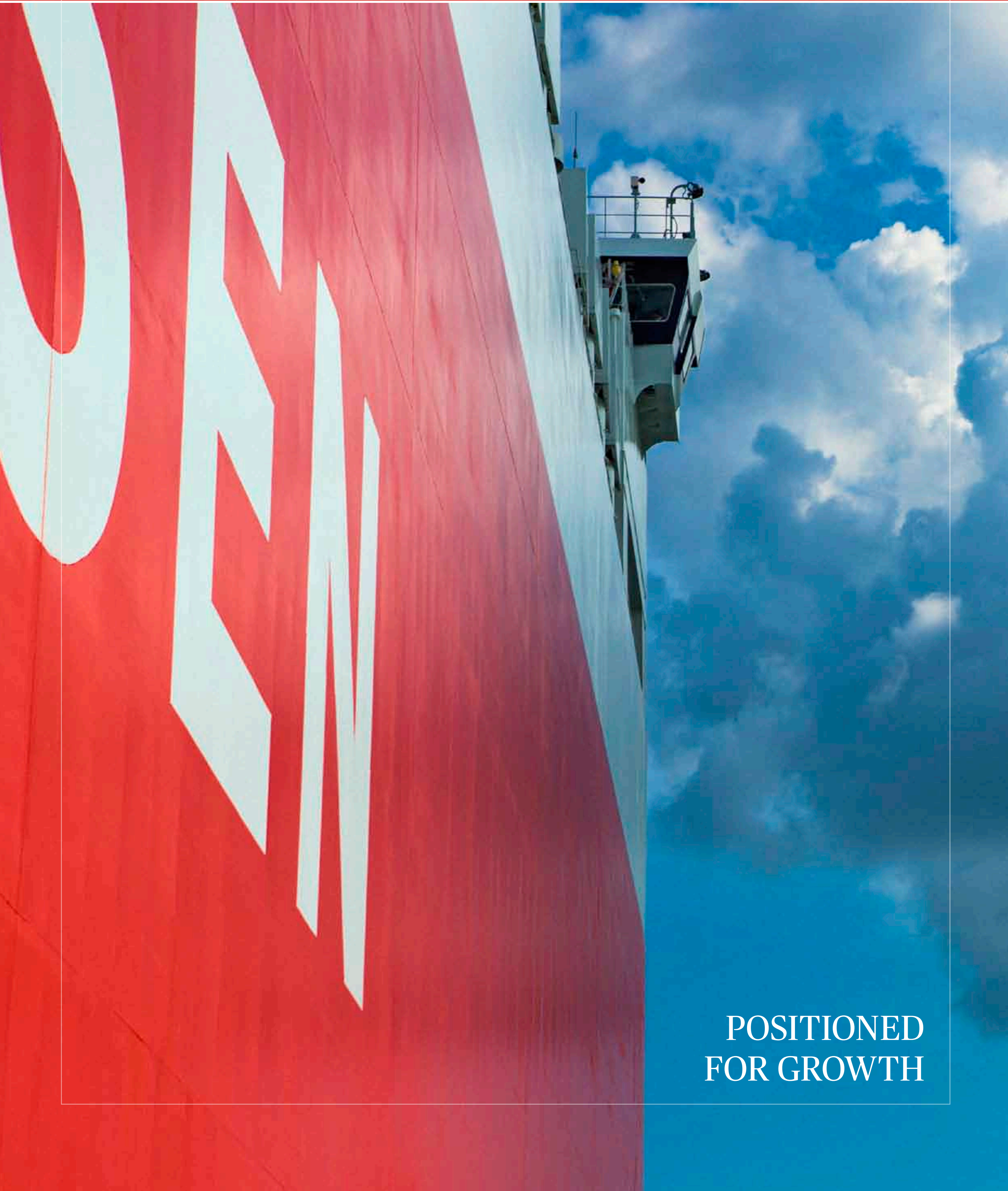
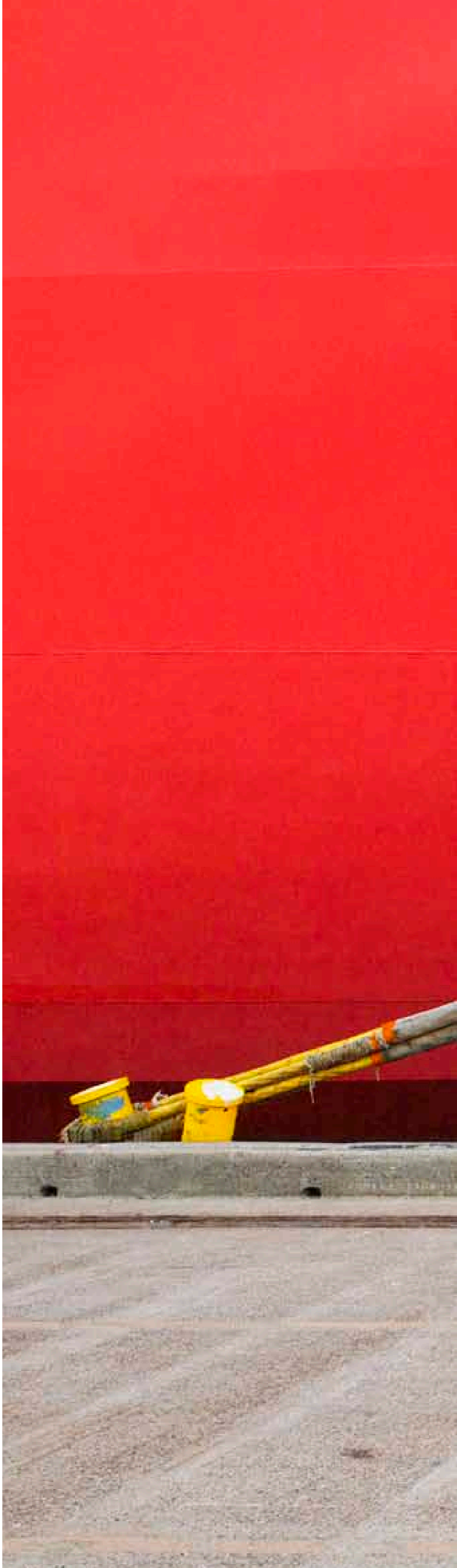
Wilh. Wilhelmsen ASA

ANNUAL REPORT 2012



POSITIONED
FOR GROWTH

Content



OUR VISION:

SHAPING THE MARITIME INDUSTRY

OUR PHILOSOPHY:

We believe that empowered employees in an innovative, learning organisation are our main competitive advantage in meeting the needs and wants of our customers.

OUR VALUES:

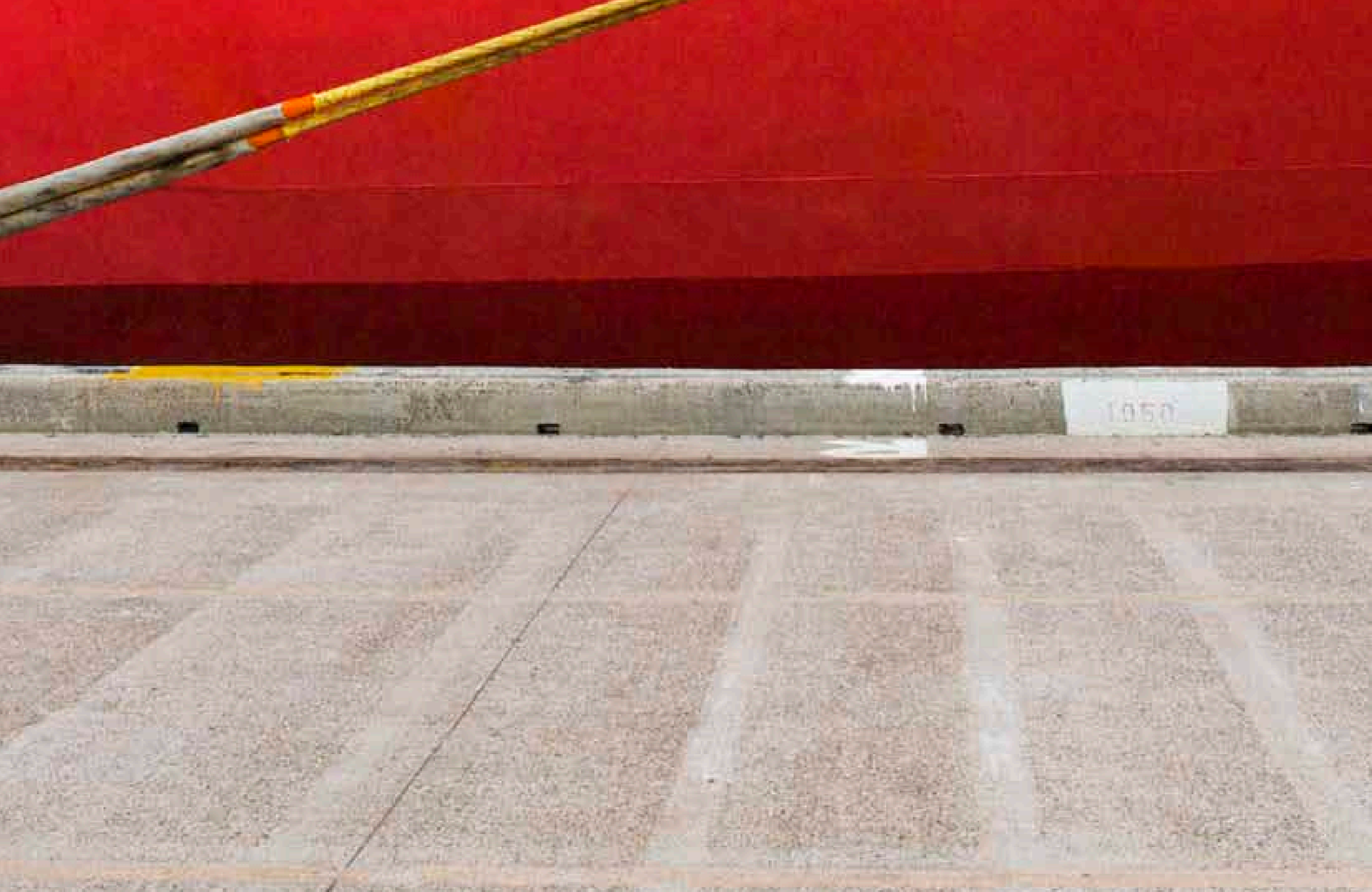
CUSTOMER CENTRED
We place our customers in the centre and focus on their needs. This drives us forward to develop services, products and solutions that benefit both the customers and us.

EMPOWERMENT
Involvement and recognition generate positive energy and increase ownership of our individual contributions. The freedom to act and take initiative within agreed frameworks motivates us to reach our full potential and do a better job.

LEARNING AND INNOVATION
The world around us changes constantly. As a learning organisation we continually seek to renew ourselves, to work smarter and improve everything we do. As a result, we are more able to recognise opportunities and develop new and innovative solutions.

STEWARDSHIP
We prioritise and manage our resources in a responsible way to continuously create value. We are concerned for the safety and well being of people, society and the environment.

TEAMING AND COLLABORATION
Our most important competitive advantage is our qualified and competent people worldwide, working together across different cultures toward common goals. Collaboration drives our creative energy and gives us better solutions.

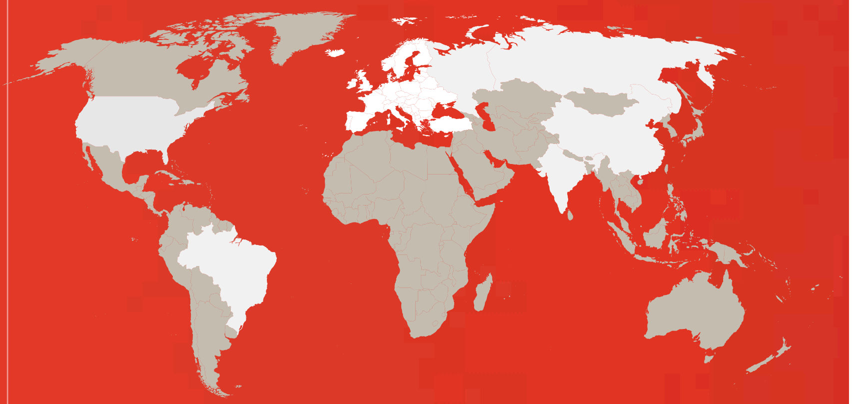


2013: Soft growth prospects

4%
growth in US car sales: 17.9 million units

7%
growth in BRIC car sales: 30.7 million units

4%
downturn in European car sales

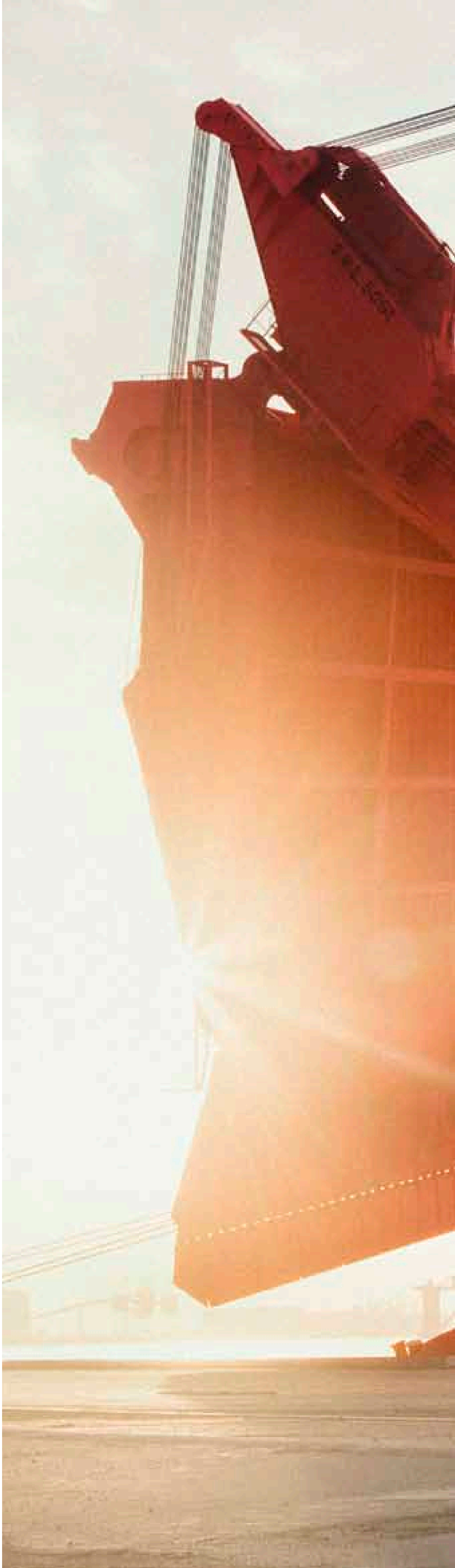


UNDERLYING GROWTH POTENTIAL

Following the financial crisis in 2009, WWASA's operating companies experienced a steady, positive development in volumes. The growth rate levelled off in the second half of 2012, mainly due to a drop in demand for high and heavy cargo transportation.

With a positive development in the global economy and continued population growth, there will be a long-term incentive for private and public driving demand for cars, agricultural, mining and construction equipment.

The underlying growth potential for transportation of cars and high and heavy equipment and a strong financial position give WWASA a solid foundation to gradually invest in fleet modernisation and integrated land based logistics services.




TØNSBERG
VALLETTA

Key figures

Consolidated accounts

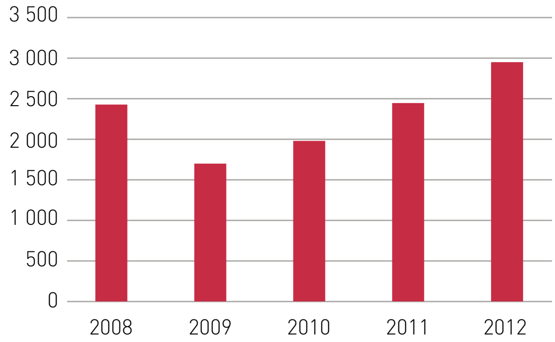
		2012	2011	2010	2009	2008
Income statement						
Total income*	USD mill	2 949	2 422	1 963	1 688	2 416
Primary operating profit*	USD mill	697	436	338	319	375
Operating profit*	USD mill	547	292	201	150	263
Profit/(loss) before tax*	USD mill	448	145	67	246	(52)
Net profit/(loss)*	USD mill	409	143	13	277	25
Balance sheet						
Non current assets	USD mill	2 900	2 610	2 154	2 070	1 933
Current assets	USD mill	511	438	622	512	288
Equity	USD mill	1 553	1 207	1 107	895	616
Interest-bearing debt	USD mill	1 534	1 483	1 320	1 398	1 145
Total assets	USD mill	3 410	3 048	2 776	2 583	2 222
Key financial figures						
Cash flow from operations [1]	USD mill	270	164	105	127	144
Liquid funds at 31 December [2]	USD mill	474	402	582	476	251
Liquidity ratio [3]		3.2	1.4	2.2	3.3	1.1
Equity ratio [4]	%	46%	40%	40%	35%	28%
Yield						
Return on capital employed [5]	%	17.6%	9.9%	7.5%	7.4%	9.3%
Return on equity [6]	%	29.7%	12.4%	1.3%	36.7%	3.9%
Key figures per share						
Earnings per share [7]	USD	1.86	0.65	0.06	1.26	0.12
Diluted earnings per share [8]	USD	1.86	0.65	0.06	1.26	0.12
Primary operating profit per share [9]*	USD	3.17	1.98	1.53	1.45	1.70
Average number of shares outstanding	(thousand)	220 000	220 000	220 000	220 000	220 000

Definitions:

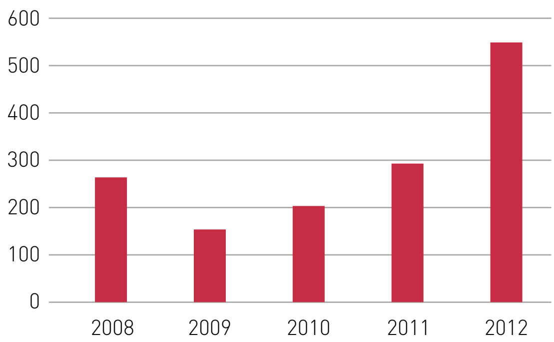
(1) Net cash flow from operating activites.
(2) Cash, bank deposits and short term financial investments.
(3) Current assets divided by current liabilities.
(4) Equity in per cent of total assets.
(5) Operating profit (EBIT) divided by average equity and interest-bearing debt.
(6) Profit after taxes divided by average equity.
(7) Profit for the period divided by average number of shares.
(8) Earnings per share taking into consideration the number of potential outstanding shares in the period.
(9) Operating profit for the period adjusted for depreciation and impairments of assets, divided by average number of shares outstanding.

* Figures according to the proportional method, which reflect WWASA group's underlying operations in more detail than the accounts based on the equity method. The IFRS accounting principles are applied in both proportionate and equity accounts, but the former utilises a different method for consolidating the group's most important joint ventures, reflecting WWASA's partnerbased ownership structure.

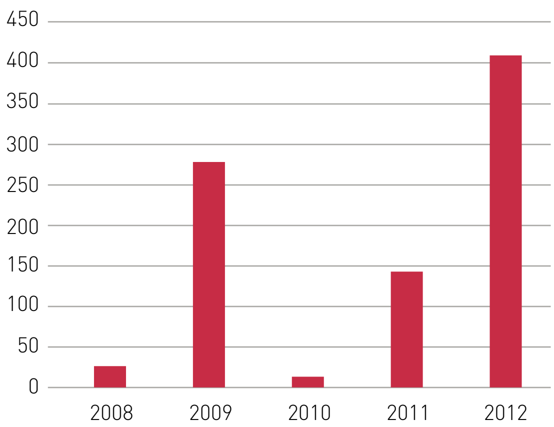
Total income* (USD mill)



Operating profit* (USD mill)



Net profit* (USD mill)



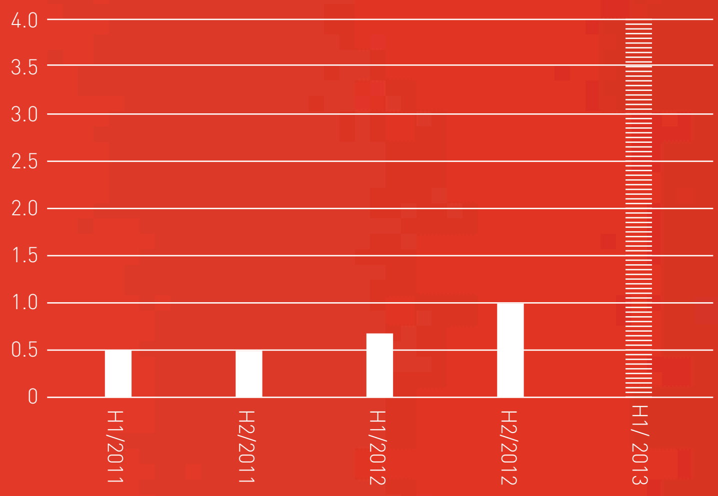
Directors' report

42%
growth in operating profit*

16%
growth in total income*

74%
return on dividend. NOK 1.65 paid per share.

Dividend



SOUND RESULTS

2012 was a challenging year for world shipping. The global economy was affected by fiscal issues in Europe and the US that impacted cargo flows. The emerging markets continued to grow but at a slower rate.

The car carrying market was to some extent an exception. WWASA's operating companies had strong volumes in the first half, with historic high shipped volumes in the second quarter. Although volume growth softened and high and heavy volumes fell substantially in the latter part of the year, WWASA delivered the best results in the company's' history.

Operating profit, adjusted for non-recurring items, improved by 16% and ended at USD 409 million based on a total income of USD 2 811 million – a 42% increase over 2011.*

*Adjust for non-recurring items

Directors' report

FOR THE WILH. WILHELMSEN ASA GROUP

Highlights for 2012

Total volumes up 7%

Historically high income and profit.

High and heavy volume growth decreased in second half negatively affecting cargo mix and earnings

Delivery of six vessels to group companies, of which three for WWASA's own account
- Tysla
- Tulane
- Tongala

Modernisation of the fleet improved profitability and operating margin

Strong contribution from logistics activities based on increase in volumes handled

Sales gain of USD 134 million from share reduction in Hyundai Glovis

NOK 1.65 per share paid in dividend, totalling USD 63.5 million

The first half of 2012 was characterised by strong volume growth, positive cargo mix and historically high operating profit and total income.

However, during the second half the volume growth was reversed, particularly for the high and heavy segment, leading to less favourable cargo mix. Combined with weak performance from US flag operations, this negatively impacted the company's profitability towards the end of the year.

The group's logistics activities had a positive contribution to the group's performance throughout the year, adjusted for seasonal variations.

ANNUAL GROUP ACCOUNTS - EQUITY FIGURES

Following increase in total volumes transported, sound cargo mix in the first half of the year and a more efficient fleet, the WWASA group posted an operating profit of USD 508 million for 2012, compared with USD 254 million the year before. (Figures for the corresponding period of 2011 will hereafter be shown in brackets). Total income amounted to USD 759 million (USD 491 million). Both total income and operating profit were positively affected by non-recurring items amounting to USD 139 million (USD 4 million), of which USD 134 million was related to a sales gain following the group's share reduction in Hyundai Glovis in the third quarter. Adjusted for the one-off items, operating profit and total income totalled USD 369 million (USD 250 million) and USD 620 million (USD 487 million) respectively.

Financial expense amounted to USD 82 million (USD 125 million). Net interest expenses amounted to USD 98 million (USD 87 million), of which USD 47 million was related to a realised loss on the interest hedging portfolio caused by a relatively high portion of total debt hedged to fixed rates. An increase in the long term USD interest rates lead to an unrealised gain of USD 9 million (loss of USD 45 million) on interest rate derivatives. There was no effect from currency items in 2012 (gain of USD 2.4 million).

Group profit before tax amounted to USD 426 million (USD 129 million). With a tax expense of USD 17 million (income of USD 14 million), the net profit ended at USD 409 million (USD 143 million).

The group employed 45 people in wholly-owned companies (WWASA parent company, Wilhelmsen Lines Car Carriers UK and Wilhelmsen Lines Malta), and about 8 500 people when joint ventures are included (WWL, EUKOR, ASL group and Hyundai Glovis). The group's head office is located in Norway. WWASA has two foreign offices within its wholly-owned structure, increasing to 100 offices in 45 countries when joint ventures are included.

Strategy

WWASA aims at creating value by offering global car/ro-ro customers high quality sea transportation and integrated logistics solutions from factory to dealer. Through its operating companies, WWASA will manifest its position as the world leading operator within this niche and continue to expand its services in emerging markets.

WWASA seeks an optimal fleet utilisation through its operating companies. The companies operate a mix of car carriers and ro-ro vessels, which together constitute a flexible and modern fleet of chartered and owned tonnage. These capabilities will be combined with a truly global infrastructure and local expertise in a seamless logistics network tailored to suit customers' needs and changing export/import flows.

WWASA will play an active part in the continued globalisation of the market through securing affordable tonnage and strategically important logistics infrastructure to further strengthen its position in the market.

WWASA aims at conducting its business with limited adverse impact on the environment through striving to find and implement sustainable solutions to environmental challenges. The company will also aim at shaping the industry by setting high operational standards through focus on corporate governance and social responsibility.

GOING CONCERN ASSUMPTION

Pursuant to section 4, sub-section 5, confer section 3, sub-section 3a of the Norwegian Accounting Act, it is hereby confirmed that the annual accounts have been prepared under the assumption that the enterprise is a going concern and that the conditions are present.

CAPITAL AND FINANCE

Debt and equity

WWASA's gross interest bearing debt was USD 1 534 million at the end of 2012 (USD 1 483 million).

Outstanding bonds totalled USD 352 million (USD 384 million), with the remaining consisting of bank loans, export credit facilities and leasing commitments.

As of 31.12.2012, the group's total equity amounted to USD 1 553 million, corresponding to 46% of the total capital.

Interest rates and foreign exchange

USD interest rates decreased during 2012, and the shorter term interest rates decreased more than the long term interest rates. Three months USD Libor moved from 0.60% to 0.30%.

Net interest expenses for the group amounted USD 98 million (USD 87 million), mainly related to higher average interest bearing debt and a realized loss on interest rate hedges.

WWASA seeks to hedge between 30-70% of its net interest rate exposure, predominantly through interest rate swaps and options. The group has a pro-active approach to interest rate risk management and endeavors to take advantage of changing market conditions. The notional value of the interest rate derivatives corresponded to approximately 62% (75%) of the interest rate exposure at the end of 2012. The majority of the hedging contracts were entered into in 2007 and 2008, some with a forward start.

The group's major currency exposure is in NOK as the accounts are denominated in USD. There was no effect from currency items in 2012 (gain of USD 2.4 million).

WWASA's policy is to hedge between 25-75% of the group's net transaction exposure. The projected four year rolling USD/NOK exposure is hedged using a portfolio of currency options. The average hedge ratio at the end of 2012 was approximately 37% (40%).

The group's hedge ratio increases when the NOK appreciates and vice versa. The main strike levels on purchased put options at the end of 2012 were in the area of USD/NOK 5.50-5.80 (USD/NOK 5.50-5.80). WWASA is actively managing a portfolio of short call options to finance the put options.

The market value of WWASA's foreign exchange derivatives portfolio was positive USD 19 million (negative USD 2.0 million) at the end of 2012.

Bunkers

Rotterdam FOB 380 decreased from USD 630 per tonne to USD 585 per tonne during 2012

Through the operating companies, WWASA has an ambition to secure bunker adjustment clauses (BAF) in all freight contracts.

The WWASA group had secured 75% of the group's expected share of bunker exposure in 2012 through derivatives and bunker compensation clauses in the freight contracts.

The majority of the roughly 1 950 000 tonnes (1 900 000 tonnes) of bunkers consumed in 2012 by the ship operating companies in the group were secured through BAF-clauses. WWASA's share amounted to 875 000 tonnes (850 000 tonnes). In addition, the group may secure part of its additional bunker exposure through various hedge contracts.

As of 31 December 2012, the WWASA group had put on a structure of financial derivatives to partly reduce the floor of when the BAF-clauses enter into effect.

