Annual report

2014

Wilh. Wilhelmsen ASA

Global operations, around the clock.

Content

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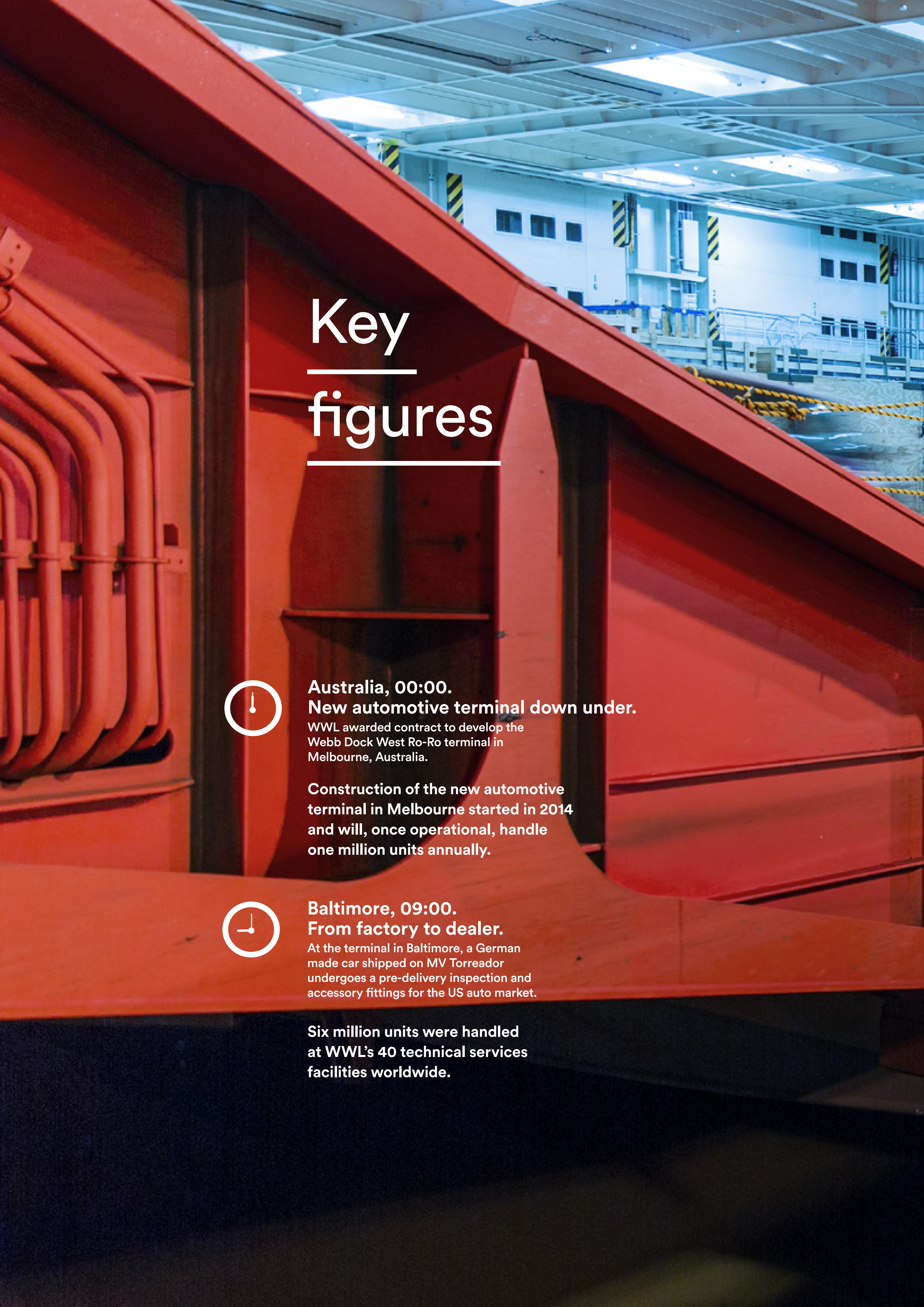
CORPORATE STRUCTURE

Global operations, around the clock

Singapore, 08:00. Port call.

The loading ramp of the MV Tarago lowers on Singaporean soil after its previous cargo loading in Shanghai.

Global high quality sea transportation and integrated logistics solutions for the global market, on call 24/7.



Key figures

Australia, 00:00.
New automotive terminal down under.

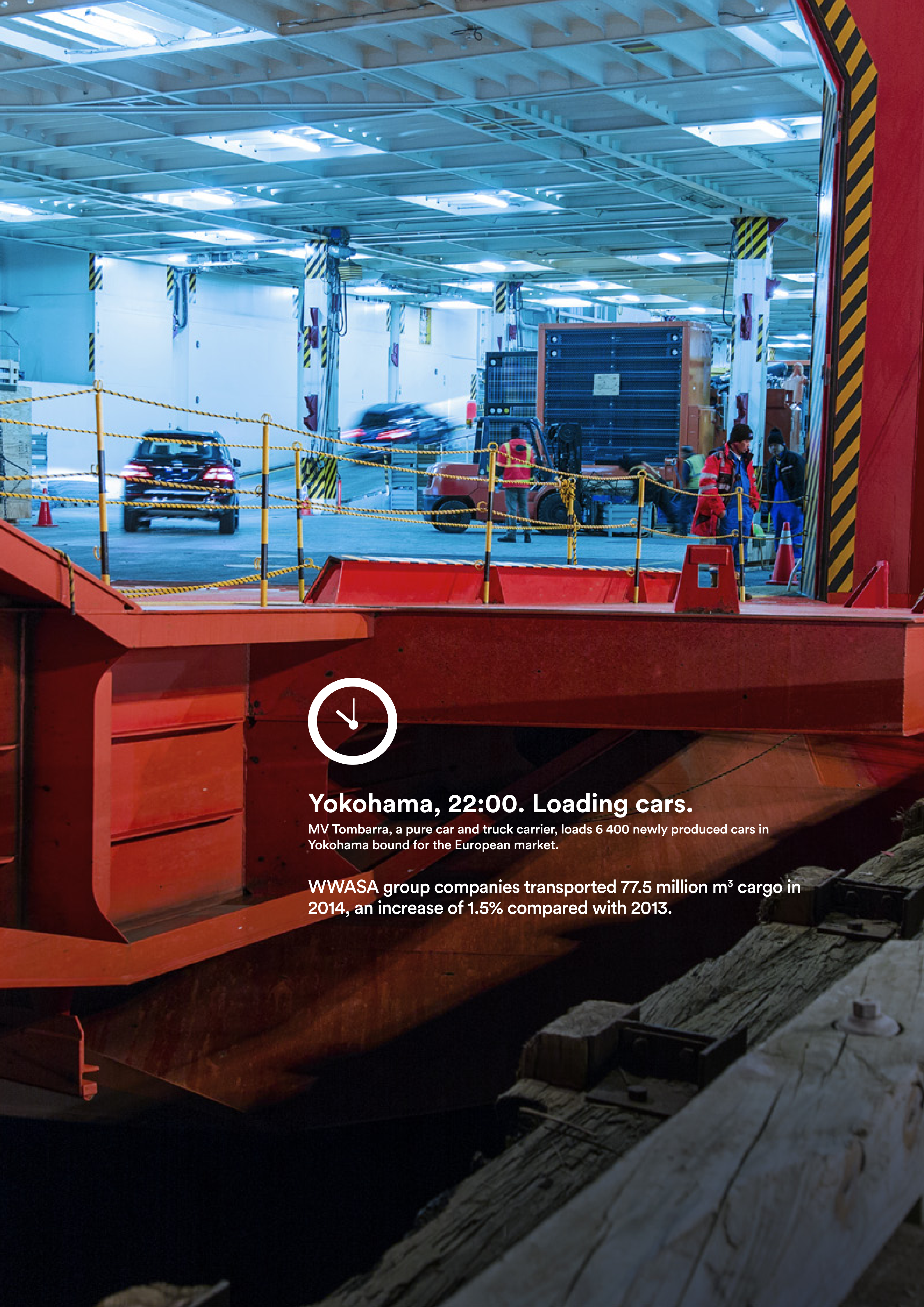
WWL awarded contract to develop the Webb Dock West Ro-Ro terminal in Melbourne, Australia.

Construction of the new automotive terminal in Melbourne started in 2014 and will, once operational, handle one million units annually.

Baltimore, 09:00.
From factory to dealer.

At the terminal in Baltimore, a German made car shipped on MV Torreador undergoes a pre-delivery inspection and accessory fittings for the US auto market.

Six million units were handled at WWL's 40 technical services facilities worldwide.



Yokohama, 22:00. Loading cars.

MV Tombarra, a pure car and truck carrier, loads 6 400 newly produced cars in Yokohama bound for the European market.

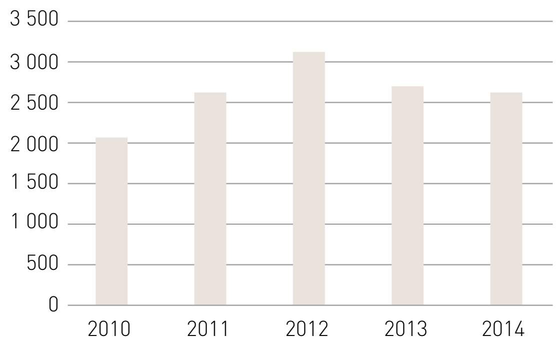
WWASA group companies transported 77.5 million m^3 cargo in 2014, an increase of 1.5% compared with 2013.

