Wilh. Wilhelmsen ASA

ANNUAL REPORT 2013

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 customer 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 people worldwide, working together across different cultures towards common goals. Collaboration drives our creative energy and gives us better solutions.

KEY FIGURES

24%
decrease in total income adjusted for non-recurring items

4.75
NOK paid in dividend per share

48%
equity ratio

GDP forecast 3.7% in 2014 and 3.9% in 2015[1]

POSITIVE UNDERLYING GROWTH POTENTIAL

Demand for WWASA's shipping and logistics services are cyclical and closely correlated with global economic activity. Improvement in the global economy is highly decisive for the development of WWASA's earnings in addition to a balanced improvement in cargo and trade mix.

Long-term prospects, founded on population growth, need for infrastructure and housing, increase in middle class population and potential for the mining industry to mention some, supports a positive underlying growth potential for the WWASA's service offerings. Combined with a sound financial position, WWASA therefor has a solid platform to invest in fleet modernisation and integrated, land-based logistics services.

[1] International Monetary Fund, World Economic Outlook January 2014

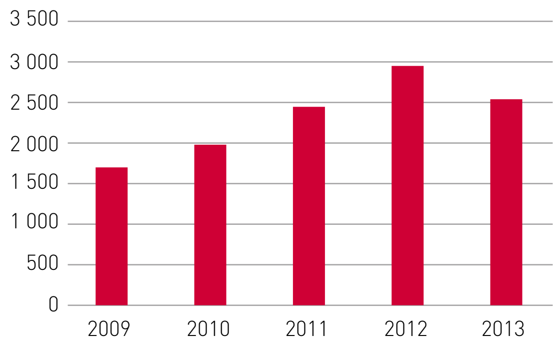
Key figures

Consolidated accounts

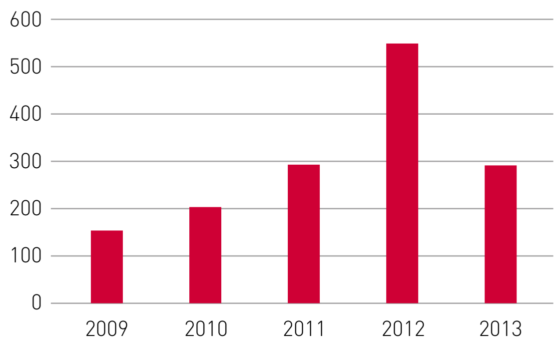
		2013	2012	2011	2010	2009
Income statement						
Total income*	USD mill	2 523	2 949	2 422	1 963	1 688
Primary operating profit*	USD mill	445	698	436	338	319
Operating profit*	USD mill	293	548	292	201	150
Profit/(loss) before tax*	USD mill	285	448	145	67	246
Net profit/(loss)*	USD mill	272	410	143	13	277
Balance sheet						
Fixed assets	USD mill	2 952	2 897	2 610	2 154	2 070
Current assets	USD mill	436	511	438	622	512
Equity	USD mill	1 632	1 544	1 207	1 107	895
Interest-bearing debt	USD mill	1 502	1 534	1 483	1 320	1 398
Total assets	USD mill	3 388	3 407	3 048	2 776	2 583
Key financial figures						
Cash flow from operations [1]	USD mill	194	270	164	105	127
Liquid funds at 31 Dec [2]	USD mill	411	474	402	582	476
Liquidity ratio [3]		1.9	3.2	1.4	2.2	3.3
Equity ratio [4]	%	48%	45%	40%	40%	35%
Yield						
Return on capital employed [5]	%	8.2%	17.6%	9.9%	7.5%	7.4%
Return on equity [6]	%	17.1%	29.8%	12.4%	1.3%	36.7%
Key figures per share						
Earnings per share [7]	USD	1.23	1.86	0.65	0.06	1.26
Diluted earnings per share [8]	USD	1.23	1.86	0.65	0.06	1.26
Primary operating profit per share [9]*	USD	2.02	3.17	1.98	1.53	1.45
Average number of shares outstanding	(thousand)	220 000	220 000	220 000	220 000	220 000
Market price at year-end	NOK	56.75	49.70	28.60	42.50	
Market price high	NOK	59.25	49.70	42.30	42.50	
Market price low	NOK	45.00	29.50	23.00	20.00	

The Wilh. Wilhelmsen ASA group (WWASA group) was listed on the Oslo Sock Exchange on 24 June 2010. The new group is a result of the restructuring process of the former Wilh. Wilhelmsen ASA group (WWI), which involved carrying forward the shipping and logistics activities in a separate listed entity. The first day of trading on the Oslo Stock Exchange for WWASA group was 24 June 2010.

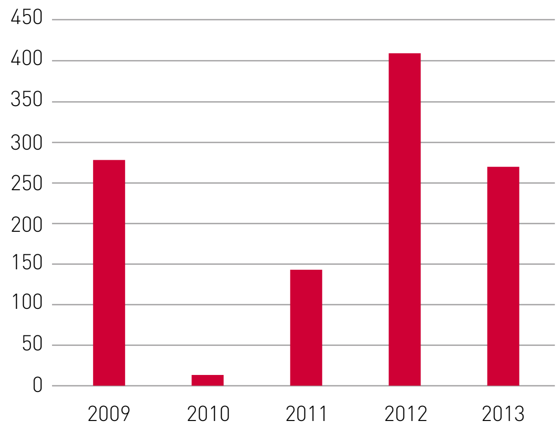
Total income* (USD mill)



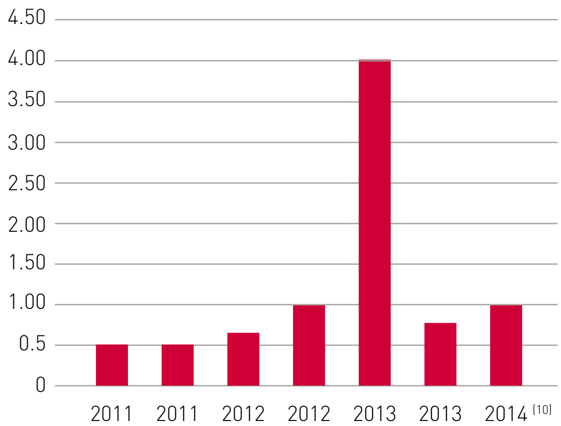
Operating profit* (USD mill)



Net profit* (USD mill)



Dividend (NOK)



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 after minority interests, 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.
(10) The proposed dividend for 2013 to be paid first half 2014. A decision on this proposal will be taken by the annual general meeting on 24 April 2014.

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


NO SMOKING

DIRECTORS' REPORT

4.4%
decline in transported volumes

3.4%
increase in fleet capacity

24%
shareholder return

Decline in revenue and earnings

2013: WEAKER PERFORMANCE COMPARED WITH 2012

Despite a 19% increase in contribution from logistics activities, WWASA's total income fell 10% and the operating profit 24% from 2012 to 2013 (adjusted for non-recurring items).

Total volumes transported deep sea were down 4.4%. While car volumes were stable, high and heavy volumes fell because of strong inventory build-up, particularly of mining equipment, in 2012. Sound contribution from logistics activities was not enough to outweigh the negative impact of unfavourable cargo and trade mix.

Directors' report

FOR THE WILH. WILHELMSEN ASA GROUP

Highlights for 2013

- Total volumes down 4.4%, driven by reduced demand for high and heavy transportation
- Unfavourable cargo and trade mix
- Fleet capacity increased by 3.4%
- Net increase of four vessels, three recycled and eight newbuildings ordered
- Sound contribution from logistics activities based on increase in volumes handled
- Accrual of USD 16.5 million related to cease and desist order for joint venture Wallenius Wilhelmsen Logistics in Q4 2013
- NOK 4.75 per share paid in dividend, totalling USD 177 million

[1] The equity method is applied for consolidation of joint ventures. This method provides a fair presentation of the group's financial position. The porportionate method reflects WWASA`s share of joint ventures.

STRATEGIC POSITION

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.

SUMMARY OF 2013

Total volumes transported deep sea in 2013 were 4.4% lower compared with 2012. While car volumes were stable, high and heavy volumes fell as a consequence of strong inventory build-up, particularly for mining equipment, in 2012. Despite continued sound contribution from logistics activities, an unfavourable cargo and trade mix led to a decline in total income and operating profit for 2013.

ANNUAL GROUP ACCOUNTS - EQUITY FIGURES [1]

2013 was characterised by lower demand for transportation of both cars and high and heavy cargoes. A suboptimal trade mix also impacted full year figures.

For the group's logistics entities, higher activities lifted operating profit and total income in 2013 compared with 2012. Hyundai Glovis contributed most to the improved earnings.

The WWASA group posted an operating profit of USD 255 million for 2013, down from USD 508 million in 2012 (figures from 2012 will hereafter be shown in brackets). The total income for the group was USD 508 million (USD 759 million). Both total income and operating profit for 2012 were positively affected by non-recurring items amounting to USD 139 million, of which USD 134 million was related to a sales gain following the group's share reduction in Hyundai Glovis in August 2012. Operating profit for 2013 was negatively affected by non-recurring items totalling USD 18.5 million, of which USD 16.5 million was an accrual related to the cease and desist order and surcharge order joint venture Wallenius Wilhelmsen Logistics (WWL) received from the Japanese Fair Trade Commision (JFTC) in the first quarter of 2014 (WWASA's share). Adjusted for the non-recurring items, the operating profit fell 26% from 2012 to 2013, while the total income fell 15%.

Financial income amounted to USD 9 million for the full year (expense USD 82 million), positively impacted by an unrealised fair value gain on interest rate derivatives. The investment portfolio contributed with a good return.

Group profit before tax was USD 264 million (USD 427 million).

The group recorded a tax income of USD 7 million (expense USD 17 million) in 2013 and the net profit after tax ended at USD 272 million (USD 410 million).

GOING CONCERN ASSUMPTION

In accordance with § 3-3a in the Norwegian Accounting Act, the board confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimated results for 2014 and the group's long term strategy.

CAPITAL AND FINANCE

Debt

WWASA's gross interest bearing debt was USD 1 502 million at the end of 2013 (USD 1 534 million).

Outstanding bonds totalled USD 439 million (USD 352million) with the remaining consisting of bank loans, export credit facilities and leasing commitments.

The company issued a 5 year bond of NOK 1 bil-

The board of directors

from left:

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

lion (USD 174 million) in June 2013 of which NOK 700 million (USD 122 million) was drawn for general corporate purposes.

Interest rates

Long-term USD interest rates increased during 2013, while the shorter term interest rates decreased somewhat. Three months USD Libor moved from 0.30% to 0.25%.

The increase in the long term USD interest rates lead to an unrealised fair value gain for the full year of USD 68 million (USD 9 million).

Net interest expenses for the group amounted to USD 81 million (USD 98 million), of which USD 36 million was related to realised losses on the interest hedging portfolio and lower average interest rates. WWASA has a high portion of the total debt hedged to fixed rate.

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 50% (62%) of the interest rate exposure at the end of 2013. The majority of the hedging contracts were entered into in 2007 and 2008, some with a forward start.

Foreign exchange

The group's major currency exposure is in NOK as the accounts are denominated in USD. For 2013 as a whole, the net effect from currency items was a gain of USD 9 million (0 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 2013 was approximately 36% (37%).

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 2013 were in the area of USD/NOK 5.50-5.90 (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 negative USD 14 million (positive USD 19 million) at the end of 2013.

Bunkers

Rotterdam FOB 380 ended at USD 585 per tonne at the end of 2013.

Through the operating companies, WWASA has an ambition to secure bunker adjustment clauses (BAF) in all freight contracts. The majority of the roughly 1 800 000 tonnes (1 950 000 tonnes) of bunkers consumed in 2013 by the ship operating companies in the group were secured through BAF-clauses. WWASA's share amounted to 790 000 tonnes (875 000 tonnes). In addition, the group may secure part of its additional bunker exposure through various hedge contracts.

As of 31 December 2013, the WWASA group had put on a limited structure of financial derivatives to partly reduce the floor of when the BAF-clauses enter into effect. The hedge resulted in a realised gain of USD 10 million (USD 12 million).

The market value of the hedge contracts, including hedge contracts in joint ventures, was USD 0.3 million (USD 3.5 million) at year end.

As of 31 December 2013, the WWASA group had secured 65% of the group's expected share of bunker exposure in 2014 through derivatives and bunker compensation clauses in the freight contracts.

Liquidity

Cash flow

The WWASA group's net cash flow in 2013 from operating, investing and financing activities was negative USD 187 million (positive USD 52 million).

Cash flow from operating activities decreased to USD 194 million (USD 270 million) primarily due to weaker operating results.

Cash flow from investing activities amounted to negative USD 142 million (negative USD 54 million), caused by increased financial investments, as cash was moved from cash holdings to the investment portfolio, and instalments paid according to newbuilding contracts.

Cash flow from financing activities amounted to negative USD 240 million (negative USD 164 million) driven by payment of interest expenses, planned instalments on the existing debt and payment of dividend, partly offset by issuance of new bond debt.

Cash and bank deposits

Cash and bank deposits decreased to USD 157 million (USD 344 million). Total liquid assets, including cash and bank deposits and current financial investments were USD 411 million (USD 474 million) at the end of 2013. Undrawn committed drawing rights totalled USD 50 million (USD 50 million).

"Increased equity – 48% based on book values "

Equity

The group's equity amounted to USD 1 632 million (USD 1 544 million), representing an equity ratio of 48% based on book values for WWASA's own account by the turn of the year.

Financial asset management

WWASA carried out active financial asset management on a portion of the group's liquidity. The value of the total investment portfolio amounted to USD 254 million at year end (USD 130 million), with investment primarily in investment grade bonds and Nordic equities. The return on the portfolio was 5.42% in 2013.

Dividend

Dividend policy

WWASA 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.

Dividend paid in 2013

WWASA paid semi-annual dividends to shareholders in 2013 totalling NOK 4.75 per share or USD 177 million in total. The dividend included an extraordinary payment of NOK 3 per share paid in May.

The total return on the company's share was 24% in 2013 including dividend payment, compared with a similar increase in the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics).

Proposed dividend for 2014

The board will propose to the Annual General Meeting (AGM) to pay a dividend of NOK 1 per share in the first half of 2014, totalling approximately USD 36 million.

Following changes to the Norwegian Companies Act in 2013, the board will also propose that the AGM gives the board authority to approve further dividend of up to NOK 1.25 per share for a period limited in time up to the next AGM.

ALLOCATION OF PROFIT

The board's proposal for allocating the net profit for the year is as follows:
Parent company accounts (USD million)

Net profit	31
Dividend	(36)
Other equity	6
Total allocation	(31)

MARKET UPDATE

Light vehicle sales

Light vehicle car sales in key markets (North America, Europe, Oceania and the BRIC countries) increased 4% to 64 million cars sold in 2013. A positive development in demand for cars in North America led to a sales increase of 8%. A recovering economy, improved credit availability, low interest rates in addition to new or redesigned models contributed to the positive development in US auto sales.

China recorded a strong sales growth of 12% in 2013, supported by expectations of future restrictions on car purchases in several major cities.

Little improvement in the West European economy made sales decline another 3% compared with 2012.

Auto sales in Oceania remained stable at 1.2 million units.

Light vehicle exports
Japan exported 4.3 million cars in 2013, while Korean car export totalled 2.9 million units.

Chinese export was slightly down from last year and counted just below one million cars in 2013. Combined with export from Thailand and India, the three countries' annual export volumes were almost on par with the Korean export level.

Inventory levels
Light vehicle inventory levels in the US increased in 2013, averaging above 3 million units. Days of supply averaged slightly above 61 days of sales, reflecting the improved sales rates.

Japanese stock levels fell somewhat from high levels in 2012, but were low in a historical perspective relative to total export.

Korean stock levels were on par with 2012 levels.

High and heavy
Construction
Global construction spending increased by 2% in 2013 compared with the previous year. The growth was predominantly driven by Asia and North America, although the pace was slower compared with 2012. Europe experienced a continued decline in spending. Most markets saw construction equipment demand decrease compared with 2012, given lower economic activity. End user demand was further offset by changes in dealer inventory, given the overhang from 2012.

The US recorded a strong development in the residential construction sector, with new housing permits rose to levels not seen since 2008.

The Chinese market continued its downward trend from 2012, although improving somewhat during the year.

Mining
Commodity prices for coal, precious and industrial metals fell further through 2013. Iron ore prices remained firm.