The market value of the hedge contracts, including hedge contracts in joint ventures, was USD 3.5 million (USD 5.4 million) at year end.

Liquidity

The WWASA group's net cash flow in 2012 from operating, investing and financing activities amounted to USD 52 million (negative USD 232 million).

Cash flow from operating activities increased to USD 270 million (USD 164 million) primarily due to improved operating results.

Cash flow from investing activities amounted to negative USD 54 million (negative USD 441 million), driven by instalments paid according to newbuilding contracts, partly offset by sales proceed from a partial sale of the group's shareholding in Hyundai Glovis.

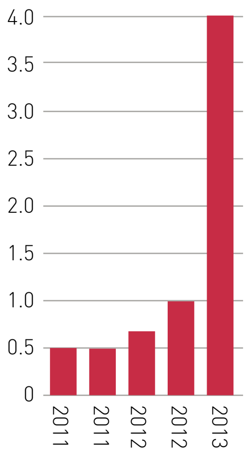
Cash flow from financing activities amounted to negative USD 164 million (positive USD 45 million) driven by payment of interest expenses and planned instalments on the running debt, partly offset by issuance of debt related to vessel deliveries.

Cash and bank deposits increased to USD 344 million (USD 292 million). Total liquid assets, including cash and bank deposits and current financial investments were USD 474 million (USD 399 million) at the end of 2012. Undrawn committed drawing rights totalled USD 50 million (USD 100 million).

WWASA carried out active financial asset management on a portion of the group's liquidity. The value of the total portfolio amounted to USD 130 million at year end (USD 110 million), with investment primarily in investment grade bonds. The return on the portfolio was 7.23% in 2012.

Dividend

NOK



"WWASA paid semi annual dividend in 2012, totalling NOK 1.65 per share."

Dividend

WWASA paid a semi annual dividend to shareholders in 2012 totalling NOK 1.65 per share, equivalent to USD 63.5 million.

WWASA's intends to provide shareholders with a competitive return over time through a combination of rising value for the company's shares and payment of dividends semi-annually to shareholders. Subject to the financial performance, the future market outlook and capital expenditure programmes, accumulated earnings and capital gains will either be reinvested or distributed as dividend depending on what is expected to give best return for the shareholders.

The WWASA board proposes to pay a dividend of NOK 4.00 per share in the second quarter of 2013, reflecting a strong financial performance and significant capital gain in 2012. The decision is subject to approval by the annual general meeting to be held 25 April 2013. The total return on the company's share was 74% in 2012 including dividend payment, compared with a 20.2% increase in the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics).

ALLOCATION OF PROFIT

The board's proposal for allocating the net profit for 2012 is:

Parent company accounts (USD million)	
Net profit	179
Dividend	(158)
Other equity	(21)
Total allocations	(179)

Distributable equity in the parent company was USD 420 million at 31 December 2012.

MARKET UPDATE

Light vehicles sales

Light vehicle car sales in key markets (North America, Europe, Oceania and the BRIC countries) rose 4% from 2011 to 2012, totaling 61 million cars sold during the year.

A positive development in demand for cars in North America led to an increase in sales of 12%, with Japanese and German brands as the main contributors.

The Chinese market showed an overall growth of 7% with the demand for passenger cars improving more than light commercial vehicles.

Sales in West Europe declined 8% during the year, with domestic South European auto manufacturers losing market share.

Auto sales in Oceania grew 10% in 2012.

Light vehicles exports

Japan exports about 4 million cars annually, while Korean car export totals 3 million cars.
Chinese export reached approximately one million cars in 2012. Combined with export from Thailand and India, the three countries' export volumes were almost on par with the Korean export level.

Inventory levels

Light vehicle inventory levels in the US increased slightly in 2012, averaging right below 3 million units. Days of supply were slightly above 50 days, reflecting the improved sales rates.

After stock rebuilding following the tsunami and earthquake in 2011, manufacturers in Japan were back to pre-tsunami levels in 2012.

Korean stock levels have on average been stable throughout the year, but with seasonal variations following labour strikes in the third quarter of 2012.

High and heavy demand

The value of global construction projects increased by 2% in 2012 compared with the previous year. The number of projects was relatively high in Asia and North America, while the activity in Europe showed a decline. Despite a slight increase in Asia, the markets for construction equipment in China and India decreased year over year from high levels in 2011. The industry was by the turn of the year facing high inventory levels and fierce competition among the equipment manufacturers in China. Stronger demand for construction equipment in North America was supported by clear signs of improvements in the housing sector. Latin American governments have promoted investments in transport and energy infrastructure with positive effect on demand for construction equipment. However, stricter monetary policy in among others Brazil took a toll on machinery sales.

Despite lower commodity prices at the end of 2012, mining activities were strong during the year with increased capital expenditores levels compared with 2011. The price of iron ore fell to a three year low during the fall of 2012 as the growth in China slowed, but rebounded at the end of the year to high levels. The changed climate caused many mining companies to postpone new project approvals and focus on cost discipline.

High world food prices drove demand for agricultural equipment. Insurance payments for farmers hit by the drought in the US improved their purchasing power and the average crop price paid to US farms increased by 15% year over year. This drove the sales of agriculture equipment in North America, with retail sales of tractors rising with 10%. The sovereign debt and fiscal issues in Southern Europe have to a limited degree affected demand for equipment in Europe, while demand in South America softened somewhat due to drought in Argentina and Southern Brazil. Chinese sales were healthy, backed by governmental support of agricultural mechanization.

Tonnage

The world car carrying fleet increased to 739 vessels (3.8 million CEUs) at the end of 2012, up from 710 (3.6 million CEUs) in 2011. The average vessel age was approximately ten years.

The market took an active turn during the year and several second hand sales and chartering deals were concluded. A total of 27 new vessels were ordered throughout the year, up from four in 2011. Five vessels were recycled in 2012 compared with 18 the previous year. The global orderbook amounted to 42 vessels (276 000 CEUs) by the turn of the year, representing 7% of the total fleet measured in CEUs.

WWASA'S TONNAGE POSITION

A flexible fleet, with a combination of owned tonnage, chartered vessels as well as spot and space charters for less than 12 months, is essential to be able to adjust capacity to cargo availability.

In addition to short-term charters, the group companies in WWASA controlled 142 vessels (133 vessels) by the end of December 2012, equivalent to 874 000 CEUs (801 000 CEUs). The total fleet represented a 23% share of the global car carrying market. Thirty-five of the vessels were owned or controlled by WWASA.

The group companies took delivery of six new vessels in 2012 (ten vessels), of which three were on WWASA's account. During the year, four vessels (nine vessels) were redelivered to external owners, while no vessels were recycled (no vessels). The group has the flexibility to redeliver seven charter vessels to external owners during 2013 (five vessels).

The group companies' remaining newbuilding programme totalled ten vessels at the end of 2012 to be delivered in 2013 and 2014. None of the vessels are for WWASA's account. Five of the vessels were on EUKOR's account. In addition, EUKOR will receive three newbuildings financed through long term charters from external owners.

An updated overview of the group companies' fleet and newbuilding programme can be found on wilhelmsenasa.com.

ANNUAL GROUP ACCOUNTS – PROPORTIONATE FIGURES [1]

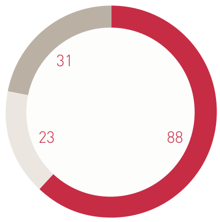
WWASA's results in 2012 improved substantially compared with 2011. Adjusted for USD 139 million in non-reccuring items, the operating profit improved by 42% and the total income with 16%. The first half of the year was considerably stronger than the second half, marked by a decreased volume growth, particularly for the high and heavy segment, and a less profitable cargo mix negatively impacting the group's earnings.

The operating profit for 2012 totalled USD 547 million (USD 292 million) based on a total income of USD 2 949 million (USD 2 422 million). The total income and operating profit were both positively affected by non-recurring items amounting to USD 139 million (USD 4 million), of which USD 134 million was related to a net sales gain following the group's share reduction in Hyundai Glovis, recorded in the third quarter. Adjusted for one-offs, the group's operating profit ended at USD 409 million and the total income at USD 2 811 million.

Financial expense amounted to USD 100 million (USD 147 million). The investment bond portfolio contributed with a good return of 7.23%. Interest

No. of vessels

- Owned/controlled
- ST Charter (1-5 yrs)
- LT Charter ≥5 yrs



Of 142 vessels in the operating companies at year end, 35 were owned/controlled by WWASA.

[1] Figures based on the proportionate method provide more detailed information of the WWASA group's underlying operations than the financial statement based on the equity method, as it reflects WWASA's share of these partnerships.

expenses amounted to USD 121 million (USD 117 million) of which USD 52 million was related to realised losses on the interest hedging portfolio as WWASA has a relatively high portion of the total debt hedged to fixed rate. An increase in the long term USD interest rates lead to an unrealised gain of USD 11 million (loss of USD 42 million). In 2012, the group had no effect from currency items (gain of USD 2 million).

Three main operating companies

Wallenius Wilhelmsen Logistics (WWL - owned 50%)

EUKOR Car Carriers (EUKOR - owned 40%)

American Roll-on Roll-off Carrier (ARC - owned 50%)

The logistics activities are carried out through:

Wallenius Wilhelmsen Logistics (owned 50%)

American Auto Logistics, American Logistics Network and Transcar (owned 50%)

Hyundai Glovis (owned 12.5%)

The operating entities' bunker exposure is mainly covered through bunker adjustment factors (BAF) in the ocean contracts. In addition the companies have entered into bunker hedging contracts which created an unrealised loss of USD 2 million (gain of USD 3 million). A realised gain on the bunker hedging contracts of USD 12 million (USD 10 million) was recorded as a reduction in operating expenses in 2012.

Group profit before tax and minority interests ended at USD 448 million (USD 145 million). The tax expense for 2012 amounted to USD 37 million (USD 1 million), negatively driven by currency translation effects due to a depreciating USD on recalculation of the balance sheet from the functional currency USD to NOK for tax purposes at year end. Most of the tax expense is a deferred not payable tax, and will be affected by fluctuations in the future USD/NOK rate. The group's net profit after tax and minority interest for 2012 came to USD 409 million (USD 143 million).

THE SHIPPING SEGMENT

With 23% of the global car carrier and ro-ro fleet measured in CEU, WWASA is – through its operating companies - the leading global operator in the car- and ro-ro cargo segment.

With a 7% increase in total volumes transported and strong growth particularly for the high and heavy segment in the first half, operating profit rose 45% to USD 328 million (USD 226 million) in 2012. Total income increased by 16% and ended at USD 2 344 million (USD 2 028 million). A positive cargo and trade mix, particularly the first six months of the year, combined with a more efficient fleet, also contributed to improved profitability.

WWL reported a total volume increase of 6% in 2012. Car volumes developed positively throughout the year, while high and heavy volumes grew substantially first half before dropping in the latter part of the year. With cargo and trade mix being important for the company's profitability, the second half was negatively affected by reduced demand for high and heavy cargo. The effect was to some degree offset by several new and more efficient vessels entering the fleet, lifting operating margin.

WWL controlled a total fleet of 61 vessels (55 vessels) at the end of December, with a total capacity of 401 000 CEUs (358 000 CEUs).

EUKOR recorded a 7% volume growth year on year. All main trades saw a positive development, particularly in the first half, with strong export from Europe to Asia. The company implemented several efficiency measures and operated the fleet in an efficient way, increasing operating profit.

EUKOR operated a total of 75 vessels (71 vessels) by the end of December, with a total of 438 000 CEUs (403 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC's profitability saw a negative development throughout the year based on reduced volumes and low fleet utilisation, particularly in the Middle East trade.

ARC operated a total of six vessels (seven vessels) by the end of December, with a total capacity of 35 000 CEUs (40 000 CEUs).

The shipping activities in **Hyundai Glovis** contributed with USD 11.6 million (USD 7.9 million) to WWASA's accounts for 2012.[2]

Anti-trust investigation

WWL and EUKOR are subject to investigations by competition authorities in several jurisdictions related to suspected antitrust infringements in the car carrier industry. The companies are cooperating with relevant government agencies. Other than the cost of process management which is accounted for on an ongoing basis, no other accruals or reserves have been charged to the 2012 accounts in this context.

THE LOGISTICS SEGMENT

The ambition is to offer customers a global door-to-door service, which provides land-based logistics services supporting ocean transport. In addition to differentiating revenue streams, logistics services complement ocean transport services and strengthen customer relationships.

Volumes handled by the logistics entities are closely correlated with the development in volumes transported deep sea. Higher activity in all the group's logistics entities lifted operating profit and total income in 2012 to USD 229 million (USD 79 million) and USD 628 million (USD 417 million) respectively. The total income and operating profit were positively impacted by a non-recurring item amounting to USD 139 million, of which USD 134 million was related to a net sales gain following the group's share reduction in Hyundai Glovis. Adjusted for non-recurring items, the group's operating profit and total

[2] The contribution from Hyundai Glovis is consolidated in WWASA group's accounts one quarter in arrears.

income from logistics activities amounted to USD 91 million (USD 79 million) and USD 490 million (USD 417 million) respectively.

WWL's terminal services, including storage and cargo handling, reported a positive development in operating profit and total income following an increase in handled volumes. In 2012, 2.0 million units (1.7 million) were handled at WWL's terminals worldwide.

WWL's technical services delivered improved revenue and earnings as serviced units improved by 1.2 million units, to 5.7 million units being handled at some 40 technical services facilities around the world.

WWL's inland distribution services are mainly procured from third parties, with a significant proportion of revenues and costs incurred on a pass-through basis. Total income and operating profit improved due to a positive growth in volumes, which totalled 2.3 million units in 2012.

American Auto Logistics, American Logistics Network and Transcar handle door-to-door logistics services, including storage of private vehicles and other property, for American military personnel and government employees stationed abroad. Volume increase and efficient operations resulted in sound earnings.

The logistics activities in **Hyundai Glovis** contributed with net income of USD 46.6 million (USD 39.3 million) for 2012.

NON-FINANCIAL REPORTING

Sound governance is believed to lay the foundation for the company's profitable growth, contributes to a healthy company culture and creates value over time for shareholders and other stakeholders.

Corporate governance

WWASA's corporate governance platform was developed to improve business performance, and covers tools and methods used to achieve the right results in the right way. The elements include the company's vision, its values, leadership expectations, code of conduct as well as eight company principles. A summary of the governing elements can be found on wilhelmsenasa.com.

The board pays constant attention to ethics and business morals in all operations worldwide. Corruption and unethical behaviour are not acceptable and may have consequences for employment. Anti-corruption had particular attention in 2012, and will continue to be high on the company's agenda in 2013. All employees in WWASA conducted governance training during 2012. The company assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting.

WWASA observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies Act and the Norwegian Accounting Act. The board's corporate governance report can be found on pages 74-81 and on wilhelmsenasa.com.

"WWASA observes the Norwegian Code of Practice for corporate governance."

Social responsibility

WWASA has a social responsibility guideline, including human rights, labour standards and a commitment to promote greater environmental responsibility. A summary of the guideline can be reviewed at wilhelmsenasa.com.

One of WWASA's operating companies, WWL, also reports on its commitment to the ten principles of the UN Global Compact and issues an environmental sustainability report. For their online reports, please refer to www.2wglobal.com

Working environment and occupational health

By living the company values (empowerment, stewardship, customer centred, teaming and collaboration, learning and innovation), WWASA focuses on developing a good and inspiring **working environment** at sea and on land.

Average **sickness absence** among land based employees was 2.8% in 2012 (1.6%). No work related injuries were reported during the year. WWASA has implemented a variety of initiatives to reduce the company's sickness absence, including adapted working hours, serving of healthy food, employee empowerment and engagement and possibilities for personal development initiative.

Wilhelmsen Ship Management and Wilhelmsen Lines Car Carriers, which manage WWASA owned vessels, conducted a number of safety campaigns aimed at creating safer and healthier working conditions on board during the year. This resulted in an average lost-time injury frequency among crew members at 0.39 in 2012 (0.75), below the ambition set not to exceed 1.[3]

WWASA's has a **working environment committee**, which conducted four meetings in 2012. The meetings were attended by the company medical officer and a representative from the human resources department, who have the right to speak but not to vote. The results of the initiatives are used to improve working environment and performance to punitively impact the company's profitability.

[3] Occupational injuries on ships are recorded in accordance with the international standard for the maritime industry. An injury which results in an individual being unable to return to work for a scheduled work shift on the day following the injury is registered as an incident. These incidents are measured per million hours of exposure, which is 24 hours per day while serving aboard.

Performance appraisals, 360-degree performance assessments and engagement surveys are also measures conducted regularly in order to identify factors which influence the performance of the employees.

WWASA practises a system of **performance-related bonuses**, intended to be one of several instruments focusing attention on the group's strategy, in which long-term strategy, motivation and profitability are key elements. The bonus will be paid if set bonus targets are reached. For management related bonus schemes, please refer to notes 4 and 2 in the group and parent accounts respectively, pages 35 and 60.

Non-discrimination measures

WWASA has a clear policy for **equal opportunities** for women and men. Discrimination based on race, gender or similar grounds is not acceptable. However, male and female representation in the industry's recruitment base is unequal.

Women accounted for 22% (22%) of the 32 (33) employees in WWASA employed in Norway at 31 December 2012. In addition come 10 (nine) employees in wholly-owned Wilhelmsen Lines Car Carriers in the UK and three (three) employees in Wilhelmsen Malta.

WWL had 85 (81) employees in Norway, of whom 40% (42%) were women. Worldwide, WWL employed 3 373 (3 130) of which 29% (28%) were women at the turn of the year.

EUKOR employed 201 (193) by year end of which 24% (24%) were women. The majority were located in Korea.

The US based shipping and logistics activities bundled in ASL totalled 210 (204) employees at 31 December 2012. The majority of employees were based in the US and Germany.

Two of the five directors on the board of WWASA are female, and 50% of the company's senior management.

Competence development

Learning and innovation is one of the company's core values, and WWASA pays particular attention to competence and knowledge development. A learning organisation with motivated employees is believed to contribute to efficient operations and to have positive impact on the group's revenue and earnings.

Competence development, knowledge sharing, training and organisational development are pursued actively through engagement in maritime and other business networks and organisations, internally developed business-related programmes and leadership development programmes.

Several internal programmes are also offered to the operating companies to secure networking, alignment and common perception of the group's challenges and opportunities.

Internal control and risk management

Risk is defined by and managed according to the group's business portfolio and operations. A conscious strategy and controllable procedures for risk mitigation will over time impact profitability in a positive way. The group has a thorough enterprise risk management model and maps all main risks on a regular basis. Twice a year, the group presents an overview of the most important risk factors given the organizational structure and business profile to the market.

The responsibility of governing bodies, management and all employees are to be aware of the current environment in which they operate, implement measures to mitigate risks, prepare to act upon unusual observations, threats or incidents and proactively try to reduce potential negative consequences.

The natural environment

The board acknowledges the environmental challenges faced by the maritime industry, and that only sustainable solutions are acceptable. The company strives to deliver services to customers and stakeholders with minimal adverse effect to the environment.

As a major participant in the transportation industry, WWASA actively works to reduce the use of energy and decrease the environmental impact of its activities with particular focus on high impact initiatives, like reduced bunker consumption and thereby reduced emissions. Continuous improvement and prevention of pollution are inherent parts of the company's activities.

WWASA is committed to complying with national and international environmental legislation and regulations, but also to self-imposed standards and requirements. The company works actively to influence the development of these legislations, aiming at fair, predictable and practicable rules and regulations for a sustainable shipping industry.

The company implements its environmental policy by setting objectives and goals for the operating companies, technical managers and other stakeholders.

In 2012, WWASA's main accomplishments included:

- Implementation of individual ship energy efficiency management plans (SEEMP) on board all owned and controlled vessels
- Development of environmental training programme for both existing and new seafarers
- Evaluation and implementation of new and existing technology to reduce fuel consumption and to prepare for future environmental regulations
- Preparation for an exhaust gas cleaning system (scrubber) to be fitted on board one vessel March 2013
- Implantation of a custom made vessel reporting system for follow-up of fleet and vessels performance

In 2013, WWASA will continue to seek excellence in optimising vessel performance and operations by:

- Utilising the individual ship energy efficiency management plans (SEEMP) as a tool to reduce energy consumption onboard all vessels
- Further educating seafarers and office personnel by the use of developed energy efficiency training courses
- Further improving accuracy of vessel energy performance follow-up by installation of improved sensors and performance monitoring models
- Installing an exhaust gas scrubber system with the aim to significantly reduce emissions of SOx, NOx and particle matters, and to prepare for future regulations
- Supporting development of the new joint venture company Shippersys to be able to provide energy efficient solutions for the company's vessels
- Continuing to work on a new energy efficient design for the next generation of vessels
- Supporting and working with academia, innovation and related research and development initiatives targeted at further developing the shipping industry's energy and environmental advantages.

An environmental account for 2012 and update on specific issues are available at pages 82-95 and on wilhelmsenasa.com.

TAX

Estimated 2012 tax payable for the WWASA group was USD 5 million, of which USD 4 million is withholding tax on dividends and USD 1 million is payable taxes for the previous year. Currency transition for Norwegian tax purpose from USD to NOK has a material effect on change in deferred tax totalling USD 19 million.

WWASA's subsidiary Wilhelmsen Lines Shipowning (WLS) has commenced legal proceedings before Oslo City Court on basis of the tax appeal board's decision to turn down the application for tonnage tax. Basis for the proceedings is that the transition rule valid for companies that exited the old Norwegian tonnage tax regime (abolished in 2007) into ordinary taxation is in breach with The Constitution of Norway article 97. Until the company is faced the final outcome of the litigation process, the issue will have no impact on the income statement or balance sheet for the group.

For further information, please see note 6, page 37.

MAIN RISK FACTORS

Risk evaluation is integrated in all business operations both at group and operational level. WWASA has sound internal control and systems for handling commercial, financial and operational risks.

The group is through its global operation within ocean transportation and logistics services to the car and ro-ro industry exposed to certain market, operational and financial risks. For a thorough explanation of the financial risk factors, please refer to note 13 in the group accounts, pages 45-51.

Political unrest in parts of the world, environmental disasters and changing legislation and/or regulatory requirements could have an impact for individual group companies, although the long term impact on the group's activities and financial performance would most likely be limited.

Uncertainties related to the development of the world economy

2012 has been characterised by continued uncertainties related to the financial markets and the development of the world economy. Lower growth rates have been recorded, particularly in the BRIC-countries and the GDP growth rates have been adjusted downwards. Economic uncertainty in parts of the world can postpone private consumption and corporate investment decisions and thereby reduce the expected volume growth in the car and high and heavy markets. Demand for WWASA's shipping and logistics services offerings are highly cyclical and closely correlated with the global economic activity and deep sea transportation of cars and high and heavy cargo in particular.

Continued improvement in the global economy is highly decisive for the development of WWASA's earnings. A balanced improvement of the different cargo classes is also important. WWASA continues to focus on efficiency measures and group synergies to utilise its resources in an optimum way.

Change in production patterns and tonnage overcapacity

The geographical pattern of production and sales of cars and ro-ro cargo may change going forward as a consequence of i.a. restructuring in the industries, growing protectionism and currency concerns. A potential shift in the balance between locally produced and exported cargo may impact the overall demand for ocean transportation, resulting in lower and less efficient utilisation of WWASA's ship operating fleet. The global newbuilding order book for car and ro-ro vessels could put further pressure on the demand/supply balance.

An equal shift in customers' market position can also represent opportunities and risks for WWASA's operating companies. The group's broad client exposure mitigates the risk element.

In addition to being favourably positioned by having a broad base of customers and a comprehensive global coverage, WWASA's operating entities have a solid position in emerging markets where growth is expected to be strong. The companies constantly work on developing new markets and seeking new opportunities in an ever changing environment. The broad service coverage puts the companies in a strong position as a preferred partner, in addition to the new markets where the companies see growth opportunities.

Bunker prices increase

WWASA's operating companies are well covered against increases in bunker prices through bunker adjustment factors in freight contracts and bunker hedging contracts. Higher bunker prices will however put some pressure on the operating margin, particularly in a period with a price increase, as there is a lagging effect in the bunker compensation mechanism.

Loan covenants

WWASA has financial covenants related to its bank loans. Changes in vessel values and uncertainty on earnings outlook necessitate focus on the covenants. WWASA complied with all covenant requirements at the turn of the year.

Liquidity

The company has a sound cash position with healthy cash flow from operating entities.

PROSPECTS

The strong growth recorded in transported cargo volumes the first half of 2012 was reversed in the second half of the year, particularly in the high and heavy segment.

The global growth picture continues to be influenced by fiscal issues in both Europe and the US impacting cargo flows. The growth in emerging markets continues, but at a lower rate.

The board expects reduced cargo volumes and a less profitable cargo and trade mix for the operating companies for the first half of 2013.

Long term the positive underlying growth potential for both cargo segments combined with a sound financial position, gives WWASA a solid platform to gradually invest in fleet modernisation and integrated, land-based logistics services.

Lysaker, 18 March 2013
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P Dyvik
Hege Sjo	Marianne Lie	Jan Eyvin Wang President and CEO

Accounts and notes

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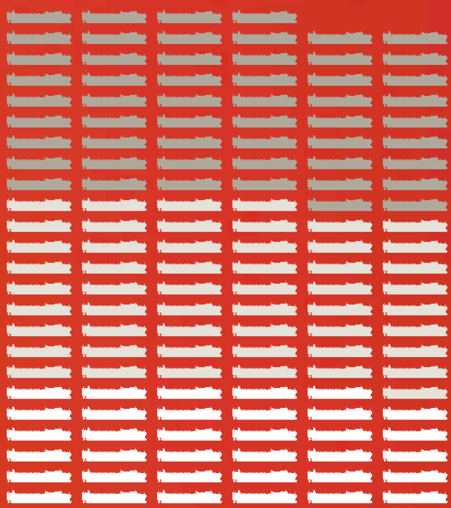
WWASA's operating companies controlled a fleet of 142 car carriers and ro-ro vessels at year end, of which 35 were owned/controlled by WWASA

16%

increase in shipping income, totalling USD 2.3 billion

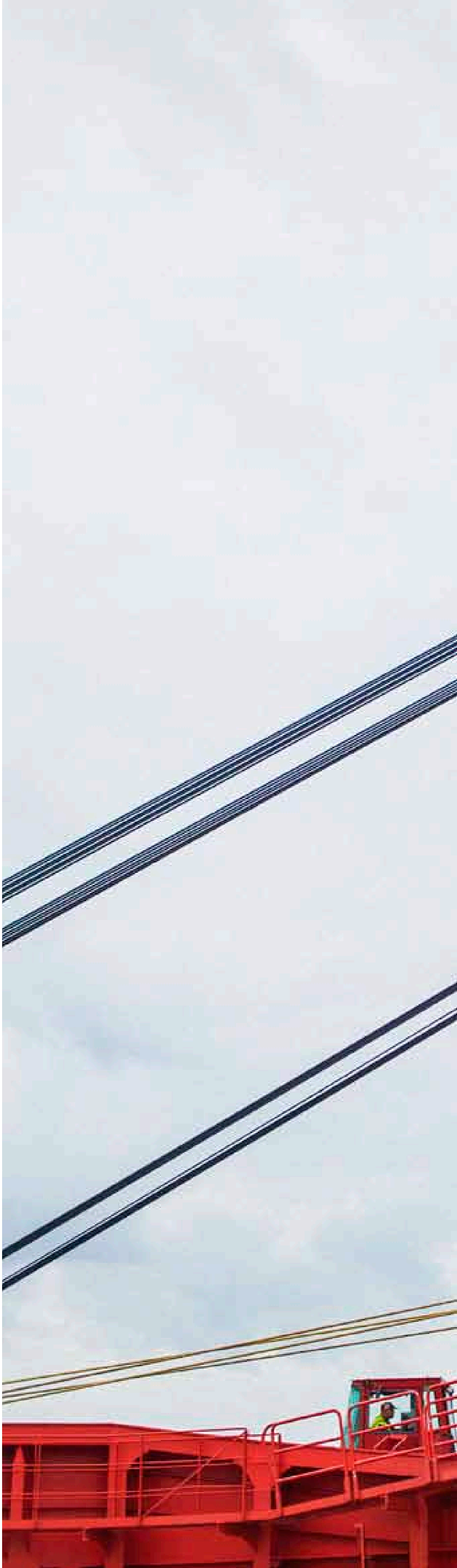


FLEXIBILITY IS AN ADVANTAGE

A scalable business model is an advantage in the prevailing market and economic environment. For WWASA this means flexibility, with a healthy combination of owned and chartered vessels and where the mix can be readily adapted to changes in cargo availability.