Key figures

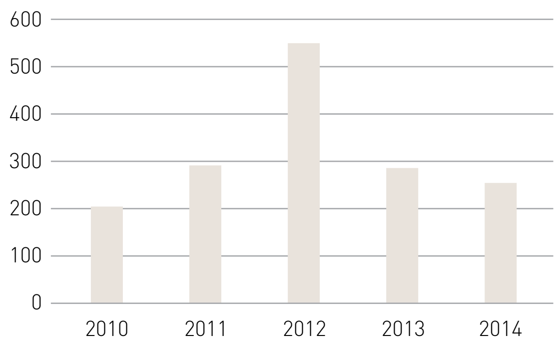
Consolidated accounts

		2014	2013	2012	2011	2010
Income statement						
Total income [11]*	USD mill	2 592	2 673	3 086	2 554	2 046
Primary operating profit*	USD mill	413	445	697	436	338
Operating profit*	USD mill	253	293	548	292	201
Profit/(loss) before tax*	USD mill	122	285	448	145	67
Net profit/(loss)*	USD mill	166	272	410	143	13
Balance sheet						
Fixed assets	USD mill	2 955	2 952	2 897	2 610	2 154
Current assets	USD mill	398	436	511	438	622
Equity	USD mill	1 707	1 632	1 544	1 207	1 107
Interest-bearing debt	USD mill	1 325	1 502	1 534	1 483	1 320
Total assets	USD mill	3 353	3 388	3 407	3 048	2 776
Key financial figures						
Cash flow from operations [1]	USD mill	216	194	270	164	105
Liquid funds at 31 Dec [2]	USD mill	375	411	474	402	582
Liquidity ratio [3]		2.7	1.9	3.2	1.4	2.2
Equity ratio [4]	%	51%	48%	45%	40%	40%
Yield						
Return on capital employed [5]	%	6.9%	8.2%	17.6%	9.9%	7.5%
Return on equity [6]	%	9.9%	17.1%	29.7%	12.4%	1.3%
Key figures per share						
Earnings per share [7]	USD	0.75	1.23	1.86	0.65	0.06
Diluted earnings per share [8]	USD	0.75	1.23	1.86	0.65	0.06
Primary operating profit per share [9]*	USD	1.88	2.02	3.17	1.98	1.53
Average number of shares outstanding	(thousand)	220 000	220 000	220 000	220 000	220 000
Market price at 31 Dec	NOK	46.00	56.75	49.70	28.60	42.50
Market price high	NOK	60.25	59.25	49.70	42.30	42.50
Market price low	NOK	41.60	45.00	29.50	23.00	20.00
Dividend per shares	NOK	2.00	4.75	1.65	1.00	

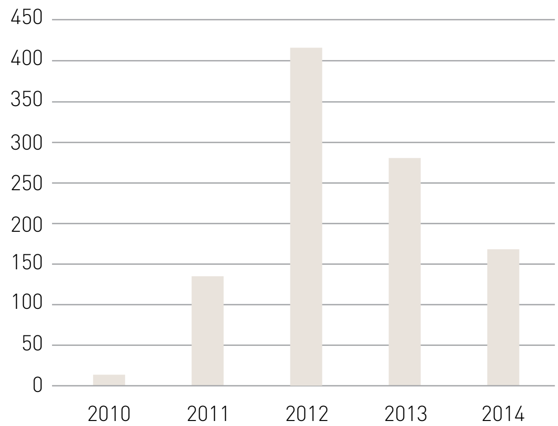
Total income* (USD mill)



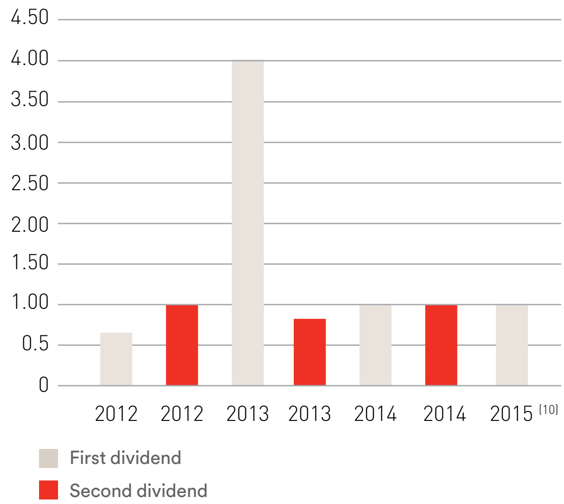
Operating profit* (USD mill)



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) To be approved by the annual general meeting on 23 April 2015.
(11) The 2010-2013 figures are restated after the elimination of related party transactions, as a result of the group review of intercompany transactions between the group joint venture's WWL and EUKOR during 2014.

* Figures according to the proportional method, which reflects the WW 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 WW group`s partnership based ownership structure.

The board of WW ASA: (from left) Marianne Lie, Diderik Schnitler, Nils P. Dyvik, Thomas Wilhelmsen (chair) and Hege Sjo.

Directors' report

Wilh. Wilhelmsen ASA group

Highlights for 2014

Adjusted total income fell 16%

Transported volumes on par with 2013, but cargo and trade mix continued to be unfavourable

Lower contribution from logistics, mainly driven by loss of US governmental contract

Adjusted operating profit declined 20%

Cost reducing initiatives and lower bunker costs lifted operating margin towards the end of the year

Fleet capacity slightly up

NOK 2.00 per share paid in dividend, totalling USD 69 million

Strong balance sheet and financial position

Equity ratio of 51% of book values for WWASA account

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

STRATEGIC POSITION

Through its three operating companies Wallenius Wilhelmsen Logistics (WWL), EUKOR Car Carriers (EUKOR) and American Shipping and Logistics (ASL), WWASA aims at creating value by offering global car/ro-ro customers high quality sea transportation and integrated logistics solutions from factory to dealer.

The main strategic goal for the company is to manifest its position as the world leading operator within the ro-ro niche through its operating entities and continue to expand its services in emerging markets. With a healthy balance sheet and strong financial position, WWASA will be an active player in the continued globalisation of the market through securing profitable tonnage and strategically important logistics infrastructure to further strengthen its position in the market.

SUMMARY OF 2014

Demand for deep sea transportation of cars and high and heavy units were on par with volumes shipped in 2013. However, an unfavourable cargo and trade mix and a general rate pressure had a negative effect on total income and operating profit.

The contribution from the group's logistics segment also fell compared with 2013. The main reason for the decline was the loss of a US governmental contract, effective 1 May.

WWASA has a strong balance sheet and healthy liquidity, and is well positioned to grow the business and act on market opportunities.

The company paid a dividend of NOK 2.00 per share in 2014, approximately USD 69 million, representing a dividend yield of 4.3% (share price at year end).

ANNUAL GROUP ACCOUNTS – EQUITY FIGURES[1]

For 2014, WWASA's operating profit (equity method) totalled USD 211 million compared with USD 255 million in 2013 (figures for 2013 are hereafter in brackets). The total income totalled USD 437 million (USD 508 million).

Figures for 2014 were affected by several non-recurring items, including restructuring and impairment in 50% owned American Shipping and Logistics (ASL), a non-recurring gain in Hyundai Glovis, accruals related to organisational downsizing and reduction of Scandinavian seafarers, changes in pension schemes and impairment of vessels sold for recycling. In 2013, the figures were negatively affected by a fine 50% owned Wallenius Wilhelmsen Logistics (WWL) received from Japanese Fair Trade Authorities. Adjusted for non-recurring items, the group's operating profit totalled USD 218 million (USD 273 million) based on a total income of USD 443 million (USD 526 million).

Net financial expense for 2014 was USD 108 million (income of USD 9 million). The combination of lower interest rates and a very strong appreciation of the USD, lead to a negative development of hedging contracts (interest swaps and currency hedges) and hence, high financial expenses. Lower interest rates and a strong USD had, however, a positive effect on the underlying business.

Net interest expenses, including realised losses on interest rate derivaties, decreased by USD 10 million in 2014 ending at USD 71 million (USD 81 million).

For the full year, net currency items totalled a loss of USD 17 million (gain of USD 9 million), mainly due to appreciation of the USD.

Group profit before tax was USD 104 million (USD 264 million). Mainly caused by a strong USD/NOK, the group recorded a tax income of USD 62 million (income of USD 7 million). Net profit after tax amounted to USD 166 million (USD 272 million).

GOING CONCERN ASSUMPTION

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

CAPITAL AND FINANCE

Debt

WWASA's gross interest bearing debt was USD 1 325 million at the end of 2014 (USD 1 502 million).

Outstanding bonds totalled USD 319 million (USD 439 million) with the remaining consisting of bank loans, export credit facilities and leasing commitments.

The company issued a 5 year bond of NOK 1 billion (USD 152 million) in April, of which NOK 800 million (USD 122 million) was drawn for general corporate purpose and to repurchase parts of outstanding bonds and repayment of bonds at maturity. Bonds totalling NOK 1.1 billion (USD 173 million) were repaid during the year.

In July 2014, the company completed the refinancing of three vessel loans, originally maturing in 2016, extending the maturities till 2023-2024.

Interest rates

Long-term USD interest rates decreased during 2014, while the shorter term interest rates remained stable. Three months USD Libor ended at 0.25%, at same level as last year.

Net interest expenses for the group amounted to USD 71 million (USD 81 million), of which USD 26 million was related to realised losses on the interest rate derivatives and lower average interest rates. WWASA has a high portion of the total debt swapped 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 and fixed rate loans corresponded to approximately 70% (about 60%) of the interest rate exposure at the end of 2014. 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 2014, the net effect from currency items was a loss of USD 17.4 million (gain USD 8.9 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 2014 was approximately 61% (36%).