Given the general negative development in commodity prices since 2011, most mining companies remained cautious regarding investments in new projects. They showed a strict capital expenditure discipline and continued with extensive cost cutting initiatives.

Despite the negative sentiment, Australian mining production and exports of metal ores and minerals were at record high levels, driven by continued strong Chinese demand.

Agriculture
The US demand for agricultural equipment grew during 2013, and total farm tractor retail sales ended 9% higher than 2012. Especially sale of large tractors experienced strong growth. The inventory levels were higher than 2012 to serve the increased demand.

European agricultural equipment demand edged slightly lower during the year.

Despite declining farm commodity prices, sales in Brazil in 2013 ended on a high level compared with 2012.

World tonnage
The world car carrying fleet remained at the same level as in 2012, counting 739 vessels (3.8 million CEUs) at the end of the year.

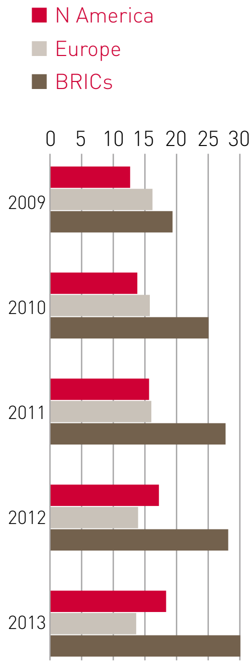
The orderbook on the other hand increased considerably, with 39 orders made throughout the year. At the beginning of 2014, a total of 63 vessels (445 000 CEUs) were on order, up from 42 vessels at the end of 2012. The newbuilding orderbook represented 12% of the total fleet measured in CEUs.

Fourteen vessels, with an average age of 28 years, were recycled, up from five vessels in 2012. The average vessel age of the world fleet was approximately ten years at the end of the year.

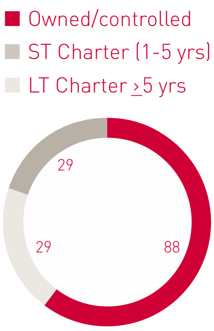
WWASA'S TONNAGE POSITION
A flexible fleet with a combination of owned tonnage, chartered vessels as well as spot and space charters for less than 12 months is essential to be able to adjust capacity to cargo availability.

Fleet capacity
Compared with 2012, the group's average fleet capacity in 2013 increased by 3.4%. By the turn of the year, the group companies controlled 146 vessels (142 vessels), equivalent to 904 000 CEUs

Light vechicle sales in selected markets
(million units)



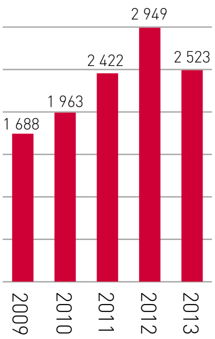
No. of vessels



Of 146 vessels, 33 are owned/controlled by WWASA. Full list of owned/controlled vessels on back cover of the annual report.

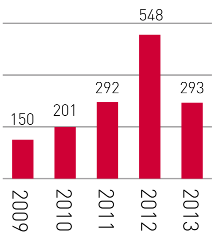
Total income

(MUSD)



Total operating profit

(MUSD)



(874 000 CEUs). The group's total fleet represented a 24% share of the global car carrying market. Thirty-three of the vessels were owned or controlled by WWASA.

Newbuildings

The group companies took delivery of five new vessels in 2013 (six vessels), of which none were for WWASA's account.

Eight Post-Panamax vessels were ordered during 2013. Four of the vessels are for WWASA's account.

The group companies' remaining newbuilding programme totalled thirteen vessels at the end of 2013 or 22% of the world car carrier orderbook measured in CEUs. The vessels will be delivered in 2014-2016.

Redeliveries

During the year, one vessel (four vessels) was redelivered to external owners. The group has the flexibility to redeliver six charter vessels to external owners during 2014 (seven vessels).

Recycling

Three group vessels were recycled (no vessels) in 2013, of which two – the ro-ro vessels Tampa and Terrier – were for WWASA's account. As a responsible owner, WWASA recycles its vessels in accordance with the Hong Kong convention and at green recycling facilities in China.

Change in fleet capacity after 31 December

One WWASA controlled vessel – the ro-ro vessel Texas – was sold for recycling in January 2014. The vessels Thai Shan and Takara were redelivered from WWASA to an external owner early February 2014.

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

ANNUAL GROUP ACCOUNTS - PROPORTIONATE FIGURES [1]

The WWASA group recorded a decline in revenue and profit in 2013 caused by a decrease in demand for transportation of high and heavy equipment and a suboptimal trade mix. The logistics activities continued to develop positively with a 19% increase in contribution.

For the full year of 2013, the WWASA group posted an operating profit of USD 293 million (USD 548 million) and a total income of USD 2 523 million (USD 2 949 million). The total income and operating profit for 2012 were positively affected by USD 139 million, of which USD 134 million was related to the group's share reduction in Hyundai Glovis. Operating profit for 2013 was negatively affected by non-recurring items totalling USD 18.5 million, of which approximately USD 16.5 million related to the cease and desist order and surcharge order the joint venture Wallenius Wilhelmsen Logistics received from the Japanese Fair Trade Commission (JFTC) in the first quarter of 2014 (WWASA's share). Adjusted for the non-recurring items, the operating profit fell 24% from 2012 to 2013 while the total income fell 10%.

Financial expense amounted to USD 8 million (USD 100 million) for the full year, positively impacted by an unrealised fair value gain on interest rate derivatives.

Group profit before tax and minority interests was USD 285 million (USD 448 million).

The group recorded a tax expense for the year amounting to USD 12 million (expense of USD 37 million), while the net profit after tax and minority interest came to USD 272 million (USD 410 million). The 2012 figures were positively impacted by non-recurring items.

THE SHIPPING SEGMENT

With 24% 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.

Total volumes transported decreased 4.4% to 75.9 million cubic metres (79.4 million cubic metres). While auto volumes were more or less in line with 2012, high and heavy volumes fell 16% following a strong inventory build-up of particularly mining equipment in the first half of 2012. Combined with a suboptimal cargo and trade mix, the group recorded a 39% drop in operating profit to USD 157 million (USD 264 million) based on a decrease in total income of 16% to USD 1 481 million (USD 1 807 million).

Fleet optimising measures such as chartering in or out vessels, speed adjustments, redelivery of vessels, ordering of newbuildings and recycling of older tonnage were actively used during the year to adjust capacity to demand for transportation. In addition, the group's operating companies swapped tonnage and benefitted from group synergies. Other efficiency programmes and cost-reducing initiatives were also implemented to improve the group's profitability.

WWL reported weaker demand for seaborne trade in 2013, driven by a decrease in demand for transportation of high and heavy volumes. Volumes were down in all main trades. With cargo and trade mix being important for the company's profitability, total income fell in 2013 compared with 2012. The profit was positively impacted by optimising and efficiency measures.

WWL controlled a total fleet of 59 vessels (61 vessels) at the end of December 2013, with a total capacity of 392 000 CEUs (401 000 CEUs).

EUKOR transported volumes on par with 2012, and had an average of 57% of the Hyundai and Kia export out of Korea, as per the Ocean Car Carrying contract. The contact is up for renewal in 2016.

European demand for Hyundai and Kia models were weak causing an imbalance in the European trade and higher operating costs. There was a strong growth in the US trade.

EUKOR operated a total of 81 vessels (75 vessels) by the end of December 2013, with a total of 478 000 CEUs (438 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC's profitability was hit by a significant drop in volumes, particularly in the Middle East trade. Closing down this service incurred extra restructuring costs. Capacity was adjusted to cargo availability, and vessels were redeployed in the Atlantic trade. The change in cargo and trade mix had a negative effect on the company's operating margin.

ARC operated a total of six vessels (six vessels) by the end of December 2013, with a total capacity of 35 000 CEUs (35 000 CEUs).

The shipping activities in **Hyundai Glovis** (owned 12.5%) contributed with USD 7 million (USD 12 million) to WWASA's accounts for 2013.

Anti-trust investigation in Japan

WWASA's joint venture companies WWL and EUKOR are subject to anti-trust investigations of the car carrying industry in several jurisdictions. The Japanese Fair Trade Commission (JFTC) issued a cease and desist order and a surcharge order in the first quarter of 2014. The JFTC states that WWL and other companies in the industry, in the years 2008-2012, restrained competition through jointly agreeing on raising or maintaining rates, thereby breaching the Anti-monopoly Act. The surcharge for WWL's account is estimated to USD 34 million and primarily related to shipments of new cars from Japan to Europe (WWASA's share USD 16.5 million).

EUKOR was initially included in the investigation, but has been dropped from the investigation by the JFTC.

WWASA has not received any further information through WWL and EUKOR on the ongoing investigations in other jurisdictions, but the joint ventures have and will continue to cooperate and respond to any questions authorities might have.

Cost of process management related to the investigations is charged on an ongoing basis. For 2013, the fees to lawyers and other process related expenses were estimated to USD 8-9 million (WWASA share). Except the accrual of USD 16.5 million in the fourth quarter 2013 related to the surcharge order from JFTC, no other accruals or reserves have been charged to the accounts.

THE LOGISTICS SEGMENT

Though its joint ventures, WWASA's ambition is to offer customers a global door-to-door service, which provides land-based logistics services supporting the ocean transportation. In addition to differentiating revenue streams, logistics services complement ocean transportation services and strengthen customer relationships.

Logistics activities continued to increase contribution to group accounts based on higher volumes handled at land-based facilities around the world and improved contribution from the group's 12.5% shareholding in Hyundai Glovis.

The operating profit for 2013 was USD 107 million (USD 229 million) based on a total income of USD 576 million (USD 628 million). The total income and operating profit for 2012 were positively impacted by non-recurring items totalling USD 139 million, of which USD 134 million was related to the group's share reduction in Hyundai Glovis in August 2012. Adjusted for non-recurring items, the group's operating profit and total income from logistics activities amounted to USD 108 million (USD 91 million) and USD 576 million (USD 490 million) respectively, equivalent to an increase of 19% in operating profit and 18% in total income.

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 2013, 2.1 million units (2.0 million) were handled at WWL's terminals worldwide.

WWL's technical services delivered improved revenue and earnings as serviced units grew by 0.2 million units, to 5.9 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 an increase in volumes to 2.4 million units in total for 2013.

Ship operating companies

Wallenius Wilhelmsen Logistics (WWL) owned 50%

EUKOR Car Carriers (EUKOR) owned 40%

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

Logistics activities carried out through:

Wallenius Wilhelmsen Logistics (WWL) owned 50%

American Shipping and Logistics group (ASL) owned 40%

Hyundai Glovis owned 12.5%

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

The American Shipping and Logistics group handles 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 higher total income and profit compared with 2012.

In October 2013, the company lost the Global Privately Owned Vehicle contract for the US Department of Defense. The company filed a protest with the US General Accountability Office, which was denied in the beginning of 2014. A legal process challenging the decision was initiated through the Court of Claimes. The process was denied and the contract expires in the second quarter of 2014.

The logistics activities in **Hyundai Glovis** contributed with USD 55 million (USD 180 million) for 2013 [2]. The figure for 2012 was USD 47 million adjusted for the sales gain related to WWASA's share reduction in the company.

TAX

As a global company, WWASA pays tax to countries in which the company has wholly-owned entities and to countries in which the group's joint ventures operates. Tax is paid according to local laws and requirements.

In 2013, the WWASA group had an estimated net payable tax in Norway amounting to USD 2 million, of which USD 2 million was withholding tax on dividends, USD 3 million was tax payable for 2013 and USD 3 million was a refund of too high taxes paid in 2012. Currency transition from USD to NOK for Norwegian tax purpose had a material effect on change in deferred tax with USD 17 million (deferred tax income).

WWASA's subsidiary Wilhelmsen Lines Shipowning (WLS) commenced legal proceedings before the Oslo City Court based on the tax appeal board's decision to turn down the application for tonnage tax. The basis for the proceedings was that the transition rule valid for companies that exited the old tonnage tax regime (abolished in 2007) into ordinary taxation was in breach with The Constitution of Norway, article 97. Alternatively, WLS can claim a compensation for the economic loss caused by the unconstitutional transition rule. The legal proceeding has been put on hold until the final outcome of similar court cases has been resolved. 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 refer to note 6 to group accounts.

Material sustainability issues:

- anti-corruption
- climate change and emission
- working conditions
- supply chain sustainability
- sustainability governance

"Sound corporate governance – a foundation for profitable growth and a healthy company culture."

SUSTAINABILITY REPORTING

Corporate governance

The board believes sound corporate governance is a foundation for profitable growth and that it provides a healthy company culture. A responsible governance structure also contributes to reducing risk and creating value over time for shareholders and other stakeholders.

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 for 2013 can be found on pages 78-88 or on www.wilhelmsenasa.com. It is the board's view that the company has an appropriate governance structure and that it is managed in a satisfactory way. The corporate governance report is to be reviewed by the AGM on 24 April.

Sustainability reporting

WWASA assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting. The company 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 www.wilhelmsenasa.com.

Sustainability governance

The board acknowledges that the company must perform its activities in a responsible manner in order to be sustainable. With an aim to increase transparency, the board therefore issues a sustainability report following the requirements set forward in the Global Reporting Initiative. The report describes how WWASA, as part of the Wilh. Wilhelmsen group, combines long-term profitability with emphasis on ethical business conduct and with respect for human being, the environment and society at large.

Materiality assessment

To ensure the company focuses on the material aspects of its business and key issues for external stakeholders, a materiality assessment was conducted conducted in 2013. The process was assisted by and based on a methodology developed by DNVGL. The assessment concluded that the following topics where of most importance:

- Business ethics and anti-corruption
- Climate change and emissions
- Working conditions, labour standards, health and safety
- Managing the company's supply chains
- Sustainability governance

The report is available on www.wilhelmsenasa.

com, and will be reviewed by the AGM on 24 April.

Results in 2013

In addition to the materiality assessment, the following were main achievements in 2013:

- Development of the first report according to Global Reporting Initiative (GRI)
- Emission reductions
- Continued focus on anti-corruption, competition law and prevention of theft and fraud
- Introduction of a global whistleblowing system
- Dedicated digital platforms to improve knowledge and awareness and contribute to help employees make the right choices.

Ambitions for 2014

Through clearly expressed expectations to employees as well as companies in which WWASA is a shareholder, the group will contribute to promote internationally excepted human rights, sound working standards and reduce its environmental impact. An awareness programme related to business standards including anti-corruption will be implemented in 2014 and is mandatory for all employees. There is continuous work ongoing to improve guidelines, standards and reporting routines.

In 2014, particular attention will be given to improve employees' awareness of company standards related to anti-corruption, theft and fraud, competition law and whistleblowing. An awareness campaign related to business standards will be conducted, and the goal is that 100% of employees in wholly-owned companies will have conducted necessary compliance training. To improve non-financial reporting, the group will also continue to develop processes to improve data quality and accuracy as well as routines to follow up on the issues defined as material for the group's social responsibility. This includes developing KPIs for sustainability to be included in business reviews.

The company has introduced whistleblowing procedures to ensure that improper and unlawful business practices within the group are detected and dealt with, and that employees are provided with reliable channels for reporting violations of laws as well as the company's internal business standards.

Except for the anti-trust investigation related to the car carrying industry, which started in September 2012, no serious incidents regarding breach of the company's Code of Conduct leading to local or international investigations were reported in 2013.

One of WWASA's operating companies, WWL, 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

Workforce, including non-discrimination measures

The group employed 41 people in wholly-owned companies (WWASA parent company, Wilhelmsen Lines Car Carriers UK and Wilhelmsen Lines Malta), and some 7 000 people when joint ventures are included (WWL, EUKOR and ASL group). The group's head office is located in Norway. In addition, WWASA has two foreign offices within its wholly-owned structure, increasing to some 180 locations in 45 countries when joint ventures are included.

Equal opportunities

WWASA has a clear policy stating that men and women have the right to equal opportunities. Harassment, discrimination based on race, gender or similar grounds or other behaviour that may be perceived as threatening or degrading is not acceptable. Despite an ambition of having an equal mix of gender in the company, male and female representation in the industry's recruitment base is unequal, making it difficult to achieve.

Women accounted for 26% (22%) of the 27 (32) employees in WWASA employed in Norway at the turn of the year or 27% of the 44 employees when including wholly-owned Wilhelmsen Lines Car Carriers and Wilhelmsen Malta.