At year end, the operating fleet consisted of 142 vessels, of which 54 vessels were chartered on long or short term. The group has the option to redeliver seven chartered vessels to external owners during 2013. Further, the company has a number of vessels which, due to age, could become recycling candidates should the deep sea market develop negatively.

The demand for transportation can also vary between cargo segments, regions and operating companies. WWASA's three-brand strategy allows it to adjust transportation needs through tonnage and trade cooperation between its operating companies.



Income statement | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2012	2011
Operating revenue	1/17	**395**	**309**
Other income			
Share of profit from joint ventures and associates	2/3	230	182
Gain on sale of assets	3	134	
Total income		**759**	**491**
Operating expenses			
Vessel expenses	1	(52)	(55)
Charter expenses		(26)	(25)
Employee benefits	4	(79)	(70)
Other expenses	1/17	(12)	(12)
Depreciation and impairment	5	(83)	(76)
Total operating expenses		**(251)**	**(237)**
Operating profit		**508**	**254**
Financial income/(expenses)	1	(82)	(125)
Profit before tax		**426**	**129**
Income tax/(expense)	6	(17)	14
Profit for the year attributable to the owners of the parent		**409**	**143**
Basic and diluted earnings per share (USD)	7	1.86	0.65

Comprehensive income | WILH. WILHELMSEN ASA GROUP

USD mill	2012	2011
Profit for the year	409	143
Other comprehensive income		
Fair value adjustment available-for-sale financial assets		(3)
Currency translation differences		(1)
Other comprehensive income, net of tax	**0**	**(5)**
Total comprehensive income attributable to owners of the parent	**409**	**138**

Notes 1 to 19 on the next pages are an integral part of these financial statements.

Balance sheet | WILH. WILHELMSEN ASA GROUP

USD mill	Note	31.12.2012	31.12.2011
ASSETS			
Non current assets			
Goodwill and other intangible assets	5	6	6
Investments in vessels and other tangible assets	5	1 868	1 731
Pension assets	8	3	3
Investments in joint ventures and associates	2/3	976	836
Other non current assets	9/17	46	34
Total non current assets		**2 900**	**2 610**
Current assets			
Current financial investments	10	130	110
Other current assets	9/17	37	36
Cash and cash equivalents		344	292
Total current assets		**511**	**438**
Total assets		**3 410**	**3 048**
EQUITY AND LIABILITIES			
Equity			
Share capital		30	30
Retained earnings and other reserves		1 522	1 177
Total equity attributable to owners of the parent		**1 553**	**1 207**
Non current liabilities			
Pension liabilities	8	48	46
Deferred tax liabilities	6	69	53
Non current interest-bearing debt	12/13	1 417	1 253
Other non current liabilities	9	163	185
Total non current liabilities		**1 697**	**1 537**
Current liabilities			
Current income tax liabilities	6		19
Public duties payable		1	1
Other current liabilities	9/12/17	160	285
Total current liabilities		**161**	**305**
Total equity and liabilities		**3 410**	**3 048**

Lysaker, 18 March 2013

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P Dyvik	Hege Sjo	Marianne Lie	Jan Eyvin Wang President and CEO

Notes 1 to 19 on the next pages are an integral part of these financial statements.

Cash flow statement | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2012	2011
Cash flow from operating activities			
Profit before tax		426	129
Financial income/(expenses)	1	113	60
Financial derivatives unrealised	1	(31)	60
Depreciation/impairment	5	83	76
Net (gain)/loss from sale of associate	3	(134)	
Change in net pension asset/liability		2	2
Cash out due to transfer of pension liabilities related to restructuring			(5)
Other change in working capital		10	7
Share of profit from joint ventures and associates	2/3	(230)	(182)
Dividend received from joint ventures and associates	2/3	53	38
Tax paid (company income tax, witholding tax)	6	(22)	(20)
Net cash provided by/(used in) operating activities		**270**	**164**
Cash flow from investing activities			
Investments in vessels, other tangible and intangible assets	5	(221)	(398)
Net proceeds from sale of associate		170	
Loan repayments received from joint ventures and associates	9/17	6	6
Loan from joint ventures and associates	12/17	8	10
Repayments of loan from joint ventures and associates	12/17	(4)	
Proceeds from sale of financial investments		28	8
Investments in financial investments		(41)	(68)
Interest received		2	3
Changes in other investments		(2)	(2)
Net cash flow provided by/(used in) investing activities		**(54)**	**(441)**
Cash flow from financing activities			
Proceeds from issue of debt	12	414	410
Repayment of debt	12	(397)	(248)
Repayments of loan from related party	17	(26)	(2)
Interest paid including interest derivatives		(100)	(90)
Cash from other financial derivatives		9	13
Dividend to shareholders		(63)	(39)
Net cash flow provided by/(used in) financing activities		**(164)**	**45**
Net increase in cash and cash equivalents		**52**	**(232)**
Cash and cash equivalents, excluding restricted cash, at 01.01		292	524
Cash and cash equivalents, excluding restricted cash, at 31.12		**344**	**292**

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.

Notes 1 to 19 on the next pages are an integral part of these financial statements.

Statement of changes in equity | WILH. WILHELMSEN ASA GROUP

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 01.01.2012	30	485	3	686	1 207
Comprehensive income for the period:					
Profit for the year				409	409
Other comprehensive income					0
Total comprehensive income	**0**	**0**	**0**	**409**	**409**
Reduction premium fund		(395)		395	0
Dividends				(63)	(63)
Balance 31.12.2012	**30**	**89**	**3**	**1 428**	**1 553**

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 01.01.2011	30	485	8	582	1 107
Comprehensive income for the period:					
Profit for the year				143	143
Other comprehensive income			(5)		(5)
Total comprehensive income	**0**	**0**	**(5)**	**143**	**138**
Dividends				(39)	(39)
Balance 31.12.2011	**30**	**485**	**3**	**686**	**1 207**

As of 31 December 2012 the company had no own shares.

Dividend paid for fiscal year 2011 was NOK 0.65 per share paid in May 2012 and NOK 1.00 per share paid in November 2012.

The proposed dividend for fiscal year 2012 is NOK 4.00 per share, payable in the second quarter of 2013. A decision on this proposal will be taken by the annual general meeting on 25 April 2013. The proposed dividend is not accrued in the year-end balance sheet.

In accordance with the board of directors' proposal, the extraordinary general meeting held on 6 December 2011 resolved that the company's share premium reserve should be reduced with USD 395 million (NOK 2.3 billion). The reduction of the share premium reserve was registered in the Norwegian business registration, Brønnøysund Registration Centre 10 March 2012.

	Number of shares	NOK mill	USD mill
Share capital	220 000 000	220	30

Notes 1 to 19 on the next pages are an integral part of these financial statements.

Accounting policies | WILH. WILHELMSEN ASA GROUP AND WILH. WILHELMSEN ASA

GENERAL INFORMATION

Wilh. Wilhelmsen ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2012 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

The annual accounts for the group and the parent company were adopted by the board of directors on 18 March 2013.

The parent company is a public limited company which is listed on the Oslo Stock Exchange.

BASIC POLICIES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union. The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act. In the parent company dividends and group contributions have been accounted for according to simplified IFRS. The explanations of the accounting principles for the group also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company.

The accounts for the group and the parent company are referred to collectively as the accounts.

The group accounts are presented in US dollars (USD), rounded off to the nearest whole million. Most of the entities in WWASA group have USD as functional currency. The parent company is presented in its functional currency USD.

The income statements and balance sheets for group companies with a functional currency which differs from the presentation currency (USD) are translated as follows:

- the balance sheet is translated at the closing exchange rate on the balance sheet date
- income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of transaction are used.
- the translation difference is recognised in other comprehensive income.

Goodwill and the fair value of assets and liabilities related to the acquisition of entities which have a functional currency other than USD are attributed in the acquired entity's functional currency and translated at the exchange rate prevailing on the balance sheet date.

The accounts have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including financial derivatives) at fair value through the income statement.

Preparing financial statements in conformity with IFRS and simplified IFRS requires the management to make use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable in the circumstances. The actual result can vary from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are described in more detail below in the section on critical accounting estimates and assumptions.

The accounting policies outlined below have been applied consistently for all the periods presented in the group accounts.

Standards, amendments and interpretations

New and amended standards adopted by the group and parent company from 1 January 2012 or later;

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the group.

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

- IAS 19 Employee Benefits was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income (OCI) as the occur; to immediately recognise all past service cost; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group's effect of change of accounting principle to IAS 19 Revised is disclosed in note 8 to the group account and note 11 to parent account.
- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The standard is effective for annual periods beginning 1 January 2015, and the consequence is amendment to IFRS 7 Financial instruments regarding information requirements. This also affects IAS 32. IFRS 7 and IAS 32 are effective for annual periods beginning 1 January 2013. The group and the parent company do not expect that the standard will lead to significant changes.
- IFRS 10 'Consolidated Financial Statements' - Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard will not give any significantly changes for the group or the parent company, and they will adopt IFRS 10 no later than the accounting period beginning on or later than 1 January 2013.
- IFRS 11 Joint Arrangements – The standard provides that a company will account for joint operations, where the company has rights to the assets and the liabilities of the joint operations, similar to the proportioned consolidation method, while joint ventures, where the company has rights to the net assets, will be accounted for using the equity method. The standard will not have significantly impact on the group's or parent company's net income, equity or classification in the balance sheet or income statement, and IFRS 11 will be adopted no later than the accounting period beginning on or later than 1 January 2013.
- IFRS 12 Disclosure of Interests in Other Entities - The standard combines the disclosure requirements for an entity's interests

in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure requirement. Some were previously included in IAS 27, IAS 31 and IAS 28, while others are new. A new term 'structured entity' which replace and expands upon the concept of a 'special purpose entity' is introduced. The standard is effective for annual periods beginning 1 January 2013. The standard will not have significantly impact on the group or the parent company.

- IFRS 13 Fair Value Measurement - The standard establishes guidance on how to measure fair value, when fair value is required or permitted to be used. The standard is effective for annual periods beginning 1 January 2013. The standard will not have significantly impact on the group or the parent company

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group or the parent company.

SHARES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARENT COMPANY)

Shares in subsidiaries, joint ventures and associates are presented according to the cost method. Group relief received is included in dividends from subsidiaries. Group contributions and dividends from subsidiaries are recognised in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its share holdings. Shares in subsidiaries, joint ventures and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

CONSOLIDATION POLICIES

Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. When relevant, the consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the group recognises any minority interests in the acquirer either at fair value or at the minority interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any minority interests in the acquiree and the acquisition-date fair value of any previous equity interests in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated

Joint ventures and associates

Joint ventures and associates are entities over which the group or parent company has joint control or significant influence respectively but does not control alone.

Significant influence generally accompanies investments where the group or the parent company has 20-50% of the voting rights. The group's investments in joint ventures and associates are accounted for by the equity method. Such investments are recognised at the date of acquisition at their acquisition cost, including excess values and possible goodwill.

The group's share of profit after tax from joint ventures and associates is recognised in the income statement as an operating income. The investments in joint ventures and associates are related to the group's operating activities and therefore classified as part of the operating activity.

The share of profit after tax from joint ventures and associates is added to the capitalised value of the investments together with its share of equity movements not recognised in the income statement. Sale and dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group. Unrealised gains on transactions are eliminated.

When an investment ceases to be an associate, the difference between (1) the fair value of any retained investment and proceeds from disposing of the part interest in the associate and (2) the carrying amount of the investment at the date when significant influence is lost, is recognised in the income statement.

If the ownership interest in a joint venture or an associate is reduced, but the investment continues to be a joint venture or an associate, a gain or loss is recognised in the income statement corresponding to the difference between the proportionate book value of the investment sold and the proceeds from disposing of the part interest in the joint venture or associate.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board and Global Management Team who makes the strategic decisions.

The shipping segment is engaged in ocean transport of cars, roll-on roll-off cargo and project cargo. Its main customers are global car manufacturers and manufacturers of agriculture and other high and heavy equipment. The customer's cargo is carried in a worldwide transport network. This is the group's most capital intensive segment.

The logistics segment has much the same customer groups as shipping. Customers operating globally are offered sophisticated logistics services. The segment's primary assets are human capital (expertise and systems) and customer contacts reflected in long-term relationships.

The holding segment includes the parent company, and other minor activities (Den Norske Amerikalinje AS, Wilhelmsen Marine Consultants AS, Shippersys AB, Wilh. Wilhelmsen Netherland BV, Njord Insurance Ltd and corporate group activities like operational management, tax and finance) which fail to meet the definition for other core activities.

Eliminations are transactions between the group's three segments mentioned above.

RELATED PARTIES TRANSACTIONS

The group and the parent company have transactions with joint ventures and associated companies. These contracts are based on commercial market terms. They relate to the chartering of vessels on long term charters.

See note 9 and 17 to the group accounts for loans to joint ventures and associates, and note 7 to the parent company's accounts.

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See note 4 to the group accounts concerning remuneration of senior executives in the group, and note 2 to the parent company accounts for information concerning loans and guarantees for employees in the parent company.

FOREIGN CURRENCY TRANSACTION AND TRANSLATION

Transactions

In individual companies' transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial expense.

Translations

In the consolidated financial statements, the assets and liabilities of non USD functional currency subsidiaries, joint ventures and associates, including the related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flow of non USD functional currency subsidiaries, joint venture and associates are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

Exchange adjustments arising when the opening net assets and the net income for the year retained by non USD operation are translated into USD are recognised in other comprehensive income. On disposals of a non USD functional currency subsidiary, joint venture or associates, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

REVENUE RECOGNITION

Revenue is recognised when it is probable that a transaction will generate a future economic benefit that will accrue to the entity and the size of the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

Total revenues and voyage related expenses in a period are accounted for as the percentage of completed voyages. Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Voyages are normally discharge-to-discharge. Except for any period a ship is declared off-hire due to technical or other owner's matters, a ship is always allocated to a voyage.

Freight revenue

Time charter (T/C) basis

Freight revenue and expenses relating to vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period.

Contracts of affreightment

Revenue and expenses related to voyages under contracts of affreightment are calculated on the basis of the length of the contractual delivery, based on the number of days before and after the end of the accounting period.

LUBOIL

Luboil are valued at the lower of cost and net realisable value. Luboil represent the lubrication oil held on board the vessels.

CASH-SETTLED COMPENSATION

Cash–settled payments / bonus plans

For cash-settled payments, a liability equal to the portion of services received is recognised at the current fair value determined at each balance sheet date.

Cash-settled share-based payment

The group operates a cash settled share-based payment incentive scheme for employees at senior executive management level. A liability equal to the portion of services received is recognised at the current fair value of the options determined at each balance sheet date. The total expense is recognised over the vesting period which is 12 months from grant date. The social security contributions payable in connection with the grant of the options is considered an integral part of the grant itself and the charge will be treated as a cash-settled transaction.

See note 4 in the group accounts and note 2 and 14 to the parent accounts concerning remuneration of senior executives.

TANGIBLE ASSETS

Vessels and other tangible assets acquired by group companies are stated at historical cost. Depreciation is calculated on a straight-line basis. A residual value, which reduces the depreciation base, is estimated for vessels. The estimate is based on a 10 years average rolling demolition prices, for general cargo. In addition, a charge for environmental friendly recycling is deducted. The calculation is done on an annual basis.

The carrying value of tangible assets equals the historical cost less accumulated depreciation and any impairment charges.

The group capitalises loan costs related to vessels on the basis of the group's average borrowing rate on interest-bearing debt. Shipbuilder instalments paid, other direct vessel costs and the group's interest costs related to financing the acquisition cost of vessels are capitalised as they are paid.

Tangible assets are depreciated over the following expected useful lives:

Vessels	30-35 years
Other tangible assets	3-10 years

Each component of a tangible asset which is significant for the total cost of the item will be depreciated separately. Components with similar useful lives will be included in a single component.

An analysis of the group's fleet concluded that vessels based on a pure car truck carrier/roll-on roll-off design do not need to be separated into different components since there is no significant difference in the expected useful life for the various components of these vessels over and above docking costs. Costs related to docking and periodic maintenance will normally be depreciated over the period until the next docking.

The estimated residual value and expected useful life of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges will be changed accordingly.

GOODWILL AND OTHER INTANGIBLE ASSETS

Amortisation of intangible fixed assets is based on the following expected useful lives:

Goodwill	Indefinite life
Software and licenses	3-5 years
Other intangible assets	5-10 years

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any minority interests in the acquiree and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of the group's share of the identifiable net assets of the acquired subsidiary, joint venture or associate. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. Goodwill arising from the acquisition of an interest in an associated company is included under investment in associated companies, and tested for impairment as part of the carried amount of the investment. Goodwill from acquisition of subsidiaries is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the sale of a business includes the carried amount of goodwill related to the sold business.

Goodwill is allocated to relevant cash-generating units ("CGU"). The allocation is made to those CGU or groups of CGU which are expected to benefit from the acquisition.

Details concerning the accounting treatment of goodwill are provided in the section on consolidation policies above.

Other intangible assets

Software and start-up licences are capitalised in the balance sheet. Costs related to software licences, development or maintenance are expensed as incurred. Costs directly associated with the development of identifiable software owned by the group, with an expected useful life of more than one year, are capitalised. Direct costs include software development personnel and a share of relevant overheads.

Capitalised computer software developed in-house is amortised using the straight-line method over its expected useful life.

Capitalised expenses related to other intangible assets are amortised over the expected useful lives in accordance with the straight-line method.

IMPAIRMENT OF GOODWILL AND OTHER NON FINANCIAL ASSETS

Non financial assets

At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are done. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on an interest rate according to a weighted average cost of capital ("WACC") reflecting the company's required rate of return. The WACC is calculated based on the company's long term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

Vessels and newbuilding contracts

Future cash flow is based on an assessment of what is the group's expected time charter earnings and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organised and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. The vessels are trading in global network as part of a fleet, where the income of a specific vessel is dependent upon the total fleet's earnings and not the individual vessel's earnings. Further the group's vessels are interchangeable among the operating companies which are seen through the ongoing operational co-operation (long term chartering activities, vessel swaps, space chartering, combined schedules etc). As a consequence, vessels will only be impaired if the total value of the fleet based on future estimated cash flows is lower than the total book value.

Goodwill

Goodwill acquired through business combinations has been allocated to the relevant CGU. An assessment is made as to whether the carrying amount of the goodwill can be justified by future earnings from the CGU to which the goodwill relates. Future earnings are based on next year's expectations with a zero growth rate.
If the "value in use" of the CGU is less than the carrying amount of the CGU, including goodwill, goodwill will be written down first. Thereafter the carrying amount of the CGU will be written down. Impairment losses related to goodwill cannot be reversed.

LEASES

Leases for vessels and equipment where the group carries substantially all the risks and rewards of ownership are classified as financial leases.

Financial leases are capitalised at the inception of the lease at the lower of fair value of the leased item or the present value of agreed lease payments. Each lease payment is allocated between liability and finance charges. The corresponding rental obligations are included in other non current liabilities. The associated interest element is charged to the income statement over the lease period so as to produce a periodic rate of interest on the remaining balance of the liability for each period.

Financial leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any financial incentives from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

FINANCIAL ASSETS

The group and the parent company classify financial assets in the following categories: trading financial assets at fair value through the income statement, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose of the asset.

Management determines the classification of financial assets at their initial recognition.

Financial assets carried at fair value through the income statement are initially recognised at fair value, and transaction costs are expensed in the income statement.

Short term investments

This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short term price gains. Short term investments are valued at fair value. The resulting unrealised gains and losses are included in financial income and expense. Derivatives are also placed in this category unless designated as hedges. Assets in this category are classified as current.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivable are classified as other current assets or other non current assets in the balance sheet.

Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realised gains and losses are recognised in the income statement in the period they arise.

Available-for-sale financial assets:

Available-for-sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses recognised as a separate component in other comprehensive income until the investments is derecognised, at which time the cumulative gain or

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loss previously reported in equity is included in the income statement.

The fair value of the investments that are actively traded in organised financial markets is determined by reference to quoted market bid price at the close of business on the balance sheet date. For investments where there is no active market fair value are determined applying commonly used valuation techniques.

Available-for-sale financial assets are included in non current assets unless the investment matures of management intends to dispose of it within 12 months of the end of the reporting period.

FINANCIAL DERIVATIVES

Derivatives which do not qualify for hedge accounting

Most derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments which do not qualify for hedge accounting are recognised in the income statement stated in financial income/expense.

Derivatives are included in current assets or current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets or other non current liabilities as they form part of the group's long term economic hedging strategy and are not classified as held for trading.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured on a continuous basis at their fair value.

Derivatives which do qualify for hedge accounting

The group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

At the date of the hedging transaction, the group documents the relationship between hedging instruments and hedged items, as well as the object of its risk management and the strategy underlying the various hedge transactions. The group also documents the extent to which the derivatives used are effective in offsetting the changes in fair value or cash flow associated with the hedge items. Such assessments are documented both initially and on an ongoing basis.

The fair value of derivatives used for hedging is shown in note 13 to the group accounts. Changes in the valuation of qualified hedges are recognised directly in other comprehensive income until the hedged transactions are realised.

The fair value of financial derivatives traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial derivatives not traded in an active market is determined using valuation techniques, such as the discounted value of future cash flows. Independent experts verify the value determination for instruments which are considered material.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated as cash flow hedges are recognised directly in equity together with the deferred tax effect. Gain and loss on the ineffective portion is recognised in the income statement. Amounts recognised directly in equity are recognised as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

DEFERRED TAX / DEFERRED TAX ASSET

Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.
Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

For group companies subject to tonnage tax regimes, the tonnage tax is recognised as an operating cost.

PENSION OBLIGATIONS

Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. These schemes are generally funded through payments to insurance companies or pension funds on the basis of periodic actuarial calculations. The group and the parent company have both defined contribution and defined benefit plans.

A defined contribution plan is one under which the group and the parent company pay fixed contributions to a separate legal entity. The group and the parent company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group and the parent company pay contributions till publicly or privately administered pension insurance plans on an obligatory, contractual or voluntary basis. The group and the parent company have no further payment obligations once the contributions have been paid. The contributions are recognised as a payroll expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is one which is not a defined contribution plan. This type of plan typically defines an amount of pension benefit an employee will receive on retirement, normally dependent on one or more factors such as age, years of service and pay.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, adjusted for unrecognised actuarial gains or losses and unrecognised costs related to pension earnings in earlier periods.

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method.

Actuarial gains and losses arising from new information or changes to actuarial assumptions in excess of the higher of 10% of the value of the pension assets or 10% of the pension obligations are recognised in the income statement over the expected average remaining working lives of the employees.

Changes in pension plan benefits are recognised immediately in the income statement unless rights in the new pension plan are conditional on the employee remaining in service for a specific period of time (the vesting period). In that case, the costs associated with the change in benefit are amortised on a straight-line basis over the vesting period.

IAS 19 Employee Benefits Revised
The group's effect of change of accounting principle to IAS 19 Revised is disclosed in note 8 to the group account and note 11 to parent account.

RECEIVABLES

Trade receivables and other receivables, that have fixed or determinable payments that are not quoted in an active market are classified as receivables.

Receivables are recognised at face value less any impairment. Provision for impairment is made to specified receivable items when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the receivable, the estimated future cash flows of the investments have been affected.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other current highly liquid investments with original maturities of three months or less, or bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities on the balance sheet.

DIVIDEND IN THE GROUP ACCOUNTS

Dividend payments to the parent company's shareholders are recognised as a liability in the group's financial statements from the date when the dividend is approved by the general meeting.

DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS

Proposed dividend for the parent company's shareholders is shown in the parent company accounts as a liability at 31 December current year. Group contribution to the parent company is recognised as a financial income and current asset in the financial statement at 31 December current year.

LOANS

Loans are recognised at fair value when the proceeds are received, net of transaction costs. In subsequent periods, loans are stated at amortised cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the loan.

Loans are classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

PROVISIONS

The group and the parent company make provisions for legal claims when a legal or constructive obligation exists as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be estimated with a sufficient degree of reliability. Provisions are not made for future operating losses.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, the group and the parent company must make assumptions and estimates. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and oil prices which are outside the group's and parent company's control. This presents a substantial risk that actual conditions will vary from the estimates.

Impairment of vessels

Future cash flow is based on an assessment of what is the group's expected time charter earnings and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organised and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. As a consequence, vessels will only be impaired if the total value of the fleet based on future estimated cash flows is lower than the total book value.

Impairment of non financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

If available estimated fair value of an asset is obtained externally. In addition, the group has financial models which calculate and determine the value in use through a combination of actual and expected cash flow generation discounted to present value. The expected future cash flow generation and models are based on assumptions and estimate.

The discount factor applied in the cash flow budgets is based on the group's long term financing costs for debt financed capital. Beyond the period covered by the business plan, a growth factor of 0% is applied, with an expectation that gross margins will not weaken substantially over time.

See note 5 for additional info.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	Note	2012	2011
OPERATING REVENUE			
Freight revenue	17	394	308
Other revenue		2	1
Total operating revenue		**395**	**309**
VESSEL EXPENSES			
Luboil		(8)	(8)
Stores (water, safety, chemicals, ropes, etc)		(4)	(5)
Maintenance of vessels		(20)	(24)
Insurance		(8)	(7)
Other		(12)	(10)
Total vessel expenses		**(52)**	**(55)**
OTHER EXPENSES			
Office expenses		(1)	(1)
Communication and IT expenses		(1)	(1)
External services		(1)	(2)
Travel and meeting expenses		(1)	(1)
Marketing expenses		(1)	(1)
Other administration expenses		(7)	(7)
Total other expenses		**(12)**	**(12)**
FINANCIAL INCOME/(EXPENSES)			
Financials			
Investment management*		9	
Interest incomes		2	3
Other financial items		(3)	
Net financial items		**8**	**4**
Net financials - interest rate			
Interest expense		(51)	(42)
Interest rate derivatives - realised		(47)	(45)
Net interest expenses		**(98)**	**(87)**
Interest rate derivatives - unrealised		9	(45)
Net financial - currency			
Net currency gain/(loss)		(30)	4
Currency derivatives - realised		6	6
Currency derivatives - unrealised		6	(6)
Cross currency derivatives - realised		3	7
Cross currency derivatives - unrealised		15	(8)
Net financial - currency		**0**	**2**
Financial income/(expenses)		**(82)**	**(125)**

*Includes financial derivatives for trading

See note 13 on financial risk and the section of the accounting policies concerning financial instruments.

Note 2 | INVESTMENTS IN JOINT VENTURES

USD mill		2012	2011
	Business office, country	Voting share/ownership	
Shipping			
Mark I Shipping Pte Ltd	Singapore	50.0%	50.0%
Tellus Shipping AS	Lysaker, Norway	50.0%	50.0%
American Roll-on Roll-off Carrier Holding Inc	New Jersey, USA	50.0%	50.0%
Fidelio Inc	New Jersey, USA	50.0%	50.0%
Fidelio Limited Partnership	New Jersey, USA	50.0%	50.0%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40.0%	40.0%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40.0%	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	40.0%	40.0%
Shipping/Logistics			
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50.0%	50.0%
Logistics			
American Shipping & Logistics Group Inc	New Jersey, USA	50.0%	50.0%
American Logistics Network LLC	New Jersey, USA	50.0%	50.0%

Summarised financial information - according to the group's ownership		
Share of profit		
Share of total income	2 362	2 066
Share of operating expenses	(2 151)	(1 893)
Share of net financial items	(18)	(22)
Share of tax expense	(21)	(15)
Share of profit for the year	**172**	**135**
Share of equity (equity method)		
Book value	752	626
Excess value (goodwill)	16	16
Joint ventures' assets, equity and liabilities (WWASA's share of investment)		
Share of non current assets	1 132	1 117
Share of current assets	575	538
Total share of assets	**1 708**	**1 656**
Share of equity 01.01	642	543
Share of profit for the period	172	135
Dividend received/repayments of share capital	(45)	(34)
Currency translation differences		(1)
Share of equity 31.12	**768**	**642**
Share of non current liabilities	591	610
Share of current liabilities	349	403
Total share of liabilities	**939**	**1 013**
Total share of equity and liabilities	**1 708**	**1 656**
Reconciliations of the group's income statement and balance sheet		
Share of profit from joint ventures	172	135
Share of profit from associates, see note 3	58	47
Share of profit from joint ventures and associates	**230**	**182**
Share of equity from joint ventures	768	642
Share of equity from associates, see note 3	208	194
Share of equity from joint ventures and associates	**976**	**836**

The group's share of profit (after tax) from joint ventures and associates is recognised in the income statement as an operating income. The investments in joint ventures and associates are related to the group's operating activities and therefore classified as part of the operating activity.