The group's hedge ratio increases when the NOK appreciates against the USD and vice versa. The main strike levels on purchased put options at the end of 2014 were in the area of USD/NOK 5.50-6.10 (USD/NOK 5.50-5.90). 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 121 million (negative USD 14 million) at the end of 2014.

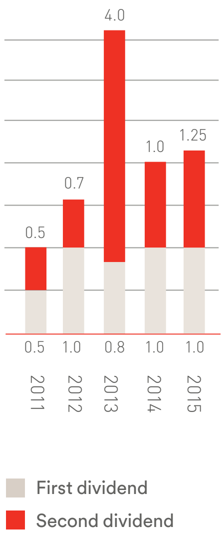
Bunkers

Rotterdam FOB 380 fell significantly in the last quarter and ended at USD 255 per tonne at the end of 2014.

Through the operating companies, WWASA has an ambition to secure bunker adjustment clauses (BAF) in all freight contracts. The majority of the roughly 1 750 000 tonnes (1 800 000 tonnes) of bunkers consumed in 2014 by the ship operating companies in the group were secured through BAF-clauses. WWASA's share amounted to 770 000 tonnes (790 000 tonnes). In addition, the group may secure part of its additional bunker exposure through various hedge contracts.

❞ 51% equity ratio

Dividend



2013 ordinary dividend included an extra-ordinary payment of NOK 3.00 per share.

2015 ordinary dividend is pending approval by the general meeting

The board will also propose to the general meeting to authorise an additional dividend to be paid in the fourth quarter 2015, limited to NOK 1.25 per share.

As of 31 December 2014, 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 market value of the hedge contracts, including hedge contracts in joint ventures, was negative USD 3.2 million (positive USD 0.3 million) at year end.

As of 31 December 2014, the WWASA group had secured most of the group's share of expected bunker exposure in 2015 through derivatives and bunker compensation clauses in the freight contracts.

Liquidity

Cash flow

The WWASA group's net cash flow from operating, investing and financing activities was negative USD 17 million (negative USD 187 million) in 2014.

Cash flow from operating activities increased to USD 216 million (USD 194 million). Weaker operating results was offset by improved cash up streaming from joint ventures and associates. Cash flow from investing activities amounted to negative USD 16 million (negative USD 142 million), as a result of limited investment activities.

Cash flow from financing activities amounted to negative USD 216 million (negative USD 240 million) driven by payment of interest expenses, planned instalments on the existing debt, net repayment of bond debt and payment of dividend, partly offset by proceeds from refinancing of three vessel loans.

Cash and bank deposits

Cash and bank deposits decreased to USD 140 million (USD 157 million). Total liquid assets, including cash and bank deposits and current financial investments were USD 375 million (USD 411 million) at the end of 2014. Undrawn committed drawing rights totalled USD 50 million (USD 50 million).

Equity

The group's equity amounted to USD 1 707 million (USD 1 632 million), representing an equity ratio of 51% 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 235 million at year end (USD 254 million), with investment primarily in investment grade bonds and Nordic equities. The return on the portfolio was 0.94% in 2014, measured in USD against a benchmark of 0.8%. The strengthening of the USD had a negative effect on the return.

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 2014

In 2014, WWASA paid a total of NOK 2.00 per share, totalling approximately USD 69 million.

Proposed dividend for 2015

The board has proposed an ordinary dividend for the fiscal year 2014 amounting to NOK 1.00 per share. The proposed dividend is not accrued in the year-end balance sheet, and if resolved, will be payable in the second quarter of 2015.

The board has also proprosed to the general meeting to authorise an additional dividend to be paid in the fourth quarter, limited to NOK 1.25 per share.

The dividend proposals are pending an approval at the general meeting taking place 23 April 2015.

Share return

The total return on the company's share was negative 16% in 2014 including dividend payment, compared with a negative 6% on the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics).

TAX

WWASA recorded a tax income of USD 62 million (USD 7 million) in 2014. The substantial difference was related to the effect of a strong USD/NOK.

In 2014, the WWASA group had an estimated net payable tax amounting to USD 3 million, of which USD 2 million was withholding tax on dividends and USD 1 million was underestimated tax previous year. Currency transition from USD to NOK for Norwegian tax purpose had an effect on change in deferred tax with USD 4 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.

The company has also an outstanding issue with the Norwegian Tax Administration related to a sales gain of NOK 72 million recorded in 2006. In 2012, the tax authorities decided the sales gain was taxable and the company paid the tax. However, the company does not agree with the tax administration's ruling and has decided to try the case before the Supreme Court.

For further information, please refer to tax note in group accounts, page 46.

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	(29)
Other equity	1
Total allocation	(31)

MARKET UPDATE

Million units sold

Region	2009	2010	2011	2012	2013	2014
N America	12.7	14.0	15.6	17.2	18.4	19.5
Europe*	16.2	15.9	16.1	14.1	13.8	14.6
Oceania	1.0	1.1	1.1	1.2	1.2	1.2
BRICs	19.5	25.2	27.9	28.4	30.8	31.8
Brazil	3.0	3.3	3.7	3.6	3.6	3.3
Russia	1.5	1.9	2.4	2.9	2.8	2.4
India	2.1	2.7	3.1	3.3	3.0	3.0
China	13.0	17.2	18.8	18.6	21.4	23.1

Light vehicles sales

Global light vehicle car sales increased 4% in 2014 and totalled 86 million unit sold. In key markets (North America, Europe, Oceania and the BRIC countries), sales were up 5% to 67 million units.

In the US, light vehicle sales were up 6% supported by higher customer confidence, high credit availability, low interest rates and lower unemployment. A lower fuel price stimulated the light trucks sale compared with cars.

The positive trend also continued in Europe leading to a 5% sales growth, albeit from a low level.

Auto sales in Oceania decreased slightly to 1.2 million units.

The largest growth was seen in the BRIC countries, driven by Chinese car sales. Russian and Brazilian sales declined.

Light vehicles export

Japanese export fell 8% from 2013 and totalled approximately 3.9 million cars in 2014. Although the JPY depreciated against the USD throughout the year, some production of Japanese brands was moved out of the country contributing to reducing export.

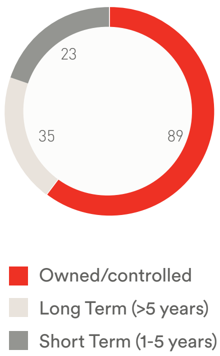
Korean vehicle export declined slightly and ended at 2.9 million units. The KRW fluctuated against the USD throughout the year, although the average exchange rate was on par with 2013.

Chinese export of completely built up units was down 8% from last year and ended at 700 000 units. Combined with export from Thailand and India, the three countries' annual export volumes were almost on par with the Korean light vehicle export level.

" 4% increase in light vehicle car sales

> 24% share of the global car carrying market

No. of vessels



High and heavy

Construction

Estimated global construction spending indicated growth in absolute terms in 2014, contributing to construction equipment demand. The growth was predominantly driven by North America, supported by the optimistic sentiment in the housing market.

Construction spending in Europe improved marginally, while the Chinese market continued its downward trend from 2013 due to slower economic growth and a challenging housing market.

Mining

Commodity prices for coal, precious metals and industrial metals continued the negative trend and declined further in 2014. Uncertainty about China's economic development led to volatile iron ore prices, which ended 2014 at a five-year low.

Given the general negative development in commodity prices from mid-2012, most mining companies refrained from initiating new investment projects in 2014. Cost cutting initiatives kept up throughout the year.

Despite the negative sentiment, Australian iron ore production grew strongly driven by continued strong Chinese demand.

Agriculture

Agricultural commodity prices improved slightly at the end of the year, but prices for most commodities ended lower than the levels seen in 2013, reducing overall farm income.

The US demand for large agricultural equipment declined during 2014. Inventory levels of large farm equipment declined slightly from last year, but remained at a high level compared with the current sales rate.

The business sentiment for agricultural equipment in Europe and Brazil declined during the year.

World tonnage

At the turn of the year, the world car carrying fleet totalled 749 vessels (3.9 million CEUs), a net increase of nine vessels compared with 2013.

In 2014, the net reduction of the global orderbook totalled nine vessels. 23 vessels were delivered, 20 newbuildings were ordered and six orders cancelled. At the beginning of 2015, the global orderbook consisted of 58 vessels (400 000 CEUs), representing 10% of the total fleet measured in CEUs.

Fourteen vessels, with an average age of 30 years, were recycled, on par with the number of vessels recycled in 2013. The average age of the current world fleet is approximately eleven years.

WWASA'S TONNAGE POSITION

Flexible fleet

Adjusting fleet capacity to available cargo is a top priority for WWASA and an important activity to improve the group's profitability. The main goal is to ensure the operating companies have a flexible fleet with modern, efficient vessels and a combination of owned tonnage, chartered vessels as well as spot and space charters for less than 12 months. Speed adjustments, redeliveries, newbuildings and recycling of older tonnage are also important parts of the fleet development.

Fleet capacity

The group's average fleet capacity in 2014 increased by 1.9% compared with 2013. By the turn of the year, the group companies controlled 147 vessels (146 vessels), equivalent to 935 000 car equivalent units (CEUs)
(912 000 CEUs). The group's total fleet represented a 24% share of the global car carrying market. Twenty-nine of the vessels were owned or controlled by WWASA.