WWL, owned 50%, had 91 (85) employees in Norway, of whom 37% (40%) were women. Worldwide, WWL employed 4 876 (including joint venture) of which 29% were women at the turn of the year.

The 40% owned EUKOR employed 207 (201) 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 194 (210) employees at 31 December 2013 of which approximately 40% were female. 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.

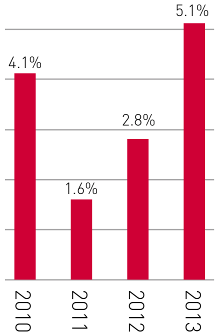
Working environment and occupational health

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. The company's business is conducted with respect for, amongst others, human rights and internationally accepted labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum age and salary, working conditions and freedom of association. Employees are encouraged to report on non-compliant behaviour through the group's global whistleblowing system.

A healthy working environment is linked to an efficient, sustainable and profitable business. The overall guidelines are described in the company's principles for human resources, quality and health and safety as well as in the group's leadership expectations. Several KPIs related to working environment is measured on a quarterly basis, including sickness leave, turnover and lost time injury frequency.

Sickness absence

NORWEGIAN EMPLOYEES



Sickness absence

The average sickness absence among land based employees was 5.1% in 2013 (2.8%). The increase was caused by several employees on long term sickness leave. No work related injuries were reported during the year. Despite a low sickness absence, WWASA has implemented a variety of initiatives to promote a healthy working environment, including company health service, activity club, adapted working hours, serving of healthy food, employee empowerment and engagement and possibilities for personal development initiatives.

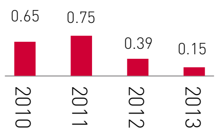
Turnover

The turnover rate for the company was 0% in 2013, indicating that employees in general were satisfied with their employment.

Five people left the company in 2013 due to internal reorganisation.

Lost time injuries

(WWASA VESSELS)



Lost time injuries

Wilhelmsen Ship Management and Wilhelmsen Lines Car Carriers manage WWASA owned vessels, and conducted a number of safety campaigns aimed at creating safer and healthier working conditions on board the vessels during the year. This resulted in an average lost-time injury frequency among crew members at 0.15 in 2012 (0.39), below the ambition set not to exceed 1. [3] All incidents were investigated to avoid similar episodes in the future and to improve necessary training and awareness measures.

There were no work related fatalities onboard WWASA's own vessels in 2013.

Near miss incidents

There were no near miss incidents reported on land.

There is a potential to improve near miss reporting among seafarers. All reported near misses are investigated to avoid similar incidents in the future and to improve necessary training and awareness measures.

Working committee and executive committee

There is a close cooperation between management and employees through several bodies, including a working environment committee and the executive committee for industrial democracy in foreign trade shipping. The bodies are considered to work well and give valuable input to solve the company related issues in a constructive way.

While the working committee, which conducted four meetings in 2013, first and foremost considers issues related to working environment, the executive committee for industrial democracy in foreign trade shipping considers draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce. In 2014, there will be an election for both bodies.

Performance appraisals

The company conducts annual performance appraisals with employees, and a total of 65% appraisals where conducted in 2013. The low rate was caused by an an internal reorganisation. The appraisals are conducted to align how each employee can contribute to reach the group's overall strategic ambitions.

Engagement survey

WWASA seeks to provide a positive and stimulating work environment in which all employees are motivated and can work and achieve their full potential, and an annual Engagement Survey in May 2013. The survey clearly showed an overall high level of engagement and commitment amongst the employees in the. The survey also showed that going forward the company needs to focus on strengthening certain leadership competencies in order to build continuous engagement and a performance based culture. The survey will be conducted annually for all onshore based employees. In 2013, 100% of the employees in the company conducted the survey.

Compensation and benefits

The purpose of WWASA's compensation and benefit scheme is to attract and retain the right employees with the right experience and knowledge deemed necessary to achieve the company's strategic ambitions. The schemes take local regulations and competition in to accounts as well as the position's responsibility and complexity.

Performance-related bonus scheme

WWASA practises a system of performance-related bonuses, intended to be one of several instruments focusing attention on the group's

[3] **Occupational injuries** An injury which results in an employee being unable to return to work for a scheduled work shift on the day following the injury. Measured per million hours of exposure, which is 24 hours per day while serving aboard.

strategy. The bonus will be paid if set bonus targets are reached. Compensation to executive personnel is described in the corporate governance report on page 86 and in the notes 4 and 2 in the group and parent accounts respectively. The company also issues a declaration on the determination of employee benefits for senior executives, note 14 to the parent company accounts.

Competence development

Learning and innovation is one of the company's core values. 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. Training related to each employees working situation receives most attention. In addition, the company has an internal academy, offering industry-related programmes and leadership development programmes and training. The courses are also important in contributing to developing common attitudes, ways of working and common business standards and expectations.

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.

WWASA aims at being the shaper of the maritime industry within environmental and energy efficient vessel operations. To reach this ambition, the company investigates new technology, solutions and ways of working to reduce emissions and fuel consumption on board its fleet of vessels.

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 ambition by setting objectives and goals for the operating companies, technical managers and other stakeholders. In 2013, WWASA's main accomplishments included:

- Continued participation in the WG5 group working towards a more efficient and transparent shipping industry.
- Implementation of a highly sophisticated vessel energy performance reporting tool which will be instrumental to further reduce the energy consumption per cargo carried.
- All owned vessels equipped with advanced on board measurement equipment for energy performance follow-up and reporting.
- Evaluation and implementation of new and existing technology to reduce fuel consumption and to prepare for future environmental regulations.
- Installation and type approval of an exhaust gas cleaning system (scrubber) on board M/V Tarago.
- Four new energy efficient vessels ordered, all to be equipped with exhaust gas cleaning systems (scrubber).
- Two vessels recycled at green recycling yards in China in accordance to the Hong Kong Convention.

"No serious incidents harming the enviroment in 2013."

In 2014, the company will continue to seek excellence in optimising vessel performance and operations by:

- Further utilising the individual ship energy efficiency management plans (SEEMP) in combination with the new reporting system to reduce energy consumption on board all vessels.
- Continue to educate seafarers and office personnel by the use of energy efficiency training sessions.
- Further improving accuracy of vessel energy performance follow-up by installation of improved sensors and performance monitoring models.
- Continue to support companies that provide solutions that will make the shipping industry more environmentally friendly and efficient
- Supporting development of innovative software solutions for for a more sustainable shipping industry through the joint venture company Shippersys AB.
- Prepare the fleet and operations for the stricter regulated Emission Controlled Areas (ECAs) in EU and US coming into force from 1 January 2015.
- 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 2013 and update on specific issues are included in the group's sustainability report available on www.wilhelmsenasa.com.

Environmental incidents in 2013
Except a two litre leakage of stern tube oil in the port of Hueneme, the company experienced no serious incidents harming the environment in 2013 and/or leading to fines and/or local authority investigations. All the reported incidents were investigated. Necessary processes were updated and appropriate training and awareness addressed to avoid similar accidents in the future.

Other environmental reporting
Joint venture WWL reports on emissions according to the standard developed by Carbon Disclosure Project and the Green House Gas Protocol. Please refer to www.2wglobal.com for their online reports.

Stakeholder engagement
In 2013, WWASA were engaged in several dialogues with non-governmental organisations, governments, investors and other stakeholders discussing topics related to the company or industry at large. The main questions were related to financial and environmental issues, but there were also forums specifically addressing sustainability at large. The company was engaged in, amongst other, the European Sustainable Shipping Forum, the International Maritime Organisation, KOMpakt, BIMCO and the Norwegian Shipowners' Association and indirectly in organisations such as Maritime Anti-Corruption Network and the International Labour Organisation.

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 organisational 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. 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.

Main risk factors
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 48-54.

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

Unethical business behaviour can have a negative effect on the group's reputation and indirectly affect the profitability of the group. The group monitors the development of compliance requirements closely and will adapt to changes continuously. In addition, the group has implemented procedures to ensure improper and unlawful business practices within the group are detected and dealt with. Further, the group has developed sound corporate governance structures, contributing to a healthy business culture, reducing risk and creating value over time for stakeholders.

Uncertainties related to the development of the world economy
In 2013, global growth was still weak, and growth in many of the emerging markets previously characterised by strong growth, like China, was slowing. Further, problems in the EURO area and high public debt in many advanced economies remained unresolved. Economic uncertainties affect the demand for seaborne transportation of cars and high and heavy equipment as both private consumption and corporate investment decisions could be put on hold.

As demand for WWASA's shipping and logistics services offerings are cyclical and closely correlated with the global economic activity and deep sea transportation of cars and high and heavy cargo in particular, improvement in the global economy is highly decisive for the development of WWASA's earnings. A balanced improvement of the cargo segments 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 industry, 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

fleet. An imbalance in the global newbuilding order book for car and ro-ro vessels could put further pressure on the demand/supply balance. The current global orderbook is 12% of the current fleet. Equally a 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 sound platform in emerging markets where long term growth is expected. 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 new markets with growth opportunities.

Bunker prices increase

WWASA's operating companies are well covered against increases in bunker prices through bunker adjustment factors (BAFs) 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 and BAF-clauses do not compansate the full exposure.

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 . The cash flow statement is included in the report on page 26.

PROSPECTS

It is expected that growth in 2014 will be slightly higher than 2013, mainly driven by recovery in the advanced economies. Growth in emerging markets will be supported by demand from advanced economies in some countries, but domestic weakness remain a concern in some countries. The start of 2014 has been characterised by increased geo-political tension, which can impact global trade and the development of the world economy.

The macro picture supports a positive underlying growth potential for transportation of both cars and high and heavy cargo long term. Combined with a sound financial position, this gives WWASA a solid platform to gradually invest in fleet modernisation and integrated, land-based logistics services.

However, short term, the board expects a modest growth in the demand for the group's seaborne services. More positive prospects for the transportation of cars than high and heavy units will likely have a negative impact on the cargo and trade mix and may lead to suboptimal fleet utilisation.

Within the logistics segment, AAL's loss of the Global POV contract for the US Department of Defense, effective from the second quarter of 2014, will reduce contribution from this activity.

A general pressure on margins in both the shipping and logistics segments is expected to continue, and the group has initiated cost efficiency initiatives to improve profitability.

Prospects for 2014

- Modest growth in demand for seaborne services
- Sub-optimal cargo and trade mix
- Pressure on margins
- Delivery of first Post-Panamax vessel
- Strong equity and sound liquidity
- Semi-annual dividend
- Continued focus on anti-corruption, competition law, whistleblowing and prevention of theft and fraud

Lysaker, 18 March 2014
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
Chair

Diderik Schnitler

Nils P Dyvik

Hege Sjo

Marianne Lie

Jan Eyvin Wang
Group CEO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Kalmar

ACCOUNTS AND NOTES

14.1
million cars expected sold in Europe in 2014

18.9
million cars expected sold in the US 2014

3.2
million cars expected sold in BRIC in 2014

4.6% growth in car sales in key markets expected in 2014

2014: MODEST GROWTH PROSPECTS

Although global activity and world trade strengthened during the second half of 2013, prospect for growth are still relatively weak.

Growth expectations for 2014 are slightly higher than 2013, mainly driven by recovery in the advanced economies. Demand from advanced economies will support growth in emerging market, but weakness in emerging economies remain a concern.

Short term, the board of WWASA expects a modest growth in the demand for the group's seaborne services. Prospects for car volumes are more positive than the demand for transportation of high and heavy units.

Income statement | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2013	2012
Operating revenue	1/17	**325**	**395**
Other income			
Share of profit from joint ventures and associates	2/3	182	230
Gain on sale of assets	5/3	1	134
Total income		**508**	**759**
Operating expenses			
Vessel expenses	1	(53)	(52)
Charter expenses		(28)	(26)
Employee benefits	4	(79)	(78)
Other expenses	1/17	(11)	(12)
Depreciation and impairment	5	(82)	(83)
Total operating expenses		**(253)**	**(251)**
Operating profit		**255**	**508**
Financial income/(expenses)	1	9	(82)
Profit before tax		**264**	**427**
Tax income/(expense)	6	7	(17)
Profit for the year attributable to the owners of the parent		**272**	**410**
Basic and diluted earnings per share (USD)	7	1.23	1.86

Comprehensive income | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2013	2012
Profit for the year		272	410
Other comprehensive income			
Items that may be subsequently reclassified to income statement			
Fair value adjustment available-for-sale financial assets			
Currency translation differences		1	
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	8	(9)	1
Other comprehensive income, net of tax		**(8)**	**1**
Total comprehensive income attributable to owners of the parent		**264**	**411**

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	31.12.13	31.12.12
ASSETS			
Non current assets			
Goodwill and other intangible assets	5	6	6
Investments in vessels and other tangible assets	5	1 821	1 868
Pension assets	8		
Investments in joint ventures and associates	2/3	1 120	976
Other non current assets	9/17	5	46
Total non current assets		**2 952**	**2 897**
Current assets			
Current financial investments	10	254	130
Other current assets	9/17	25	37
Cash and cash equivalents		157	344
Total current assets		**436**	**511**
Total assets		**3 388**	**3 407**
EQUITY AND LIABILITIES			
Equity			
Share capital		30	30
Retained earnings and other reserves		1 602	1 514
Total equity attributable to owners of the parent		**1 632**	**1 544**
Non current liabilities			
Pension liabilities	8	60	56
Deferred tax liabilities	6	51	66
Non current interest-bearing debt	12/13	1 320	1 417
Other non current liabilities	9	95	163
Total non current liabilities		**1 527**	**1 702**
Current liabilities			
Current income tax liabilities	6	2	
Public duties payable		1	1
Other current liabilities	9/12/17	225	160
Total current liabilities		**229**	**161**
Total equity and liabilities		**3 388**	**3 407**

Lysaker, 18 March 2014

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	2013	2012
Cash flow from operating activities			
Profit before tax		264	427
Financial income/(expenses)		32	113
Financial derivatives unrealised		(35)	(31)
Depreciation/impairment	5	82	83
(Gain)/loss on sale of fixed assets		(1)	
Net (gain)/loss from sale of associate	3		(134)
Change in net pension asset/liability		(8)	1
Other change in working capital		(1)	10
Share of profit from joint ventures and associates	2/3	(182)	(230)
Dividend received from joint ventures and associates	2/3	42	53
Tax paid (company income tax, witholding tax)		1	(22)
Net cash provided by/(used in) operating activities		**194**	**270**
Cash flow from investing activities			
Proceeds from sale of fixed assets		14	
Investments in vessels, other tangible and intangible assets	5	(47)	(221)
Net proceeds from sale of associate			170
Loan repayments received from joint ventures and associates	9/17	3	6
Loan from joint ventures and associates	12/17		8
Repayments of loan from joint ventures and associates	12/17	(3)	(4)
Proceeds from sale of financial investments		90	28
Investments in financial investments		(201)	(41)
Dividend received (financial investments)		1	
Interest received		1	2
Changes in other investments			(2)
Net cash flow provided by/(used in) investing activities		**(142)**	**(54)**
Cash flow from financing activities			
Proceeds from issue of debt	12	122	414
Repayment of debt	12	(100)	(397)
Repayments of loan from related party	17		(26)
Interest paid including interest derivatives		(81)	(100)
Cash from other financial derivatives		(4)	9
Dividend to shareholders		(177)	(63)
Net cash flow provided by/(used in) financing activities		**(240)**	**(164)**
Net (decrease)/increase in cash and cash equivalents		**(187)**	**52**
Cash and cash equivalents, excluding restricted cash, at beginning of period		344	292
Currency on cash and cash equivalents*			
Cash and cash equivalents, excluding restricted cash, at 31.12		**157**	**344**

* 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 31.12.2012	30	89	4	1 418	1 544
Profit for the year				272	272
Other comprehensive income			(8)		(8)
Total comprehensive income	**0**	**0**	**(8)**	**272**	**264**
Paid dividends to shareholders				(177)	(177)
Balance 31.12.2013	**30**	**89**	**(3)**	**1 514**	**1 632**

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 31.12.2011	30	485	3	686	1 207
Remeasurement postemployment benefits, net of tax				(10)	(10)
Balance at 01.01.2012	**30**	**485**	**3**	**676**	**1 197**
Profit for the year				410	410
Other comprehensive income			1		1
Total comprehensive income	**0**	**0**	**1**	**410**	**411**
Reduction premium fund		(395)		395	0
Dividends				(63)	(63)
Balance 31.12.2012	**30**	**89**	**4**	**1 418**	**1 544**

As of 31 December 2013 the company had no own shares.