Note 3 | INVESTMENTS IN ASSOCIATES

USD mill		2012	2011
	Business office/country	Voting/control share	
Logistics/Shipping			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.5%	15.0%
Holding			
Shippersys AB	Stockholm, Sweden	25.0%	

	2012	2011
Summary financial information - according to the group's ownership		
Assets	417	432
Liabilities	209	238
Equity	208	194
Operating income	1 008	951
Net profit	58	47
Share of profit/(loss) from associates		
Hyundai Glovis Co Ltd	58	47
Other associates		
Share of profit from associates	**58**	**47**
Book value of material associates		
Hyundai Glovis Co Ltd	208	194

In the third quarter of 2012, WWASA sold 937 500 shares in Hyundai Glovis with net proceeds of approximately USD 170 million. The net gain recorded in the 2012 group's accounts amounted to USD 134 million.

Even if the share interest in Hyundai Glovis is 12.5%, the investment is treated as an associate in accordance with IFRS. The reason is that the group has entered into a shareholders' agreement regarding their shareholding in Hyundai Glovis, including two representatives on the board of directors (22%). The agreement, which has an indefinite term, contains provisions, inter alia, restrictions on transfer of shares, corporate governance, composition of and procedures for the board of directors, matters which require a qualified majority at the general meeting of shareholders, and mechanisms in case a resolution cannot be reached by the partners. In addition the business relationship between the group's joint venture EUKOR Car Carriers Inc and Hyundai Glovis is strong as Hyundai Glovis is a global logistics service provider for EUKOR's main customers Hyundai Motor Group and Kia Motor Group.

Hyundai Glovis Co Ltd was listed on 23 December 2005, and the group's equity interest had a stock market value at 31 December 2012 of USD 979 million (12.5%) (2011: USD 934 million (15.0%)).

	2012	2011
Specification of share of equity and profit/loss:		
Share of equity 01.01	194	150
Share of profit for the year	58	47
Sale of share in Hyundai Glovis Co Ltd	(37)	
Dividend	(7)	(4)
Share of equity 31.12	**208**	**194**
Share of equity		
Book value	189	172
Excess value (goodwill)	19	22
Total share of equity	**208**	**194**

Note 4 | EMPLOYEE BENEFITS

USD mill	2012	2011
Pay	8	7
Payroll tax	2	2
Pension cost	4	4
Employee benefits seagoing personnel*	64	56
Other remuneration	1	1
Total employee benefits	**79**	**70**

*Seagoing personnel is hired and not employed by the group. Hence they are not included as group employees.

	2012	2011
Number of employees:		
Group companies in Norway	32	33
Group companies abroad	13	12
Total employees*	**45**	**45**
Average number of employees	45	45

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2012						
President and CEO - Jan Eyvin Wang	570	169	466	466*	1 672	9 720
CFO - Benedicte Bakke Agerup	318	76	34	24	452	2 630

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 426

	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2011						
President and CEO - Jan Eyvin Wang	566	54	394	389*	1 402	7 859
CFO - Benedicte Bakke Agerup	293	59	36	21	409	2 295

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 344.

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

The annual general meeting resolved that each external director would receive NOK 250 000 (totalled USD 129) in 2012 (2011: USD 146 in total). One of the board members, Diderik Schnitler, has an additional consulting agreement with the group where he got paid USD 45 (2011: USD 37). Remuneration of the nomination committee totalled USD 9 in 2012.

The board's remuneration for the fiscal year 2012 will be approved by the general meeting 25 April 2013.

See note 17 Related party transactions, and 2 Employee benefits in the parent company accounts.

OPTION PROGRAMME FOR SENIOR EXECUTIVES

Option program from 1 January 2011 until 31 December 2013 - Share equivalents

The extraordinary general meeting of Wilh. Wilhelmsen ASA (WWASA) held at 6 December 2011 resolved to renew the share-price-based incentive program for employees at senior executive level in the company.

The program has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares and dividend during the period. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for Wilh. Wilhelmsen ASA was authorised to decide the beneficiaries under the program. The board initially allocated annually 80 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2012 is average share price over the two weeks after the release of the results for the fourth quarter 2011 was NOK 38.20 (WWASA shares).

Granted share equivalents annually given:	Share equivalent in WWASA shares	
	2012	2011
President and CEO - Jan Eyvin Wang	50 000	50 000
CFO - Benedicte Bakke Agerup	30 000	30 000

Per 31 December the options were in the money for 2012 and the group has booked a provision of USD 0.3 million.

Cont. note 4 | EMPLOYEE BENEFITS

EXPENSED AUDIT FEE

USD mill	2012	2011
Statutory audit	0.4	0.4
Other assurance services	0.0	0.0
Tax advisory fee	0.1	0.1
Other assistance	0.0	0.1
Total expensed audit fee	**0.5**	**0.5**

Note 5 | VESSELS, OTHER TANGIBLE AND INTANGIBLE ASSETS

USD mill

TANGIBLE AND INTANGIBLE ASSETS	Other tangible assets	Vessels* & Newbuilding contracts	Total tangible assets	Intangible assets
2012				
Cost price 01.01	2	2 298	2 301	8
Additions**		221	221	
Disposal	(1)	(10)	(11)	
Cost price 31.12	**2**	**2 508**	**2 510**	**8**
Accumulated depreciation and impairment losses 01.01	(2)	(568)	(571)	(2)
Depreciation		(83)	(83)	
Disposal		10	11	
Accumulated depreciation and impairment losses 31.12	**(1)**	**(641)**	**(643)**	**(2)**
Carrying amounts 31.12	**1**	**1 868**	**1 868**	**6**
2011				
Cost price 01.01	3	1 925	1 928	8
Additions**		401	402	
Disposal	(1)	(29)	(29)	
Cost price 31.12	**2**	**2 298**	**2 301**	**8**
Accumulated depreciation and impairment losses 01.01	(2)	(522)	(524)	(2)
Depreciation		(75)	(75)	
Disposal		29	29	
Accumulated depreciation and impairment losses 31.12	**(2)**	**(568)**	**(571)**	**(2)**
Carrying amounts 31.12	**1**	**1 730**	**1 731**	**6**
Economic lifetime	3-10 years	30-35 years		
Depreciation schedule	Straight-line	Straight-line		

*Vessels includes dry-docking and carrying amounts at year end was USD 23 million (2011: USD 25 million)
**Interest expenses of USD 0.7 million relating to newbuilding contracts were capitalised in 2012 (2011: USD 3.2 million).

Cont. note 5 | VESSELS, OTHER TANGIBLE AND INTANGIBLE ASSETS

Segment-level summary of the goodwill allocation:	2012	2011
Shipping	6	6
Total goodwill allocation	**6**	**6**

The group has financial lease agreements for 6 (2011: 9) vessels in the shipping segment. Those car carriers covered by the leases had a book value at 31 December of USD 139 million (2011: USD 291 million), and depreciation for the year came to USD 9 million (2011: USD 15 million). The leasing commitment is classified as a liability. See note 12.

During 2012, 3 new vessels were delivered. WWASA has, on own accounts, no further new vessels due for delivery.

Impairment
The group has evaluated the need for potential impairment losses on its fleet in accordance with the accounting policies.
Fair value less cost to sell is the amount obtained from sale of a vessel in an arm's length transaction. Value in use is the net present value of future cash flows arising from continuing use of the asset or CGU, including any disposal proceeds. The impairment test has been performed based on the estimated future value in use of the fleet.

Key assumptions are future estimated cash flows, time charter income reduced by estimated vessel operating expenses, based on group management's latest long term forecast. The estimated future cash flows reflect both past experience as well as external sources of information concerning expected future market development.

Management has estimated a moderate improvement in cash flows over the five year forecasting period 2013-2017. Cash flows remain stable (90% of the 2017 level) over the remaining useful lives of vessels following the five year forecast period (0% growth rate).

The net present value of future cash flows was based on weighted average cost of capital (WACC) of 6.17% in 2012.

The WACC can be estimated as follows:
Borrowing rate: Debt ratio*(implied 18 year US swap rate + loan margin)
+ Equity Return: Equity ratio*(implied 18 year US swap rate + Beta*market premium)
= WACC

Based on the value in use estimates, management has concluded that no impairment is required as per 31 December 2012.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 194 million which would not have resulted in an impairment loss. Had the WACC been one percentage point lower, the estimated value in use would be increased by USD 225 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 197 million which would not have resulted in an impairment loss. Had the estimated time charter income been five percentage points higher, the estimated value in use would be increased by USD 197 million.

Note 6 | TAX

Tonnage tax
Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of vessels in international waters, such as financial income, is usually taxed according the ordinary taxation rules applicable in the resident country of each respective company. The group had two wholly owned companies resident in UK and Malta which were taxed under a tonnage tax regime in 2012. Further, the group had one tonnage taxed joint venture company resident in the Republic of Korea, one tonnage taxed joint venture company resident in Norway and two tonnage taxed joint venture companies in Singapore in 2012.
The tonnage tax is considered as operating expense in the accounts.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% of net profit. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.
For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. For 2012, the companies considered part of the Norwegian tax group (i.e. more than 90% owned, directly or indirectly, by the group) had a net taxable loss, hence no tax payable on current year results. The net tax payable is calculated on the result after utilization of tax loss carry forwards in the tax group (deferred tax asset). Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised.

Forced exit taxation
Wilhelmsen Lines Shipowning (WLS) has commenced legal proceedings before Oslo City Court on basis of the tax appeal board's decision to turn down the application for tonnage tax. Basis for the proceedings is that the transition rule valid for companies that exited the old tonnage tax regime (abolished in 2007) into ordinary taxation, is in breach with The Constitution of Norway article 97. Such claim is in line with the decision by the Norwegian Supreme Court in the ruling of February 2010 that the transition rule valid for companies that exited the old tonnage tax regime into the new tonnage tax system was in breach with The Constitution. Alternatively WLS claims a compensation for the economic loss caused by the unconstitutional transition rule. WLS had to choose between two transition rules which both originally were claimed by the authorities to be constitutional. WLS' choice to exit into ordinary taxation was hence based on wrong assumptions.

Until WLS faces the final outcome of the litigation process, this case will have no impact on the income statement or balance sheet for the group.

Foreign taxes
Companies domiciled outside Norway will be subject to local taxation, either on ordinary terms or under special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This generally applies to dividends paid by companies domiciled outside the EEA. Total withholding tax paid in 2012 was USD 4 million.

Note 6 | TAX

USD mill	2012	2011
Distribution of tax income/(expense) for the year		
Payable tax (including witholding tax)	(5)	(28)
Change in deferred tax	(11)	42
Total tax income/(expense)	**(17)**	**14**
Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%		
Profit before tax	426	129
28% tax	119	36
Tax effect from:		
Permanent differences		1
Non-taxable income	(63)	(19)
Share of profits from joint ventures and associates	(63)	(49)
Payable taxes previous year	1	8
Reversed deferred tax assets due to exit of tonnage tax regime		8
Currency transition from USD to NOK for Norwegian tax purpose	19	
Withholding tax	4	2
Calculated tax (income)/expense for the group	**17**	**(14)**
Effective tax rate for the group	4%	(11%)

The effective tax rate for the 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. USD to NOK currency transition for Norwegian tax purpose have a material effect in 2012 (USD 19 million).

USD mill	2012	2011
Deferred tax assets to be recovered after more than 12 months	10	16
Deferred tax assets to be recovered within 12 months	34	50
Deferred tax liabilities to be recovered after more than 12 months	(88)	(93)
Deferred tax liabilities to be recovered within 12 months	(25)	(26)
Net deferred tax liabilities	**(69)**	**(53)**
Net deferred tax liabilities at 01.01	(53)	(99)
Currency translation differences	(5)	4
Income statement charge	(11)	42
Net deferred tax liabilities at 31.12	**(69)**	**(53)**
Deferred tax assets in balance sheet		
Deferred tax liabilities in balance sheet	(69)	(53)
Net deferred tax liabilities at 31.12	**(69)**	**(53)**

The movement in deferred income tax assets and liabilties during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tangible assets	Tonnage tax regime	Other	Total
Deferred tax liabilities				
At 01.01.2011	(31)	(176)	(6)	(214)
Through income statement	(3)	89	6	92
Currency translations		2		2
At 31.12.2011	**(34)**	**(85)**	**0**	**(120)**
Through income statement	(12)	15		3
Currency translations	5	(3)		2
At 31.12.2012	**(40)**	**(73)**	**0**	**(115)**

	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 01.01.2011	17		99	115
Through income statement	47	1	(98)	(50)
Charged directly to equity	1		1	2
At 31.12.2011	**65**	**1**	**1**	**67**
Through income statement	(18)		4	(14)
Currency translations	(8)	2	(1)	(7)
At 31.12.2012	**38**	**3**	**4**	**46**

Temporary differences related to joint ventures and associates are USD 0 for the group, since all the units are regarded as located within the area in which the exemption method applies, and no plans exist to sell any of these companies.

The tempory differences related to exit tonnage tax, tangible assets, current assets and liabilities and most of the tax losses carry forward are nominated in NOK and translated to balance date rate. The net currency gain and losses are recognised on entities level due to different functional currency than local currency.

Note 7 | EARNINGS PER SHARE

Earnings per share are calculated by dividing profit for the period by numbers of shares. There are no shares or dilutive instruments outstanding.

Earnings per share is calculated based on 220 000 000 shares.

Note 8 | PENSION

Description of the pension scheme

- The group provides both defined benefit employee retirement plans and defined contribution plans. The group has for many years had a defined benefit plan for employees in Norway in a separate pension fund, Wilh. Wilhelmsen Pensjonskasse, and later, as from 1 January 2011, through Storebrand. The own pension fund was closed after the transfer to Storebrand. The defined benefit plan was closed for new employees after 1 May 2005. As a consequence of the group's conversion to a defined contribution pension scheme, all employees were given full freedom of choice to stay in the defined benefit plan or convert to defined contribution plan.

- Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules, and the pension schemes are for the material part defined contribution plans.

- The group's defined contribution pension schemes for Norwegian employees are with Storebrand and DNB, similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed. All employees in Norway included in the defined contribution plan are covered by a risk plan which is a defined benefit plan. This is included in the group's pension liability.

- In additional the group has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. These obligations are mainly financed from operations.

- The group has obligations towards some employees in the group's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

- The standard IAS 19 Employee Benefits revised is effective for annual periods beginning 1 January 2013. The impact on the group will be as follows:
  - to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income (OCI) as they occur;
  - to immediately recognise all past service cost; and
  - to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Changes in discount rate and return of assets assumptions can influence the funded status of the plan as well as the net periodic pension cost. The group incurred an actuarial loss of USD 13 million as of 1 January 2012, mainly resulting from discount rates at 1 January 2012 and actual return on plan assets was below the estimated return for 2011. The equity effect (after tax) of change of accounting policy IAS 19 Revised at 1 January 2012 is a loss of USD 10 million for the group.

Cont. note 8 | PENSION

	Funded		Unfunded	
	2012	2011	2012	2011
Number of people covered by pension schemes at 31.12				
In employment	34	38	83	94
On retirement (inclusive disability pensions)	268	274	719	696
Total number of people covered by pension schemes	**302**	**312**	**802**	**790**

	Expenses		Commitments	
	2012	2011	31.12.2012	31.12.2011
Financial assumptions for the pension calculations:				
Rate of return on assets in pension plans	4.70%	5.00%	3.85%	4.70%
Discount rate	2.75%	3.60%	3.85%	2.75%
Anticipated pay regulation	3.25%	3.50%	3.50%	3.25%
Anticipated increase in National Insurance base amount (G)	3.25%	3.50%	3.50%	3.25%
Anticipated regulation of pensions	1.00%	1.50%	1.00%	1.00%

It is given that the group's assumptions for the pension calculation differ from the pension assumptions from the Norwegian Accounting Standards, based on the group's composition of average age of employees in employment and those in retirement, and the history of the group's pension plan. The assumptions are set by the actuary in collaboration with the group.

The expected return on assets reflects the weighted average expected returns on pension plan assets. The assumption shall reflect the weighted average expected returns for each asset class, e.g. equities, and bonds, given the actual asset allocation.
The discount rate for accounting purposes is the rate of interest used to discount any post-employment benefit obligations. Historically it has been assumed that there is not a deep market in corporate bonds in Norway and thus IAS 19 requires that government bonds shall be used as the basis for determining discount rate. At the end of 2012 the Norwegian Accounting Standards Boards (NRS) added an extra paragraph to their guideline regarding deriving the discount rate under IAS 19. As basis for the extra paragraph NRS state that the covered bond market alone is now seen as a deep market among some of the major market players and in accordance with IAS 19 requirement of high quality corporate bonds. At 31 December 2012 the discount rate of covered bonds (OMF) is equal to 3.85%.
Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2005 mortality tariff. The disability tariff is based on the KU table.

	31.12.2012	31.12.2011
Pension assets investments		
Short term bonds	6.6%	10.7%
Bonds held to maturity	35.2%	34.5%
Money market	1.2%	1.4%
Equities	15.9%	14.0%
Other (property, credit bonds)	41.1%	39.4%
Total pension assets investments	**100.0%**	**100.0%**

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December.
The recorded return on assets administered by Storebrand Kapitalforvaltning was 5.4% for 2012 (2011: 2.5%).

	2012			2011		
USD mill	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Net present value of pension obligations	1		1	1		1
Interest expenses on pension obligations	1	1	3	2	2	4
Anticipated return on pension fund	(2)		(2)	(2)		(2)
Amortisation of changes in estimates not recorded in the accounts		1	1			0
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**3**	**4**	**0**	**3**	**4**

Cont. note 8 | PENSION

	2012 Funded	2012 Unfunded	2012 Total	2011 Funded	2011 Unfunded	2011 Total
Recorded pension obligations						
Accrued pension obligations	39	58	98	44	53	97
Estimated effect of future salary regulation	1		1	1		1
Total pension obligations	**41**	**58**	**99**	**45**	**53**	**98**
Value of pension funds	43		43	42		42
Net pension obligations	**2**	**(58)**	**(56)**	**(3)**	**(53)**	**(55)**
Changes in the estimates not recorded in the accounts	1	10	12	6	6	12
Recorded pension obligations	**3**	**(48)**	**(45)**	**3**	**(46)**	**(43)**

	2012	2011
Amounts in the balance sheet		
Assets	3	3
Liabilities	(48)	(46)
Net asset/(liability)	**(45)**	**(43)**

	2012	2011
Pension obligations		
Opening balance 01.01	98	100
Effect of exchange rates	7	(3)
Accumulated pension entitlements	2	1
Interest expenses	3	3
Pension payments	(9)	(8)
Changes in estimates not recorded in the ccounts	(2)	4
Pension obligations 31.12	**99**	**98**
Gross pension assets		
Opening balance 01.01	42	42
Effect of exchange rates	3	(1)
Expected return	2	2
Premium payments		
Pension payments	(4)	(4)
Changes in estimates not recorded in the ccounts	(2)	2
Gross pension assets 31.12	**43**	**42**

Premium payments in 2013 are expected to be USD 0.5 million (2012: USD 0.2 million). Payments from operations are estimated at USD 5.5 million (2012: USD 5.3 million).

The sensitivity of the overall pension liability to changes in weighted principal assumption is:

Basis 3.85%	Change in assumptions	Impact of service cost	Impact pension obligation (PBO)
Discount rate	Increase by 0.5%	0	(2)
Discount rate	Decrease by 0.5%	0	2

	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Historical developments					
Defined benefit obligation	(99)	(98)	(100)	(132)	(110)
Plan assets	43	42	42	54	48
Surplus/(deficit)	**(56)**	**(55)**	**(58)**	**(78)**	**(62)**
Experience adjustments on plan liabilities	9	0	5	8	(2)
Experience adjustments on plan assets	(2)	2	2	(2)	(6)

Note 9 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2012	2011
OTHER NON CURRENT ASSETS			
Loans to joint ventures	17	8	14
Available-for-sale financial assets		5	3
Financial derivatives		28	10
Other non current assets		4	7
Total other non current assets		**46**	**34**
OTHER CURRENT ASSETS			
Luboil		5	4
Accounts receivables		5	9
Financial derivatives		4	6
Loans to joint ventures	17	6	6
Payroll tax withholding account	11	1	1
Other current receivables		16	10
Total other current assets		**37**	**36**
OTHER NON CURRENT LIABILITIES			
Financial derivatives		163	164
Related party non current liabilities	17		21
Total other non current liabilities		**163**	**185**
OTHER CURRENT LIABILITIES			
Accounts payables		7	4
Next year's instalment on interest-bearing debt	12	103	227
Financial derivatives		3	15
Related party other current liabilities	17		4
Loans from joint ventures	12/17	14	3
Other current liabilities		33	31
Total other current liabilities		**160**	**285**

ACCOUNTS RECEIVABLES

Historically, the percentage of bad debts has been low and the group expects the customers to repay outstanding receivables. As of year end there was no receivables fallen due.

	2012	2011
Accounts receivable per segment		
Shipping (shipowners)	5	8
Holding		1
Total accounts receivables	**5**	**9**

See note 13 on credit risk.

Note 10 | CURRENT FINANCIAL INVESTMENTS

USD mill	2012	2011
Market value current financial investments		
Bonds	130	109
Other financial assets		1
Total current financial investments	**130**	**110**

The fair value of all equity securities, bonds and other financial assets is based on their current bid prices in an active market.

Net unrealised loss 31.12	(3)	(11)

Note 11 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2012	2011
Payroll tax withholding account	1	1
Undrawn committed drawing rights	50	100
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity		(61)
Undrawn committed loans		242

Note 12 | INTEREST-BEARING DEBT

USD mill	Note	2012	2011
Interest-bearing debt			
Mortgages		1 072	824
Leasing commitments		96	265
Bonds		352	384
Loans from joint ventures	17	14	10
Total interest-bearing debt		**1 534**	**1 483**
Book value of mortgaged and leased asset			
Vessels		1 755	1 421
Newbuilding contracts			
Total book value of mortgaged and leased assets		**1 755**	**1 421**
Repayment schedule for interest-bearing debt			
Due in year 1	9	117	230
Due in year 2		191	78
Due in year 3		98	160
Due in year 4		418	72
Due in year 5 and later		710	943
Total interest-bearing debt		**1 534**	**1 483**

Cont. note 12 | INTEREST-BEARING DEBT

USD mill	Note	2012	2011
Net interest-bearing debt (joint ventures based on equity method)			
Non current interest-bearing debt		1 417	1 253
Current interest-bearing debt	9	117	230
Total interest-bearing debt		**1 534**	**1 483**
Cash and cash equivalents		344	292
Current financial investments	10	130	110
Net interest-bearing debt		**1 060**	**1 081**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt		564	583
Current interest-bearing debt		103	171
Total interest-bearing debt in joint ventures		**667**	**754**
Cash and cash equivalents		227	179
Current financial investments			
Net interest-bearing debt in joint ventures		**440**	**576**

- A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 50 million at 31 December 2012 (2011: USD 100 million).
- The group's total leasing commitments, USD 96 million at 31 December 2012 (2011: USD 265 million) relates to a financial lease agreement for 6 (2011: 9) car carriers. The leasing agreement for 3 car carriers runs until December 2013 with options for repurchase, which has been exercised in first quarter 2013. The leasing agreement for the remaining 3 car carriers runs until 2029 (1) and 2030 (2) when the ownership is transferred to the group. The charter for 3 car carriers has a fixed interest rate (fixed annual nominal charter rate), while the charter for a further 3 carriers has a floating interest rate (varying annual nominal charter rate).
- Leasing liabilities for the 3 (2011: 3) ships on fixed interest rates had a fair value of about USD 6 million (2011: USD 14 million) against a carrying amount of USD 6 million at 31 December 2012 (2011: USD 14 million). The fair value is calculated on the basis of cash flows discounted by an average interest cost of 2.3%. All other non current liabilities have floating interest rates.
- Loan agreements entered into by the group contain financial covenants relating to free liquidity, debt-earnings ratio and current ratio.
- In additions one loan facility contain financial covenants relating to value-adjusted equity.
- The group was in compliance with these covenants at 31 December 2012 (analogous for 2011).
- The overview above shows the actual maturity structure, with the amount due in year one as the first year's instalment classified under other current liabilities.

	2012	2011
Guarantee commitments		
Guarantees for group companies	1135	970
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	1 092	1 012
NOK	352	384
GBP	90	87
Total	**1 534**	**1 483**
The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows		
12 months or less	1 384	1 476

See otherwise note 13 for information on financial derivatives (interest rate and currency hedges) relating to interest-bearing debt.

Note 13 | FINANCIAL RISK

The group has exposure to the following financial risks from its ordinary operations:

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
  - Investment portfolio risk
  - Bunker price risk
- Credit risk
- Liquidity risk

MARKET RISK INCLUDING BUNKERS

Economic hedging strategies have been established in order to reduce market risks in line with the financial strategy approved by the board of directors. Hedge accounting according to IAS 39 has not been applied for these economic hedges, and the effect is recognised through the income statement.

Joint ventures and associates, entities in which the group has joint control or significant influence respectively, hedge their own exposures. These are recorded in the accounts in accordance with the equity method, so that the effects of realised and unrealised changes in financial instruments in these companies are included in the line "share of profit/loss from joint ventures and associates" in the group accounts.

Foreign exchange rate risk

The group is exposed to currency risk on revenues and costs in non-functional currencies (transaction risk) and balance sheet items denominated in currencies other than USD (translation risk). The group's largest individual foreign exchange exposure is NOK against USD. However, the group is also exposed to a number of other currencies whereof EUR, KRW, GBP and JPY are most important.

Hedging of cash flow risk

The group's foreign exchange strategy is to hedge 25-75% of its net transaction risk. The projected four year rolling USD/NOK exposure is hedged using a portfolio of currency options. The average hedge ratio at the end of 2012 was approximately 37%. Hedge ratios (in both nominal and delta terms) are gradually reduced over the period. Material exposures against other currencies are hedged on an ad-hoc basis.

The group realised a gain of USD 5.7 million (2011: USD 5.8 million) on currency derivatives in 2012. The market value of outstanding FX hedges by end of December 2012 was USD 6.6 million (2011: USD 1.0 million).

Hedging of translation risk

The group has outstanding NOK-denominated bonds of about NOK 2.0 billion (USD 352 million). The corresponding amount was NOK 2.3 billion (USD 384 million) for 2011. A large part of this debt (NOK 1 billion) has been hedged against USD with cross currency swaps. The group had an unrealised profit of USD 12.3 million on these derivatives in 2012 (compared to an unrealised loss of USD 4.8 million in 2011), ending 2012 with a USD 21.8 million positive fair value of outstanding cross currency swaps (2011: USD 9.5 million).

The group has financial leases related to three car carriers in GBP with a value of USD 90 million at 31 December 2012. This debt has been hedged against USD using cross currency swaps. The stronger GBP against USD has resulted in a currency revaluation loss on the USD value of the lease liability and a corresponding revaluation gain on the cross currency swaps. In sum, these cross currency swaps had a negative market value of USD 7.2 million (2011: USD 0.9 million) on 31 December.

FX sensitivities

On 31 December 2012 material foreign currency balance sheet exposure subject to translation risk was in NOK. Income statement sensitivities (post tax) for the net exposure booked were as follows:

USD mill	(20%)	(10%)	0%	10%	20%
Change					
Income statement sensitivities of economic hedge program (post tax)					
USD/NOK	4.64	5.06	5.56	6.18	6.95
Income statement effect	54	27		(1)	(10)
(Tax rate used is 28% that equals the Norwegian tax rate)					

There were no material translation risks booked in other comprehensive income as of 31 December 2012. All financial derivatives are booked against the income statement. Equity sensitivities will therefore equal sensitivities in the income statement.