Fleet capacity 31 December 2013	146
Newbuilding deliveries	+5
Time charter deliveries	+4
Redeliveries to external owners	-4
Vessels recycled	-4
Fleet capacity 31 December 2014	147

Newbuildings

The group companies took delivery of five new vessels in 2014 (five vessels) and all five commenced service for EUKOR. Four of the vessels were for EUKOR's own account, while one was a long-term charter from an external owner.

No new vessels were ordered in 2014.

The group companies' newbuilding programme totalled eight Post-Panamax vessels by the turn of the year, equalling 16% world car carrier orderbook measured in CEUs. The vessels will be delivered in 2015-2016. Four of the vessels – Post-Panamax design - are for WWASA's account.

[2] WWASA's internal segment reporting is based on the proportionate method. The major contributors in the group are joint ventures and hence the proportionate method gives management a higher level of information and a fuller picture of the group's operations..

Chartered vessels
Four time charter vessels commenced service for group companies during 2014.

Redeliveries
During the year, four vessels (one vessels) were redelivered to external owners. Two of the vessels, Thai Shan and Takara, were chartered by WWASA. The two others were redelivered from the EUKOR pool.

The group has a flexibility to redeliver seven chartered vessels to external owners during 2015 (six vessels).

Recycling
Four group vessels were recycled (three vessels) in 2014, of which two – the ro-ro vessels Texas and Taiko – 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 2014
The group took delivery of one newbuilding in January 2015. WWASA's first Post-Panamax vessel, Thermopylæ (8 000 CEUs), commenced service for WWL.

Two of WWASA's pure car and truck carriers – MV Tagus and MV Tasco – were sold for recycling in February 2015. The vessels will be demolished at green recycling facilities in China.

An updated overview of WWASA owned and controlled vessels can be found on the company's website.

ANNUAL GROUP ACCOUNTS – PROPORTIONATE FIGURES[2]

In 2014, the group delivered a total income of USD 2 592 million (USD 2 673 million) and an operating profit of USD 253 million (USD 293 million).

The group recorded several non-recurring items during the year, including changes in pension schemes, reduction of Scandinavian seafarers a non-recurring gain in Hyundai Glovis, impairment of vessels sold for recycling, impairments and restructuring of companies. Adjusted for non-recurring items, the group's total income ended at USD 2 051 million (USD 2 121 million), while the operating profit totalled USD 193 million (USD 215 million). Net financial expense amounted to USD 131 million (USD 8 million) negatively impacted unrealised fair value losses on currency and interest rate derivatives.

Group profit before tax and minority interests was USD 122 million (USD 285 million). The group recorded a tax income for the year amounting to USD 46 million (expense of USD 12 million), while the net profit after tax and minority interests came to USD 166 million (USD 272 million)

THE SHIPPING SEGMENT

Main goal
With a 24% share of the global car carrying and ro-ro fleet measured in CEUs, WWASA's main goal is – through its operating companies – to be a leading player in the car and ro-ro segment.

Summary of 2014
In 2014, the shipping segment delivered a total income of USD 2 051 million (USD 2 122 million) and an operating profit of USD 176 million (USD 198 million).

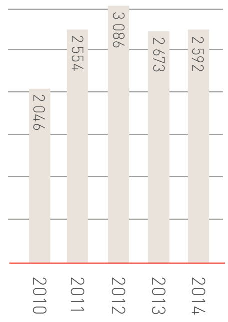
The fleet transported 77.5 million cubic metres (CMB) cargo, an increase of 1.5% compared with 2013 (75.9 million cubic metres). However, a continued unfavourable cargo and trade mix combined with general rate pressure had a negative effect on profitability and fleet utilisation.

The effect of cost reducing initiatives and lower bunker costs lifted operating profit towards the end of the year.

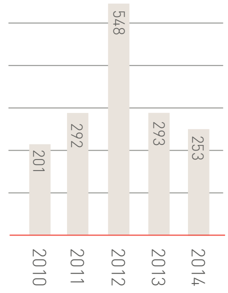
Adjusted for non-recurring items (see annual group accounts), the shipping segment's total income ended at USD 2 580 million (USD 2 672 million), while the operating profit totalled USD 259 million (USD 311 million).

Wallenius Wilhelmsen Logistics (WWL) carried volumes on par with the previous year. The auto volume development was flat. While auto volumes improved in all main trades, the emerging trades saw a sharp decline in volumes transported. Increase in break-bulk cargo compensated for a slight decline in high and heavy volumes. Volumes improved in all main trades, except Europe/North America to Oceania. High and heavy volumes also declined in other trades. With a flat development in volumes, unfavourable trade and cargo mix, rate pressure and increased voyage costs, total income and operating profit for

Total income (USD mill)*



Operating profit (USD mill)*



* Figures are according to the proportional method.

The shipping segment

Shipping activities are carried out through:

Wallenius Wilhelmsen Logistics (WWL) owned 50%

EUKOR Car Carriers (EUKOR) owned 40%

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

The logistics segment

Logistics activities are carried out through:

Wallenius Wilhelmsen Logistics (WWL) owned 50%

American Shipping and Logistics Group (ASL) owned 40%

Hyundai Glovis owned 12.5%

2014 came in below 2013 despite reduced bunker costs and effects from cost reducing initiatives, which lifted operating profit towards the end of the year.

WWL controlled a total fleet of 56 vessels (59 vessels) at the end of December 2014, with a total capacity of 376 000 CEUs (392 000 CEUs).

EUKOR Car Carriers (EUKOR) lifted 4% more volumes in 2014 and recorded positive development in all trades. The volumes transported in the US trade and other trades improved, while the activity level in the European trade was on par with 2013. The increase in activity level lifted total income. However, increased voyage costs and general rate pressure had a negative effect on total earnings and profit margins.

EUKOR operated a total of 86 vessels (81 vessels) by the end of December 2014, with a total of 531 000 CEUs (485 000 CEUs). In addition, the company employed a large number of spot charter vessels.

American Roll-On Roll-Off Carrier (ARC) experienced a substantial drop in total income and operating profit as US governmental activities in the Middle East continued to decline.

ARC operated a total of five vessels (six vessels) by the end of December 2014, with a total capacity of 30 000 CEUs (35 000 CEUs).

Ship operating activities in Hyundai Glovis contributed with USD 9 million (USD 7 million) to the group's 2014 accounts.

Update on the anti-trust investigation

The Japanese Fair Trade Commission (JFTC) issued a cease and desist order and surcharge order in the first quarter stating that WWL and other companies in the industry restrained competition through jointly agreeing on remaining or maintaining rates. The surcharge for WWL's account was approximately USD 34 million, primarily related to shipment of cars from Japan to Europe. WWASA made an accrual of USD 16.5 million in the fourth quarter 2013.

The final order therefore had no effect on 2014 accounts. WWL did not agree with the JFTC's conclusion, but the WWL board decided not to appeal the order.

WWL and EUKOR continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include among others the US, EU, Canada, Mexico, Brazil, Chile and South Africa. WWASA is not in a position to comment on the ongoing investigations, but expects further clarification during 2015.

Cost of process management related to the investigations is charged on an ongoing basis.

Events after the turn of the year

The Chilean National Economic Prosecutor (FNE) announced 29 January an investigation against the car carrying industry. FNE has filed a suit against six car carriers, including EUKOR before the court for proceedings and decision.

EUKOR has cooperated with Chilean authorities and handed in information on the business, volumes and traffic to Chile as requested. However, there has not been any contact between the company and Chilean authorities since 2013 and EUKOR has therefore initiated a process to clarify the facts related to the claim and the filed suit.

THE LOGISTICS SEGMENT

Main goal

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

Summary of 2014

The group delivered an operating profit of USD 79 million (USD 107 million) based on a total income of USD 560 million (USD 576 million).

During 2014, the logistics segment recorded non-recurring items linked to restructuring and impairment in its joint ventures. In addition, a non-recurring gain was recorded in Hyundai Glovis. Adjusted for these, the total income ended at USD 548 million (USD 576 million) and the operating profit at USD 77 million (USD 108 million).

The main reason for the decline in earnings was related to the loss of the Privately Owned Vehicle (POV) contract held by American Shipping and Logistics (ASL), effective 1 May.

Increased activity level for WWL lifted total income compared with 2013, while the operating profit came in on par with the previous year. WWL handled a total of 2 million units at its terminals (2.1 million), while 6 million units were handled at the companies some 40 technical services facilities (5.9 million units). Inland distribution services grew by almost 10% and totalled 2.6 million units in 2014 (2.4 million units).

WWL was awarded the development of the automotive and ro-ro terminal in Webb Dock West, Melbourne, Australia in the second quarter. The construction commenced late 2014 and, once operational, will have a capacity to handle up to one million units annually.

The activity level at ASL dropped significantly following the loss of the POV contract leading to a decline in total income and operating profit compared with 2013. ASL was restructured in an attempt to position the company for upcoming renewal of governmental contracts.

The logistics activities in Hyundai Glovis contributed with USD 57 million (USD 55 million) for 2014. The figure for 2014 included a non-recurring gain of USD 12 million.

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 2014 can be found on pages 94-103 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 reviewed by the general meeting on 23 April 2015.

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.

In addition, the company issues a Sustainability report. The report is part of Wilh. Wilhelmsen Holding`s (WWH) annual report. A summary of the report can be found on pages 118-139 and the full report is available on the WWASA website. The report, which follows the requirements set forward in the Global Reporting Initiative (GRI), describes how WWASA combines long-term profitability with emphasis on ethical business conduct and with respect for human being, the environment and society at large. The report is reviewed by the general meeting on 23 April 2015.