Dividend paid for fiscal year 2012 was NOK 4.00 per share paid in May 2013 and NOK 0.75 per share paid in December 2013.

The proposed dividend for fiscal year 2013 is NOK 1.00 per share, payable in the second quarter of 2014. A decision on this proposal will be taken by the annual general meeting on 24 April 2014. 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 consolidated financial statements.

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GENERAL INFORMATION

Wilh. Wilhelmsen ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2013 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 2014.

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 2013

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently

- IAS 19, 'Employee benefits' was revised in June 2011. The changes on the group's accounting policies has been as follows: to immediately recognise all past service costs; 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). See Statement of equity and note 8 to the group account and note 8 and 11 to the parent company account for the impact on the financial statements.

- IFRS 13, 'Fair Value Measurement', aims to provide consistency and reduce complexity by providing a precise definition of fair value and single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

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

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and November 2013. It replaces the parts of IAS 39 that relate to the same areas. 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. IFRS 9 contains several revisions and simplifications which will increase the possibility to use hedge accounting. The parts of IFRS 9 that have been issued are not expected to have material effect on the financial statements of the group and the parent company. Effective date of IFRS 9 is not decided but will not be earlier than for annual periods beginning 1 January 2017.

- 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 2014.

- 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 2014.

- 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 2014. 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.

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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.

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 income or expense.

Change in the currency position related to qualified cash flow hedging derivatives, qualifying net investment hedges, gains and losses are recognised in comprehensive income.

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 ventures 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 ventures 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 recognised at fair value and presented net of value added tax and discounts.

The group's ship owning companies

The group's revenue in ship owning companies derives from chartering (renting) out its vessels to operating companies. The charter hire per vessel is generated from either variable time charter hire (operating companies' net results) or fixed time charter, ie. predetermined for the entire charter period. The charter agreements are on time charter basis, implying chartering a complete vessel including crew.

Revenues from time charters are accounted for as operating leases under IAS 17. Revenues from predetermined time charters are recognised on a straight-line basis over the duration of the period of each charter and adjusted for off-hire days, as service is performed. Revenues from variable time charters are recognised in accordance with recognition in the operating company (charterer).

Operating companies

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.

Sales of logistics services are recognised in the accounting period in which the services have been rendered and completed.

LUBOIL

Luboil is valued at the lower of cost and net realisable value. Luboil represents 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 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

Costs associated with maintaining computer software programmes are recognised
as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

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

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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 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.

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 end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income

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 ACCOUNT
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.

Estimated impairment of vessels
The group tests at each reporting date whether vessels have suffered any impairment, in accordance with the accounting policies for "Impairment of goodwill and other non financial assets". The recoverable amounts of cash generating unit (CGU) have been determined based on value in use calculations. These calculations require the use of estimates.

See note 5 for additional information.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	Note	2013	2012
OPERATING REVENUE			
Freight revenue	17	324	394
Other revenue		1	2
Total operating revenue		**325**	**395**
VESSEL EXPENSES			
Luboil		(7)	(8)
Stores (water, safety, chemicals, ropes, etc)		(4)	(4)
Maintenance of vessels		(21)	(20)
Insurance		(8)	(8)
Other		(12)	(12)
Total vessel expenses		**(53)**	**(52)**
OTHER EXPENSES			
Office expenses		(1)	(1)
Communication and IT expenses		(1)	(1)
External services		(1)	(1)
Travel and meeting expenses		(1)	(1)
Marketing expenses		(1)	(1)
Other administration expenses		(8)	(7)
Total other expenses		**(11)**	**(12)**
FINANCIAL INCOME/(EXPENSES)			
Financials			
Investment management*		13	9
Interest income		1	2
Other financial items		(2)	(3)
Net financial items		**13**	**8**
Net financials - interest rate			
Interest expense		(45)	(51)
Interest rate derivatives - realised		(36)	(47)
Net interest expenses		**(81)**	**(98)**
Interest rate derivatives - unrealised		68	9
Net financial - currency			
Net currency gain/(loss)		46	(30)
Currency derivatives - realised		(7)	6
Currency derivatives - unrealised		(14)	6
Cross currency derivatives - realised		3	3
Cross currency derivatives - unrealised		(20)	15
Net financial - currency		**9**	**0**
Financial income/(expenses)		**9**	**(82)**

*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		2013	2012
	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%

	2013	2012
Summarised financial information - according to the group's ownership		
Share of profit		
Share of total income	2 135	2 362
Share of operating expenses	(1 977)	(2 151)
Share of net financial items	(17)	(18)
Share of tax expense	(19)	(21)
Share of profit for the year	**121**	**172**
Share of equity (equity method)		
Book value	840	752
Excess value (goodwill)	16	16
Joint ventures' assets, equity and liabilities (WWASA's share of investment)		
Share of non current assets	1 194	1 132
Share of current assets	578	575
Total share of assets	**1 772**	**1 708**
Share of equity 01.01	768	642
Share of profit for the period	121	172
Dividend received/repayments of share capital	(35)	(45)
Charged directly to equity	2	
Currency translation differences	1	
Share of equity 31.12	**856**	**768**
Share of non current liabilities	573	591
Share of current liabilities	343	349
Total share of liabilities	**916**	**939**
Total share of equity and liabilities	**1 772**	**1 708**
Reconciliations of the group's income statement and balance sheet		
Share of profit from joint ventures	121	172
Share of profit from associates, see note 3	62	58
Share of profit from joint ventures and associates	**182**	**230**
Share of equity from joint ventures	856	768
Share of equity from associates, see note 3	263	208
Share of equity from joint ventures and associates	**1 120**	**976**

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	Business office/country	2013 Voting/control share	2012 Voting/control share
Logistics/Shipping			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.5%	12.5%
Holding			
Shippersys AB	Stockholm, Sweden	25.0%	25.0%

	2013	2012
Summary financial information - according to the group's ownership		
Assets	532	417
Liabilities	268	209
Equity	263	208
Operating income	1 134	1 008
Net profit	62	58
Share of profit/(loss) from associates		
Hyundai Glovis Co Ltd	62	58
Other associates		
Share of profit from associates	**62**	**58**
Book value of material associates		
Hyundai Glovis Co Ltd	263	208

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 2013 of USD 1 029 million (2012: USD 979 million).

	2013	2012
Specification of share of equity and profit/loss		
Share of equity 01.01	208	194
Share of profit for the year	62	58
Sale of share in Hyundai Glovis Co Ltd		(37)
Dividend	(6)	(7)
Share of equity 31.12	**263**	**208**
Share of equity		
Book value	245	189
Excess value (goodwill)	19	19
Total share of equity	**263**	**208**

Note 4 | EMPLOYEE BENEFITS

USD mill	2013	2012
Pay	10	8
Payroll tax	1	2
Pension cost	3	3
Employee benefits seagoing personnel*	63	64
Other remuneration	2	1
Total employee benefits	**79**	**78**

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

Number of employees		
Group companies in Norway	27	32
Group companies abroad	14	13
Total employees*	**41**	**45**
Average number of employees	43	45

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2013						
President and CEO - Jan Eyvin Wang	590	199	440	445*	1 673	9 829
CFO - Benedicte Bakke Agerup	327	85	23	26	460	2 705

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 402.

	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.

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 300 000 (totalled USD 150) in 2013 (2012: NOK 250 000/ USD 129 in total). One of the board members, Diderik Schnitler, has an additional consulting agreement with the group where he got paid USD 33 (2012: USD 36). Remuneration of the nomination committee totalled USD 12 in 2013 (2012: USD 9).

The board's remuneration for the fiscal year 2013 will be approved by the general meeting 24 April 2014.

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 2013 was NOK 50.40 (WWASA shares). This is average share price over the two weeks after the release of the results for the fourth quarter 2013. Starting reference price for 2012 was NOK 38.20.

Granted share equivalents annually given:	Share equivalent in WWASA shares 2013	2012
President and CEO - Jan Eyvin Wang	50 000	50 000
CFO - Benedicte Bakke Agerup	30 000	30 000

In addition, Mr Wilhelmsen and Mr Dyvik have an option programme related to shares in WWASA as executives in the majority owner Wilh. Wilhelmsen Holding ASA.

Per 31 December the options were in the money for 2013 and the group has booked a provision of USD 0.1 million.

Cont. note 4 | EMPLOYEE BENEFITS

EXPENSED AUDIT FEE

USD mill	2013	2012
Statutory audit	0.4	0.4
Other assurance services	0.2	0.0
Tax advisory fee	0.2	0.1
Other assistance		
Total expensed audit fee	**0.8**	**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
2013				
Cost price 01.01	2	2 508	2 510	8
Additions**		47	47	
Disposal		(88)	(89)	(1)
Cost price 31.12	**2**	**2 467**	**2 469**	**7**
Accumulated depreciation and impairment losses 01.01	(1)	(641)	(643)	(2)
Depreciation		(82)	(82)	
Disposal		76	76	1
Accumulated depreciation and impairment losses 31.12	**(1)**	**(647)**	**(649)**	**(1)**
Carrying amounts 31.12	**1**	**1 820**	**1 821**	**6**
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**
Economic lifetime	3-10 years	30 years		
Depreciation schedule	Straight-line	Straight-line		

*Vessels includes dry-docking and carrying amounts at year end was USD 23 million (2012: USD 23 million).
**Interest expenses of USD 0 million relating to newbuilding contracts were capitalised in 2013 (2012: USD 0.7 million).

Segment-level summary of the goodwill allocation	2013	2012
Shipping	6	6
Total goodwill allocation	**6**	**6**

During 2013, no new vessels were delivered. WWASA has, on own accounts, 4 new vessels due for delivery in 2014 (1), 2015 (1) and 2016 (2).

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

Impairment
The group has evaluated the need for potential impairment losses on its fleet in accordance with the accounting policies. Vessels are organised and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest cash generating unit (CGU). The recoverable amount is the higher of estimated market value (third party quotations) and value in use calculations. As a consequence, vessels will only be impaired if the recoverable value of the fleet is lower than the total book value.

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.

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. 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 2014-2018. Cash flows remain stable until vessels exceeds 20 years, then time charter earnings are reduced by 10% over the remaining useful lives of vessels (0% growth rate).

The net present value of future cash flows was based on weighted average cost of capital (WACC) of 7.12% in 2013.

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 2013.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 228 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 263 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 203 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 203 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 2013. 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 2013. The tonnage tax is considered as operating expense in the accounts.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% for 2013. 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 owned more than 90%, and located in Norway 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. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised and for Norwegian entities the group has applied a rate of 27%. The profit and loss effect of the change from 28% deferred tax to 27% is recorded in tax expense.

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 claims 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 claim 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 2013 was USD 2 million.

Cont. note 6 | TAX

USD mill	2013	2012
Distribution of tax income/(expense) for the year		
Payable tax (including witholding tax)	(2)	(5)
Change in deferred tax	9	(11)
Total tax income/(expense)	**7**	**(17)**

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%		
Profit before tax	264	427
28% tax	74	119
Tax effect from		
Permanent differences		
Non-taxable income	(18)	(63)
Share of profits from joint ventures and associates	(45)	(63)
Payable taxes previous year	(3)	1
Currency transition from USD to NOK for Norwegian tax purpose	(17)	19
Withholding tax	2	4
Calculated tax (income)/expense for the group	**(7)**	**17**
Effective tax rate for the group	(2%)	4%

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 will have a positive effect in 2013 USD 17 mill (2012 negative USD 19 mill).

USD mill	2013	2012
Deferred tax assets to be recovered after more than 12 months	13	10
Deferred tax assets to be recovered within 12 months	31	38
Deferred tax liabilities to be recovered after more than 12 months	(74)	(88)
Deferred tax liabilities to be recovered within 12 months	(21)	(25)
Net deferred tax liabilities	**(51)**	**(66)**
Net deferred tax liabilities at 01.01	(66)	(53)
Currency translation differences	3	(5)
Tax charged to equity	3	3
Income statement charge	9	(11)
Net deferred tax liabilities at 31.12	**(51)**	**(66)**
Deferred tax assets in balance sheet		
Deferred tax liabilities in balance sheet	(51)	(66)
Net deferred tax liabilities at 31.12	**(51)**	**(66)**

Cont. note 6 | TAX

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 31.12.2012	(40)	(72)	(1)	(114)
Through income statement	(5)	17	(2)	10
Currency translations	1	3	1	5
Deferred tax liabilities at 31.12.2013	**(44)**	**(52)**	**(2)**	**(99)**
At 01.01.2012	(34)	(85)		(118)
Through income statement	(12)	15		3
Currency translations	5	(3)	(1)	2
Deferred tax liabilities at 31.12.2012	**(40)**	**(72)**	**(1)**	**(114)**
At 31.12.2011	(34)	(85)		(118)
Deferred tax liabilities at 01.01.2012	**(34)**	**(85)**	**0**	**(118)**

	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 31.12.2012	40	3	4	48
Through income statement	10	(5)	(6)	(1)
Charged directly to equity	3			3
Currency translations	(1)	(5)	4	(2)
Deferred tax assets at 31.12.2013	**52**	**(7)**	**3**	**49**
At 01.01.2012	68	1	1	70
Through income statement	(18)		4	(14)
Charged directly to equity	(1)			(1)
Currency translations	(8)	2	(1)	(7)
Deferred tax assets at 31.12.2012	**40**	**3**	**4**	**48**
At 31.12. 2011	65	1	1	67
Implementation of IAS 19R - employee benefits	3			3
Deferred tax assets at 01.01.2012	**68**	**1**	**1**	**70**

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 (from 1 January 2014 Storebrand only), 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 that is a defined benefit plan. This is included in the group's pension liability.

- In addition 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 liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

	Funded		Unfunded	
	2013	2012	2013	2012
Number of people covered by pension schemes at 31.12				
In employment	36	34	71	83
On retirement (inclusive disability pensions)	249	268	700	719
Total number of people covered by pension schemes	**285**	**302**	**771**	**802**

	Expenses		Commitments	
	2013	2012	31.12.13	31.12.12
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	3.85%	2.75%	4.00%	3.85%
Discount rate	3.85%	2.75%	4.00%	3.85%
Anticipated pay regulation	3.50%	3.25%	3.50%	3.50%
Anticipated increase in National Insurance base amount (G)	3.50%	3.25%	3.50%	3.50%
Anticipated regulation of pensions	1.00%	1.00%	0.60%	1.00%

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 K2013 mortality tariff for 2013 and K2005 for 2012. The disability tariff is based on the KU table.

Cont. note 8 | PENSION

	31.12.13	31.12.12
Pension assets investments		
Current bonds	11.3%	6.6%
Bonds held to maturity	40.4%	35.2%
Money market	2.2%	1.2%
Equities	8.4%	15.9%
Other (property, credit bonds)	37.8%	41.1%
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 5.3% at 31 December (2012: 6.8%).

USD mill		2013			2012 - Restated	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	1		1	1		1
Net interest cost		2	2		1	1
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**2**	**3**	**1**	**2**	**3**

	2013	2012 - Restated
	Total	Total
Remeasurements - Other comprehensive income		
Effect of changes in demographic assumptions	(12)	
Effect of changes in financial assumptions	4	10
Effect of experience adjustments	(2)	(9)
(Return) on plan assets (excluding interest income)	(1)	(1)
Total remeasurements included in OCI	**(12)**	**1**
Tax effect of pension OCI	3	
Net remeasurements in OCI	**(9)**	**1**

	2013	2012 Restated
Pension obligations		
Defined benefit obligation at end of prior year	99	98
Effect of changes in foreign exchange rates	(8)	7
Service cost	1	2
Interest expense	3	3
Benefit payments from plan	(3)	(4)
Benefit payments from employer	(4)	(5)
Remeasurements - change in assumptions	11	(2)
Pension obligations 31.12	**98**	**99**
Gross pension assets		
Fair value of plan assets at end of prior year	43	42
Effect of changes in foreign exchange rates	(4)	3
Interest income	1	1
Employer contributions	1	
Benefit payments from plan	(3)	(4)
Net changes in business combinations/ transfers	1	
Return on plan assets (excluding interest income)	(1)	(1)
Gross pension assets 31.12	**38**	**43**

Cont. note 8 | PENSION

	2013			2012 - Restated		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Defined benefit obligation	38	59	97	39	58	98
Service cost	1		1	1		1
Total pension obligations	**39**	**59**	**98**	**41**	**58**	**99**
Fair value of plan assets	38		38	43		43
Net liability	**(1)**	**(59)**	**(60)**	**2**	**(58)**	**(56)**

Premium payments in 2014 are expected to be USD 1.3 million (2013: USD 0.5 million). Payments from operations are estimated at USD 4.5 million (2013: USD 5.5 million).