The portfolio of derivatives used to hedge the group's transaction risk (described above), exhibit the following income statement sensitivity:

USD mill	(20%)	(10%)	0%	10%	20%
Change					
USD/NOK spot rate	4.64	5.06	5.56	6.18	6.95
Income statement effect	(43)	(21)		21	43
(Tax rate used is 28% that equals the Norwegian tax rate)					

Cont. note 13 | FINANCIAL RISK

Interest rate risk
The group's strategy is to ensure that a minimum of 30% and a maximum of 70% of the interest-bearing debt portfolio have a fixed interest rate.

Interest rate hedge contracts held by the group corresponded to about 62% (2011: 75%) of its outstanding long-term interest exposure at 31 December 2012.

At 31 December, the overall portfolio of loan hedging derivatives had a negative value of USD 153 million (2011: negative USD 161 million).

USD mill	2012	2011
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1		225
Due in year 2	60	
Due in year 3	40	60
Due in year 4	260	140
Due in year 5 and later*	600	710
Total interest rate hedges	**960**	**1 135**
*of which forward starting	150	60

To replace maturing interest rate hedge contracts and new debt uptake, the group has entered into forward starting swaps with a notional of USD 150 million. These derivatives commence in 2016.

	2012	2011
Forward starting in:		
2012		60
2016	150	
Total forward starting	**150**	**60**

The average remaining term of the existing loan portfolio is approximately 4.8 years, while the average remaining term of the running hedges and fixed interest loans is approximately 5.3 years.

Interest rate sensitivities
The Group's interest rate risk originates from differences in duration between assets and liabilities. On the asset side, bank deposits and investments in interest-bearing instruments (e.g. Corporate Bonds) are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the mix of debt and issued bonds with attached fixed or floating coupons – in combination with financial derivatives on interest rates (plain vanilla interest rates swaps and swaptions) – will be exposed to changes in the level and curvature of interest rates. The Group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates. This methodology differs from the accounting principles, as only the changes in the market value of interest rate derivatives are recognized over the income statement (as "unrealized gain or loss on interest rate instruments"), whereas outstanding debt is booked at the respective outstanding notional value.

The interest rate sensitivity towards the fair value of assets and liabilities is summarized in below table:

USD mill					
Fare value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value	(64)	(32)		32	64

Cont. note 13 | FINANCIAL RISK

Apart from the fair value sensitivity calculation based on the Group's net duration, the Group is exposed to cash flow risk stemming from the risk of increased future interest payments on the unhedged part of the Group's interest bearing debt.

All financial derivatives are booked against the income statement in accordance with the fair value accounting principle. Equity sensitivities will therefore equal sensitivities in the income statement.

	2012		2011	
USD mill	Assets	Liabilites	Assets	Liabilites
Interest rate derivatives				
Wilh. Wilhelmsen ASA		23		27
Wilhelmsen Lines Shipowning AS		8		8
Wilhelmsen Lines AS		122		124
Wilhelmsen Lines Car Carriers Ltd				3
Total interest rate derivatives	**0**	**153**	**0**	**161**
Currency cash flow derivatives				
Wilhelmsen Lines Shipowning AS		3	6	
Wilh. Wilhelmsen ASA	11			5
Total currency cash flow derivatives	**11**	**3**	**6**	**5**
Cross currency derivatives (basis swaps)				
Wilh. Wilhelmsen ASA	22		10	
Wilhelmsen Lines Car Carriers Ltd		10		12
Total cross currency derivatives (basis swaps)	**22**	**10**	**10**	**12**
Total market value of capitalised financial derivatives	**32**	**166**	**16**	**179**

Book value equals market value.

Investment portfolio risk
The group actively manages a defined portfolio of liquid financial assets for a portion of the group's liquidity. In the WWASA group, the board determines a strategic asset allocation by setting weights for main asset classes, bonds, money market instruments and cash.

Interest rate risk
Within the investment portfolio, corporate bonds are exposed to interest rate risk, typically measured by the duration. The duration has been low throughout the year (< 1 year). The interest rate sensitivity towards the fair value of held bonds is summarized in below table:

USD mill					
Fare value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Income statement effect	2	1		(1)	(2)

Credit risk
Within the investment portfolio, corporate bonds are exposed to movements in credit spreads - measured as the difference between the bonds' yield-to-maturity and the level of interest rate swaps with matching maturity – and typically more linked to equity markets' performance. The portfolio's average credit spread at year-end 2012 was approximately 120 basis points. The movements in credit spreads will have the same effect on the fair value of held bonds as changes in interest rate levels.

USD mill					
Fare value sensitivities of interest credit risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Income statement effect	2	1		(1)	(2)

Cont. note 13 | FINANCIAL RISK

Bunker price risk
The group's strategy for bunker is to secure bunker adjustment clauses (BAF) in contracts of affreightment. Various forms of BAF's are included in most of the contracts of affreightment held by the operating joint ventures.

The profitability and cash flow of the group will depend upon the market price of bunker fuel which is affected by numerous factors beyond the control of the group. After an increase in the first quarter of 2012 the bunker price decreased towards the summer, increase again during third quarter before coming back down in the fourth quarter of 2012. Rotterdam FOB 380 started the year at USD 630 per tonne and decreased to USD 585 per tonne at year end.

The group is exposed to bunker price fluctuations through its investments in Wallenius Wilhelmsen Logistics (WWL) (50%), American Shipping and Logistics Group (50%) and EUKOR Car Carriers (40%), and through adjustment in vessel charter hire from WWL.

EUKOR has entered into derivative contracts to hedge part of the remaining bunker price exposure. The group's share of these contracts corresponds to its share of earnings in EUKOR. The group's share of the market value relating to bunker contracts held by EUKOR were positive USD 3.5 million (2011: positive USD 5.4 million) at 31 December.

CREDIT RISK
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and originates primarily from the group's customer receivables, financial derivatives used to hedge interest rate risk or foreign exchange risk, as well as investments, including bank deposits.

Loans and receivables
Trade receivables
The group's direct exposure to credit risk on its receivables is limited as the group does not have any direct relationship with the customers.

However, the group's underlying exposure to credit risk through its joint ventures is influenced mainly by individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group's shipping segment has historically been considered to have low credit risk as the joint ventures do business with large and well reputed customers. In addition, cargo can be held back.

However, due to the financial difficulties currently facing some customers, the credit risk has increased somewhat, but is still regarded as moderate.

Cash and bank deposits
The group's exposure to credit risk on cash and bank deposits is considered to be very limited as the group maintain banking relationships with well reputed and familiar banks and where the group - in most instances - has a net debt position towards these banks.

Financial derivatives
The group's exposure to credit risk on its financial derivatives is considered to be limited as the group's counterparties are well reputed and familiar banks.

Loans to joint ventures
The group's exposure to credit risk on loans to joint ventures is limited as the group, together with its joint venture partner, control the entities to which loans have been provided.

No loans or receivables were past due or impaired as of 31 December 2012 (analogous for 2011).

Guarantees
The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within the subsidiaries. See note 12 for further details.

Credit risk exposure
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD mill	Note	2012	2011
Exposure to credit risk			
Financial derivatives	9	32	16
Accounts receivable	9	5	9
Current financial investments	10	130	110
Other non current assets	9	12	21
Other current assets	9	28	21
Cash and bank deposits		344	292
Total exposure to credit risk		**551**	**469**

Book value equals market value.

Cont. note 13 | FINANCIAL RISK

LIQUIDITY RISK

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to at all times meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's liquidity risk is considered to be low in that it holds significant liquid assets in addition to credit facilities with the banks.

The liquidity increased significantly during 2012 mainly as a result of solid operational and financial performance and sale of assets.

At 31 December, the group had USD 474 million (2011: USD 399 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2011: USD 100 million) in undrawn capacity under its bank facilities.

USD mill	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Undiscounted cash flows financial liabilities				
Mortgages	133	116	320	655
Leasing commitments	14	8	17	128
Bonds	18	111	257	41
Financial derivatives	19	18	34	39
Total interest-bearing debt	**184**	**253**	**627**	**862**
Current liabilities (excluding next year's instalment on interest-bearing debt)	43			
Total gross undiscounted cash flows financial liabilities 31.12.2012	**227**	**253**	**627**	**862**
Mortgages	177	85	337	346
Leasing commitments	19	19	35	224
Bonds	83	17	345	38
Financial derivatives	40	27	54	26
Total interest-bearing debt	**319**	**148**	**770**	**635**
Current liabilities (excluding next year's instalment on interest-bearing debt)	55			
Total gross undiscounted cash flows financial liabilities 31.12.2011	**374**	**148**	**770**	**635**

Interest expenses on interest-bearing debt included above have been computed using interest rate curves as of year-end.

COVENANTS

Most financing is subject to certain financial and non-financial covenants or restrictions. The main covenant related to the company's bond debt is limitation on the ability to pledge assets.

The main bank and lease financing of the group (Wilhelmsen Lines group) and its wholly-owned subsidiaries have financial covenant clauses relating to one or several of the following:

- Minimum liquidity
- Current assets/current liabilities
- Net interest-bearing debt/ EBITDA

The minimum ratios are adjusted to reflect the financial situation of the relevant borrowing company or group of companies. Certain loan agreements have loan-to-value clauses (ship values), however, the company has the ability to provide additional security if necessary. Certain subsidiary loan agreements also have change of control clauses. As of the balance date, the company is not in breach of any financial or non-financial covenants.

Covenants can be adjusted in the event of material changes in accounting principles.

CAPITAL RISK MANAGEMENT

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors return on capital employed, which the group defines as operating profit divided by capital employed (shareholders equity and interest-bearing debt). The long-term objective is a return on capital employed higher than the weighted average cost of capital. The board also monitors the level of dividends to shareholders.

The group seeks to maintain a balance between the potentially higher returns that can be achieved with a higher level of debt and the advantages of maintaining a solid capital position. The group's target is to achieve a return on capital employed over time that exceeds the risk adjusted long term weighted average cost of capital. In 2012 the return on capital employed was 17.6% (2011: 9.9%).

USD mill	2012	2011
Capital employed		
Average equity	1 380	1 157
Average interest-bearing debt	1 508	1 402
Profit after tax	409	143
Operating profit	508	254
Return on equity	29.7%	12.4%
Return on capital employed	17.6%	9.9%

Cont. note 13 | FINANCIAL RISK

The group has a covenant on value adjusted equity. The requirement is that value adjusted equity shall exceed 30% of total assets.

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
- 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.

USD mill	Fair value	Book amount
Interest-bearing debt		
Mortgages	1 055	1 072
Leasing commitments	96	96
Bonds	353	352
Loans from joint ventures	14	14
Total interest-bearing debt 31.12.2012	**1 517**	**1 534**
Mortgages	800	824
Leasing commitments	266	265
Bonds	375	384
Loans from joint ventures	10	10
Total interest-bearing debt 31.12.2011	**1 451**	**1 483**

Total financial instruments and short term financial investments:

USD mill	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement				
- Financial derivatives		32		32
- Bonds	129			130
- Available-for-sale financial assets	5			5
- Other financial assets				0
Total assets 31.12.2012	**134**	**32**	**0**	**166**
Financial liabilities at fair value through income statement				
- Financial derivatives		166		166
Total liabilities 31.12.2012	**0**	**166**	**0**	**166**
Financial assets at fair value through income statement				
- Financial derivatives		16		16
- Bonds	107		3	110
- Available-for-sale financial assets	3			3
- Other financial assets			1	1
Total assets 31.12.2011	**110**	**16**	**3**	**129**
Financial liabilities at fair value through income statement				
- Financial derivatives		179		179
Total liabilities 31.12.2011	**0**	**179**	**0**	**179**

The following table presents the changes in level 3 instruments:

Cont. note 13 | FINANCIAL RISK

	2012	2011
Opening balance 01.01	3	4
Disposals	(2)	(1)
Gains and losses recognised through income statement	(1)	
Closing balance 31.12	**0**	**3**

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 at the end of 2012 are liquid investment grade bonds (analogous for 2011).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These instruments are included in level 2. Instruments included in level 2 are FX and IR derivatives and illiquid high yield corporate bonds.

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.

Financial instruments by category:

	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets	8	28	5	4	46
Current financial investments		130			130
Other current assets	11	4		22	37
Cash and cash equivalent	344				344
Assets at 31.12.2012	**363**	**162**	**5**	**26**	**557**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 417	1 417
Other non current liabilities	163		163
Other current liabilities	3	157	160
Liabilities 31.12.2012	**166**	**1 574**	**1 740**

	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets	14	10	3	7	34
Current financial investments		110			110
Other current assets	15	6		15	36
Cash and cash equivalent	292				292
Assets at 31.12.2011	**321**	**126**	**3**	**22**	**472**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 253	1 253
Other non current liabilities	164	21	185
Other current liabilities	15	270	285
Liabilities 31.12.2011	**179**	**1 544**	**1 723**

Note 14 | SEGMENT REPORTING

The chief operating decision-maker monitors the business by combining operations having similar operational characteristics such as product services, market and underlying asset base, into operating segments. The shipping segment offers a global service covering major global trade routes which makes it difficult to allocate to geographical segments.

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.

For the holding segment the financial reporting will be the same for both equity and proportionate methods.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2012 is as follows:

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
INCOME STATEMENT										
Operating revenue	2 333	2 020	448	378	7	7	(30)	(30)	2 758	2 375
Share of profits from associates	11	8	47	39					57	47
Gain on sale of assets			134						134	
Total income	**2 344**	**2 028**	**628**	**417**	**7**	**7**	**(30)**	**(30)**	**2 949**	**2 422**
Voyage expenses	(1 154)	(1 066)					24	22	(1 130)	(1 044)
Vessel expenses	(84)	(86)							(84)	(86)
Charter expenses	(375)	(288)							(375)	(288)
Employee benefits	(160)	(144)	(32)	(32)	(11)	(12)			(203)	(187)
Other expenses	(98)	(81)	(362)	(301)	(6)	(8)	6	8	(460)	(382)
Depreciation and impairment	(144)	(138)	(6)	(6)					(150)	(144)
Total operating expenses	**(2 015)**	**(1 802)**	**(399)**	**(339)**	**(18)**	**(20)**	**30**	**30**	**(2 402)**	**(2 130)**
Operating profit (EBIT)*	**328**	**226**	**229**	**79**	**(10)**	**(12)**	**0**	**0**	**547**	**292**
Net financial items	8	4	2	2	8	8	(7)	(7)	12	7
Net interest expenses, including derivatives	(82)	(126)	(1)	(1)	(34)	(39)	7	7	(110)	(159)
Net currency items, including derivatives	(6)	(6)			6	8				2
Valuation of bunker hedges	(2)	3							(2)	3
Profit/(loss) before tax	**247**	**102**	**230**	**79**	**(30)**	**(36)**	**0**	**0**	**448**	**145**
Tax income/(expense)	(30)	2	(14)	(12)	7	9			(37)	(1)
Profit/(loss)	**217**	**104**	**216**	**67**	**(23)**	**(27)**	**0**	**0**	**410**	**144**
Of which minority interest			(1)	(1)					(1)	(1)
Profit/(loss) after minority interest	**217**	**104**	**215**	**65**	**(23)**	**(27)**	**0**	**0**	**409**	**143**

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

Income in 2012 of approximately USD 225 million (2011: USD 248 million) is from one external customer belonging to the group's shipping segment.

	Note	2012	2011
Reconciliations between the operational segments and the group's income statement			
Total segment income	14	2 949	2 422
Share of total income from joint ventures	2	(2 362)	(2 066)
Share of profit from joint ventures	2	172	135
Total income		**759**	**491**
Share of profit from joint ventures and associate	2/3	(230)	(182)
Gain on sale of assets	1	(134)	
Operating revenue	1	**395**	**309**
Segment note's profit for the year	14	409	143
Profit for the year (Income statement)		**409**	**143**

Cont. note 14 | SEGMENT REPORTING

The amounts provided to the chief operating decision-maker with respect to total assets, liabilities and equity are measured in a manner consistent with that of the balance sheet. The balance sheet is based on equity consolidation and is therefore not directly consistent with the segment reporting for the income statement.

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11
BALANCE SHEET										
Fixed assets	1 873	1 736			1	1			1 874	1 737
Investments in joint ventures and associates	630	527	346	309					976	836
Non current receivables/ investments	19	19			211	407	(181)	(388)	49	37
Current assets	351	343			162	97	(2)	(2)	511	438
Total assets	**2 873**	**2 625**	**346**	**309**	**375**	**505**	**(183)**	**(390)**	**3 410**	**3 048**
Equity	1 247	854	346	309	(41)	45			1 553	1 207
Non current liabilities	1 469	1 532			409	393	(181)	(388)	1 697	1 537
Current liabilities	157	239			7	67	(2)	(2)	161	305
Total equity and liabilities	**2 873**	**2 625**	**346**	**309**	**375**	**505**	**(183)**	**(390)**	**3 410**	**3 048**
Investments in tangible assets	221	401							221	402

	Europe		Americas		Asia & Africa		Other		Total	
GEOGRAPHICAL AREAS	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total income	166	27	28	21	171	135	394	308	759	491
Total assets	295	203	34	27	208	194	2 873	2 625	3 410	3 048
Investment in tangible assets							221	401	221	402

Assets and investments in shipping-related activities are not allocated to geographical segments, since these assets constantly move between the geographical segments and a breakdown would not provide a sensible picture. This is consequently allocated under the "other" geographical area.

Russia is defined as Europe.

Total income
Segment income is based on the geographical location of the company and includes sales gains and share of profits from joint ventures and associates.

Charter hire income received by shipowning companies cannot be allocated to any geographical area. This is consequently allocated under the "other" geographical area.

The share of profits from joint ventures and associates is allocated in accordance with the location of the relevant company's head office. This does not necessarily reflect the geographical distribution of the underlying operations, but it would be difficult to give a correct picture when consolidating in accordance with the equity method.

Total assets
Segment assets are based on the geographical location of the assets.

Investments in tangible assets
Segment capital expenditure is based on the geographical location of the assets.

Cont. note 14 | SEGMENT REPORTING

ADDITIONAL SEGMENT REPORTING

The equity method is used in communicating externally, in accordance with IFRS. The amounts provided with respect to the segment split are in a manner consistent with that of the income statement.

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
INCOME STATEMENT										
Income other operating segments					6	6	(6)	(6)	0	0
Income external customers	394	308			1	2			395	309
Share of profits from joint ventures and associates*	149	117	82	65					230	182
Gain on sales of assets			134						134	
Total income	**542**	**425**	**215**	**65**	**7**	**7**	**(6)**	**(6)**	**759**	**491**
Primary operating profit	**386**	**277**	**215**	**65**	**(10)**	**(12)**			**591**	**330**
Depreciation and impairment	(83)	(75)							(83)	(76)
Operating profit	**303**	**201**	**215**	**65**	**(10)**	**(12)**	**0**	**0**	**508**	**254**
Financial income/(expenses)	(62)	(102)			(20)	(23)			(82)	(125)
Profit/(loss) before tax	**241**	**100**	**215**	**65**	**(30)**	**(35)**	**0**	**0**	**426**	**129**
Tax income/(expense)	(24)	5			7	9			(17)	14
Profit/(loss) for the year	**217**	**104**	**215**	**65**	**(23)**	**(27)**	**0**	**0**	**409**	**143**

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

Note 15 | BUSINESS COMBINATIONS

There were no material business acquisitions in the period 1 January 2011 to 31 December 2012.

Note 16 | COMMITMENTS

The group has lease agreements for 5 vessels on operating leases. 3 leases run over 15 years from 2006 (2 vessels) and 2007 (1 vessel) with an option to extend for additional 5 + 5 years. 2 leases run for 2 years from end of 2010 with further options 1+1+1 year. In addition the group has lease agreements for office rental and office equipment.

The commitment related to this is as set out below (nominal amounts):

USD mill	2012	2011
Due in year 1	28	26
Due in year 2	23	23
Due in year 3	23	23
Due in year 4	23	23
Due in year 5 and later	113	137
Value of operating lease commitments	**209**	**232**

During 2012, 3 new vessels were delivered. WWASA has, on own accounts, no further new vessels due for delivery.
The commitments related to the newbuilding programme is set out below:

USD mill	2012	2011
Due in year 1		200
Value of newbuilding commitments	**0**	**200**

Note 17 | RELATED PARTY TRANSACTIONS

The ultimate owner of the Wilh. Wilhelmsen ASA group is Tallyman AS, which controls the group through its ownership in Wilh. Wilhelmsen Holding ASA. Tallyman AS control 60% of voting shares of Wilh. Wilhelmsen Holding ASA who has a 73% ownership in Wilh. Wilhelmsen ASA. In addition, Tallyman AS directly owns 0.5% of Wilh. Wilhelmsen ASA.

The ultimate owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS.

Remuneration of Mr Wilhelm Wilhelmsen totaled USD 297, whereof USD 267 was ordinary paid pension and USD 30 in other remuneration.

See note 4 regarding fees to board of directors, and note 2 and note 10 in the parent company regarding ownership.

The group has undertaken several transactions with related parties within Wilh. Wilhelmsen Holding ASA (WWH), Wilservice AS and Wilhelmsen Maritime Services group (WMS group). All transactions are entered into in the ordinary course of business of the company and the agreements pertaining to the transactions are all entered into on commercial market terms.

USD mill	2012	2011
Operating revenue from WWH, Wilservice AS and WMS group	0.4	0.5
Operating revenue from related parties are mainly accounting services		
Operating expenses to WWH, Wilservice AS and WMS group	7.8	7.3

WWH delivers services to the WWASA group related to inter alia human resources, tax, communication, treasury and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. In addition, according to service level agreements, WWASA delivers accounting services to WWH. 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.

Historically and currently there are several agreements and transactions made between the group and companies in the WMS group, all of which are made on an arm's length principle based on market terms, based on the principles set out in the OECD's transfer pricing guidelines for group services, including, inter alia, cost plus basis or based on independent broker estimates, as the case may be. In the event services are provided to both external and internal parties, the prices set forth in the contracts regarding such services, are on same level for both the external and the internal customers. The contracts cover:

- Ship management including crewing, technical and management service
- Agency services
- Freight and liner services
- Marine products to vessels
- IT Services

Most of the above expenses will be a part of time charter income from joint ventures. Net income from joint ventures includes the expenses from the related parties as a part of the share of profit from associates and joint ventures.

USD mill	Note	2012	2011
Non current loan to related parties within WWH, Wilservice AS and WMS group			
Non current loan from related parties (WMS group)			
Loans from related parties		21	23
Loan repayments		(21)	(2)
Non current loan from related parties*	9	**0**	**21**

*The interest free non current loan from WMS group of NOK 125 million was repaid at market terms with a discount to par value in the fourth quarter 2012. The discount amounted to USD 3.3 million and is included in financial income.

	Note	2012	2011
Current receivables related parties within WWH, Wilservice AS and WMS group			
Current loan/payables related parties within WWH, Wilservice AS and WMS group	9		4

Cont. note 17 | RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH JOINT VENTURES
Wallenius Wilhelmsen Logistics (WWL) is a joint venture between WWASA and Wallenius Lines AB (Wallenius). It is an operating company within both the shipping segment and the logistics segment. It operates most of the WWASA's and Wallenius' owned vessels. The distribution of income from WWL to WWASA and Wallenius is based on the total net revenue earned by WWL from the operating of the combined fleets of WWASA and Wallenius, rather than the net revenue earned by each party's vessels.

EUKOR Car Carriers Inc is also chartering vessel from WWASA. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

USD mill	Business office, country	Ownership	Note	2012	2011
Operating revenue from joint ventures					
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%		344	259
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%		41	42
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		9	8
Tellus Shipping AS	Lysaker, Norway	50%			
ASL Group**	New Jersey, USA	50%			
Freight revenue from joint ventures			1	**394**	**308**

**American Roll-on Roll-off Carrier Holdings Inc, Fidelio Inc, Fidelio Limited Partnership, American Logistics Network LLC and American Shipping & Logistics Group Inc.

	Note	2012	2011
Loan from joint venture			
Non current interest-bearing debt			7
Current interest-bearing debt		14	3
Total loan from joint venture* **	12	**14**	**10**
Loan to joint venture			
Non current assets	9	8	14
Current assets	9	6	6
Total loan to joint venture* **		**14**	**20**

***Loans to and from Fidelio Limited Partnership is provided at commercially reasonable market terms (average margins 4.5%). Interest rates are based on floating LIBOR-rates.

In addition, JVs and associate (Hyundai Glovis Co Ltd) have several transactions with each other. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

Note 18 | CONTINGENCIES

The size and global activities of the group dictate that companies in the group from time to time will be involved in disputes and legal actions.

WWASA's partly owned companies WWL and EUKOR are currently subject to investigations by competition authorities in several jurisdictions related to suspected antitrust infringements in the car carrier industry. The companies are cooperating with relevant government agencies. Other than the cost of process management, which is accounted for on an ongoing basis, no other accruals or reserves have been charged to the 2012 accounts in this context.

The group is not aware of any further financial risk associated with other disputes and legal actions which are not largely covered through insurance arrangements. Any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

Note 19 | EVENTS AFTER THE BALANCE SHEET DATE

Leasing agreements for three car carriers originally ran until December 2013 with purchase options during the lease period. These purchase options, approx USD 2 million per vessel, have been exercised in the first quarter of 2013. The leasing agreements will be terminated at time of vessel purchase/delivery, which is expected to be executed in the first half of 2013.

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

Income statement | WILH. WILHELMSEN ASA

USD mill	Note	2012	2011
Operating income	1	**7**	**7**
Operating expenses			
Employee benefits	2	(11)	(12)
Depreciation and impairment	3		
Other operating expenses	1	(5)	(7)
Total operating expenses		**(17)**	**(19)**
Net operating profit/(loss)		**(10)**	**(12)**
Financial income and expenses			
Financial income	1	226	115
Financial expenses	1	(49)	(32)
Financial derivatives	1	22	(15)
Financial income / (expenses)		**198**	**67**
Profit/(loss) before tax		**188**	**55**
Income tax expense	4	(9)	(15)
Profit/(loss) for the year		**179**	**40**
Transfers and allocations			
(To)/from equity		(21)	(16)
Dividends		(158)	(24)
Total transfers and allocations		**(179)**	**(40)**

Notes 1 to 14 on the next pages are an integral part of these financial statements.

Balance sheet | WILH. WILHELMSEN ASA

USD mill	Note	31.12.2012	31.12.2011
ASSETS			
Non current assets			
Deferred tax asset	4	9	16
Intangible assets	3	1	
Tangible assets	3	1	1
Investments in subsidiaries	5	752	528
Investments in joint ventures and associates	6	50	63
Other non current assets	7	183	396
Total non current assets		**995**	**1 005**
Current assets			
Current financial investments	8/9		1
Other current assets	7	52	36
Cash and bank deposits		152	92
Total current assets		**204**	**128**
Total assets		**1 199**	**1 133**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	10	30	30
Premium fund	10	89	485
Retained earnings	10	439	62
Total equity		**559**	**578**
Non current liabilities			
Pension liabilities	11	43	43
Non current interest-bearing debt	12	352	323
Other non current liabilites	7	55	65
Total non current liabilities		**451**	**430**
Current liabilities			
Public duties payable		1	1
Other current liabilities	7/12	188	124
Total current liabilities		**190**	**125**
Total equity and liabilities		**1 199**	**1 133**

Lysaker, 18 March 2013

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P Dyvik	Hege Sjo	Marianne Lie	Jan Eyvin Wang President and CEO

Notes 1 to 14 on the next pages are an integral part of these financial statements.