Focus areas and achievements in 2014

In 2014, WWASA had a particular attention at the following topics:

- emission reduction,
- anti-corruption, competition law, theft and fraud, whistleblowing,
- talent management and
- a global safety culture.

The company's achievements in 2014 included:

- 8.9% reduction of CO2 emissions
- 11.1% reduction of NOx emissions
- 8.9% reduction of SOx emissions
- No oil spills
- More than 90% of land based employees conducted an "I comply" campaign
- Turnover rate at 3.2%
- Decrease in sickness absence
- Engagement survey and performance appraisals conducted
- Performance appraisals conducted
- Safety campaigns conducted on board the company's vessel

Further details on the progress on the focus areas can be viewed inWWH`s sustainability report on pages 118-139.

Ambitions for 2015

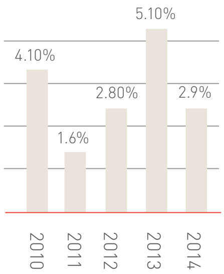
The focus areas for 2014 will continue into 2015.

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, reduce its environmental impact, work towards eliminating

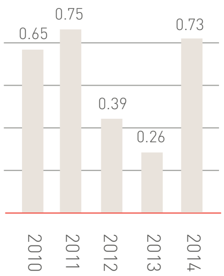
> 90% of employees completed compliance campaign

> 11.1% reduction in NO_X emmisions

Sickness absence Norwegian employees



Lost time injury frequency rate



corruption in own operations as well as the operations of suppliers and business partners.

Acknowledging that regulations become stricter and with an ambition to improve transparency, the company will also continue to improve guidelines, data quality and reporting routines to follow up on issues defined as material for the group's sustainability ambitions. This includes developing KPIs for sustainability to be included in business reviews.

In 2015, the "I comply" campaign will also include seafarers and all WWASA owned and controlled vessels will practice a zero tolerance policy when it comes to facilitation payment.

Workforce, including non-discrimination measures

The group employed 39 people in wholly-owned companies (WWASA parent company, Wilhelmsen Lines Car Carriers UK and Wilhelmsen Lines Malta), and some 6 200 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 47 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 31% (26%) of the 26 (27) employees in WWASA employed in Norway or 33% of the 39 employees when including wholly-owned Wilhelmsen Lines Car Carriers and Wilhelmsen Malta.

WWL (owned 50%) had 77 (91) employees in Norway and 5 971 (4 876) worldwide.
The 40% owned EUKOR employed 213 (207) 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 57 (194) employees at 31 December 2014. The significant reduction of employees was related to the loss of the POV contract for the US government. The 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

The average sickness absence among land based employees was 2.9% in 2014 (5.1%). 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.

No work related injuries were reported during the year.

Turnover

The turnover rate for the company was 3.2% in 2014, indicating that employees in general were satisfied with their employment.

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 0.73 in 2014 (0.26), above the set target of 0.6. All incidents were investigated to avoid similar episodes in the future and to improve necessary training and awareness measures. Not satisfied with the development, the company has initiated a programme to reduce the LTI below the set target.

There were no work related fatalities onboard WWASA's own vessels in 2014.

Near miss incidents

There were no near miss incidents reported on land.

There is a potential to improve near miss incidents among seafarers. All reported near misses will be 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.

The Working Committee (AMU) discusses issues related to health, work environment and safety. The Executive Committee for Industrial Democracy in Foreign Trade Shipping considers drafts 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, both committees held elections as well as four official meetings.

Performance appraisals

The company conducts annual performance appraisals with employees on a global basis, and the completion rate for 2014 was 100% (65%). 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. To support this, WWASA conducts an annual Engagement Survey to give all land based employees the possibility to have their say towards WWASA as an employer. In 2014, 85% of the employees in the company conducted the survey.

The 2014 survey clearly showed an overall high level of engagement and commitment amongst the employees. The survey also showed that employees are generally more proud to be working for the group today compared with 2013. Going forward, WWASA aims to compete with the best-in-class companies. In order to achieve this, results from the previous engagement survey will be followed up closely in 2015, and concrete actions plans are developed.

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 practices a system of performance-related bonuses, intended to be one of several instruments focusing attention on the group's 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 94 and in the notes 4 and 2 in the group and parent accounts respectively, pages 42 and 71. The company also issues a declaration on the determination of employee benefits for senior executives, note 16 to the parent company accounts on page 87. More details on the remuneration policy can also be found on page 101.

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 employee's working situation receives most attention. In

> ” No work related fatalities

”No serious environmental incidents

”Energy performance tool developed and tested to further reduce energy consumption and emission

addition, the company has an internal academy, offering industry-related courses 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. WWASA aims at being the shaper of the maritime industry within environmental and energy efficient vessel operations with minimal adverse effect to the environment. 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.

The company implements its environmental ambition by focusing on high impact initiatives, setting objectives and goals for the operating companies, technical managers and other stakeholders. In 2014, WWASA's main accomplishments included:

- Continued participation in the WG5 group working towards a more efficient and transparent shipping industry.
- Developed and tested a highly sophisticated vessel energy performance reporting tool from the company Shippersys AB, to further reduce the fuel consumption per transported unit.
- Prepared vessels and crew to sail at lower speed and thereby reduced fuel consumption and emission per transported unit.
- New and existing technology evaluated and implemented to reduce fuel consumption and be prepared for future environmental regulations.
- An exhaust gas cleaning system (scrubber) on board MV Tarago tested. Type approval received.
- 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.

In 2015, the company will continue to seek excellence in optimising vessel performance and operations by:

- Install the advanced Shippersys AB energy performance-reporting tool on board all vessels and support further development of innovative software solutions for a more sustainable shipping industry.
- Continue to educate seafarers and office personnel though training sessions in energy efficiency.
- Improve the accuracy of vessel energy performance monitoring further, by installing improved sensors and performance monitoring models.
- Replace the bulbous bow on four vessels.
- Continue to support companies providing more environmentally friendly and efficient solutions to the shipping industry.
- Supporting and working with academia, in novation and related research and development initiatives targeted at further developing the shipping industry's energy and environmental advantages.

An environmental account for 2014 and update on specific issues are included in WWH`s sustainability report on pages 118-139 and available on www.wilhelmsenasa.com.

Environmental incidents in 2014

No serious incidents harming the environment were reported in 2014 and/or leading to fines and/or local authority investigations. In case of incidents and/or near misses, investigations will be conducted to improve necessary processes and implement appropriate training awareness to avoid similar accidents in the future.

Other environmental reporting

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.

Stakeholder engagement

In 2014, WWASA was 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 Trident Alliance, the International Maritime Organisation, KOMpakt, BIMCO and the Norwegian Shipowners' Association and indirectly in organisations such as Maritime Anti-Corruption Network.

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 53-59.

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.

Market development and uncertainties related to the development of the world economy

2014 was, like 2013, characterised by modest global growth and slowing growth in emerging markets. Although some positive signs have been recorded in the EURO area, high public debt and many of the economic challenges remained unsolved. Combined with generally low commodity prices, economic uncertainties affect the demand for seaborne transportation of cars and high and heavy equipment as both private consumption and corporate investment decisions are 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.

Automotive sales grow broadly in line with global GDP, while ocean transportation normally grow less. Growth in 2015 is expected to be modest, but with uneven pace for the different trades.

High and heavy markets have different drivers and are not necessarily correlated. Reduced commodity and agricultural prices have recently had negative effect on mining and farming equipment, while global infrastructure spending has lifted demand for construction equipment.
WWASA's cargo mix is likely to continue to be unfavourable, and demand for break bulk and construction equipment is not expected to outweigh low demand for mining and agricultural equipment.

WWASA continues to focus on efficiency measures and group synergies to utilise its resources in an optimal way.

Change in production patterns and tonnage overcapacity

The geographical pattern of production and sales of cars and ro-ro cargo are changing as a consequence of i.a. restructuring in the industry, a more diversified production pattern among customers 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

Prospect for 2015

- Modest growth in demand for seaborne services
- Continued unfavourable cargo mix
- Fleet renewal - recycling of older vessels and delivery of new tonnage
- Strong equity and sound liquidity
- Semi-annual dividend
- Continued focus on anti-corruption, competition law, theft and fraud and whistleblowing

pressure on the demand/supply balance. The current orderbook is 10% of the current fleet.

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

In addition to being favourably positioned by having a broad base of customers and a comprehensive global coverage, WWASA's operating entities have a 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.

Anti-trust investigation

WWL and EUKOR continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include among others the US, EU, Canada, Mexico, Brazil, Chile and South Africa.

WWASA is not in a position to comment on the ongoing investigations, but expects further clarification during 2015.

Ocean Car Carrying contract

EUKOR's contract with Hyundai and Kia expirees 31 December 2015. WWASA's aim is to uphold its 60% share of Hyundai and Kia exports out of Korea.

Bunker prices increase

WWASA's operating companies are well covered against increases in bunker prices through bunker adjustment factors in freight contracts and bunker hedging contracts. Higher bunker prices will however put some pressure on the operating margin, particularly in a period with a price increase, as there is a lagging effect in the bunker compensation mechanism. Adversely, low bunker prices will have a positive effect on reduced bunker costs, while it may also have a negative effect on the operating entities BAF recovery.

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 from operating entities will impact future cash balance. The cash flow statement is included in the report on page 28.

PROSPECTS

Global economic growth forecasts continue to be modest affecting global trade. Short term, the board of WWASA therefore anticipates the group's volume development to be relatively stable. However, the long-term macro picture supports a positive underlying growth potential for transportation of cars and high and heavy cargo and integrated logistics solutions.