The group implemented IAS19R as of 1 January 2013 and the impact was to eliminate the corridor to other comprehensive income. The changes are made with retrospective application. The main changes to previously reported numbers are shown in statement of equity and table below.

	Full year 2012
Share of profit from joint ventures	0.1
Employee benefit expense	0.6
Other comprehensive income, net after tax	1.4

	01.01.12	31.12.12
The balance sheet effect		
Investment in joint ventures and associates	(1.4)	0.1
Pension liabilities	12.4	11.8
Deferred tax liabilities	(3.5)	(3.3)
Equity attributable to owners of the parent	(10.3)	(8.3)

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	(5)
Discount rate	Decrease by 0.5%	0	5

Historical developments	31.12.13	31.12.12	01.01.12	31.12.10	31.12.09
Defined benefit obligation	(98)	(99)	(98)	(100)	(132)
Plan assets	38	43	42	42	54
Surplus/(deficit)	**(60)**	**(56)**	**(55)**	**(58)**	**(78)**

Note 9 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2013	2012
OTHER NON CURRENT ASSETS			
Loans to joint ventures	17		8
Available-for-sale financial assets		4	5
Financial derivatives			28
Other non current assets		1	4
Total other non current assets		**5**	**46**
OTHER CURRENT ASSETS			
Luboil		4	5
Accounts receivables		7	5
Financial derivatives			4
Loans to joint ventures	17		6
Payroll tax withholding account	11	1	1
Other current receivables		14	16
Total other current assets		**25**	**37**
OTHER NON CURRENT LIABILITIES			
Financial derivatives		95	163
Related party non current liabilities	17		
Total other non current liabilities		**95**	**163**
OTHER CURRENT LIABILITIES			
Accounts payables		3	7
Next year's instalment on interest-bearing debt	12	182	103
Financial derivatives		4	3
Related party other current liabilities	17	1	
Loans from joint ventures	12/17		14
Other current liabilities		35	33
Total other current liabilities		**225**	**160**

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.

	2013	2012
Accounts receivable per segment		
Shipping (shipowners)	6	5
Holding		
Total accounts receivables	**7**	**5**

See note 13 on credit risk.

Note 10 | CURRENT FINANCIAL INVESTMENTS

USD mill	2013	2012
Market value current financial investments		
Bonds	194	130
Other financial assets	60	
Total current financial investments	**254**	**130**

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 gain/(loss) 31.12	9	(3)

Note 11 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2013	2012
Payroll tax withholding account	1	1
Undrawn committed drawing rights	50	50
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	(50)	
Undrawn committed loans	128	

Note 12 | INTEREST-BEARING DEBT

USD mill	Note	2013	2012
Interest-bearing debt			
Mortgages		974	1 072
Leasing commitments		90	96
Bonds		439	352
Loans from joint ventures	17		14
Total interest-bearing debt		**1 502**	**1 534**
Book value of mortgaged and leased asset			
Vessels		1 691	1 755
Newbuilding contracts			
Total book value of mortgaged and leased assets		**1 691**	**1 755**
Repayment schedule for interest-bearing debt			
Due in year 1	9	182	117
Due in year 2		98	191
Due in year 3		399	98
Due in year 4		79	418
Due in year 5 and later		743	710
Total interest-bearing debt		**1 502**	**1 534**

Cont. note 12 | INTEREST-BEARING DEBT

USD mill	Note	2013	2012
Net interest-bearing debt (joint ventures based on equity method)			
Non current interest-bearing debt		1 320	1 417
Current interest-bearing debt	9	182	117
Total interest-bearing debt		**1 502**	**1 534**
Cash and cash equivalents		157	344
Current financial investments	10	254	130
Net interest-bearing debt		**1 092**	**1 060**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt		550	564
Current interest-bearing debt		95	103
Total interest-bearing debt in joint ventures		**646**	**667**
Cash and cash equivalents		266	227
Current financial investments			
Net interest-bearing debt in joint ventures		**380**	**440**

- A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 50 million at 31 December 2013 (2012: USD 50 million).
- The group's total leasing commitments, USD 90 million at 31 December 2013 (2012: USD 96 million), relates to a financial lease agreement for 3 (2012: 6) car carriers. The leasing agreement runs until 2029 (1) and 2030 (2) when the ownership is transferred to the group. The charter has a floating interest rate (varying annual nominal charter rate). These car carriers had a book value at 31 December of USD 110 million (2012: USD 139 million), and depreciation for the year came to USD 4 million (2012: USD 9 million).
- A leasing agreement for a further 3 car carriers ran until December 2013 with a repurchase option exercised in the first quarter of 2013. The charter for these 3 car carriers had a fixed interest rate (fixed annual nominal charter rate).
- In 2012 the leasing liabilities for the 3 ships on fixed interest rates had a fair value of about USD 6 million against a carrying amount of USD 6 million at 31 December 2012. The fair value was calculated on the basis of cash flows discounted by an average interest cost of 2.3%.
- Loan agreements entered into by the groups contains financial covenants relating to free liquidity, debt-earnings ratio and current ratio.
- In addition one loan facility contains financial covenants relating to value-adjusted equity.
- The group was in compliance with these covenants at 31 December 2013 (analogous for 2012).
- 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.

	2013	2012
Guarantee commitments		
Guarantees for group companies	1 031	1 135
This is intra group guarantees securing loan obligations to external lenders.		
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	973	1 092
NOK	439	352
GBP	90	90
Total	**1 502**	**1 534**
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	1 359	1 384

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 2013 was approximately 36% (2012: 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 loss of USD 7.3 million (2012: gain USD 5.7 million) on currency derivatives in 2013. The market value of outstanding FX hedges by end of December 2013 was negative USD 6.4 million (2012: positive USD 7.2 million).

Hedging of translation risk
The group has outstanding NOK-denominated bonds of about NOK 2.7 billion (USD 439 million). The corresponding amount was NOK 2.0 billion (USD 352 million) for 2012. A large part of this debt (NOK 1.9 billion) has been hedged against USD with cross currency swaps. The group had an unrealised loss of USD 22.0 million on these derivatives in 2013 (compared to an unrealised profit of USD 12.3 million in 2012), ending 2013 with a USD 0.3 million positive fair value of outstanding cross currency swaps (2012: USD 21.8 million).

The group has financial leases related to three car carriers in GBP with a value of USD 90 million at 31 December 2013. 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 7.7 million (2012: negative USD 9.9 million) on 31 December.

FX sensitivities
On 31 December 2013 material foreign currency balance sheet exposure subject to translation risk was in NOK, SEK and DKK. Income statement sensitivities (post tax) for the net exposure booked were as follows:

USD mill					
Sensitivity	(20%)	(10%)	0%	10%	20%
Translation risk					
USD/NOK	4.85	5.46	6.07	6.67	7.28
Income statement effect (post tax)	**(21)**	**(17)**	**0**	**14**	**11**
USD/EUR	1.10	1.24	1.37	1.51	1.65
Incremental P&L effect (post tax)	**0**	**0**	**0**	**(0)**	**(0)**
USD/SEK	5.15	5.79	6.44	7.08	7.72
Incremental P&L effect (post tax)	**3**	**2**	**0**	**(2)**	**(2)**
USD/DKK	4.34	4.88	5.43	5.97	6.51
Incremental P&L effect (post tax)	**2**	**1**	**0**	**(1)**	**(1)**

(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 2013. 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					
Sensitivity	(20%)	(10%)	0%	10%	20%
Income statement sensitivities of economic hedge program					
Transaction risk					
USD/NOK spot rate	4.85	5.46	6.07	6.67	7.28
Income statement effect (post tax)	**43**	**16**	**0**	**(13)**	**(27)**

(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 50% (2012: 62%) of its outstanding long-term interest exposure at 31 December 2013. The hedge ratio at 31 December 2013 is about 60% (2012: about 70%) when fixed rate debt is also included.

At 31 December, the overall portfolio of loan hedging derivatives had a negative value of USD 84 million (2012: negative USD 153 million).

USD mill	2013	2012
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1		
Due in year 2	40	60
Due in year 3	240	40
Due in year 4	100	260
Due in year 5 and later*	570	600
Total interest rate hedges	**950**	**960**
*of which forward starting	200	150

To replace maturing interest rate hedge contracts and new debt uptake, the group has entered into forward starting swaps with a notional of USD 200 million. These derivatives commence in 2015 and 2016.

Forward starting in		
2015	50	
2016	150	150
Total forward starting	**200**	**150**

The average remaining term of the existing loan portfolio is approximately 4.0 years, while the average remaining term of the running hedges and fixed interest loans is approximately 4.8 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	**(71)**	**(35)**	**0**	**35**	**71**

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.

USD mill	2013		2012	
	Assets	Liabilites	Assets	Liabilites
Interest rate derivatives				
Wilh. Wilhelmsen ASA		5		23
Wilhelmsen Lines Shipowning AS		3		8
Wilhelmsen Lines AS		77		122
Wilhelmsen Lines Car Carriers Ltd				
Total interest rate derivatives	**0**	**84**	**0**	**153**
Currency cash flow derivatives				
Wilh. Wilhelmsen ASA		3	11	
Wilhelmsen Lines Shipowning AS				3
Wilhelmsen Lines AS		4		
Total currency cash flow derivatives	**0**	**7**	**11**	**3**
Cross currency derivatives (basis swaps)				
Wilh. Wilhelmsen ASA			22	
Wilhelmsen Lines Car Carriers Ltd		8		10
Total cross currency derivatives (basis swaps)	**0**	**8**	**22**	**10**
Total market value of capitalised financial derivatives	**0**	**99**	**32**	**166**

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, equities and cash.

Equity risk
Within the investment portfolio, held equities are exposed to movements in equity markets. However, listed equity derivatives (futures and options) are used to manage and hedge part of this equity risk. These derivatives are primarily applied to reduce the volatility of the investment portfolio's market value. The equity market sensitivity towards the market value of held equities and equity derivatives is summarized in below table:

USD mill					
Fair value sensitivities of equity market risk					
Change in equity prices	(20%)	(10%)	0%	10%	20%
Income statement effect	**(9)**	**(4)**	**0**	**4**	**9**

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	**5**	**2**	**0**	**(2)**	**(5)**

Cont. note 13 | FINANCIAL RISK

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 2013 was approximately 130 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 credit risk					
Change in credit spreads level	(2%)	(1%)	0%	1%	2%
Income statement effect	**5**	**2**	**0**	**(2)**	**(5)**

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. Rotterdam FOB 380 ended at USD 585 per tonne at end of 2013, which is at the same level as previous year.

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 0.3 million (2012: positive USD 3.5 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 maintains 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 is 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 2013 (analogous for 2012).

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	2013	2012
Exposure to credit risk			
Financial derivatives	9		32
Accounts receivable	9	7	5
Current financial investments	10	254	130
Other non current assets	9	1	12
Other current assets	9	14	23
Cash and bank deposits		157	344
Total exposure to credit risk		**433**	**546**

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 decreased during 2013 as a result of large dividend payouts. This was partly offset by solid operational and financial performance and sale of assets.

At 31 December, the group had USD 407 million (2012: USD 474 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2012: USD 50 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	114	116	485	380
Leasing commitments	8	8	26	112
Bonds	106	18	357	35
Financial derivatives	31	25	50	(9)
Total interest-bearing debt	**259**	**168**	**919**	**518**
Current liabilities (excluding next year's instalment on interest-bearing debt)	43			
Total gross undiscounted cash flows financial liabilities 31.12.2013	**302**	**168**	**919**	**518**
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**

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 2013 the return on capital employed was 10.9% (2012: 17.6%).

USD mill	2013	2012
Capital employed		
Average equity	1 588	1 376
Average interest-bearing debt	1 518	1 508
Profit after tax	272	410
Operating profit	255	508
Return on equity	17.1%	29.8%
Return on capital employed	8.2%	17.6%

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

Cont. note 13 | FINANCIAL RISK

FAIR VALUE ESTIMATION

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

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

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

USD mill	Fair value	Book amount
Interest-bearing debt		
Mortgages	956	974
Leasing commitments	87	90
Bonds	451	439
Total interest-bearing debt 31.12.2013	**1 494**	**1 502**
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**

The fair values, except for bond debt, are based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair value hierarchy. The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

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				0
- Equities	59			59
- Bonds	179	15		194
- Available-for-sale financial assets	4			4
- Other financial assets				0
Total assets 31.12.2013	**242**	**15**	**0**	**258**
Financial liabilities at fair value through income statement				
- Financial derivatives		99		99
Total liabilities 31.12.2013	**0**	**99**	**0**	**99**
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**

Cont. note 13 | FINANCIAL RISK

The following table presents the changes in level 3 instruments:

Changes in level 3 instruments	2013	2012
Opening balance 01.01	0	3
Disposals		(2)
Gains and losses recognised through income statement		(1)
Closing balance 31.12	**0**	**0**

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 2013 are listed equities and liquid investment grade bonds (2012: liquid investment grade bonds).

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

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

Financial instruments by category

Assets	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Other non current assets			4		4
Current financial investments		254			254
Other current assets	7			19	25
Cash and cash equivalent	157				157
Assets at 31.12.2013	**164**	**254**	**4**	**19**	**440**

Liabilities	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Non current interest-bearing debt		1 320	1 320
Other non current liabilities	95		95
Other current liabilities	4	221	225
Liabilities 31.12.2013	**99**	**1 541**	**1 640**

Assets	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
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**

Liabilities	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
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**

Note 14 | SEGMENT REPORTING

SEGMENTS
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 2013 is as follows:

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
INCOME STATEMENT										
Operating revenue	1 964	2 333	521	448	6	7	(31)	(30)	2 460	2 758
Share of profits from associates	7	11	55	47					62	57
Gain on sale of assets	1			134					1	134
Total income	**1 973**	**2 344**	**576**	**628**	**6**	**7**	**(31)**	**(30)**	**2 523**	**2 949**
Voyage expenses	(934)	(1 154)					26	24	(909)	(1 130)
Vessel expenses	(86)	(84)							(86)	(84)
Charter expenses	(335)	(375)							(335)	(375)
Employee benefits	(157)	(160)	(35)	(32)	(12)	(11)			(204)	(203)
Other expenses	(117)	(98)	(427)	(362)	(6)	(6)	6	6	(544)	(460)
Depreciation and impairment	(145)	(144)	(7)	(6)					(152)	(150)
Total operating expenses	(1 775)	(2 015)	(469)	(399)	(18)	(17)	31	30	(2 230)	(2 401)
Operating profit (EBIT)*	**198**	**328**	**107**	**229**	**(12)**	**(10)**	**0**	**0**	**293**	**548**
Net financial items	15	8	1	2	8	8	(7)	(7)	16	12
Net interest expenses, including derivatives	(28)	(82)	(1)	(1)	(6)	(34)	7	7	(28)	(110)
Net currency items, including derivatives	4	(6)			4	6			8	0
Valuation of bunker hedges	(3)	(2)							(3)	(2)
Profit/(loss) before tax	**186**	**247**	**106**	**230**	**(7)**	**(30)**	**0**	**0**	**285**	**448**
Tax income/(expense)	1	(30)	(17)	(14)	4	7			(12)	(37)
Profit/(loss)	**186**	**217**	**90**	**216**	**(2)**	**(23)**	**0**	**0**	**273**	**411**
Of which minority interest			(2)	(1)					(2)	(1)
Profit/(loss) after minority interest	**186**	**217**	**88**	**215**	**(2)**	**(23)**	**0**	**0**	**272**	**410**

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

Income in 2013 of approximately USD 177 million (2012: USD 225 million) is from one external customer belonging to the group's shipping segment.