Cash flow statement | WILH. WILHELMSEN ASA

USD mill	Note	2012	2011
Cash flow from operating activities			
Profit before tax		188	55
Depreciation and impairment	3		
Financial (income)/expense excluding financial derivatives unrealised		(32)	(72)
Financial derivatives unrealised	1	(32)	20
Currency exchange operation - through P/L		24	(15)
(Gain)/loss from sale of tangible and intagible assets			
(Gain)/loss from sale of associates		(158)	
Liquidation of WW pensjonskasse		8	
Change in net pension asset/liability	11	(2)	(2)
Change in current financial investment	8		1
Change in other current assets			1
Other change in working capital		(2)	(6)
Net cash provided by/(used in) operating activities		**(7)**	**(19)**
Cash flow from investing activities			
Proceeds from sale of tangible and intagible assets	3		
Proceeds from sale of associate		170	
Investments in tangible and intagible assets		(1)	
Loan repayments received from subsidiaries		25	27
Loans granted to subsidiaries			(3)
Interest received		8	10
Group contribution		10	(1)
Dividends received from associates		6	3
Loans repayments from subsidiaries			4
Loans repayments to subsidiaries			(1)
Return on financial investments			(1)
Net cash flow provided by/(used in) investing activities		**219**	**38**
Cash flow from financing activities			
Proceeds from issuance of debt			33
Repayment of debt		(63)	(48)
Dividends paid		(63)	(39)
Amortization discount WW bonds			(1)
Interest paid including interest rate derivates realised		(26)	(20)
Net cash flow provided by/(used in) financing activities		**(152)**	**(74)**
Net increase/(decrease) in cash and cash equivalents		**60**	**(55)**
Cash and cash equivalents at 01.01*		92	146
Cash and cash equivalents at 31.12		**152**	**92**

* The company has several banks accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities

Notes 1 to 14 on the next pages are an integral part of these financial statements.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	2012	2011
OPERATING INCOME		
Inter-company income	6	7
Other external income		
Total operating income	**7**	**7**
OTHER OPERATING EXPENSES		
Inter-company expenses	(3)	(3)
Other administration expenses	(2)	(4)
Total other operating expenses	**(5)**	**(7)**
FINANCIAL INCOME/(EXPENSES)		
Financial income		
Dividend from subsidiaries and group contribution	60	89
Interest income	8	10
Gain on sale of investments	158	
Net currency gain		16
Total financial income	**226**	**115**
Financial expenses		
Interest expenses	(21)	(23)
Net currency loss	(22)	
Return on current financial investments		(1)
Other financial expenses	(6)	(8)
Total financial expenses	**(49)**	**(32)**
Financial derivatives		
Realised gain/(loss) related to currency derivatives	2	12
Realised gain/(loss) related to interest rate derivatives	(12)	(7)
Unrealised gain/(loss) related to currency derivatives	28	(18)
Unrealised gain/(loss) related to interest rate derivatives	4	(3)
Total financial derivatives	**22**	**(15)**
Financial income/(expenses)	**198**	**67**

Note 2 | EMPLOYEE BENEFITS

USD mill	2012	2011
Pay	5	5
Payroll tax	2	2
Pension cost	3	4
Other remuneration	2	1
Total employee benefits	**11**	**12**
Average number of employees	32	33

Cont. note 2 | EMPLOYEE BENEFITS

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay/fees/ pension	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2012						
President and CEO - Jan Eyvin Wang	570	169	466	466*	1 672	9 720
CFO - Benedicte Bakke Agerup	318	76	34	24	452	2 630

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 426.

2011						
President and CEO - Jan Eyvin Wang	566	54	394	389*	1 402	7 859
CFO - Benedicte Bakke Agerup	293	59	36	21	409	2 295

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 344.

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

The annual general meeting resolved that each external director would receive NOK 250 000 (totalled USD 129) in 2012 (2011: USD 146 in total). One of the board members, Diderik Schnitler, has an additional consulting agreement with the group where he got paid USD 45 (2011: USD 37). Remuneration of the nomination committee totalled USD 9 in 2012.

The board's remuneration for the fiscal year 2012 will be approved by the general meeting 25 April 2013.

LOANS AND GUARANTEES

USD 1 000	Employees	Board	Chair	CEO	CFO	Related parties
Total loans						

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31.12.2012

Name	Number of shares	% of shares
Board of directors		
Thomas Wilhelmsen (chair)	42 000	0.02%
Diderik Schnitler	60 000	0.03%
Nils P Dyvik	4 132	0.00%
Senior executives		
President and CEO - Jan Eyvin Wang	25 115	0.01%
CFO - Benedicte Bakke Agerup	21 115	0.01%

OPTION PROGRAMME FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents

The extraordinary general meeting of Wilh. Wilhelmsen ASA (WWASA) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at senior executive level in the company.

The programme has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for Wilh. Wilhelmsen ASA was authorised to decide the beneficiaries under the programme. The board initially allocated annually 80 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2012 is average share price over the two weeks after the release of the results for the fourth quarter 2011 was NOK 38.20 (WWASA shares).

	Share equivalent in WWASA shares	
	2012	2011
Granted share equivalents annually given:		
President and CEO - Jan Eyvin Wang	50 000	50 000
CFO - Benedicte Bakke Agerup	30 000	30 000

Per 31 December the options were in the money for 2012 and the group has booked a provision of USD 0.3 million.

Cont. note 2 | EMPLOYEE BENEFITS

EXPENSED AUDIT FEE (excluding VAT)

USD 1 000	2012	2011
Statutory audit	133	92
Other assurance services	27	47
Tax advisory fee	20	
Total expensed audit fee	**180**	**139**

Note 3 | INTANGIBLE AND TANGIBLE ASSETS

USD mill

2012	Intangible assets	Tangible assets
Cost price 01.01	2.0	2.1
Additions	0.6	0.4
Disposal		(0.7)
Cost price 31.12	**2.6**	**1.9**
Accumulated ordinary depreciation 01.01	1.8	1.6
Disposal		(0.5)
Depreciation	0.2	0.1
Accumulated ordinary depreciation 31.12	**2.0**	**1.2**
Carrying amounts 31.12	**0.6**	**0.6**
2011		
Cost price 01.01	2.0	2.6
Additions		0.1
Disposal		(0.5)
Cost price 31.12	**2.0**	**2.1**
Accumulated ordinary depreciation 01.01	1.6	1.8
Disposal		(0.5)
Depreciation	0.2	0.2
Accumulated ordinary depreciation 31.12	**1.8**	**1.6**
Carrying amounts 31.12	**0.2**	**0.6**
Economic lifetime	Up to 3 years	3-10 years
Depreciation schedule	Straight-line	Straight-line

The company has a lease agreement for the office building, Strandveien 20.	2012	2011
Due in year 1	1	1
Due in year 2	1	1
Due in year 3	1	1
Due in year 4	1	1
Due in year 5 and later	5	5
Total expenses related to lease agreement of office building	**7**	**7**

Note 4 | TAX

USD mill	2012	2011
Distribution of tax expenses		
Payable tax/witholding tax	1	
Change in deferred tax	8	15
Total income tax	**9**	**15**
Basis for tax computation		
Profit before tax	188	55
28% tax	53	15
Tax effect from		
Wilhtholding tax	1	
Non taxable income and loss	(44)	(1)
Current years calculated tax	**9**	**15**
Effective tax rate	4.9%	27.7%
Deferred tax asset		
Tax effect of temporary differences		
Current assets and liabilities	3	(6)
Non current liabilities and provisions for liabilities	(12)	(10)
Tax losses carried forward		
Deferred tax asset	**(9)**	**(16)**
Composition of deferred tax and changes in deferred tax		
Deferred tax asset 01.01	16	32
Tax effect of group contribution previous year	(15)	
Change in deferred tax through income statement	7	(16)
Currency translation	1	
Deferred tax asset 31.12	**9**	**16**

Note 5 | INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are recorded at cost. Where a reduction in the value of shares in subsidiaries is considered to be permanent and significant, a impairment to net realisable value is recorded.

USD 1 000	Business office country	Voting share/ ownership share	2012 Book value	2011 Book value
Njord Insurance Company Ltd	Hamilton, Bermuda	100%	475	475
Wilh. Wilhelmsen Netherlands BV	Breda, Netherlands	100%	174	174
Wilhelmsen Lines AS	Lysaker, Norway	100%	738 857	515 373
Den Norske Amerikalinje AS	Lysaker, Norway	100%	12 300	12 300
Total investments in subsidiaries			**751 806**	**528 322**

Note 6 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Business office country	2012 Voting share/ ownership share	2011 Voting share/ ownership share
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40.0%	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	40.0%	40.0%
Associates			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	10.0%	12.5%
Shippersys AB	Stockholm, Sweden	25.0%	

USD 1 000	Business office country	2012 Book value	2011 Book value
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd	Singapore	24	24
EUKOR Shipowning Singapore Pte Ltd	Singapore	11	11
Associates			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	50 181	62 681
Shippersys AB	Stockholm, Sweden	38	
Book value of joint ventures and associates		**50 255**	**62 716**

Note 7 | COMBINED ITEMS, BALANCE SHEET

USD mill	2012	2011
OTHER NON CURRENT ASSETS		
Non current loan group companies	182	389
Subordinated loan pension and core capital pension		7
Other non current assets		
Total other non current assets	**183**	**396**
Of which non current debitors falling due for payment later than one year:		
Loans to subsidiaries	157	364
Total other non current assets due after one year	**157**	**364**
OTHER CURRENT ASSETS		
Inter-company receivables	17	26
Other current receivables	34	10
Total other current assets	**52**	**36**
OTHER NON CURRENT LIABILITES		
Loans from subsidiaries	55	65
Total other non current liabilites	**55**	**65**
OTHER CURRENT LIABILITIES		
Accounts payable	1	
Inter-company payables	2	2
Next year's instalment on interest-bearing debt		61
Dividend	158	24
Other current liabilities	27	37
Total other current liabilities	**188**	**124**

The fair value of current receivables and payables is virtually the same as the carried amount, since the effect of discounting is insignificant.

Borrowing is at floating rates of interest with margins approximately at today's market terms except for bonds. Fair value is virtually identical with the carried amount.

Note 8 | CURRENT FINANCIAL INVESTMENTS

USD mill	2012	2011
Market value current financial investment		
Other financial assets	0	1

Note 9 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2012	2011
Payroll tax withholding account	1	1
Undrawn committed drawing rights	50	100
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.		(61)

Note 10 | EQUITY

USD mill	Share capital	Own shares	Premium Fund	Retained earnings	Total
Current year's change in equity					
Dividends				(40)	(40)
Proposed dividend				(158)	(158)
Reduction premium fund			(395)	395	
Net profit				179	179
Balance 31.12.2012	**30**	**0**	**89**	**439**	**559**
Balance at 01.01.2011	30	0	485	66	582
Current year's change in equity					
Dividends				(20)	(20)
Proposed dividend				(24)	(24)
Net profit				40	40
Balance 31.12.2011	**30**	**0**	**485**	**62**	**578**

At 31 December 2012 the company's share capital comprises 220 000 000 shares with a nominal value of NOK 1 each. The company had no own shares.

Distributable equity in the parent company was USD 420 million at 31 December 2012.

In accordance with the board of directors' proposal, the extraordinary general meeting held on 6 December 2011 resolved that the company's share premium reserve should be reduced with USD 395 million (NOK 2.3 billion). The reduction of the share premium reserve was registered in the Norwegian business registration, Brønnøysund Registration Centre 10 March 2012.

Dividend paid
Dividend paid for fiscal year 2011 was NOK 0.65 per share paid in May 2012 and NOK 1.00 per share paid in November 2012.

The proposed dividend for fiscal year 2012 is NOK 4.00 per share, payable in the second quarter of 2013. A decision on this proposal will be taken by the annual general meeting on 25 April 2013.

Cont. note 10 | EQUITY

The largest shareholders at 31.12.2012

Shareholders	Number of shares	% of shares
Wilh. Wilhelmsen Holding ASA*	160 000 000	72.73%
Folketrygdfondet	11 271 424	5.12%
Skandinaviska Enskilda Banken	5 917 690	2.69%
JPMorgan Chase Bank	4 214 109	1.92%
Other	38 596 777	17.54%
Total number of shares	**220 000 000**	**100.00%**

* Through different companies Mr Wilhelm Wilhelmsen controls 44% of Wilh. Wilhelmsen ASA.

Shares on foreigners hands
At 31.12.2012 - 19 687 961 (8.95%) shares.
At 31.12.2011 - 18 235 257 (8.29%) shares.

Note 11 | PENSION

Description of the pension scheme

- The company provides both defined benefit employee retirement plans and defined contribution plans. The company has for many years had a defined benefit plan in a separate pension fund, Wilh. Wilhelmsen Pensjonskasse, and later, as from 1 January 2011, through Storebrand. The own pension fund was closed after the transfer to Storebrand. The defined benefit plan was closed for new employees after 1 May 2005. As a consequence of the company's conversion to a defined contribution pension scheme, all employees were given full freedom of choice to stay in the defined benefit plan or convert to defined contribution plan.

- The company's defined contribution pension schemes are with Storebrand and DNB, similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed. All employees included in the defined contribution plan are covered by a risk plan which is a defined benefit plan. This is included in the company's pension liability.

- In additional the company has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. These obligations are mainly financed from operations.

- The company has obligations towards some employees in the company's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The standard IAS 19 Employee Benefits revised is effective for annual periods beginning 1 January 2013. The impact on the company will be as follows:

- to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income (OCI) as they occur;
- to immediately recognise all past service cost; and
- to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Changes in discount rate and return of assets assumptions can influence the funded status of the plan as well as the net periodic pension cost. The company incurred an actuarial loss of USD 10 million as of 1 January 2012, mainly resulting from discount rates at 1 January 2012 and actual return on plan assets was below the estimated return for 2011. The equity effect (after tax) of change of accounting policy IAS 19 Revised at 1 January 2012 is a loss of USD 7 million for the company.

	Funded		Unfunded	
	2012	2011	2012	2011
Number of people in pension plans at 31.12				
Employees (including disabled)	34	38	83	94
Retired employees	180	183	683	661
Total number of people covered by pension schemes	**214**	**221**	**766**	**755**

	Expenses		Commitments	
	2012	2011	2012	2011
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	4.70%	5.00%	3.85%	4.70%
Discount rate	2.75%	3.60%	3.85%	2.75%
Anticipated pay regulation	3.25%	3.50%	3.50%	3.25%
Anticipated regulation of National Insurance base amount (G)	3.25%	3.50%	3.50%	3.25%
Anticipated regulation of pensions	1.00%	1.50%	1.00%	1.00%

Cont. note 11 | PENSION

It is given that the company's assumptions for the pension calculation differ from the pension assumptions from the Norwegian Accounting Standards, based on the company's composition of average age of employees in employment and those in retirement, and the history of the company's pension plan. The assumptions are set by the actuary in collaboration with the company.

The expected return on assets reflects the weighted average expected returns on pension plan assets. The assumption shall reflect the weighted average expected returns for each asset class, e.g. equities, and bonds, given the actual asset allocation.

The discount rate for accounting purposes is the rate of interest used to discount any post-employment benefit obligations. Historically it has been assumed that there is not a deep market in corporate bonds in Norway and thus IAS 19 requires that government bonds shall be used as the basis for determining discount rate. At the end of 2012 the Norwegian Accounting Standards Boards (NRS) added an extra paragraph to their guideline regarding deriving the discount rate under IAS 19. As basis for the extra paragraph NRS state that the covered bond market alone is now seen as a deep market among some of the major market players and in accordance with IAS 19 requirement of high quality corporate bonds. At 31 December 2012 the discount rate of covered bonds (OMF) is equal to 3.85%.

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2005 mortality tariff. The disability tariff is based on the KU table.

	31.12.2012	31.12.2011
Pension assets investments		
Non current bonds	6.6%	10.7%
Bonds held to maturity	35.2%	34.5%
Money market	1.2%	1.4%
Equities	15.9%	14.0%
Other (property, credit bonds)	41.1%	39.4%
Total pension assets investments	**100.0%**	**100.0%**

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December. The recorded return on assets administered by Storebrand Kapitalforvaltning was 5.4% for 2012 (2011: 2.5%).

USD mill	2012			2011		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Net present value of pension obligations	1		1	1		1
Interest expenses on pension obligations	1	1	2	1	2	3
Anticipated return on pension fund	(1)		(1)	(1)		(1)
Amortisation of changes in estimates not recorded in the accounts			0			0
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**2**	**3**	**1**	**2**	**4**

	2012			2011		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Accrued pension obligations	27	55	81	30	49	79
Estimated effect of future salary regulations	1		1	1		1
Total pension obligations	**28**	**55**	**83**	**31**	**50**	**80**
Value of pensions funds	28		28	28		28
Net pension obligations	**0**	**(55)**	**(54)**	**(2)**	**(50)**	**(52)**
Changes in estimates not recorded in the accounts	1	10	11	4	5	9
Recorded pension obligations	**2**	**(45)**	**(43)**	**2**	**(44)**	**(43)**

	2012	2011
Amounts in the balance sheet		
Assets	2	2
Liabilities	(45)	(44)
Net asset/(liability)	**(43)**	**(43)**

Cont. note 11 | PENSION

	2012	2011
Pension obligations		
Opening balance 01.01	80	82
Effect of exchange rates	6	(2)
Accumulated pension entitlements	1	1
Interest expenses	2	3
Pension payments	(7)	(6)
Changes in estimates not recorded in the accounts	(1)	3
Pension obligations 31.12	**83**	**80**
Gross pension assets		
Opening balance 01.01	28	28
Effect of exchange rates	2	(1)
Expected return	1	1
Premium payments		
Pension payments	(2)	(2)
Changes in estimates not recorded in the accounts	(2)	1
Gross pension assets 31.12	**28**	**28**

Premium payments in 2013 are expected to be USD 0.5 million (2012: USD 0.2 million). Payments from operations are estimated at USD 5.1 million (2012: USD 4.9 million).

USD mill	31.12.2012	31.12.2011
Historical developments		
Defined benefit obligation	(83)	(80)
Plan assets	28	28
Surplus/(deficit)	**(54)**	**(52)**
Experience adjustments on plan liabilities	0	0
Experience adjustments on plan assets	(2)	1

Note 12 | INTEREST-BEARING DEBT

USD mill	2012	2011
Interest-bearing debt		
Bonds	352	384
Repayment schedule for interest-bearing debt		
Due in year 1		61
Due in year 2	93	
Due in year 3		87
Due in year 4	229	
Due in year 5 and later	30	236
Total interest-bearing debt	**352**	**384**

As of 31 December 2012 average interest rate on interest-bearing debt is 4.76%.

Financial instruments by category

	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets	183			183
Current financial investments				0
Other current assets	17	32	2	52
Cash and cash equivalent	152			152
Assets at 31.12.2012	**352**	**33**	**2**	**387**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		352	352
Other non current liabilities		55	55
Other current liabilities	23	166	188
Liabilities 31.12.2012	**23**	**573**	**596**

	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets	396			396
Current financial investments		1		1
Other current assets	26	10	1	36
Cash and cash equivalent	92			92
Assets at 31.12.2011	**514**	**10**	**1**	**525**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		323	323
Other non current liabilities		65	65
Other current liabilities	32	92	124
Liabilities 31.12.2011	**32**	**479**	**512**

FINANCIAL RISK

See note 13 to the group accounts for further information on financial risk, and note 12 to the group accounts concerning the fair value of interest-bearing debt.

Note 13 | EVENTS AFTER THE BALANCE SHEET DATE

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

Note 14 | DECLARATION ON THE DETERMINATION OF EMPLOYEE BENEFITS FOR SENIOR EXECUTIVES

The Statement on senior executives' remuneration has been prepared in accordance with the Norwegian Public Limited Companies Act, the Norwegian Accounting Act and the Norwegian Code of Practice and is adopted by the board of directors.

For the purposes of this statement, company employees referred to as senior executives are: Jan Eyvin Wang (president and CEO) and Benedicte Bakke Agerup (CFO).

The following guidelines are applied for 2013.

General principles for the remuneration of senior executives
The remuneration of the president and CEO is determined by the board, whereas remuneration of other senior executives is determined administratively on the basis of frameworks specified by the board of directors.

The remuneration level shall reflect the complexity and responsibilities of each role and shall take into account the group's breadth of international operations. Being headquartered in Norway, the board of directors will primarily look to other Norwegian companies operating in an international environment for comparison.

Remuneration of the senior executives shall be at a competitive level in the relevant labour market(s). It should be a tool for the board of directors to attract and retain the required leadership and motivational for the individual executive. The total remuneration package shall therefore consist of fixed remuneration (basic salary and benefits in kind) and variable, performance based remuneration (short- and long term incentives). The remuneration system should be flexible and understandable.

Market comparisons are conducted on a regular basis to ensure that remuneration levels are competitive.

Fixed salary
The main element of the remuneration package shall be the annual base salary. This is normally evaluated once a year according to individual performance, market competitiveness and (local) labour market trends.

Benefits in kind
The senior executives receive benefits in kind that are common for comparable positions. This includes newspapers, telecommunication, broadband, insurance and company car.

Short term variable remuneration
As a key component of the total remuneration package, the annual, variable pay scheme emphasizes the link between performance and pay and aims to be motivational. It aligns the senior executives with relevant, clear targets derived from the overall strategic goals. The variable pay scheme takes into consideration both key financial targets and individual targets (derived from the annual operating plan). Maximum opportunities for annual payments are capped at three (3) to four (4) months' salary, depending on role.

Long term variable remuneration
The senior executives also participate in a long term variable remuneration scheme, which aims to align the senior executive's risk and investment decisions with shareholder interests, as well as being a retention element in the total remuneration package. Under the current scheme senior executives are granted share options which give the individual right to a certain cash payment upon vesting (given a positive development in the WW share). The maximum annual payment in the current scheme is set to 50% of the individual executive's basic salary.

Share purchase plan
The senior executives participate, in common with the other employees, in the group's share purchase plan. All participants receive an offer every year to buy shares in WWASA at a discount corresponding to 20% on the market price. The discount can be no more than NOK 1 500.

Pension scheme
Pension benefits for senior executives include coverage for old age, disability, spouse and children, and supplement payments by the Norwegian National Insurance system. The full pension entitlement is earned after 30 years of service and gives the right to an old age pension at a level of approximately 66% of gross salary, maximum 12 times the Norwegian National Insurance base amount (G) including National Insurance and other social security payments.

The president and CEO also have rights related to salaries in excess of 12G and the option to take early retirement from the age of 62. Pension obligations related to salaries in excess of 12G and the option to take early retirement are insured.

Severance package scheme
The president and CEO has a severance pay guarantee under which he has the right to receive up to 50% of his annual salary for 30 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted up to 50%, which comes into force after the notice period.

Statement on senior executive remuneration in the previous fiscal year
Remuneration policy and development for the senior executives in the previous fiscal year built upon the same policies as those described above. For further details regarding the individual remuneration elements, see note 2 concerning pay and other remuneration for senior executives of the parent company and note 4 of the group accounts concerning senior executives of the group.

There have not been any new remuneration agreements for senior executives in the previous fiscal year.

Auditor's report

pwc

To the General Shareholders' Meeting of Wilh. Wilhelmsen ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Wilh. Wilhelmsen ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2012, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2012, income statement, comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Auditor's report

Independent auditor's report - 2012 - Wilh. Wilhelmsen ASA, page 2

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Wilh. Wilhelmsen ASA as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Wilh. Wilhelmsen ASA as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 March 2013
PricewaterhouseCoopers AS

Rita Granlund

Rita Granlund
State Authorised Public Accountant (Norway)

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2012 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit for the entity and the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lysaker, 18 March 2013
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen Chair	Diderik Schnitler	Nils P Dyvik
Marianne Lie	Hege Sjo	Jan Eyvin Wang President and CEO

Corporate governance

100%
All employees received governance training in 2013

2 916
shareholders (95% Norwegian, 5% other nationalities)

THE RIGHT RESULTS, THE RIGHT WAY

Our governance framework creates a foundation for profitable growth and a healthy company culture. This creates value for shareholders and other stakeholders.

WWASA is committed to comply with national and international legislation and regulations as well as its own high standards. The company is proactive in influencing the development of legislation aimed at fair, predictable and practicable rules and regulations for a sustainable shipping industry.

With its focus on excellent governance at all levels and a company culture that honours sound judgement and strong business ethics, the company aims to achieve the right results in the right way.

Corporate governance

– THE FOUNDATION FOR PROFITABLE GROWTH

Wilh. Wilhelmsen ASA is a public limited liability company organised under Norwegian law. The company is listed on the Oslo Stock Exchange, and is subject to Norwegian securities legislation and stock exchange regulations.

The board of directors believes sound corporate governance lays the foundation for profitable growth, contributes to a healthy company culture and creates value over time for shareholders and other stakeholders.

REPORTING ON CORPORATE GOVERNANCE

The annual corporate governance report is based on the requirements of the Norwegian Code of Practice for Corporate Governance (the "code"), the Public Limited Companies Act and the Norwegian Accounting Act. The report is published as part of the annual report of the company, and is also available on the company's website.

The code is built on a "comply or explain" principle, which means that reasons must be given for possible divergence from its provisions. Justification for the deviations and alternative solutions chosen by the company will be given herein, where applicable.

The Governing Elements – the foundation for corporate governance in WWASA – were developed in order to improve business performance, and secure that the right results are achieved in the right way. These elements include the company vision, values and basic philosophy, as well as the code of conduct, leadership expectations and eight company principles. One of the principles outlines a commitment to be a socially responsible company. WWASA's board of directors' report includes a section on how the company continuously works to minimise the effects its activities have on people, society and the environment; including prevention of corruption, employee rights, health and safety and the working environment, equality and environmental issues.

The Governing Elements are available in detail to all employees through the web based global information management system, Navigator, both as written documentation and as e-learning. Governance training for WWASA employees has been conducted also in 2012. In addition to regular training related to the group's governing elements, a particular focus was directed towards anti-corruption training.

A more detailed description of the governing elements can be found on WWASA's website.

THE BUSINESS

According to the Articles of Association, the objective of the company is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith. This may take place as direct operations or in an indirect manner by way of issuing guarantees, subscribing shares or in other ways.

Through its operating companies (for legal structure see pages 96-99), WWASA aims at creating value by offering global car/ro-ro customers high quality sea transportation and integrated logistics solutions from factory to dealer and to manifest its position as the world leading operator within the ro-ro niche and continue to expand its services in emerging markets.

WWASA seeks to achieve an optimal fleet utilisation through the operating companies (for an overview of the organisation, please visit the company's website. The companies operate a mix of car carriers and ro-ro vessels, which together constitute a flexible and modern fleet of chartered and owned tonnage. The intention is to combine these capabilities with a truly global infrastructure and local expertise in a seamless logistics network tailored to suit customers' needs and changing export/import flows.

WWASA grows the business through securing affordable tonnage and strategically important logistics infrastructure to further strengthen the leading position in the market.

EQUITY AND DIVIDEND

The company has a sound level of equity. As of 31.12.2012, the total equity amounted to USD 1 553 million, corresponding to 46% of the total capital.

A dividend policy approved by the board states that the company's goal is to provide shareholders with a competitive return over time through a combination of increased market value and payment of dividend. Gains will either be reinvested or distributed as dividend, depending on what is expected to give the best return for the shareholders. Subject to the financial results and future investment requirements, the objective is to pay dividend twice a year. In 2012, the company paid dividend to shareholders two times, in total NOK 1.65 per share or USD 63.5 million.

WWASA does not hold own shares. At the annual general meeting in April 2012, the board was authorised to increase the share capital by up to 10%, equaling NOK 22 million. The authorisation is valid until the company's next annual general meeting, scheduled 25 April 2013. For an overview of the terms and conditions for the authorisation, please refer to the Minutes from the general meeting 2012.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

WWASA has only one share class, comprising 220 000 000 shares, all with equal rights. Updated share information is available on the company's web page and/or on the Oslo Stock Exchange web page.

As of 31 December 2012, WWASA had 2 916 shareholders, of whom 139 were foreign and 2 777 Norwegian. An updated list of the 20 largest shareholders can be found on the company's web page.

WWASA's governance structure reflects the fact that Wilh. Wilhelmsen Holding ASA (WWH) controls more than 70% of WWASA's shares. WWASA is transparent and treats all shareholders fairly in compliance with the code.

Existing shareholders have no pre-emption right to subscribe for shares in the event of an increase in the company's share capital.

Any transactions taking place between a principal shareholder and the company will be conducted on market terms.

The company is not authorised to trade in its own shares.

Pursuant to the instructions issued to the board, directors and executive management are required to inform the board if they have a significant interest, directly or indirectly, in contracts concluded by WWASA.