The cargo mix is expected to continue to be unfavourable. The demand for break bulk and construction equipment is not expected to outweigh low demand for mining and agriculture equipment following weak commodity prices in the latter segments. With current fuel prices, the net bunker cost will have a positive effect on operating profit, supported by the effect from cost reducing initiatives.

The logistics segment's contribution to group accounts is estimated to be in line with 2014, adjusted for the loss of the US governmental contract.

WWASA entered 2015 with a healthy balance sheet. With a strong financial position, the company is positioned to further grow the business and prepared to act upon market opportunities. The company's ambition is to continue to shape the maritime industry and be a leading provider of deep sea transportation of car and ro-ro cargo combined with integrated logistics services from factory to dealer. In addition to organic market growth, WWASA will continue to invest in fleet renewal and logistics offering and services to grow its business further.

Forward-looking statements are based on various assumptions. The assumptions were reasonable when made, but are inherently subject to uncertainties and contingencies, which are difficult or impossible to predict.

Lysaker, 18 March 2015

The board of directors of
Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
Chair

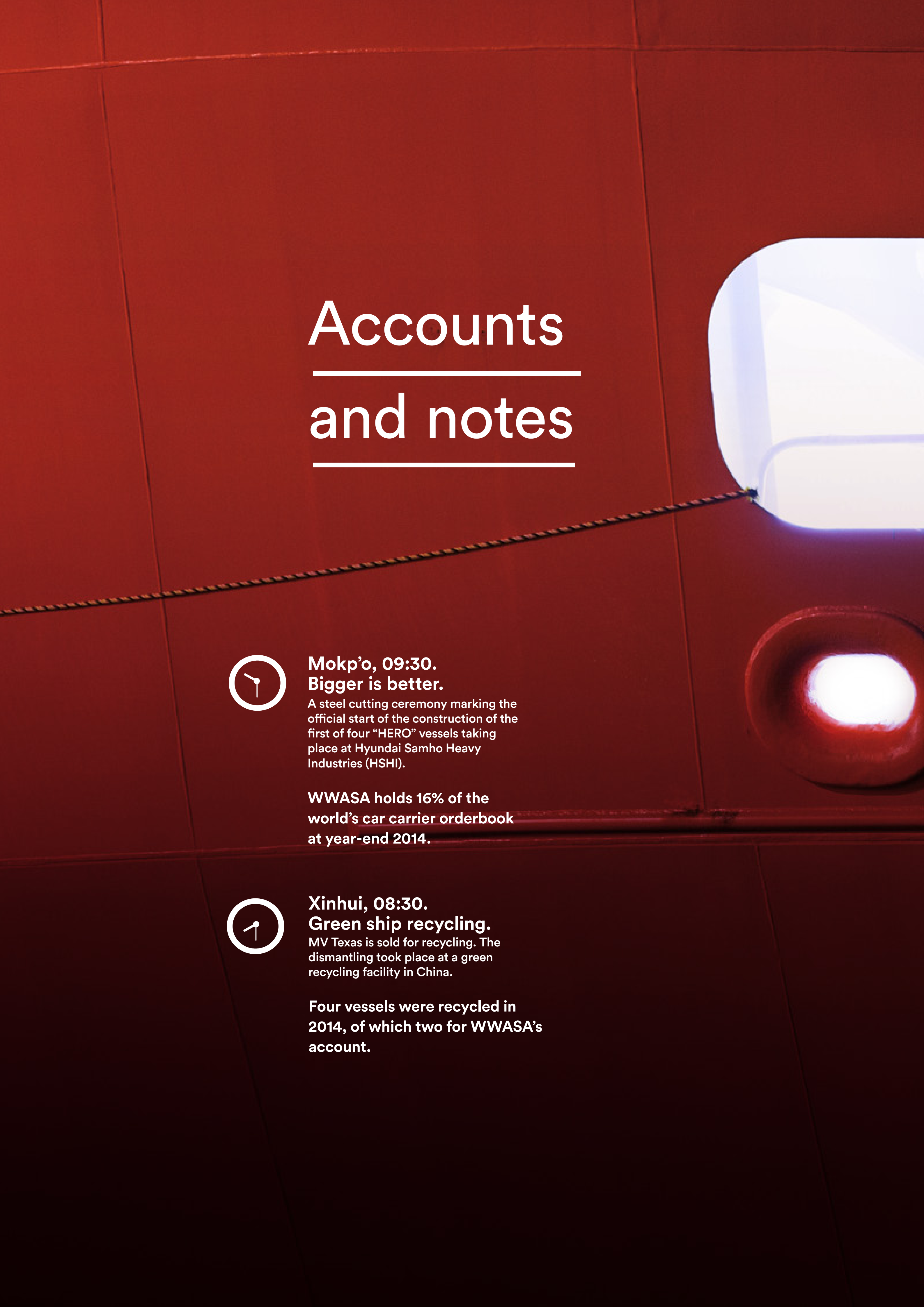
Diderik Schnitler

Nils P Dyvik

Hege Sjo

Marianne Lie

Jan Eyvin Wang
Group CEO



Accounts and notes

Mokp'o, 09:30.
Bigger is better.

A steel cutting ceremony marking the official start of the construction of the first of four “HERO” vessels taking place at Hyundai Samho Heavy Industries (HSHI).

WWASA holds 16% of the world's car carrier orderbook at year-end 2014.

Xinhui, 08:30.
Green ship recycling.

MV Texas is sold for recycling. The dismantling took place at a green recycling facility in China.

Four vessels were recycled in 2014, of which two for WWASA's account.

Manzanillo, 18:30. Keeping up the standards.

MV Tongala receives a visit from the port state authorities.

In 2014, the WWASA controlled and owned fleet recorded 107 port state controls. No vessels were detained and the deficiency rate was acceptable, indicating high standard on the vessels managed by Wilhelmsen Ship Management.

Income statement | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2014	2013
Operating revenue	1/17	**285**	**325**
Other income			
Share of profit from joint ventures and associates	2	152	182
Gain on sale of assets	2/5		1
Total income		**437**	**508**
Operating expenses			
Vessel expenses	1	(47)	(53)
Charter expenses		(23)	(28)
Employee benefits	4	(63)	(79)
Other expenses	1/17	(13)	(11)
Depreciation and impairment	5	(80)	(82)
Total operating expenses		**(225)**	**(253)**
Operating profit		**211**	**255**
Financial income	1	89	133
Financial expenses	1	(197)	(123)
Profit before tax		**104**	**264**
Tax income/(expense)	6	62	7
Profit for the year attributable to owners of the parent		**166**	**272**
Basic and diluted earnings per share (USD)	7	0.75	1.23

Comprehensive income | WILH. WILHELMSEN ASA GROUP

USD mill	Note	2014	2013
Profit for the year		166	272
Other comprehensive income			
Items that may be subsequently reclassified to income statement			
Fair value adjustment available-for-sale financial assets			
Reclassification of revaluation of previously held interest in Norwegian Car Carriers ASA		5	
Cash flow hedges in joint venture, net of tax		(3)	
Currency translation differences in joint venture		(5)	1
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	8	(19)	(9)
Other comprehensive income, net of tax		**(22)**	**(8)**
Total comprehensive income attributable to owners of the parent		**144**	**264**

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	31.12.14	31.12.13
ASSETS			
Non current assets			
Deferred tax assets	6	25	
Goodwill and other intangible assets	5	6	6
Investments in vessels and other tangible assets	5	1 760	1 821
Investments in joint ventures and associates	2	1 164	1 120
Other non current assets	9/17	1	5
Total non current assets		**2 955**	**2 952**
Current assets			
Current financial investments	10	235	254
Other current assets	9/17	23	25
Cash and cash equivalents		140	157
Total current assets		**398**	**436**
Total assets		**3 353**	**3 388**
EQUITY AND LIABILITIES			
Equity			
Share capital		30	30
Retained earnings and other reserves		1 677	1 602
Total equity attributable to owners of the parent		**1 707**	**1 632**
Non current liabilities			
Pension liabilities	8	56	60
Deferred tax liabilities	6		51
Non current interest-bearing debt	12/13	1 236	1 320
Other non current liabilities	9	208	95
Total non current liabilities		**1 500**	**1 527**
Current liabilities			
Current income tax liabilities	6		2
Public duties payable		1	1
Other current liabilities	9/12/17	145	225
Total current liabilities		**145**	**229**
Total equity and liabilities		**3 353**	**3 388**

Lysaker, 18 March 2015

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	2014	2013
Cash flow from operating activities			
Profit before tax		104	264
Financial (income)/expenses, excluding unrealised financial derivates		(8)	32
Financial derivatives unrealised		115	(35)
Depreciation/impairment	5	80	82
(Gain)/loss on sale of tangible assets		1	(1)
Change in net pension assets/liabilities		(24)	(8)
Other change in working capital		7	(1)
Share of profit from joint ventures and associates	2	(152)	(182)
Dividend received from joint ventures and associates	2	95	42
Tax paid (company income tax, witholding tax)		(3)	1
Net cash flow provided by/(used in) operating activities		**216**	**194**
Cash flow from investing activities			
Proceeds from sale of tangible assets		15	14
Investments in vessels, other tangible and intangible assets	5	(35)	(47)
Loan repayments received from joint ventures and associates	9/17		3
Repayments of loan from joint ventures and associates	12/17		(3)
Proceeds from sale of investment-held-for-sale		6	
Proceeds from sale of financial investments		57	90
Investments in financial investments		(64)	(201)
Dividend received (financial investments)		2	1
Interest received		2	1
Net cash flow provided by/(used in) investing activities		**(16)**	**(142)**
Cash flow from financing activities			
Proceeds from issue of debt	12	312	122
Repayment of debt	12	(400)	(100)
Interest paid including interest derivatives		(70)	(81)
Realised financial derivatives		12	(4)
Dividend to shareholders		(69)	(177)
Net cash flow provided by/(used in) financing activities		**(216)**	**(240)**
Net increase/(decrease) in cash and cash equivalents		**(17)**	**(187)**
Cash and cash equivalents, excluding restricted cash, at 01.01		157	344
Currency on cash and cash equivalents*			
Cash and cash equivalents, excluding restricted cash, at 31.12		**140**	**157**