Reconciliations between the operational segments and the group's income statement	Note	2013	2012
Total segment income	14	2 523	2 949
Share of total income from joint ventures	2	(2 135)	(2 362)
Share of profit from joint ventures	2	121	172
Total income		**508**	**759**
Share of profit from joint ventures and associate	2/3	(182)	(230)
Gain on sale of assets	1		(134)
Operating revenue	1	**325**	**395**
Segment note's profit for the year	14	272	410
Profit for the year (Income statement)		**272**	**410**

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	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
BALANCE SHEET										
Fixed assets	1 826	1 873			1	1			1 827	1 874
Investments in joint ventures and associates	695	630	425	346					1 120	976
Non current receivables/ investments	5	19			187	208	(187)	(181)	5	46
Current assets	353	351			86	162	(3)	(2)	436	511
Total assets	**2 879**	**2 873**	**425**	**346**	**274**	**372**	**(190)**	**(183)**	**3 388**	**3 407**
Equity	1 437	1 247	425	346	(229)	(50)			1 632	1 544
Non current liabilities	1 304	1 469			409	414	(187)	(181)	1 527	1 702
Current liabilities	138	157			94	7	(3)	(2)	229	161
Total equity and liabilities	**2 879**	**2 873**	**425**	**346**	**274**	**372**	**(190)**	**(183)**	**3 388**	**3 407**
Investments in tangible assets	47	221							47	221

USD mill	Europe		Americas		Asia & Africa		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
GEOGRAPHICAL AREAS										
Total income	17	166	25	28	153	171	314	394	508	759
Total assets	193	293	52	34	263	208	2 879	2 873	3 388	3 407
Investment in tangible assets							47	221	47	221

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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
INCOME STATEMENT										
Income other operating segments					6	6	(5)	(6)	0	0
Income external customers	324	394				1			324	395
Share of profits from joint ventures and associates*	95	149	88	82					182	230
Gain on sales of assets	1			134					1	134
Total income	**420**	**542**	**88**	**215**	**6**	**7**	**(5)**	**(6)**	**508**	**759**
Primary operating profit	**262**	**386**	**88**	**215**	**(12)**	**(9)**			**337**	**592**
Depreciation and impairment	(82)	(83)							(82)	(83)
Operating profit	**179**	**303**	**88**	**215**	**(12)**	**(9)**	**0**	**0**	**255**	**508**
Financial income/(expenses)	4	(62)			6	(20)			9	(82)
Profit/(loss) before tax	**183**	**241**	**88**	**215**	**(7)**	**(29)**	**0**	**0**	**264**	**427**
Tax income/(expense)	3	(24)			4	7			7	(17)
Profit/(loss) for the year	**186**	**217**	**88**	**215**	**(2)**	**(23)**	**0**	**0**	**272**	**410**

* 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 2012 to 31 December 2013.

Note 16 | COMMITMENTS

The group has lease agreements for 3 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. 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	2013	2012
Due in year 1	23	28
Due in year 2	23	23
Due in year 3	23	23
Due in year 4	23	23
Due in year 5 and later	89	113
Value of operating lease commitments	**180**	**209**

During 2013, no new vessels were delivered. WWASA has, on own accounts, 4 new vessels due for delivery in 2014 (1), 2015 (1) and 2016 (2).

The commitments related to the newbuilding programme is set out below:

USD mill	2013	2012
Due in year 1	89	
Due in year 2	82	
Due in year 3	125	
Value of newbuilding commitments	**296**	**0**

Note 17 | RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTY

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 298, whereof USD 267 was ordinary paid pension and USD 28 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	2013	2012
Operating revenue from WWH, Wilservice AS and WMS group	0.3	0.4
Operating revenue from related parties are mainly accounting services		
Operating expenses to WWH, Wilservice AS and WMS group	8.2	7.8

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 delivered 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 joint ventures and associates.

USD mill	Note	2013	2012
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
Loan repayments			(21)
Non current loan from related parties*	9	**0**	**0**

*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	2013	2012
Current receivables related parties within WWH, Wilservice AS and WMS group			
Current loan/payables related parties within WWH, Wilservice AS and WMS group	9	1	

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.

Cont. note 17 | RELATED PARTY TRANSACTIONS

USD mill	Business office, country	Ownership	Note	2013	2012
Operating revenue from joint ventures					
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%		269	344
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%		46	41
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		8	9
Tellus Shipping AS	Lysaker, Norway	50%			
ASL Group**	New Jersey, USA	50%			
Freight revenue from joint ventures			1	**323**	**394**

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

	Note	2013	2012
Loan from joint venture			
Non current interest-bearing debt			
Current interest-bearing debt			14
Total loan from joint venture* **	12	**0**	**14**
Loan to joint venture			
Non current assets	9		8
Current assets	9		6
Total loan to joint venture* **		**0**	**14**

***Loans to and from Fidelio Limited Partnership was provided at commercially reasonable market terms (average margins 4.5%). Interest rates was 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.

The group's joint ventures Wallenius Wilhelmsen Logistics AS (WWL) and EUKOR Car Carriers Inc (EUKOR) are subject to anti-trust investigation of the car carrying industry in several jurisdictions. The Japanese Fair Trade Commission (JFTC) issued a cease and desist order and a surcharge order in the first quarter of 2014. The JFTC status that WWL and other companies in the industry, in the years 2008-2012, restrained competition through jointly agreeing on raising or maintaining rates, thereby breaching the Antimonopoly Act. The surcharge for WWL's account is estimated to USD 34 million and primarily related to shipment of new cars from Japan to Europe. (WWASA's share USD 17 million).

EUKOR was initially included in the investigation, but has been dropped from the investigation by the JFTC.

The company has not received any further information on the ongoing investigations from other jurisdictions, but WWL and EUKOR have and will cooperate and respond to any questions authorities might have.

Cost of process management related to the investigations is charged on an ongoing basis. An accrual of USD 16.5 million related to the surcharge order from JFTC was charged to the 2013 accounts.

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

At the end of October 2013, American Auto Logistics (AAL, owned by ASL) was informed that the company was not awarded the Global Privately Owned Vehicle (POV) contract for the US Department of Defence. The company filed a protest with the US General Accountability Office, which has been denied. AAL also has initiated a legal process through the Court of Claims, which has been denied. The contract therefor expires second quarter 2014.

Wilhelmsen Lines Shipowning AS (WLS) has accepted an offer to sell 6.5% of the shares in Norwegian Car Carriers ASA (NOCC) and the sale was completed 18 March 2014. After the transaction, WLS will have no remaining shares in NOCC.

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	2013	2012
Operating income	1	**6**	**7**
Operating expenses			
Employee benefits	2	(12)	(11)
Depreciation and impairments	3		
Other operating expenses	1	(6)	(5)
Total operating expenses		**(18)**	**(17)**
Net operating profit/(loss)		**(12)**	**(10)**
Financial income and expenses			
Financial income	1	82	226
Financial expenses	1	(21)	(49)
Financial derivatives	1	(19)	22
Financial income/(expenses)		**42**	**198**
Profit/(loss) before tax		**30**	**188**
Tax income/(expenses)	4	1	(9)
Profit/(loss) for the year		**31**	**179**
Transfers and allocations			
(To)/from equity		6	(21)
Dividends		(36)	(158)
Total transfers and allocations		**(31)**	**(179)**

Comprehensive income | WILH. WILHELMSEN ASA

USD mill	Note	2013	2012
Profit for the year		31	179
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	11	(7)	
Total comprehensive income		**23**	**178**
Attributable to			
Owners of the parent		23	178
Total comprehensive income for the year		**23**	**178**

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

Balance sheet | WILH. WILHELMSEN ASA

USD mill	Note	31.12.13	31.12.12
ASSETS			
Non current assets			
Deferred tax asset	4	16	12
Intangible assets	3		1
Tangible assets	3	1	1
Investments in subsidiaries	5	740	752
Investments in joint ventures and associates	6	50	50
Other non current assets	7/12	190	183
Total non current assets		**998**	**998**
Current assets			
Current financial investments	8		
Other current assets	7/12	37	52
Cash and bank deposits	12	81	152
Total current assets		**118**	**204**
Total assets		**1 116**	**1 202**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	10	30	30
Premium fund	10	89	89
Retained earnings	10	399	432
Total equity		**519**	**551**
Non current liabilities			
Pension liabilities	11	57	54
Non current interest-bearing debt	12	354	352
Other non current liabilites	7/12	47	55
Total non current liabilities		**458**	**461**
Current liabilities			
Public duties payable		1	1
Other current liabilities	7/12	138	188
Total current liabilities		**139**	**190**
Total equity and liabilities		**1 116**	**1 202**

Lysaker, 18 March 2014

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	2013	2012
Cash flow from operating activities			
Profit before tax		30	188
Depreciation and impairments	3		
Financial (income)/expense excluding financial derivatives unrealised		(27)	(32)
Financial derivatives unrealised	1	17	(32)
Currency exchange operation - through P/L		(35)	24
(Gain)/loss from sale of tangible and intangible assets			
(Gain)/loss from sale of associate			(158)
Liquidation of WW pensjonskasse			8
Change in net pension asset/liability	11	(2)	(2)
Change in current financial investment	8		
Other change in working capital		1	(2)
Net cash provided by/(used in) operating activities		**(17)**	**(7)**
Cash flow from investing activities			
Proceeds from sale of of tangible and intangible assets	3		
Proceeds from sale of associate			170
Investments in tangible and intangible assets			(1)
Loan repayments received from subsidiaries		45	25
Loans granted to subsidiaries		(38)	
Interest received		8	8
Group contribution		2	10
Dividends received from associates		5	6
Return on financial investments			
Net cash flow provided by/(used in) investing activities		**22**	**219**
Cash flow from financing activities			
Proceeds from issuance of debt		122	
Repayment of debt			(63)
Dividends paid		(177)	(63)
Amortization discount WW bonds			
Interest paid including interest rate derivates realised		(20)	(26)
Net cash flow provided by/(used in) financing activities		**(75)**	**(152)**
Net increase/(decrease) in cash and cash equivalents		**(71)**	**60**
Cash and cash equivalents at 01.01*		152	92
Cash and cash equivalents at 31.12		**81**	**152**

* 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	2013	2012
OPERATING INCOME		
Inter-company income	6	6
Other external income		
Total operating income	**6**	**7**
OTHER OPERATING EXPENSES		
Inter-company expenses	(3)	(3)
Other administration expenses	(2)	(2)
Total other operating expenses	**(6)**	**(5)**
FINANCIAL INCOME/(EXPENSES)		
Financial income		
Dividend from subsidiaries and group contribution	38	60
Interest income	8	8
Gain on sale of investments		158
Net currency gain	36	
Total financial income	**82**	**226**
Financial expenses		
Interest expenses	(19)	(21)
Net currency loss		(22)
Return on current financial investments		
Other financial expenses	(2)	(6)
Total financial expenses	**(21)**	**(49)**
Financial derivatives		
Realised gain/(loss) related to currency derivatives	2	2
Realised gain/(loss) related to interest rate derivatives	(4)	(12)
Unrealised gain/(loss) related to currency derivatives	(36)	28
Unrealised gain/(loss) related to interest rate derivatives	18	4
Total financial derivatives	**(19)**	**22**
Financial income/(expenses)	**42**	**198**

Note 2 | EMPLOYEE BENEFITS

USD mill	2013	2012
Pay	7	5
Payroll tax	2	2
Pension cost	2	3
Other remuneration	2	2
Total employee benefits	**12**	**11**
Average number of employees	27	32

Cont. note 2 | EMPLOYEE BENEFITS

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay/fees/ pension	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2013						
President and CEO - Jan Eyvin Wang	590	199	440	445*	1 673	9 829
CFO - Benedicte Bakke Agerup	327	85	23	26	460	2 705

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 402.

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.

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 300 000 (totalled USD 150) in 2013 (2012: NOK 250 000 / USD 129 in total). One of the board members, Diderik Schnitler, has an additional consulting agreement with the group where he got paid USD 33 (2012: USD 36). Remuneration of the nomination committee totalled USD 12 in 2013 (2012: USD 9).

The board's remuneration for the fiscal year 2013 will be approved by the general meeting 24 April 2014.

LOANS AND GUARANTEES

USD 1 000	Employees	Board	Chair	CEO	Related parties
Total loans					

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31.12.2013

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	25 246	0.01%
CFO - Benedicte Bakke Agerup	21 246	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 program 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 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 2013 was NOK 50.40 (WWASA shares). This is average share price over the two weeks after the release of the results for the fourth quarter 2012. Starting reference price for 2012 was NOK 38.20

Granted share equivalents annually given:	Share equivalent in WWASA shares	
	2013	2012
President and CEO - Jan Eyvin Wang	50 000	50 000
CFO - Benedicte Bakke Agerup	30 000	30 000

In addition, Mr Wilhemsen and Mr Dyvik have option programme related to shares in WWASA as executives in the majority owner Wilh. Wilhelmsen Holding ASA.

Per 31 December the options were in the money for 2013 and the group has booked a provision of USD 0.1 million.

Cont. note 2 | EMPLOYEE BENEFITS

EXPENSED AUDIT FEE (excluding VAT)

USD 1 000	2013	2012
Statutory audit	122	133
Other assurance services	21	27
Tax advisory fee		20
Total expensed audit fee	**143**	**180**

Note 3 | INTANGIBLE AND TANGIBLE ASSETS

USD mill	Intangible assets	Tangible assets
2013		
Cost price 01.01	2.6	1.9
Additions		0.1
Disposal	(1.1)	(0.3)
Cost price 31.12	**1.5**	**1.6**
Accumulated ordinary depreciation 01.01	2.0	1.2
Disposal	(1.1)	(0.2)
Depreciation	0.1	0.1
Accumulated ordinary depreciation 31.12	**1.0**	**1.1**
Carrying amounts 31.12	**0.5**	**0.5**
2012		
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**
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.	2013	2012
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	4	5
Total expense related to lease agreement of office building	**6**	**7**

Note 4 | TAX

USD mill	2013	2012
Distribution of tax income/(expense) for the year		
Payable tax/witholding tax	1	1
Change in deferred tax	(2)	8
Total tax (income)/expense	**(1)**	**9**
Basis for tax computation		
Profit before tax	30	188
28% tax	8	53
Tax effect from		
Wilhtholding tax	1	1
Non taxable income and loss	(10)	(44)
Current years calculated tax	**(1)**	**9**
Effective tax rate	(3.5%)	4.9%
Deferred tax		
Tax effect of temporary differences		
Current assets and liabilities	(2)	3
Non current liabilities and provisions for liabilities	(14)	(15)
Tax losses carried forward		
Deferred tax asset	**(16)**	**(12)**
Composition of deferred tax and changes in deferred tax		
Deferred tax asset 01.01	12	19
Charged directly to equity	3	
Change of deferred tax through income statement	2	(8)
Currency translation	(1)	1
Deferred tax asset 31.12	**16**	**12**
Deferred tax asset 31.12.2011		16
Implementation of IAS 19R - employee benifits		3
Deferred tax asset 01.01.2012		**19**

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	2013 Book value	2012 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%	727 310	738 857
Den Norske Amerikalinje AS	Lysaker, Norway	100%	12 300	12 300
Total investments in subsidiaries			**740 259**	**751 806**

Note 6 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Business office country	2013 Voting share/ ownership share	2012 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%	10.0%
Shippersys AB	Stockholm, Sweden	25.0%	25.0%

USD 1 000	Business office country	2013 Book value	2012 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	50 181
Shippersys AB	Stockholm, Sweden	38	38
Book value of joint ventures and associates		**50 255**	**50 255**

Note 7 | COMBINED ITEMS, BALANCE SHEET

USD mill	2013	2012
OTHER NON CURRENT ASSETS		
Non current loan group companies	190	182
Other non current assets		
Total other non current assets	**190**	**183**
Of which non current debitors falling due for payment later than one year:		
Loans to subsidiaries	165	157
Total other non current assets due after one year	**165**	**157**
OTHER CURRENT ASSETS		
Inter-company receivables	36	17
Other current receivables	1	34
Total other current assets	**37**	**52**
OTHER NON CURRENT LIABILITES		
Loans from subsidiaries	47	55
Total other non current liabilites	**47**	**55**
OTHER CURRENT LIABILITIES		
Accounts payable		1
Inter-company payables	3	2
Next year's instalment on interest-bearing debt	85	
Dividend	36	158
Other current liabilities	14	27
Total other current liabilities	**138**	**188**

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	2013	2012
Market value current financial investment		
Other financial assets	0	0

Note 9 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2013	2012
Payroll tax withholding account	1	1
Undrawn committed drawing rights	50	50
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.	(50)	

Note 10 | EQUITY

USD mill	Share capital	Own shares	Premium Fund	Retained earnings	Total
Current year's change in equity					
Equity 31.12.2012	30	0	89	432	551
Dividends				(19)	(19)
Proposed dividend				(36)	(36)
Profit for the year				31	31
Other comprehensive income for the year				(7)	(7)
Balance 31.12.2013	**30**	**0**	**89**	**399**	**519**
Current year's change in equity					
Equity 01.01.2012	30	0	485	55	571
Dividend				(40)	(40)
Proposed dividend				(158)	(158)
Reduction premium fund			(395)	395	
Profit for the year				179	179
Other comprehensive income for the year					(0)
Balance 31.12.2012	**30**	**0**	**89**	**432**	**551**
Equity 31.12.2011	30		485	62	578
Implementation of IAS 19 revised				(7)	(7)
Equity 01.01.2012	**30**	**0**	**485**	**55**	**571**

At 31 December 2013 the company's share capital comprises 220 000 000 shares with a nominal value of NOK 1 each. The company had no own shares.