A list of insiders can be found on the Oslo Stock Exchange under the company's ticker.

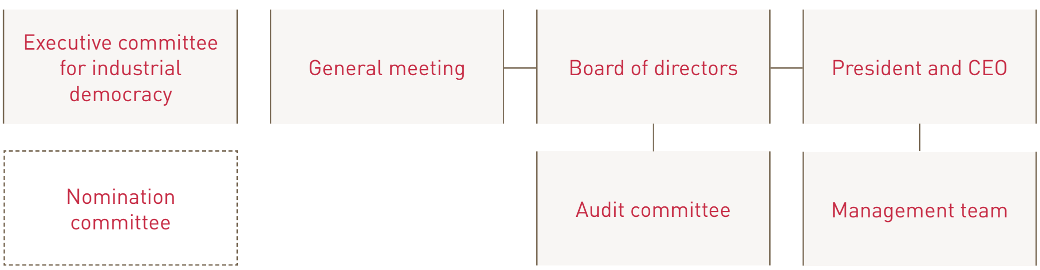
NEGOTIABILITY

The WWASA share is listed on the Oslo Stock Exchange with the ticker "WWASA". The share is freely negotiable.

GOVERNANCE BODIES

The group's governing bodies consist of the general meeting, the executive committee for industrial democracy, the board of directors, the group chief executive and the management team.

Governance bodies



The board of directors

Thomas Wilhelmsen, chair
Nils Petter Dyvik
Marianne Lie
Diderik Schnitler
Hege Sjo

Annual general meeting

The ordinary annual general meeting is normally held in the second quarter. The following matters are to be dealt with and decided in the annual general meeting:

- Adoption of the annual report and accounts, including the consolidated accounts and the distribution of dividend
- Adoption of the auditor's remuneration
- Determination of the remuneration for board members
- Election of members to the board and election of the auditors (if up for election)
- Other matters required by law

The chair of the board attends the annual general meeting and acts as chair according to the specifications in the Articles of Association.

Shareholders with known addresses are notified by mail no later than 21 days prior to the meeting. Information on the meeting and all relevant documents are published on the company's website no later than 21 days prior to the meeting. The company will make an effort to develop resolutions and supporting documents that are sufficiently detailed and comprehensive to give shareholders necessary background information for decision-making. Summons from the meetings are published on the company's web site without unreasonable delay.

The notice of the annual general meeting may state that shareholders wishing to participate in the annual general meeting have to report to the company by a certain deadline which shall not be less than two working days prior to the annual general meeting. Shareholders can appoint a proxy to vote for their shares. The company will also nominate a proxy for shareholders who are not able to be present at the meeting. Form for the appointment of a proxy can be found at company's web site. The Public Limited Companies Act opens for, subject to inclusion of provisions to such effect in the company's Articles of Association, shareholders to take part at the annual general meeting without being present in person. WWASA has no intention of including such an amendment as of today.

Pursuant to the Public Limited Companies Act, WWASA has included a provision in its Articles of Association stating that documents to be handled at the annual general meeting need not to be mailed in hard copy to the shareholders. Hard copies can however be provided to shareholders upon request. All the documents are available to shareholders on the company's web site.

The company is not aware of any shareholder agreements among its shareholders.

Nomination committee

The general meeting of WWASA appoints a nomination committee and has approved guidelines for the nomination committee's work. The nomination committee nominates directors to the WWASA board and proposes the level of director remuneration.

WWASA's nomination committee consists of up to three members. No director or representative from management is a member of the nomination committee. The members are elected by the annual general meeting for a term of two years.

As of 31.12.2012, the nomination committee consisted of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig. Information on the committee members can be found on WWASA's web site.

Executive committee and board of directors – composition and independence

The annual general meeting elects the board, which shall consist of five to seven members. At present, WWASA's board comprises five directors elected for two years at a time. The board elects its own chair. The position is currently held by Thomas Wilhelmsen. Two of the directors are women. Two directors are independent of the majority owner (Ms Hege Sjo and Ms Marianne Lie) and all five are independent of the executive management. The board is perceived to comprise a broad competence base ensuring shareholders' interests. Members of the administration attend the board meetings, but are not part of the board.

Information on the background and experience of the directors can be found on the company web site, which also provides a specification of the directors' shareholdings in the company.

WWASA does not have a corporate assembly. The interests of the employees are met by an executive committee for industrial democracy in foreign trade shipping, chaired by Thomas Wilhelmsen. The committee comprises six members, four appointed from the management and two elected by the workforce. It meets regularly through the year. Issues submitted for consideration by the committee include a draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce.

Work of the board

The board establishes an annual plan for its work. Eight regular meetings are normally held every year, including strategy meetings. The board otherwise meets as and when required. Directors are also kept regularly informed about the group's development between board meetings.

Documents to be discussed at board meetings are developed by the administration in cooperation with the chair of the board.

Instructions have been drawn up for the executive management and for the board itself.

The board regularly assesses its mode of working.

Audit committee

WWASA has an audit committee consisting of three members elected by and from the board of directors. Members are elected for a term of two years. At least one of the committee members should have accounting or auditing expertise. The audit committee reviews drafts of quarterly and annual accounts before these are presented to the board of directors. The CFO and the external auditor are present at the committee meetings.

The audit committee is instructed to have a particular attention on issues relating to the integrity of WWASA's financial statements and financial reporting processes and internal controls:

- WWASA's risk assessment
- Risk management policies related to financial reporting
    - qualifications
    - independence
    - performance of the external auditor
    - performance of the function related to internal control of financial reporting.

In 2012, anti-corruption, fraud and an enterprise risk management system received a particular attention from the audit committee.

The current members of the audit committee are Nils Petter Dyvik, Hege Sjo and Marianne Lie. All three are independent of the management in the company, while Ms Hege Sjo and Ms Marianne Lie are also independent of the majority shareholder.

Management team

The management team meets regularly to discuss and coordinate business and management issues to optimise use of knowhow and resources and align decision making related to the implementation of the company's strategy. In addition to the senior management (chief executive and CFO), the team consists of department heads and main corporate functions.

President and CEO

The president and chief executive officer (president and CEO) heads the management team and is responsible for the financial result and for conducting the business and affairs of the company and its subsidiaries in a proper and efficient manner, for the benefit of the company and the shareholders and according to instructions and guidelines from the board.

The president and CEO keeps the board informed of the progress of the group's business and affairs on a regular basis and any other specific issues if requested by the board. The chief executive also submits a monthly report to the board describing the group's operations, financial results, projections and financial status according to instructions from the board.

CFO

The chief financial officer (CFO) heads finance and accounting for WWASA parent company and the consolidated WWASA group. The CFO is responsible for providing the chief executive and the board with timely, reliable, relevant and sufficient financial information related to the business activities, and for assuring that such information comply with requirements for listed companies.

Governance of subsidiaries

The WWASA group consists of several legal entities (for a full overview, please see pages 96-99 and/or the company's web page. Each of the entities has its own board, responsible for issues relevant for the specific entity.

Control and management of all entities are based on the same governance principles, whether the entity is organisationally part of the parent company or an independent legal entity in the form of a wholly or partly owned subsidiary. WWASA's ownership in its subsidiaries is formally exercised through the respective company's general meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The Governing Elements contribute to securing that WWASA has sound internal control and systems for handling strategic, commercial, financial, operational and regulatory risks. The board conducts a review of the company's most important risk areas regularly as well as the company's internal control arrangements. An overview of the company's main risk factors is included in the board of directors' report, at page 17.

The company's risk management and internal control systems are designed to take into account the extent and nature of the group's business activities. Internal control is broadly defined as a process designed to provide reasonable assurance regarding:

- Effectiveness of operations
- Reliability of financial reporting
- Compliance with laws and regulations
- Provision of necessary resources and cost efficient use of such.

Senior management

Jan Eyvind Wang
President and CEO

Benedicte Bakke Agerup
CFO

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and board of director's confidence that WWASA complies with external and internal rules and regulations.

Various internal control activities give management assurance that the internal control of financial systems is working adequately and according to expectations. The activities can be split in three categories:

- Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per subsidiary)
- Procedure for year-end financial statement and the board of directors' responsibility statement semi-annually and annually
- Enterprise risk assessment – including reporting of the segment's internal control
- Quarterly reporting on risk assessment to the board and semi-annually publicly to the market

Governing Elements, policies and other guidelines are documented and electronically available to employees.

The finance department is responsible for updating internal control procedures regarding:

- Financial strategy, policies and guidelines
- Budget processes
- Financial monthly reporting process
- Group accounting principles
- Group financial reporting and analysis

The company's financial strategy is approved by the board and covers all main elements related to financial management of the group, including:

- Financial organisation, responsibility and authority
- Objectives and key ratios
- Equity and dividend targets
- Investor relation
- Financing and debt management
- Cash and liquidity management
- Financial investment management
- Currency and interest rate management
- Credit management
- Contingent liabilities
- Accounting and financial reporting
- Tax management
- Internal control and risk management
- Reporting to the board

Group finance and accounting updates the financial information and prepare miscellaneous analyses every month. A monthly report is forwarded to the management and the board.

Based on the financial strategy, limits are set for hedge ratios on currency and interest rates. A separate mandate is issued for the management of the investment portfolio.

WWASA's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit includes examining on random check evidence, supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The company has guidelines for whistle blowing as part of its health, environment and safety handbook, available to all employees in Norway. In addition, the group is developing a policy applicable to all wholly-owned companies irrespective of location.

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of board members is determined by the general meeting and is not dependent upon the financial results of the company. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to the work and the complexity of the business. No board member holds share options in the company.

None of the directors perform assignments for the company other than serving on the board of the company or one or more of its subsidiaries, except for board member Diderik Schnitler's company, Løkta AS, which performs certain consultancy work for WWASA.

An overview of the board of directors' remuneration is specified in note 4 to WWASA group accounts and note 3 to the parent company accounts. The latter includes an overview of shares held by the individual board member in the company.

REMUNERATION OF EXECUTIVE PERSONNEL

Salary and other components of the chief executive's and CFO's remuneration package are detailed in note 4 to WWASA's group accounts and note 2 to the parent company accounts.

The board determines the president and CEO's remuneration and establishes a framework for adjustments to the salary of other employees. Salary adjustment for each employee is determined administratively within the limits set. The board carries out a broad-based comparison with salary conditions in other Norwegian shipping companies, and gives weight to the general level of salary adjustments in Norway.

A bonus scheme has been instituted by the board for WWASA's employees in Norway. The programme is linked to the company's long-term strategy and is intended to reinforce the focus on performance and results. The bonus scheme is based on the annual return on capital employed and a set of predefined key performance indicators. The programme limits remuneration to a maximum of three months salary for senior management, and the board determines the annual norm for the bonus scheme.

In 2011, the annual general meeting endorsed a synthetic option programme as part of the remuneration to the president and CEO and the CFO. The programme comprises share equivalents, runs over three years and entitles the holders to a cash reward based on the total share return of the underlying shares. Maximum annual payment under this scheme is set to 50% of annual basic salary. For further information on the determination of employee benefits for senior executives, please refer to note 2 to WWASA parent company accounts.

INFORMATION AND COMMUNICATION

WWASA is committed to prepare and properly report the financial statements and to give an open, prudent and fair overview of the business. Financial information is to be timely, accurate and reliable, and in line with market and legal requirements. The communication activities are carried out in an environment of transparency and accountability.

The main source to information about the WWASA group is the company's website, and the company aims at fulfilling the Norwegian Investor Relations Association's and Oslo Stock Exchange's recommendations regarding IR information on its website. When WWASA discloses information by publishing a stock exchange announcement through the Oslo Stock Exchange's company message system, the same information will be published immediately afterwards on the company's website.

The company's CFO, Ms Benedicte Bakke Agerup, is the main contact person for the financial market and the Oslo Stock Exchange.

The company publishes both current information and holds archives of previously released information on the website, in order to make this available to the financial market.

In addition to the annual general meeting, shareholders and other stakeholders are invited to quarterly presentations of the financial results and market outlook and to the capital markets day. The intention is to serve the market with necessary information to make evaluations regarding the business activities and results in order to secure pricing of the share in accordance with underlying value and future prospects for the company.

The company holds a minimum of four public meetings a year presenting its quarterly results to the market. Two of the presentations are webcasted. In addition, the company arranges capital market days and similar events on a regular basis. IR stakeholders are invited to attend such events. Information about planned events is published on the IR website. WWASA representatives also meet investors and analysts regularly both in large and small groups and on an individual basis.

For a period of two weeks before the planned release of quarterly financial reports – the silent period – the company will not comment on matters related to the general financial results or expectations, and contact with external analysts, investors and journalists will be minimised. This is done to reduce the risk of information leakages and that the market has access different information.

The company's shareholder policy is published on the web site.

TAKEOVERS

The board has not established any key principles for its response to possible takeover bids. If and when such circumstances arise, the board and the company's management will seek to treat all shareholders equally and take action to secure that shareholders receive sufficient and timely information to consider the offer.

AUDITOR

The company's auditor attends board meetings as required, and is present when the annual accounts are approved and when the audit committee reviews the quarterly reults. The auditor meets the board at least once a year without the senior management being present. The auditor provides the board with a review of work on the annual accounts and explains changes in the accounting principles and other significant aspects.

The group's present external auditor is PricewaterhouseCoopers. The auditor's fee, broken down by audit work, audited related services, tax services and other consultancy services, is specified in note 4 to the WWASA group accounts and note 3 to the parent company accounts.

Financial calendar for 2013

14 February
Q4 2012 presentation

25 April
Annual general meeting

8 May
Q1 2013 presentation

8 August
Q2 2013 presentation

18 September
Capital markets day

6 November
Q3 2013 presentation

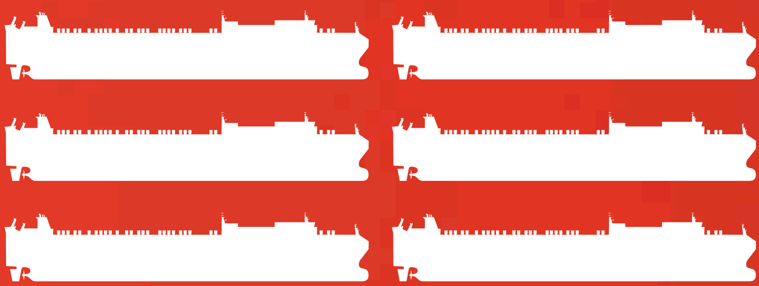
27 November
Extraordinary general meeting

The company reserves the right to revise the dates, and will in case inform the market in due time.

The environment

0.6%
reduction in fuel consumption per transported unit

6
new vessels entered service for group companies, three for WWASA's account



HIGH IMPACT INITIATIVES

The maritime industry faces environmental and energy efficiency challenges where only sustainable solutions are acceptable. WWASA believes that tomorrow's winners will be those who understand, respond to and utilise those challenges.

As a major player in the transportation industry, WWASA constantly strives to reduce its energy consumption and decrease the environmental footprint of its activities. Particular focus is on high impact initiatives such as reducing bunkers consumption and thereby emissions. Fuel consumption per transported unit decreased in 2012, despite the record number of units transported. Several ongoing and future initiatives are in the pipeline aimed at reducing energy and fuel consumption further.

HIGH ENVIRONMENTAL STANDARDS

Good for the industry, good for WWASA

We strive to deliver services to our customers and stakeholders with minimal effect on the environment. We acknowledge the environmental challenges faced by the maritime industry and see that only sustainable solutions are acceptable.

We believe that shipping companies which understand, respond to and utilise the energy efficiency and environmental challenges in our industry, will be tomorrow's winners, and that new business opportunities will emerge as a result of these challenges. An example of this was an initiative that we mounted in 2012 together with our partner Wallenius and the weather company StormGeo. Through a joint venture we will develop software solutions that optimize voyages, by decision support tools, and contribute to more fuel efficient operations. We see opportunities for making this game-changing technology and solution commercially available to the global merchant fleet. We also work continually with other partners, shipping companies and institutions of higher learning on projects aimed at further enhancing the shipping industry's energy and environmental advantages compared to other modes of transportation.

To achieve our environmental targets we set high environmental objectives and goals for all our operating companies, technical managers and other stakeholders. All our vessels and technical managers shall as a minimum comply with international and environmental standards as well as our self imposed requirements. The key to accomplish the results we are after is our competent and empowered employees. In 2012, together with key stakeholders, we launched an energy efficiency competition for sailing personnel and technical management focusing on energy management solutions to be implemented on our fleet. Many of the entries are already implemented through the Ship Energy Efficiency Management Plan, which is now onboard all WWASA vessels.

We are committed to comply with not only national and international environmental legislation and regulations, but also to our own high standards. We work actively to influence the development of environmental legislation aimed at fair, predictable and practicable rules and regulations for a sustainable shipping industry. Our efforts to limit emissions to air and discharges to sea are based on the international regulations as in the IMO's Marpol 73/78 convention. In addition, a number of special national requirements must be taken into account, like the Emission Control Areas (ECAs) that impose stricter regulations for emissions to air. These ECAs are already implemented in many regions, and more are expected. There is no single solution to comply with these coming regulations, which is why we in 2013 will install and test an exhaust gas cleaning system onboard one of our vessels to ensure cost-efficient and safe operations within these areas.

This report focuses primarily on vessels owned and controlled by WWASA. A fleet environmental plan has been developed that tracks processes influencing emissions to air. The findings are compared with results from earlier years, and these comparisons are used to evaluate environmental targets for the future.

Jan Eyvin Wang
President and CEO

Environmental account 2012

As a shaper of the maritime industry, we are pursuing numerous initiatives aimed at reducing the environmental impact of our business. Our vision is to continuously improve our operations and seek to achieve minimum emissions.

This account incorporates the 35 vessels owned and controlled by WWASA and operated by Wallenius Wilhelmsen Logistics and EUKOR Car Carriers.

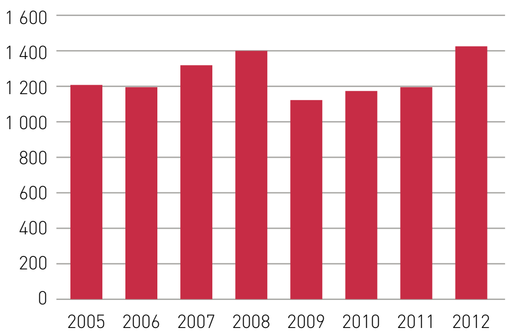
Despite a new record in shipping volumes in 2012, the fuel spent per cargo tonne over distance (g/tonne nm) decreased by 0.6%, showing that our vessels have been operated more efficiently than ever before.

Total SOx and NOx emissions were higher in 2012 than in 2011 due to increased number of vessels in the fleet , while emissions per transported unit came down.

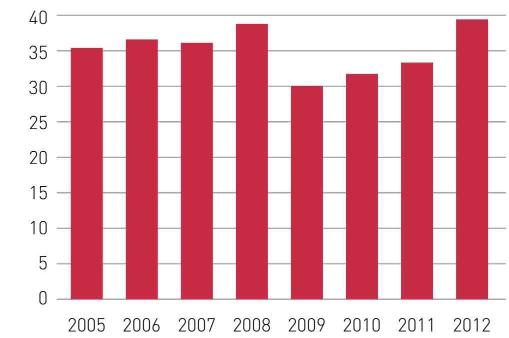
Average sulphur content in fuel consumed on board our vessels in 2012 was 1.80%, which is far below the legislative limit of 3.5% set by the International Maritime Organisation (IMO).

During 2012 the group took delivery of three new vessels for WWASA's own account: MV Tysla, MV Tulane, and MV Tongala. No vessels were recycled in 2012.

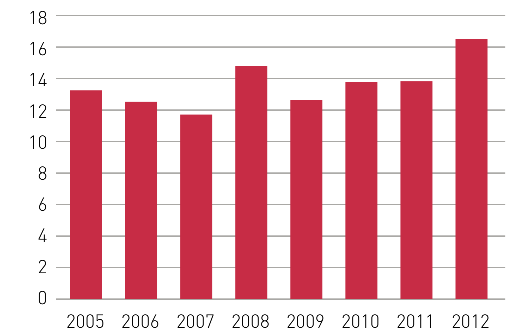
Total CO_2 emissions
(THOUSAND TONNES)



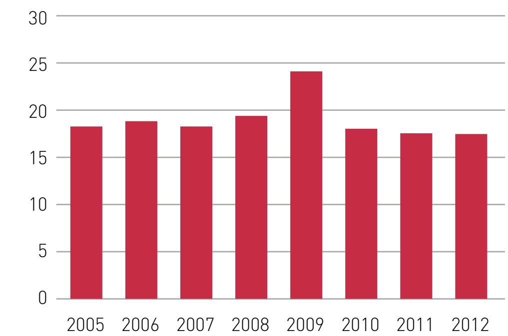
Total NO_X emissions
(THOUSAND TONNES)



Total SO_X emissions
(THOUSAND TONNES)



g fuel/tonne nm



WW Fleet

FLAG AND OWNERSHIP STATUS AS PER 31.12.2012

NAME	BUILT	TYPE	FLAG	Owner	Owner-ship	Operating company
PCTC						
TORONTO	2005/8	PCTC	UK	Lloyds TSB Marine Leasing	Bareboat	WWL
TOLEDO	2005/2	PCTC	UK	Lloyds TSB Marine Leasing	Bareboat	WWL
TORRENS	2004/10	PCTC	UK	Lloyds TSB Marine Leasing	Bareboat	WWL
TOPEKA	2006/06	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TOMBARRA	2006/09	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TORTUGAS	2006/12	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TOMAR	2008/10	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TOREADOR	2008/12	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TORINO	2009/03	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TOSCANA	2009/06	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	WWL
TONGALA	2012/09	PCTC	UK	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TAKARA	1986/09	PCTC	NIS	Caiano Shipping	Bareboat	EUKOR
TAI SHAN	1986/12	PCTC	NIS	Caiano Shipping	Bareboat	EUKOR
TANCRED	1987/04	PCTC	NIS	ICON Tancred	Bareboat	EUKOR
TRINIDAD	1987/09	PCTC	NIS	ICON Trinidad	Bareboat	EUKOR
TRIANON	1987/04	PCTC	NIS	ICON Trianon	Bareboat	EUKOR
TAGUS	1985/03	PCTC	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TASCO	1985/02	PCTC	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TERRIER	1982/11	PCTC	NIS	Wilhelmsen Lines Shipowning	100 %	EUKOR
MORNING CONCERT	2006/04	PCTC	UK	Wilhelmsen Lines Car Carriers	100 %	EUKOR
LCTC						
TIJUCA	2008/12	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TIRRANNA	2009/6	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TIGER	2011/06	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TUGELA	2011/07	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TITANIA	2011/12	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TULANE	2012/06	LCTC	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
RORO						
MARK V						
TØNSBERG	2011/03	RO/RO	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
TYSLA	2012/01	RO/RO	Malta	Wilhelmsen Lines Shipowning Malta	100 %	WWL
MARK IV						
TAMESIS	2000/04	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TALISMAN	2000/06	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TARAGO	2000/09	RO/RO	NIS	Wilhelmsen Lines	100 %	WWL
TAMERLANE	2001/02	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
MARK II						
TAIKO	1984/06	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TAMPA	1984/02	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL
TEXAS	1984/03	RO/RO	NIS	Wilhelmsen Lines Shipowning	100 %	WWL

Staying at the forefront of regulations

Major environmental regulation dealing with air pollution, greenhouse gases and invasive marine species will come into effect this decade aiming at at reducing the environmental impact of shipping. Their scope will include international, regional, country and state level regulations. Our ambition is to be at the forefront of environmental regulations, both those already implemented and those expected. This illustration gives an overview of some upcoming major maritime environmental regulations and how WWASA is prepared.

REGULATIONS IN THE PIPELINE

Global Greenhouse Gas regulations and regulatory price of CO_2

In January 2013, all vessels are required by the International Maritime Organisation (IMO) to have a vessel specific Ship Energy Efficiency Management Plan (SEEMP) onboard. This plan is intended to be used for continuous improvement of energy efficiency measures. Also in 2013, IMO has implemented the Energy Efficiency Design Index (EEDI), ensuring more energy efficient vessels being built, i.e. it only applies to new builds. IMO has also been discussing a market-based mechanism for CO_2 emissions from shipping. Concurrently, the EU is developing a proposal to include maritime transport emissions in the EU's green house gas (GHG) reduction commitments. It is also anticipated that the EU will adopt a MRV (measurement, reporting and verification) requirement in the short-medium term to help better quantify the scale and distribution of GHG emissions from the European fleet.

WWASA's position: *Reducing fuel consumed per unit transported by WWASA owned vessels is the most efficient contribution to reduce CO_2 emissions, and the company works to influence IMO to form new regulations aiming at obtaining a level playing field for the shipping industry. The SEEMP, now onboard all our vessels, will be the key to implement and follow-up of initiatives to obtain more energy efficient operations.*

Ballast Water Management Convention

When ratified, the convention will require vessels to install ballast water treatment systems from 1 January, 2016. As of 2012, the 30 required Member States and 26% of the required 35% of world tonnage have ratified the convention.

WWASA's position: *We endorse ballast water treatment, and several of our vessels are equipped with pilot installations to find the most suitable and reliable system for retrofit.*

THE HONG KONG CONVENTION

The 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, aims at ensuring that ships, when being recycled, do not pose any unnecessary risks to human health, safety and to the environment. The convention is yet to be ratified by the necessary 15 States, representing 40 per cent of world merchant shipping by gross tonnage.

WWASA's position: *Our policy is that all vessels should be recycled in accordance with The Hong Kong Convention. We have approved recycling yards in China. All our vessels are issued with Inventory of Hazardous Materials/Green Passport certified by Class, before recycling.*

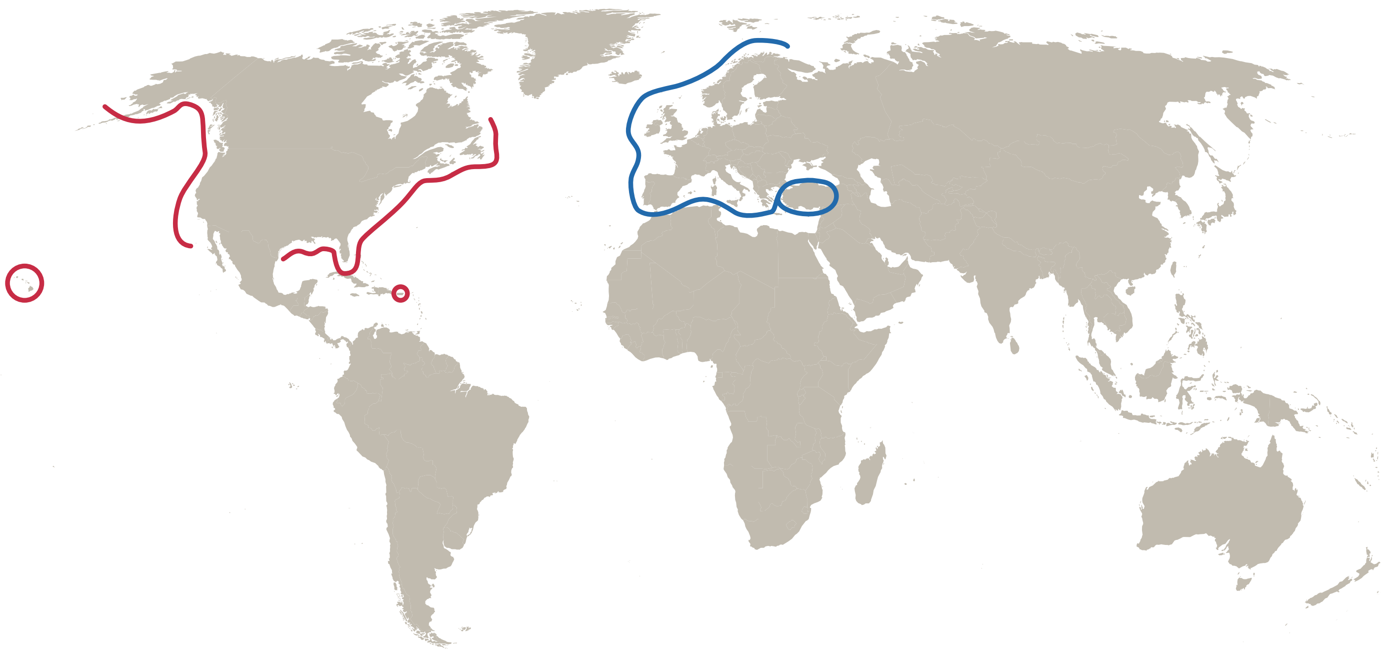
EMISSION CONTROL AREAS (ECA)

The International Convention for the Prevention of Pollution from Ships (MARPOL) defines certain sea areas as "special areas" in which, for reasons related to their oceanography, ecological conditions and sea traffic volume, require special controls for the prevention of sea pollution. Under the Convention these ECAs ('Emission Control Areas') are provided with a higher level of protection than other areas of the sea. Today there are several such ECAs in operation in both Europe, the US and the Carribbean, covering both SOx and NOx emissions. The major ECAs include:

Designated Emission Control Areas (date of entry into force):

2006-05-19: Baltic Sea
2007-11-22: North Sea
2012-08-01: US and Canada
2014-01-01: Caribbean

Emission Control Areas (ECAs): The International Convention for the Prevention of Pollution from Ships (MARPOL) defines certain sea areas as "special areas" in which, for reasons related to their oceanography, ecological conditions and sea traffic volume, require special controls for the prevention of sea pollution. Ships operating in the ECA zones will have to burn much cleaner fuel or use abatement systems, to comply with stricter emissions of sulphur, NO_x and other greenhouse gases. Today, most ECAs are located in Europe, the United States and Canada.