* 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	Other reserves	Retained earnings	Total equity
Balance at 31.12.2013	30	(3)	1 602	1 632
Profit for the year			166	166
Other comprehensive income		(22)		(22)
Total comprehensive income	**0**	**(22)**	**166**	**144**
Dividend to shareholders			(69)	(69)
Balance 31.12.2014	**30**	**(24)**	**1 700**	**1 707**

USD mill	Share capital	Other reserves	Retained earnings	Total equity
Balance at 31.12.2012	30	4	1 507	1 544
Profit for the year			272	272
Other comprehensive income		(8)		(8)
Total comprehensive income	0	(8)	272	264
Dividend to shareholders			(177)	(177)
Balance 31.12.2013	**30**	**(3)**	**1 602**	**1 632**

As of 31 December 2014 the company had no own shares.

Dividend paid for fiscal year 2013 was NOK 1.00 per share paid in May 2014 and NOK 1.00 per share paid in December 2014.

The proposed dividend for fiscal year 2014 is NOK 1.00 per share, payable in the second quarter of 2015. A decision on this proposal will be taken by the annual general meeting on 23 April 2015. The proposed dividend is not accrued in the year-end balance sheet.

	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 2014 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 2015.

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 approved by Ministry of Finance 3 November 2014. In the parent company, the company has elected to apply the exception from IFRS for dividends and group contributions. Otherwise, the explanations of the accounting policies 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 2014 or later

- 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 is adopted, and analyses shows no significant changes for the group or the parent company.

- 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 is adopted, and analyses show no changes for the group or the parent company.

- 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 has no significantly impact on the group or the parent company. See note 2 and note 3 for the group.

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

- IFRS 9, The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9's full impact.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11

'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

- 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.

COMPARATIVE FIGURES
When items are reclassified in the segment reporting, the comparative figures are included from the beginning of the earliest comparative period.

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

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

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, Shippersys AB and corporate group activities like operational management, tax and finance) which fail to meet the definition for other core activities.

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

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

See note 9 and 17 to the group accounts for loans to joint ventures and

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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, i.e. 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

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

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

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

FINANCIAL ASSETS

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

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

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

SHORT TERM INVESTMENTS

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

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

Loans and receivables are recognised initially at their fair value

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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 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
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 up to 31 January 2014.

The group decided 11 November 2014 to terminate the group defined benefit plans for the major part of Norwegian employees and change to defined contribution plan from 1 January 2015. The termination include risk plan that is covered by a defined benefit plan.

From 1 January 2014 the group established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees' related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

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 ACCOUNTS

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

LOANS

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

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

PROVISIONS

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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	2014	2013
OPERATING REVENUE			
Freight revenue	17	270	324
Other revenue		14	1
Total operating revenue		**285**	**325**
VESSEL EXPENSES			
Luboil		(6)	(7)
Stores (water, safety, chemicals, ropes, etc)		(4)	(4)
Maintenance of vessels		(19)	(21)
Insurance		(7)	(8)
Other		(12)	(12)
Total vessel expenses		**(47)**	**(53)**
OTHER EXPENSES			
Office expenses		(1)	(1)
Communication and IT expenses		(1)	(1)
External services		(2)	(1)
Travel and meeting expenses		(1)	(1)
Marketing expenses		(1)	(1)
Loss on sale of vessels		(1)	
Other administration expenses		(7)	(8)
Total other expenses		**(13)**	**(11)**
FINANCIAL INCOME/(EXPENSES)			
Financials			
Investment management*		6	13
Interest income		2	1
Other financial items		(10)	(2)
Net financial items		**(2)**	**13**
Net financials - interest rate			
Interest expense		(45)	(45)
Interest rate derivatives - realised		(26)	(36)
Net interest expenses		**(71)**	**(81)**
Interest rate derivatives - unrealised		(16)	68
Net financial - currency			
Net currency gain/(loss)		70	46
Derivatives for hedging of cash flow risk - realised		8	(7)
Derivatives for hedging of cash flow risk - unrealised		(36)	(14)
Derivatives for hedging of translation risk - realised		4	3
Derivatives for hedging of translation risk - unrealised		(63)	(20)
Net financial - currency		**(17)**	**9**
Financial income/(expenses)		**(108)**	**9**

*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	Business office, country	2014 Voting share/ownership	2013 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%

Wallenius Wilhelmsen Logistics (WWL) is a joint venture between Wilh. Wilhelmsen ASA (WWASA) and Wallenius Lines AB (Wallenius) and was established in 1999. 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 company provides global transportation services for the automotive, agricultural, mining and construction equipment industries and its services consist of supply chain management, ocean transportation, terminal services, inland distribution and technical services. WWL is the contracting party in customer contracts with industrial manufacturers for cars, agricultural machinery etc.

EUKOR Car Carriers (EUKOR), EUKOR Car Carriers Singapore and EUKOR Shipowning are joint ventures between WWASA, Wallenius, Hyundai Motor Company and Kia Motors Corporation. EUKOR is party to contracts for ocean transportation of Hyundai and Kia cars out of Korea, as well as contracting party in customer contracts with other car manufacturers, while the two other are vessel providers.

American Shipping & Logistics Group Inc manages several US based companies, all of which are established on a joint venture basis between WWASA and Wallenius. These companies include a liner service operating company, a ship owning company, and a logistics services provider.

Fidelio Limited Partnership (FLP) owns eight Ro-Ro ships, seven of which are US-flag vessels under contract in the US government's Maritime Security Program (MSP). FLP charters vessels to American Roll-on Roll-off Carrier LLC (ARC), the primary operating company, the largest US Flag Ro-Ro carrier, and the third largest US Flag carrier overall in international trade.

ARC is a vessel-operating company, and provides Ro-Ro liner services in the US - international trades, principally the North Atlantic US-Europe trades. ARC vessels are qualified to transport U.S. government cargo, US-flag preference cargo, and commercial cargo. ARC is a strategic partner of choice providing port-to-port and end-to-end transport of heavy vehicles, automobiles, railcars, project cargoes and other equipment providing service excellence for its customers. ARC also offers extensive associated logistics and intermodal services to its government and commercial customers.

American Auto Logistics LP (AAL), supported by American Logistics Network LLC (ALN) and Transcar GmbH, delivers total door-to-door logistics solution services, and was the contract service provider to the US government under the global privately owned vehicle (POV) contract. Following the loss of the contract in May 2014, AAL was restructured in an attempt to position the company for upcoming renewal of governmental contracts.

All companies are private companies and there are no quoted market price available for the shares.

WWL and EUKOR are subject to anti-trust investigations of the car carrying industry in several jurisdictions. See note 18 for contingencies.

There are no other contingent liabilities relating to the group's interest in the joint ventures.

Cont. note 2 | INVESTMENTS IN JOINT VENTURES

USD mill

Summarised financial information - according to the group's ownership	2014	2013
Share of profit		
Share of total income	2 241	2 285
Share of operating expenses	(2 038)	(2 057)
Share of depreciation	(75)	(70)
Share of net financial items	(23)	(17)
Share of tax expense	(16)	(19)
Share of profit for the year	**86**	**121**

The 2013 eliminations of related party transactions (shipping segment's total income and operating expenses) has been restated. See note 14 for details.

Share of equity (equity method)		
Book value	825	840
Excess value (goodwill)	16	16
Joint ventures' assets, equity and liabilities (WWASA's share of investment)		
Share of non current assets	1 275	1 194
Share of cash and cash equivalents	223	256
Share of current assets	292	322
Total share of assets	**1 790**	**1 772**
Share of equity 01.01	856	768
Share of profit for the period	86	121
Dividend to shareholders	(89)	(35)
Charged directly to equity	(8)	2
Currency translation differences	(5)	1
Share of equity 31.12	**841**	**856**
Share of non current financial liabilities	620	550
Share of other non current liabilities	21	23
Share of current financial liabilities	85	95
Share of other current liabilities	222	248
Total share of liabilities	**949**	**916**
Total share of equity and liabilities	**1 790**	**1 772**

Cont. note 2 | INVESTMENTS IN JOINT VENTURES

Set out below are the summarised financial information, based on 100%, for EUKOR Car Carriers Inc, which, in the opinion of the directors, is a material joint venture to the group. Joint ventures not considered to be material are defined under "other" (based on 100%).