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 2012 was NOK 4.00 per share paid in May 2013 and NOK 0.75 per share paid in December 2013.

The proposed dividend for fiscal year 2013 is NOK 1.00 per share, payable in the second quarter of 2014. A decision on this proposal will be taken by the annual general meeting on 24 April 2014.

Cont. note 10 | EQUITY

The largest shareholders at 31.12.2013

Shareholders	Number of shares	% of shares
Wilh. Wilhelmsen Holding ASA*	160 000 000	72.73%
Folketrygdfondet	11 406 505	5.18%
JPMorgan Chase Bank	5 215 850	2.37%
Danske Invest Norske	2 205 347	1.00%
Other	41 172 298	18.71%
Total number of shares	**220 000 000**	**100.00%**

* 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.

Shares on foreigners hands
At 31.12.2013 - 21 351 149 (9.71%) shares.
At 31.12.2012 - 19 687 961 (8.95%) 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 (from 1 January 2014 Storebrand only), 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 that is a defined benefit plan. This is included in the company's pension liability.

- In addition 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 liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Cont. note 11 | PENSION

	Funded 2013	Funded 2012	Unfunded 2013	Unfunded 2012
Number of people in pension plans at 31.12				
Employees (including disabled)	36	34	71	83
Retired employees	168	180	665	683
Total number of people covered by pension schemes	**204**	**214**	**736**	**766**

	Expenses 2013	Expenses 2012	Commitments 31.12.2013	Commitments 31.12.2012
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	3.85%	2.75%	4.00%	3.85%
Discount rate	3.85%	2.75%	4.00%	3.85%
Anticipated pay regulation	3.50%	3.25%	3.50%	3.50%
Anticipated regulation of National Insurance base amount (G)	3.50%	3.25%	3.50%	3.50%
Anticipated regulation of pensions	1.00%	1.00%	0.60%	1.00%

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 K2013 mortality tariff for 2013 and K2005 for 2012. The disability tariff is based on the KU table.

	31.12.13	31.12.12
Pension assets investments		
Current bonds	11.3%	6.6%
Bonds held to maturity	40.4%	35.2%
Money market	2.2%	1.2%
Equities	8.4%	15.9%
Other (property, credit bonds)	37.8%	41.1%
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 5.3% at 31 December (2012: 6.8%).

USD mill	2013 Funded	2013 Unfunded	2013 Total	2012 - Restated Funded	2012 - Restated Unfunded	2012 - Restated Total
Pension expenses						
Service cost	1		1	1		1
Net interest cost		2	2		1	1
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**2**	**2**	**1**	**2**	**3**

	2013 Total	2012 - Restated Total
Remeasurements - Other comprehensive income		
Effect of changes in demographic assumptions	(10)	
Effect of changes in financial assumptions	3	9
Effect of experience adjustments	(3)	(8)
(Return) on plan assets (excluding interest income)	(1)	(1)
Total remeasurements included in OCI	**(10)**	**(1)**
Tax effect of pension OCI	3	
Net remeasurement in OCI	**(7)**	**0**

Cont. note 11 | PENSION

USD mill	2013	2012 Restated
Pension obligations		
Defined benefit obligations at end of prior year	83	80
Effect of changes in foreign exchange rates	(7)	6
Service cost	1	2
Interest expense	3	2
Benefit payments from plan	(2)	(2)
Benefit payments from employer	(4)	(4)
Remeasurements - change in assumptions	10	(1)
Pension obligations 31.12	**83**	**83**
Gross pension assets		
Fair value of plan assets at end of prior year	28	28
Effect of changes in foreign exchange rates	(2)	2
Interest income	1	1
Employer contributions	1	
Benefit payments from plan	(2)	(2)
Net changes in business combinations/ transfers	1	
Return on plan assets (excluding interest income)	(1)	(1)
Gross pension assets 31.12	**26**	**28**

	2013			2012 - Restated		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Accrued pension obligations	26	56	82	27	55	81
Estimated effect of future salary regulations	1		1	1		1
Total pension obligations	**27**	**56**	**83**	**28**	**55**	**83**
Value of pensions funds	26		26	28		28
Recorded pension obligations	**(1)**	**(56)**	**(57)**	**0**	**(55)**	**(54)**

Premium payments in 2014 are expected to be USD 1.3 million (2013: USD 0.5 million). Payments from operations are estimated at USD 4.1 million (2013: USD 5.1 million).

WWASA implemented IAS19R as of 1 January 2013 and the impact was to eliminate the corridor to other comprehensive income. The changes are made with retrospective application. The main changes to previously reported numbers are shown in statement of equity and table below.

	Full year 2012
Employee benefit expense	(0.4)
Other comprehensive income, net after tax	(0.6)

	01.01.12	31.12.12
The balance sheet effect		
Pension liabilities	9.4	11.2
Deferred tax liabilities	(2.6)	(3.1)
Equity attributable to owners of the parent	(6.8)	(8.3)

	31.12.13	31.12.12
Historical developments		
Defined benefit obligation	(83)	(83)
Plan assets	26	28
Surplus/(deficit)	**(57)**	**(54)**

Note 12 | INTEREST-BEARING DEBT

USD mill	2013	2012
Interest-bearing debt		
Bonds	439	352
Repayment schedule for interest-bearing debt		
Due in year 1	85	
Due in year 2		93
Due in year 3	210	
Due in year 4		229
Due in year 5 and later	144	30
Total interest-bearing debt	**439**	**352**

As of 31 December 2013 average interest rate on interest-bearing debt is 4.43%.

Financial instruments by category

	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets	190			190
Current financial investments				0
Other current assets	36		1	37
Cash and cash equivalent	81			81
Assets at 31.12.2013	**308**	**0**	**1**	**309**

	Liabilites at fair value throug the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		354	354
Other non current liabilities		47	47
Other current liabilities		138	138
Liabilities 31.12.2013	**0**	**539**	**539**

	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 throug 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**

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 2014.

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 2013, income statement, comprehensive income 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 2013, 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 - 2013 - 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 2013, 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 2013, 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 the statements on Corporate Governance and Corporate Social Responsibility

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 in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, 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 2014
PricewaterhouseCoopers AS

Rita Granlund
Rita Granlund
State Authorised Public Accountant (Norway)

(2)

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2013 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 2014
The board of directors of Wilh. Wilhelmsen ASA

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


TIGER
WALLENIUS WILHELMSEN

CORPORATE GOVERNANCE

3 065 shareholders, increase of 149 compared with 2012

149 foreign shareholders

2 916 Norwegian shareholders

WWASA follows the principles of the Norwegian Corporate Governance Code

A FOUNDATION FOR SUSTAINABLE GROWTH

A sound corporate governance is the foundation for profitable growth and a cornerstone for a healthy company culture. A responsible governance structure also contributes to reducing risk and creating value over time 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 focus on excellent governance at all levels and a company culture that honours sound judgement and strong business ethics, WWASA aims to achieve the right results in the right way.

Corporate governance

– THE FOUNDATION FOR PROFITABLE GROWTH

WWASA is a public limited 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 is a foundation for profitable growth and a cornerstone of a healthy company culture. A responsible governance structure also contributes to reducing risk and creating value over time for shareholders and other stakeholders.

The company will provide the public with accurate, consistent and timely information in accordance with legal requirements and high corporate governance standards. The purpose is to secure pricing of WWASA's shares in accordance with underlying value and future prospects of the company.

REPORTING ON CORPORATE GOVERNANCE

The board in WWASA issues a report on governance performance annually. The report is based on the requirements of the Norwegian Code of Practice for Corporate Governance (lasted updated in October 2012), the Public Limited Companies Act and the Norwegian Accounting Act. The report is published as part of the annual report, 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. Explanation of the deviations and alternative solutions chosen by the company will be given where applicable, see overview on page 88.

WWASA's business standards – the foundation for corporate governance in the group – are developed in order to improve business performance and ensure that the right results are achieved in the right way. The business standards 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 was conducted in 2013. In addition to regular training related to the group's governing elements, a particular focus was directed towards anti-corruption.

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 insuring guarantees, subscribing shares or in other ways.

Through the operating companies, 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. 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 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 December 2013, the total equity amounted to USD 1 632 million (up from USD 1 544 million in 2012), representing an equity ratio of 48% based on book values for WWASA's own account.

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 rising value of the WWASA share and payment of dividend semi-annually to the shareholders. Subject to the financial performance, the future market outlook and the capital expenditure programme, accumulated earnings and capital gains will either be reinvested or distributed as dividend, depending on what is expected to give the best return for the shareholders. Hence there may be calendar years where no dividend or a limited dividend is paid out.

Dividend was paid twice to shareholders in 2013, in total NOK 4.75 per share or USD 177 million.

The board will propose to the Annual General Meeting (AGM) to pay a dividend of NOK 1 per share in the first half of 2014, totalling approximately USD 36 million.

The Norwegian Companies Act was updated in 2013 with extended possibilities to pay dividend. Following the changes, the board will also propose that the AGM gives the board authority to approve further dividend of up to NOK 1.25 per share for a period limited in time up to the next AGM.

WWASA does not hold own shares. At the annual general meeting in April 2013, the board was authorised to increase the share capital by up to NOK 22 million, representing 10% of the share capital. The authorisation has not been used and is valid until the company's next annual general meeting, scheduled 24 April 2014. 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 site and on the Oslo Stock Exchange website.

As of 31 December 2013, WWASA had 3 065 shareholders, of whom 149 were foreign and 2 916 Norwegian. This is an increase of 10 foreign and 139 Norwegian shareholders compared with 31 December 2012. 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 corporate governance 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 at arm's length on market terms.

Pursuant to the instructions issued by and for the WWASA board, directors are required to inform the WWASA board if they have interests, directly or indirectly, in relations with the WWASA group.

If transactions take place between the principal shareholder and WWASA, such will be conducted on market terms. The company is not authorised to trade in its own shares.

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" and is freely negotiable. The company's Articles of Association does not include any restrictions on negotiability.

GOVERNING 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.

Annual general meeting

The ordinary annual general meeting is normally held in the second quarter. The following items will be on the agenda for 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 website without unreasonable delay.

"AMG 2014 24 April."

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. It is the view of the board that it is important that all shareholders are given the opportunity to vote in an easy way and the extra ordinary general meeting held in November 2013 therefore agreed to an amendment of the company's Articles of Association. Starting in 2014, all shareholders are given the opportunity to vote in advance through electronic communication. Guidelines for voting will be included in the notice to the meetings.

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 committee's work. The nomination committee nominates directors to the board and proposes the 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.

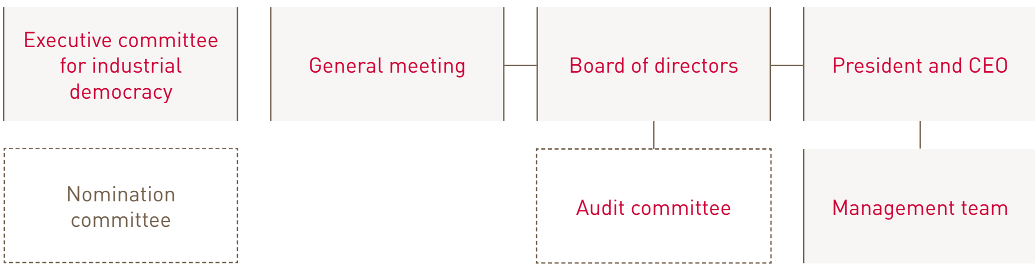
There was no changes in the committee in 2013, and as of 31 December 2013, the nomination consisted of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig. All the members of the committee were elected at the AGM in April 2012 for a period of two years, and are therefore up for election in 2014. Information on the committee members can be found on WWASA's website.

Executive committee for industrial democracy in foreign trade shipping

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 (both sea and land-based employees). 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.

Members to the executive committee are up for election in 2014.

Governing bodies



Executive committee and board of directors – composition and independence

The annual general meeting elects the board, which consists of five members. The chair, Thomas Wilhelmsen, and director Diderik Schnitler were elected for a period of three years at the AGM in April 2012, while directors Nils P Dyvik, Hege Sjo and Marianne Lie were elected for two years. Hence, the latter three are up for election in 2014.

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 both shareholders' and the company's best 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.

In 2013, all the board members attended a seminar hosted by the Oslo Stock Exchange. The objective of the course was to provide information on legislation, rules and regulations and best practice that are relevant for board members of listed companies.

With the exception of one meeting where one of the directors was absent, all the directors were present at meetings either in person or per telephone.

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 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.

The board assesses its mode of working and composition of its competence annually.

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

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, including:

- annual and quarterly accounts
- 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 2013, sustainability reporting received a particular attention from the audit committee. For 2014, the audit committee will have a particular attention at anti-corruption, theft and fraud, whistleblowing and competition law and not least the roll-out of an awareness programme related to these topics.

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. Ms Sjo and Ms Lie are also independent of the majority shareholder. All the members are up for election in 2014.

Remuneration committee

The board has not seen it as relevant to have a separate remuneration committee for a company employing 41 employees within its wholly-owned structure, and therefore acts collectively as the remuneration committee.

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.

Chief executive

The chief executive 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

Management team

from left:

Benedicte Bakke Agerup

Jan Eyvin Wang

shareholders and according to instructions and guidelines from the board.

The chief executive 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.

Chief financial officer

The chief financial officer (CFO) heads finance and financial reporting 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 (a full overview is listed on pages 92-93 and/or the company's web page). Each of the entities has its own board, responsible for issues relevant for the specific entity.

WWASA's ambition is to be a demanding and reliable owner, taking the long-term interests of the companies and the total group into consideration when developing its future strategy, including how ownership will be exercised, financial prospects as well as expectation towards code of conduct, environmental and sustainable standards and aspirations.

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 owned subsidiary or a joint venture. WWASA's ownership in the subsidiaries is formally exercised through the respective company's general meetings and/or through board positions.

To coordinate shareholdings in joint ventures WWL, EUKOR and ASL, WWASA and partner Wallenius has a steering committee. A joint committee reduces bureaucracy and improves the joint leadership of the joint ventures. The committee's mandate is to agree on common direction, policy and investments above a certain level for the three joint ventures. The committee also ensures that potential synergies between the three companies are realised. In 2014, Håkan Larsson assumed the position as chair of the steering committee after Leif T Løddesøl.

RISK MANAGEMENT AND INTERNAL CONTROL

The company's business standards contribute to securing that WWASA has sound internal control and systems for handling strategic, commercial, financial, operational and regulatory risks. Business standards, policies, guidelines and procedures regarding risk management, internal control, financial reporting, code of conduct, social responsibility and more are documented in the company's global information and management system and electronically available to employees.

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 20 and in note 13 to the group accounts.

The company has an enterprise risk policy defining the main principles for risk management and internal control including a description of responsibilities. The 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 and necessary use of resources.

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and board'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 are fully documented in the company's global management system, including policies and procedures.

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

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

The group finance and accounting department 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. Board approval is given on a case to case basis if bunker hedging is conducted. 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.

Global whistleblowing procedures

The company has a global whistleblowing policy including procedures and channels for giving notice to the company about potential non-compliance, e.g. corruption, theft or fraud. The procedures strengthen transparency and safeguard that the business standards are applied the way they are intended. The procedures ensure the group has a professional way of handling potential breaches to laws and regulations, self-imposed business standards or other serious irregularities including procedures to safeguard the whistle-blower.

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. Mr Wilhelmsen, Mr Schnitler and Mr Dyvik hold shares in WWASA. For more information, see note 2 to parent accounts. In addition, Mr Wilhelmsen and Mr Dyvik have an option programme related to shares in WWASA as executives in the majority owner Wilh. Wilhelmsen Holding ASA. The three year programme, which ended 31 December 2013, entitled the two members to a cash reward based on the annual total return of the underlying share including dividends during the period, limited upward to 50% of annual basic salary. For more information, please refer to note 2 in the majority owner Wilh. Wilhelmsen Holding ASA's parent accounts.