ECA Sulphur Limits
2010-07-01: Max 1.00%
2015-01-01: Max 0.10%

ECA NOx Limits
2011-01-01: Tier II
2016-01-01: Tier III
In addition to the above ECAs under MARPOL, there are also other environmental regulations that apply:

EU Sulphur Directive
2010-01-01: Max 0.1% at berth

Turkey Sulphur Regulation
2012-01-01: Max 0.1% at berth

Global Sulphur Limits
2012-01-01: Max 3.50%
2020-01-01*: Max 0.50%

* subject to feasibility review in 2018

California Air Resources Board Sulphur in fuel limits (24nm from coast)
2009-07-01: Max 1.5% MGO , or 0.5% MDO
2012-08-01: Max 1.0% MGO or 0.5% MDO
2014-01-01: Max 0.1% MGO /MDO

WWASA's position: *Through WWL's low sulphur policy, we have gained vast experience with low sulphur operations. To meet the requirement of future ECAs, we are working closely within the group and with industry partners to find the most cost-efficient and environmentally sound solution. Currently there is no single solution to the sulphur challenge, and the group is engaged in a four stream approach exploring different options. One initiative is the installation and testing of a Exhaust Gas Cleaning System (EGCS) onboard one of our vessels in 2013.*

Four stream sulphur approach

To meet the tougher environmental regulations, WWASA will as vessel owner and through ownership in several operating companies pursue several initiatives to prepare for and implement necessary actions to stay compliant and/or ahead of environmental regulations.

Reducing fuel consumption and fuel sulphur content have been singled out as the most important tasks, deemed to have the highest impact on reducing the company's environmental footprint and financial impact in the years to come.

SULPHUR REGULATIONS

Fuel mandates already require all shipping companies to use a more expensive low sulphur fuel while in EU ports and while sailing in the North Sea and Baltic ECAs. IMO has also officially designated the waters off the North American coasts as an ECA with effect from August 2012.

Stringent international emissions standards will apply for ships sailing in these waters. All vessels sailing within 200 nautical miles of North America will have to use the more expensive, low-sulphur fuel, which will reduce air pollution but also increase vessel fuel costs.

Looking further into the decade, the IMO's global sulphur limit of 0.50% Sulphur (S) is scheduled to come into effect from 2020. The impact will be even more significant as it is a global requirement, applicable to all bunker purchased.

GLOBALLY

Pre 2012	4.50% S	(45,000ppm)
1 Jan 2012	3.50% S	(35,000ppm)
1 Jan 2020	0.50% S	(5,000ppm)

EMISSION CONTROLLED AREA (ECA)

Pre 2010	1.50% S	(15,000ppm)
July 2010	1.00% S	(10,000ppm)
Jan 1 2015	0.10% S	(1,000ppm)

A FOUR STREAM APPROACH

Investing in vessel design and technology contributes to mitigating the increase in costs by reducing emissions and increasing efficiency, reducing exposure to variable and unpredictable fuel costs.

The WW group is currently evaluating exhaust gas cleaning systems and other technical solutions. We are looking at new engine and vessel designs that will further reduce fuel consumption. In addition we are more closely managing our sailing schedules and vessel speeds, in addition to several other initiatives. The overall goal is to find the most cost efficient and sustainable solutions for complying with sulphur regulations.

Together with partner Wallenius and headed by WWL, WWASA will explore a number of solutions to ensure that they are feasible for a mixed fleet composition and for international trading, and that the economics make sense. WWL has chosen a four stream approach to tackle strickter sulphur regulations and is dedicated to find the most cost efficient and sustainable solutions for customers.

MARINE GAS OIL

A compliant but expensive solution is to switch to Marine Gas Oil (MGO) with a sulphur content of 0.1% S. While this option requires only minor adjustments to the vessel design and operation, the availability and pricing of this type of fuel comes at an estimated cost at ~50% higher than Heavy Fuel Oil (HFO).

MULTI-STREAM SCRUBBER

Exhaust gas cleaning systems, also called scrubbers, are a compliant, technical approach to the regulations that remove sulphur from the vessels' exhaust gases. Scrubber technology is considered to be immature in shipping. In line with our continuous effort to explore new technology, WWL and WWASA are conducting a pilot project in 2012 - 2014 to evaluate the design, technical, operational, safety, environmental and regulatory aspects of scrubber installations.

WWASA and WWL have made significant financial investment in this pilot project in order to gather early experience on this technology as a potentially compliant solution.

In the first quarter of 2013, one of the world's largest hybrid scrubbers will be installed on the ro-ro vessel MV Tarago. The scrubber will clean the

Marine Gas Oil (MGO)

Ensure bunker supply chain in order.

Prepare fleet for use.

Multi-stream Scrubber

Install and run pilot project to gain early experience.

Work with stakeholders in global operating environment to evaluate risks and costs.

Alternative Fuels

Develop competitive advantage in terms of price stability, availability, etc.

Decouple from fossil fuels.

≤0.5% Bunker Oil

Ensure a supply of ECA compliant ≤0.5% sulphur bunker.

Mobilise an industry initiative to drive demand.

exhaust gases produced by the 38 486 dwt vessel's combined engine power of 28 000kW.

Following the commissioning, a comprehensive third party measurement and verification programme will be completed during the second quarter of 2014, partially funded by the Research Council of Norway.

ALTERNATIVE FUELS

Alternative fuels will be explored through research and development projects. WWL is working together with its owners to explore alternative fuels such as LNG, Ethanol, Methanol, and others.

The objective is to develop a potential competitive advantage for WWL in terms of price stability, supply/ availability and the possibility of decoupling from fossil fuels in the future.

‹ 0.5% SULPHUR BUNKER OIL

Removing the sulphur at the refinery is potentially a good, long term solution from the perspective of the shipping industry. As an upstream solution it takes care of the sulphur at the source.

WWL has initiated dialogues with other shipping companies to form a group of like-minded industry players seeking both facts and solutions for compliant low sulphur residual fuels. This group of companies represents at least 10% of the total industry bunker demand.

Environmental initiatives in 2012 and forward

We will continue to develop new solutions that benefit the environment through reduced emissions. In 2012, one such initiative was the new joint venture Shippersys, aiming at developing a game-changing technology for efficient voyages. In 2013, installing and testing the largest scrubber of its kind on one of our vessels will receive particular attention.

Shippersys - developing software for sustainable shipping industry

Together with partner Wallenius Marine AB, WWASA have entered into a joint venture with Norwegian meteorological company, StormGeo AS in 2012. The company aims at developing a range of innovative software solutions for the shipping industry. StormGeo will hold 50% of the new venture with the remaining 50% split evenly between the two other partners.

Fuel efficiency is an important contribution to greener shipping. Combining Wilhelmsen's and Wallenius' vast experience from operating vessels with StormGeo's meteorological and data models, tailor made software solutions for optimising the shipping industry will be developed.

Wilhelmsen and Wallenius have during the last four years developed a highly sophisticated vessel reporting tool. This reporting tool will bring vessel reporting accuracy to a new level for the shipping industry. In addition, a vessel ballast optimisation tool, developed by Wilhelmsen and Wallenius, will be a key component in the partnership's development work. StormGeo will contribute advanced meteorological models and advanced ship specific weather routing models. When launched, this unique system will give us as owners as well as our commercial operators' an important tool for optimizing voyages with fuel efficient operations being one of the key benefits. At the same time, new and innovative solutions will contribute to safer operations for crew onboard vessels operating at sea. For the first two years, development will focus on further development and streamlining the existing solutions to be fully integrated within the joint venture companies. Through developing an efficient, well-proven system, broader commercial opportunities will make this game-changing technology and solution commercially available to the global merchant fleet.

The world's largest multi-stream exhaust gas cleaning system (EGCS)

In 2012, WWASA started a project to install a 14 metre high multi-stream exhaust gas cleaning system, a so-called scrubber, on the ro-ro vessel MV Tarago. When commissioned, it will be the largest of its type in the world.

The multi-stream scrubber is a pilot unit supplied by Wärtsilä Moss AS and represents a major step towards more reliable technology that can help the industry comply more efficiently with increasingly stringent environmental regulations. It is based on the Krystallon Exhaust Gas Cleaning System that removes sulphur and particulates from the exhaust gases from the vessel's main and auxiliary engines. The system will clean an almost unprecedented amount of exhaust gas: the main engine alone produces approximately 180 000 kg per hour. When in operation the scrubbing unit alone will weigh close to 45 tonnes. The installation on the Mark IV roll-on roll-off vessel MV Tarago is scheduled for March 2013 at Sembawang Shipyard in Singapore. The project is headed by Wilh. Wilhelmsen ASA's technical department.

Risk assessment.

Prior to the installation, DNV performed a risk assessment of the project covering the design, installation and the operational phases. This process was divided into a Failure Mode Effect Analysis (FMEA), to identify possible risk elements in the design itself and a Hazard Identification (HAZID) to identify risks related

Multi-stream scrubber

Supplied by Wärtsilä Moss AS

Scrubber unit is 14 meters tall and weighs close to 45 tons when in operation

Combines the exhaust from the main engine and all five auxiliary engines into a single stream

Removes sulphur and particulates from the vessel's exhaust gases

Cuts SO_X emissions equivalent to 0.10% sulphur in fuel

Project participants include WWASA, Wärtsilä Moss, Sembawang, DnV, Marintek and The Research Council of Norway

to installation and operation. The scrubber can be operated in both an open and a closed loop, where the latter releases a very limited amount of effluent. This effluent can either be collected in a holding tank or be discharged directly into the sea. There are currently no restrictions concerning the discharge of effluent from scrubbers, although some local ports might require limited or even zero discharge at some time.

The new sulphur requirement compels ships to use cleaner fuel with max. 0.10% sulphur content in the Emission Control Areas (ECA's) from 1 January 2015. Alternatively, IMO allows scrubbers with corresponding emission limits. When this new requirement comes into effect, the most likely scenario for the majority of the existing fleets operating in ECAs is to use marine gas oil (MGO), which is a more expensive fuel. By installing scrubbers, owners can be in compliance whileat the same time cut their fuel bills considerably.

Extended testing.

WWASA will evaluate the test results to determine which vessels in the WW fleet might be suitable for a similar installation. Such evaluation will be limited to ships where the number of years of operating service left justifies the investment. Ships routinely sailing in ECAs will also be candidates for such an evaluation.

An important objective of this project is to provide reliable information to lawmakers and port state authorities on effluent discharge and particulate matter. The Norwegian Maritime Technical Institute, Marintek, will be involved in the testing phase after commissioning, which will last until spring 2014. This project is partly funded by the Research Council of Norway.

For the second time in a row, the Energy Efficiency Competition was conducted by Wallenius Wilhelmsen Logistics. Fuel consumption represents the largest operating cost operating a vessel, so all initiatives that can reduce the consumption of bunkers is both a large gain for the company and for the environment.

Energy Efficiency Competition

Headed by operating company WWL, WWASA contributed to a Energy Efficiency Competition (EEC). The aim of the EEC is to generate energy efficiency ideas from personnel with onboard and shore experience that can be implemented across the 60+ vessel fleet of WWL.

The prize fund is a vessel's bunker consumption over 24 hours, equivalent to approximately 32 000 US dollars. All seafarers in the WWL operated fleet could participate, as well as superintendents, trade vessel operators and site offices for newbuildings.

The 2012 competition attracted 36 persons/ teams who submitted 43 entries in total. The Energy Efficiency Working Group (EEWG), consisting of representatives from WW, WWL and partner Wallenius, has already decided that all the five winning entries will all be implemented on pilot ships during 2013.

Here are the winners of the Energy Efficiency Competition 2012:

MV Tysla - Eldar Danielsen
Optimizing the output of the steam turbo generator: A well-documented proposal on how to optimise the output of the turbo generator and thus reduce the demand on the shaft generator. Even though it's only applicable to Mark V vessels, the savings are substantial.

MV Toscana – Sarvesh Almeida
Installing motion sensors on light fixtures in accommodation and in cargo holds: Two constructive and well documented suggestions, which present savings at sea and in port. The total savings depend on the degree of implementation but as it's applicable for all vessels the total savings will be substantial under any circumstances.

MV Aida – Ingvar Persson
Improved lube oil system: The idea centred on a method to optimise the way the lube treatment plant and associated pumps are utilised. As it's applicable for almost all vessels the total saving will be significant.

MV Isolde – Mats Høgblom
Installing motions sensors on light fixtures in accommodation: Identical to below above, comment applies to both. The entries share the advantage of having limited cost and time for implementation.

MV Isolde – Mats Høgblom :
Ambient air supply to main engine turbocharger: This well-documented proposal represents a major saving potential at sea and in port as fewer engine room fans would need to be run. Although the implementation cost will be significant, it will still be overweighed by the potential savings. The proposal applies to several existing vessels and will be also be considered for incorporation into newbuilding designs.

Orcelle Grants 2012

Partly owned WWL has a fund – Orcelle Grants – that supports clean tech entrepreneurs aimed at making shipping and logistics more sustainable. WWL awards Orcelle Grants to clean tech entrepreneurs working on alternative energy sources and energy efficient technologies for commercial ocean vessels, and marine terminal & processing facilities. This focus reflects WWL's own research and development into the E/S Orcelle, a zero-emissions concept vessel, and the Castor Green Terminal, a zero-emissions terminal and cargo processing centre.

From 2012, WWL has partnered with the Ocean Exchange to extend the reach of the Orcelle Grants and to facilitate the leap of ideas and innovations across industries. The Ocean Exchange unites international organisations from multiple disciplines and across boundaries to distribute and adopt solutions that positively impact oceans and ocean life. In 2012, the Ocean Exchange's competition generated applications from North America, South America, Europe, Asia, Australia and the Middle East.

The USD 100 000 WWL Orcelle® Grant for 2012 was awarded to NoNox: Emulsion Combustion Systems.

Fossil fuel emissions contribute to global warming and are a root cause of many health problems. Creating a stable water in fuel emulsion is a a proven method of to help cleaning up these emissions. The NoNox emulsion combustion unit (ECU) is a complete emulsion fuel system containing the mixing chamber and fuel/water proportioning controls. The ECU can be switched back and forth between emulsion and straight fuel at the flick of a switch. More information may be found at nonoxltd.com

Corporate structure

5.7 million units serviced at WWL's 40 technical facilities

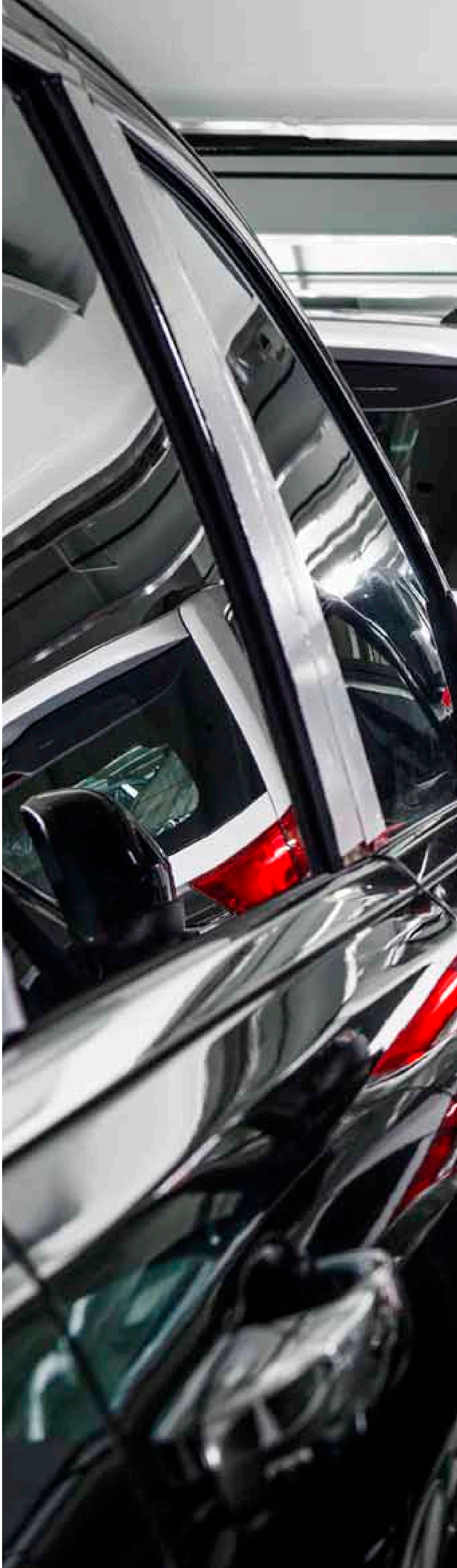
2 million units handled at WWL's terminals world wide

FAVOURABLE POSITION IN GROWTH MARKETS

WWASA aims at offering customers a global door-to-door service, providing land-based logistics services in addition to ocean transport. The group's logistics services are designed to complement its ocean transport services and strengthen customer relationships.

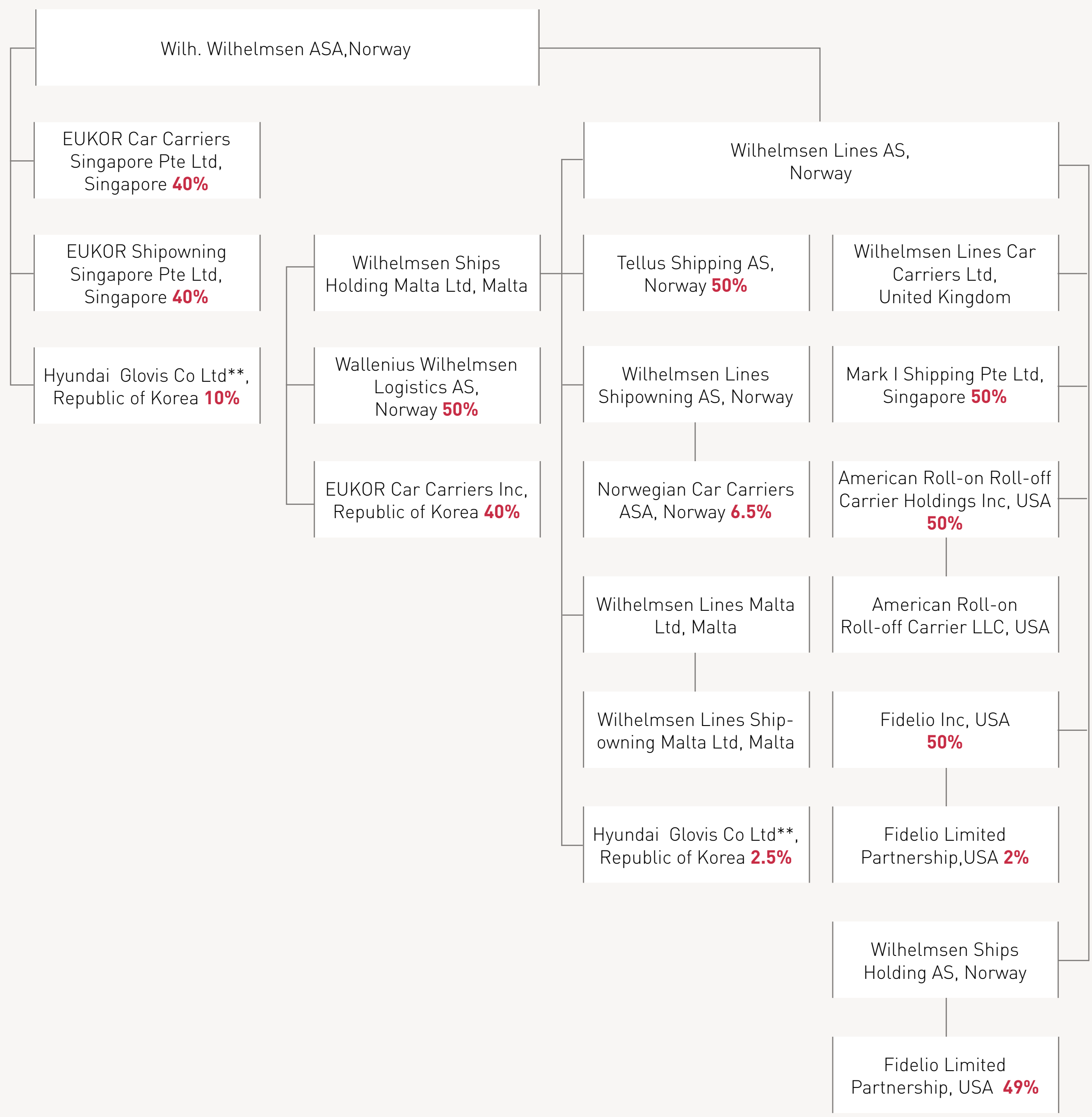
The group's operating companies are favourably positioned in the global car carrying industry by having a broad base of customers and comprehensive global coverage. In addition they have a solid position in emerging markets where growth is expected to be strongest.

WWASA is constantly working on developing new markets and seeking new opportunities in the ever changing business environment. Its broad service coverage puts the group in a favourable position as a preferred partner.



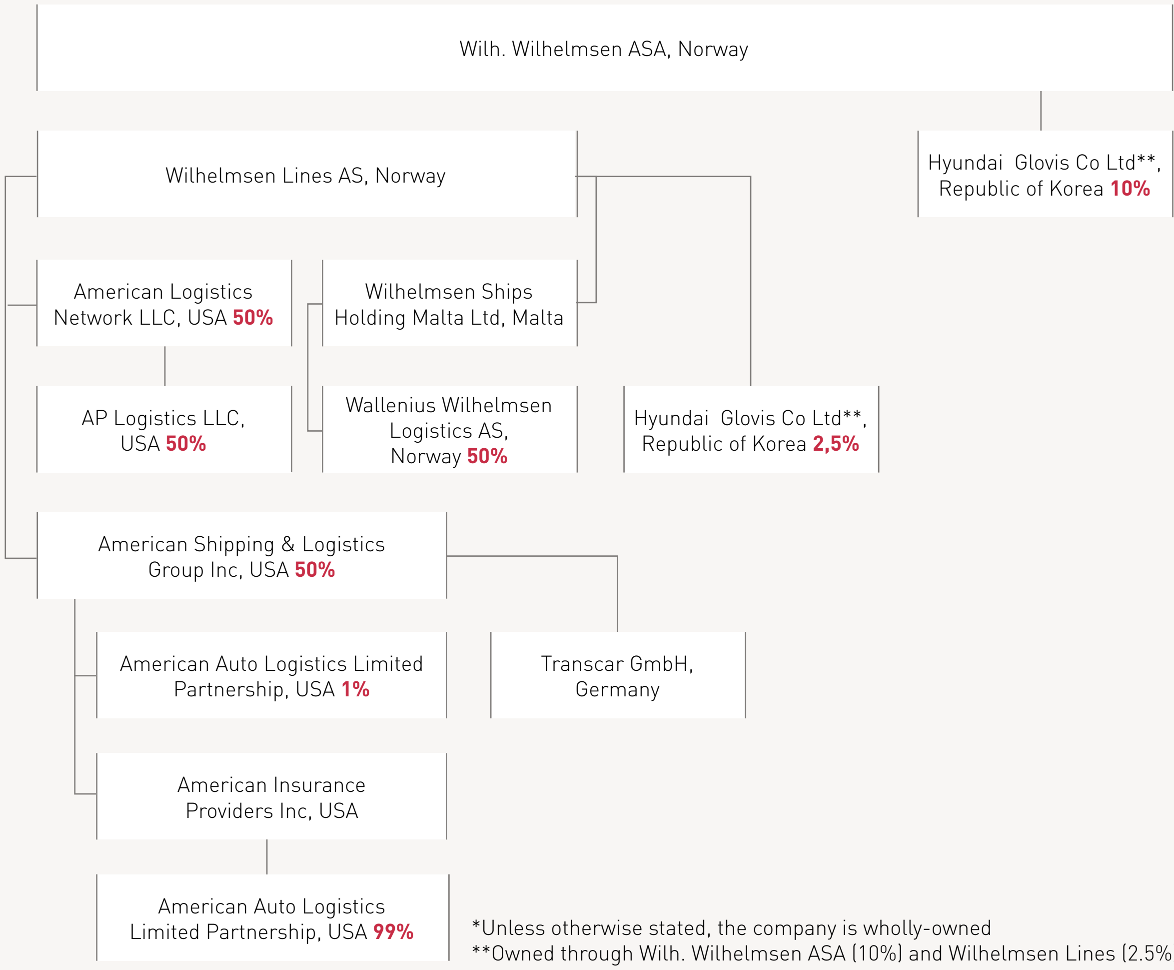
Corporate structure

Shipping segment | STRUCTURE* PER 31 DECEMBER 2012



*Unless otherwise stated, the company is wholly-owned
**Owned through Wilh. Wilhelmsen ASA (10%) and Wilhelmsen Lines (2.5%)

Logistics segment | STRUCTURE* PER 31 DECEMBER 2012



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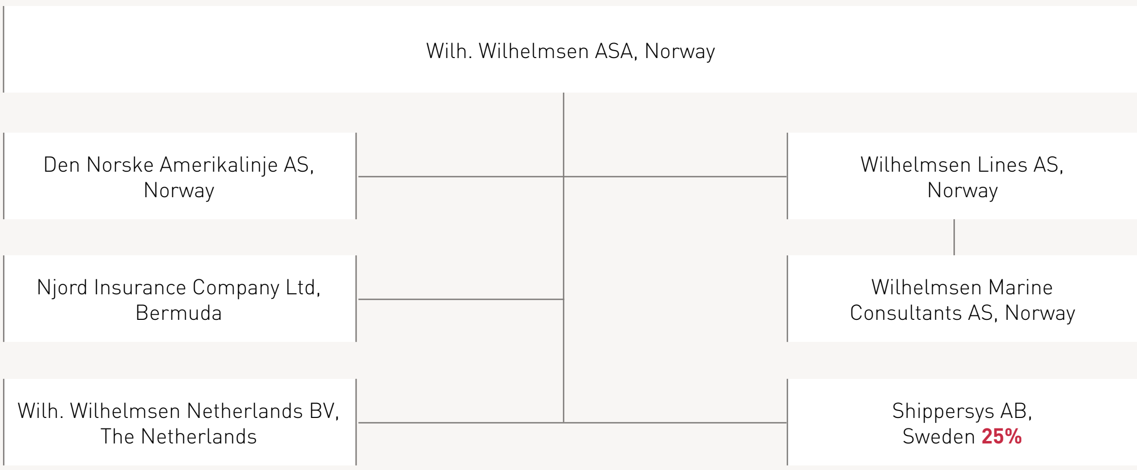
**Owned through Wilh. Wilhelmsen ASA (10%) and Wilhelmsen Lines (2.5%)

Holding segment | STRUCTURE* PER 31 DECEMBER 2012



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Designed by REDINK. Photos by Hans Fredrik Asbjørnsen

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