No other 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. Mr Schnitler sits amongst others on the joint WWASA/Wallenius steering committee representing WWASA. The assignment including remuneration have been approved by the full board.

An overview of the board of directors' remuneration is specified in note 4 to WWASA group accounts and note 2 to the parent company accounts. The latter also includes an overview of shares held by the individual board member in the company.

REMUNERATION OF EXECUTIVE PERSONNEL

WWASA's remuneration policy covers all employees and is developed to ensure the company attracts and retains competent employees. The remuneration principles are communicated to all employees to ensure a common understanding of expectations and rewards, both linked to the company's strategic ambitions, financial targets and business standards. As a principle, a minimum of 50% of the KPIs are linked to financial targets, while the remaining are linked to group and or individual KPIs.

An overview of employee benefits, including salary and other components of the chief executive's and CFO's remuneration packages, is detailed in note 4 to WWASA's group accounts and note 2 to the parent company accounts.

The board determines the chief executive's remuneration. Salary adjustment for individual employees is determined administratively within limits set by the board. 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 chief executive 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 including dividend. For more information, please refer to note 2 to WWASA parent accounts. Maximum annual payment under this scheme is set to 50% of annual basic salary. The programme expired 31 December 2013.

For further information on the determination of employee benefits for senior executives, please refer to note 2 to WWASA parent accounts.

Further Information:

HEAD OF INVESTOR RELATIONS:

CFO Benedicte Bakke Agerup

benedicte.b.agerup@wilhelmsenasa.com

+47 915 48 029

INFORMATION AND COMMUNICATION

WWASA's shareholder policy states that the company will inform shareholders and the market in general on an ongoing basis of development, activities and special events, ensuring, as far as possible, that the company's share price reflects the underlying values and expectations on future profits.

Such information will, among other things, take the form of annual and quarterly reports, stock exchange notifications, press releases and investor presentations when required or otherwise appropriate.

The company is committed to prepare and properly report the financial statements and to give an open, prudent and fair overview of the company's business. Timely, accurate, relevant and reliable information is necessary to secure a proper valuation of the company. Communication activities are carried out in an environment of transparency and accountability, and in line with market and legal requirements and expectations.

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. In addition to current information, the website also includes historical archives. When WWASA discloses information to shareholders through the Oslo Stock Exchange, 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.

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 company's capital markets day. A minimum of two public meetings are webcasted. The intention is to serve the market with necessary information to make evaluations regarding business activities and results in order to secure pricing of the share in accordance with underlying value and future prospects for the company. A financial calendar is published on the group's website and through the Oslo Stock Exchange. WWASA representatives also meet investors and analysts regularly both in large and small groups and on an individual basis.

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

TAKE-OVERS

The board has not established a policy for its response to possible takeover bids. The board and management will, however, seek to treat any take-over bids for the company's activities or shares in a professional way and in the best interest of the company's shareholders. 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

To make sure the board and the audit committee have sound insight into the work of the auditor, the company's auditor - PricewaterhouseCoopers (PwC) – develops and communicates an annual audit plan. PwC is present at board meetings as required, when the annual accounts are approved and at the quarterly audit committee meetings.

To ensure the board has solid understanding of the accounts, the auditor will discuss with the board any changes in IFRS relevant for the group's accounting principles or other law requirements relevant for the company. The auditor also runs through the main features of the audits carried out.

There were no disagreements between the auditor and management during 2013.

It is of importance to the board that the auditor is independent of management. The board therefore has at least one meeting with PwC without senior management being present. Further, if used for other services than accounting, the parties will follow guidelines as described in the Auditing and Auditors Act. The auditor provides the board with a confirmation of independence in relation to non-audit services provided.

The fee to PwC, 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 2 to the parent company accounts.

Financial calendar for 2014

13 February
Q4 2013 presentation

24 April
Annual general meeting

8 May
Q1 2014 presentation

7 August
Q2 2014 presentation

17 September
Capital Markets Day

11 November
Q3 2014 presentation

Corporate governance comply or explain overview

	Principles	Explanation
1.	Implementation and reporting on corporate governance	
2.	Business	
3.	Equity and dividends	
4.	Equal treatment of shareholders and transactions with close associates	
5.	Freely negotiable shares	
6.	General meetings	The chair of the board also acts as chair of the general meeting as stated in the company's Articles of Association
7.	Nomination committee	
8.	Corporate assembly and board of directors: composition and independence	Executive committee for industrial democracy in foreign trade shipping instead of Corporate assembly
9.	The work of the board of directors	The whole board acts as remuneration committee. Without a Corporate assembly, the board elects its own chair.
10.	Risk management and internal control	
11.	Remuneration of the board of directors	
12.	Remuneration of the executive personnel	
13.	Information and communications	
14.	Take-overs	No policy developed, but intention described in the corporate governance report.
15.	Auditor	


WALLENIUS WILHELMSEN
TIGER

CORPORATE STRUCTURE

2.1
million units handled at terminals

5.9
million units services at technical service facilities

2.4
million units transported on land

Logistics activities: 19% increase in contribution to group earnings

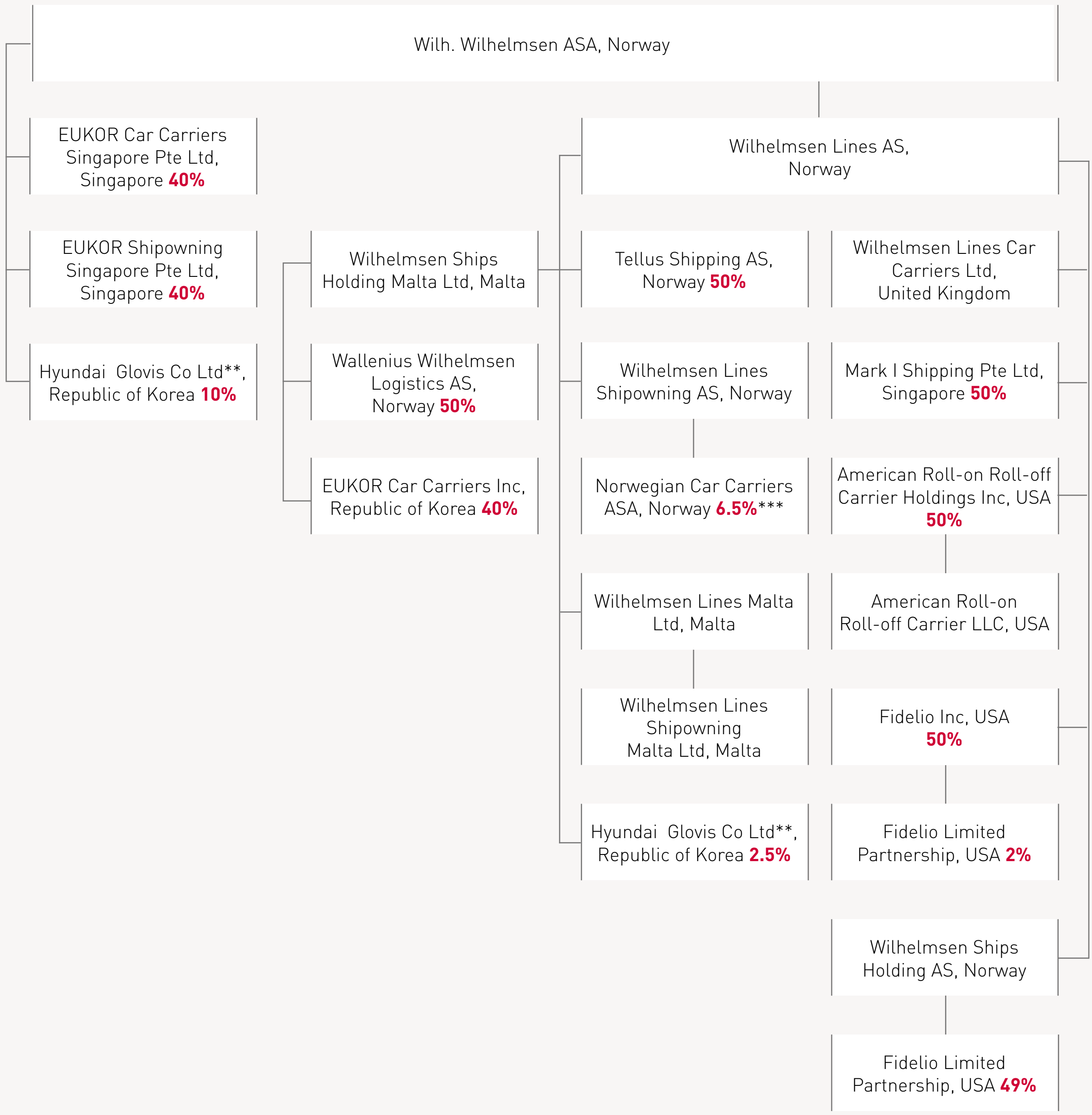
INCREASING CONTRIBUTION TO GROUP EARNINGS

Few players in the car carrying market can offer their customers a wide range of integrated logistics services. By combing ocean transportation with land-based services, WWASA's joint ventures offer customers a factory to dealer concept including terminal and technical services, inland distribution and supply chain management.

These four business areas offer cargo handling, vehicle repair and outfitting, quality control, inland transport management and supply chain management. In addition to complementing ocean transportation services, the business areas continuously increase their contribution to the group's earnings and strengthens customer relationships.

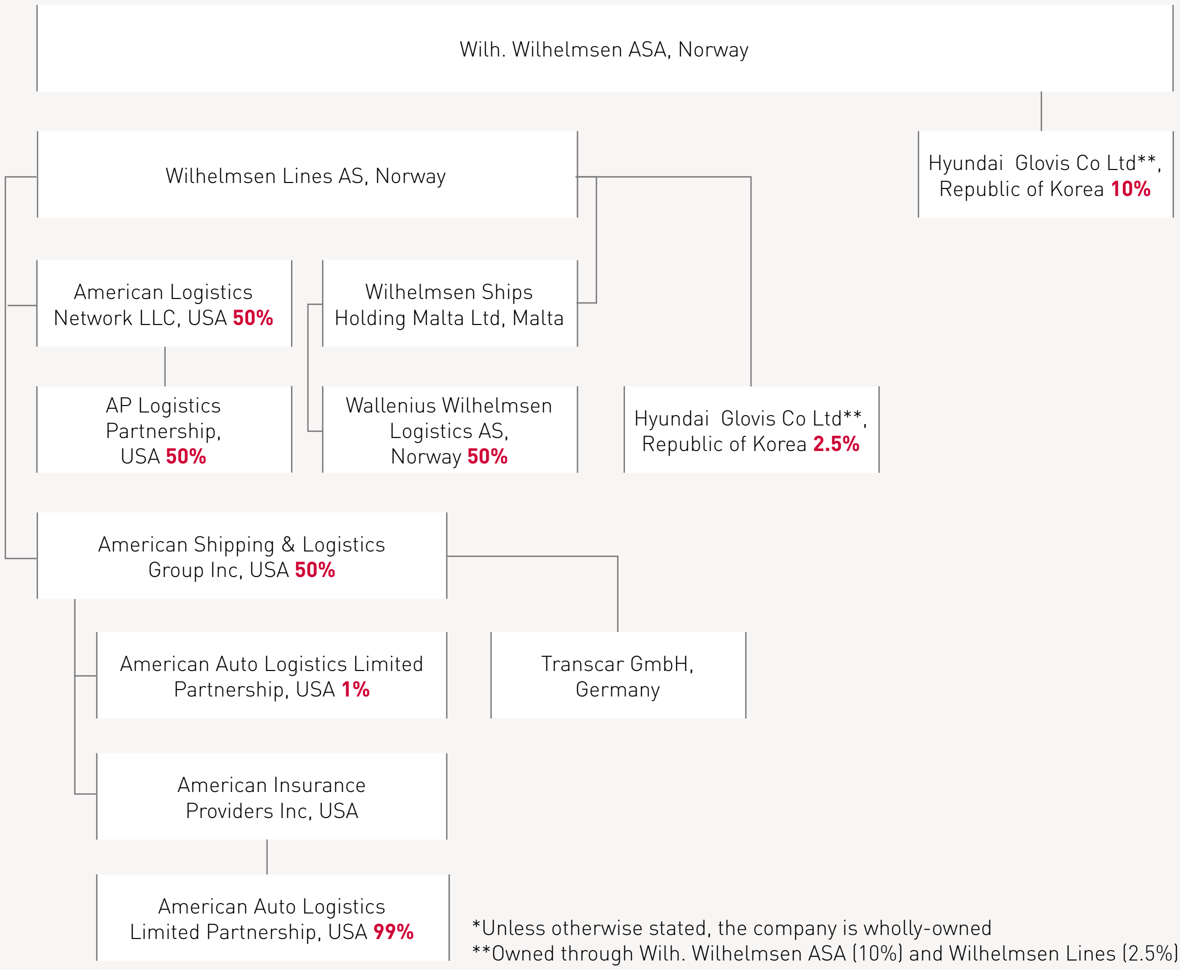
Corporate structure

Shipping segment | STRUCTURE* PER 31 DECEMBER 2013



*Unless otherwise stated, the company is wholly-owned
**Owned through Wilh. Wilhelmsen ASA (10%) and Wilhelmsen Lines (2.5%)
***Sale completed 18 March 2014

Logistics segment | STRUCTURE* PER 31 DECEMBER 2013



*Unless otherwise stated, the company is wholly-owned
**Owned through Wilh. Wilhelmsen ASA (10%) and Wilhelmsen Lines (2.5%)

Holding segment | STRUCTURE* PER 31 DECEMBER 2013

*Unless otherwise stated, the company is wholly-owned

Designed by REDINK. Photos by Hans Fredrik Asbjørnsen

WW fleet

Flag and ownership status as per 31.12.2013 :

Name	Built	Type	Flag	WWASA ownership/ control
PCTC				
MHI TYPE				
TORRENS	2004/10	PCTC	GBR	Financial lease
TORONTO	2005/8	PCTC	GBR	Financial lease
TOLEDO	2005/2	PCTC	GBR	Financial lease
TOPEKA	2006/06	PCTC	GBR	Owned
TOMBARRA	2006/09	PCTC	GBR	Owned
TORTUGAS	2006/12	PCTC	GBR	Owned
TOMAR	2008/10	PCTC	GBR	Owned
TOREADOR	2008/12	PCTC	GBR	Owned
TORINO	2009/03	PCTC	GBR	Owned
TOSCANA	2009/06	PCTC	GBR	Owned
TONGALA	2012/09	PCTC	MLT	Owned
TAKARA	1986/09	PCTC	NIS	Short B/B
TAI SHAN	1986/12	PCTC	NIS	Short B/B
TANCRED	1987/04	PCTC	NIS	Owned
TRINIDAD	1987/09	PCTC	NIS	Owned
TRIANON	1987/04	PCTC	NIS	Owned
TAGUS	1985/03	PCTC	NIS	Owned
TASCO	1985/02	PCTC	NIS	Owned
HHI				
MORNING CONCERT	2006/04	PCTC	GBR	Owned

Name	Built	Type	Flag	WWASA ownership/ control
LCTC				
TIJUCA	2008/12	LCTC	NIS	Owned
TIRRANNA	2009/6	LCTC	NIS	Owned
LCTC2				
TIGER	2011/06	LCTC	MLT	Owned
TUGELA	2011/07	LCTC	MLT	Owned
TITANIA	2011/12	LCTC	MLT	Owned
TULANE	2012/06	LCTC	MLT	Owned
RORO				
MARK V				
TØNSBERG	2011/03	RO/RO	MLT	Owned
TYSLA	2012/01	RO/RO	MLT	Owned
MARK IV				
TAMESIS	2000/04	RO/RO	NIS	Owned
TALISMAN	2000/06	RO/RO	NIS	Owned
TARAGO	2000/09	RO/RO	NIS	Owned
TAMERLANE	2001/02	RO/RO	NIS	Owned
MARK II				
TAIKO	1984/06	RO/RO	NIS	Owned
TEXAS	1984/03	RO/RO	NIS	Owned

On the cover:

MV Tiger, one of the largest car and truck carriers in the world, loading and discharging cargo in the port of Savannah, February 2014.

Wilh. Wilhelmsen

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