USD mill	EUKOR Car Carriers Inc		Other	
	2014	2013	2014	2013
Summarised income statement/OCI				
Total income	2 249	2 281	2 944	3 058
Operating expenses	(1 931)	(1 938)	(2 777)	(2 868)
Depreciation and impairment	(118)	(102)	(69)	(61)
Net operating profit	**201**	**240**	**99**	**129**
Finacial income/(expense)	(37)	(27)	(18)	(13)
Profit/(loss) before tax	**164**	**213**	**81**	**116**
Tax income/(expense)	(3)	(2)	(30)	(36)
Profit/(loss) for the year, after minority interest	**162**	**211**	**46**	**76**
Other comprehensive income	(8)		(18)	5
Total comprehensive income	**154**	**211**	**28**	**81**
Dividend received from joint ventures, WWASA share	24	24	65	11

	EUKOR Car Carriers Inc		Other	
	31.12.14	31.12.13	31.12.14	31.12.13
Summarised balance sheet				
Non current assets	2 627	2 276	423	566
Other current assets	207	257	422	441
Cash and cash equivalents	270	270	232	307
Total assets	**3 104**	**2 803**	**1 076**	**1 313**
Non current financial liabilities	1 341	1 126	177	218
Other non current liabilities	7	5	37	41
Current financial liabilities	169	166	43	61
Other current liabilities	139	151	316	363
Total liabilities	**1 656**	**1 447**	**573**	**684**
Net assets	**1 448**	**1 356**	**504**	**629**

The information above reflects the 100% amount presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the group and the joint ventures.

	EUKOR Car Carriers Inc		Other	
	2014	2013	2014	2013
Reconciliation of summarised financial information				
Net assets 01.01	1 356	1 204	629	571
Profit/(loss) for the period	162	211	46	76
Other comprehensive income:				
Cash flow hedges, net of tax	(8)			
Currency translation differences			(10)	3
Remeasurement postemployment benefits, net of tax	(1)		(9)	3
Dividend to shareholders	(60)	(60)	(153)	(23)
Net assets 31.12	**1 448**	**1 356**	**504**	**629**
WWASA share	579	542	245	298
Goodwill	11	11	6	6
Carrying value 31.12	**590**	**553**	**251**	**303**

Cont. note 2 | INVESTMENTS IN ASSOCIATES

	Business office/country	2014	2013
		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%

Hyundai Glovis' principal activity is logistics and distribution services. The company provides overseas logistics services, including vehicle export logistics, air freight forwarding, ocean freight forwarding and international express service. Hyundai Glovis also has a growing shipping segment with its own fleet of car carriers and bulk carriers.

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 Company and Kia Motors Corporation.

Hyundai Glovis Co Ltd was listed on 23 December 2005, and the group's equity interest had a stock market value at 31 December 2014 of USD 1 257 million (2013: USD 1 029 million).

Shippersys AB is a joint venture between Wilh. Wilhelmsen ASA, Wallenius Marine AB and the Norwegian meteorology company StormGeo AS. Wilh. Wilhelmsen ASA and Wallenius Marine AB both hold 25% of the venture with the remaining 50% owned by StormGeo AS.The company is focused on developing unique software solutions for the shipping industry.

Shippersys AB is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the group's interest in the associates.

USD mill	2014	2013
Share of profit from associates		
Hyundai Glovis Co Ltd	66	62
Other associates		
Share of profit from associates	**66**	**62**
Book value of material associates		
Hyundai Glovis Co Ltd	322	263
Specification of share of equity and profit/(loss):		
Share of equity 01.01	263	208
Share of profit for the year	66	62
Dividend to shareholders	(7)	(6)
Share of equity 31.12	**322**	**263**

Set out below are the summarised financial information, based on 100%, for Hyundai Glovis Co Ltd, which, in the opinion of the directors, is a material associate to the group. Associate not considered to be material is defined under "other" (based on 100%).

Hyundai Glovis is consolidated a quarter in arrears and figures correspond to periods consolidated into WWASA group.

USD mill	Hyundai Glovis Co Ltd		Other	
Summarised income statement/OCI	2014	2013	2014	2013
Total income	12 922	11 457		
Operating expenses	(12 327)	(10 888)		
Net operating profit	**596**	**569**	**0**	**0**
Finance income & expenses	(7)	3		
Other financial expenses	118	60		
Profit/(loss) before tax	**708**	**631**	**0**	**0**
Tax income/(expense)	(186)	(173)		
Profit/(loss) for the year	**522**	**459**	**0**	**0**
Other comprehensive income	(20)	(7)		
Total comprehensive income	**502**	**451**	**0**	**0**
Dividend received from associates, WWASA share	7	6		

Cont. note 2 | INVESTMENTS IN ASSOCIATES

USD mill	Hyundai Glovis Co Ltd		Other	
Summarised balance sheet	2014	2013	2014	2013
Non current assets	2 587	1 884		
Other current assets	2 475	2 226		
Cash and cash equivalents	705	658		
Total assets	**5 767**	**4 767**	**0**	**0**
Non current financial liabilities	578	443		
Other non current liabilities	416	198		
Current financial liabilities	923	906		
Other current liabilities	1 272	1 172		
Total liabilities	**3 189**	**2 718**	**0**	**0**
Net assets	**2 578**	**2 049**	**0**	**0**

The information above reflects the 100% amounts of the financial statements of the associates adjusted for consolidation eliminations and differences in accounting policies between the group and the associates.

	Hyundai Glovis Co Ltd		Other	
Reconciliation of summarised financial information	2014	2013	2014	2013
Net assets 01.01	2 049	1 603		
Profit/(loss) for the period	522	459		
Other comprehensive income*	60	39		
Dividend to shareholders	(53)	(51)		
Net assets 31.12	**2 578**	**2 049**	**0**	**0**
WWASA share	322	256		
Goodwill	19	19		
Currency translation	(18)	(11)		
Carrying value 31.12	**322**	**263**	**0**	**0**

*Including currency translation difference on net assets 01.01.

Joint ventures' assets, equity and liabilities (WWASA's share of investment)	2014	2013
Reconciliations of the group's income statement and balance sheet		
Share of profit from joint ventures	86	121
Share of profit from associates	66	62
Share of profit from joint ventures and associates	**152**	**182**
Share of equity from joint ventures	841	856
Share of equity from associates	322	263
Share of equity from joint ventures and associates	**1 164**	**1 120**

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. All joint ventures and associates are equity consolidated.

Note 3 | PRINCIPAL SUBSIDARIES

	Business office, country	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)
Shipping/Logistics				
Wilhelmsen Lines AS	Lysaker, Norway	Intermediate holding company	100%	100%
Wilhelmsen Lines Shipowning AS	Lysaker, Norway	Shipowner		100%
Wilhelmsen Ships Holding AS	Lysaker, Norway	Intermediate holding company		100%
Wilhelmsen Lines Car Carriers Ltd	Southampton, United Kingdom	Shipowner		100%
Wilhelmsen Ships Holding Malta Ltd	Marsa, Malta	Intermediate holding company		100%
Wilhelmsen Lines Malta Ltd	Marsa, Malta	Intermediate holding company		100%
Wilhelmsen Lines Shipowning Malta Ltd	Marsa, Malta	Shipowner		100%
Holding				
Den Norske Amerikalinje AS	Lysaker, Norway	Intermediate holding company	100%	100%

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

Note 4 | EMPLOYEE BENEFITS

USD mill	2014	2013
Pay	7	10
Payroll tax	2	2
Pension cost	3	3
Termination gain defined benefit plan	(11)	
Employee benefits seagoing personnel*	54	63
Other remuneration	2	2
Provision downsizing Scandinavian officers	6	
Total employee benefits	**63**	**79**

Number of employees		
Group companies in Norway	26	27
Group companies abroad	13	14
Total employees*	**39**	**41**
Average number of employees	40	43

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

Cont. note 4 | EMPLOYEE BENEFITS

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2014						
President and CEO - Jan Eyvin Wang	574	188	427	426**	1 615	10 174
CFO - Benedicte Bakke Agerup	314	99	38	25	476	2 998

**Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 387.

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	40	26	477	2 802

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

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.

REMUNERATION OF THE BOARD OF DIRECTORS

USD 1 000	2014	2013
Diderik Schnitler***	48	50
Hege Sjo	48	50
Marianne Lie	48	50
Thomas Wilhelmsen (chair)		
Nils P Dyvik		

***Diderik Schnitler has an additional consulting agreement with the group where he got paid USD 34 (2013: USD 33). Remuneration of the nomination committee totalled USD 11 in 2014 (2013: USD 12).

The board's remuneration for the fiscal year 2014 will be approved by the general meeting 23 April 2015.

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

Cont. note 4 | EMPLOYEE BENEFITS

OPTION PROGRAM FOR SENIOR EXECUTIVES

Option program from 1 January 2011 until 31 December 2013, extended to 2014 - 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, extended to 2014, 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 WWASA 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 2014 was NOK 55.00 (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 2013 was NOK 50.40.

Granted share equivalents annually given:	Share equivalent in WWASA shares	
	2014	2013
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 out of money for 2014 (in the money for 2013) and the group has not made any provision for 2014 (2013: USD 0.2 million).

EXPENSED AUDIT FEE

USD mill	2014	2013
Statutory audit	0.4	0.4
Other assurance services	0.3	0.2
Tax advisory fee	0.1	0.2
Other assistance		
Total expensed audit fee	**0.8**	**0.8**

Note 5 | PROPERTY, VESSELS AND OTHER TANGIBLE ASSETS

USD mill	Other tangible assets	Vessels*	Newbuilding contracts**	Total tangible assets	Intangible assets
2014					
Cost price at 01.01	2	2 436	31	2 469	7
Additions		5	30	35	
Disposal	(1)	(103)		(103)	
Cost price at 31.12	**2**	**2 338**	**61**	**2 401**	**7**
Accumulated depreciation and impairment losses 01.01	(1)	(647)		(648)	(1)
Depreciation		(76)		(76)	
Disposal		86		86	
Impairment		(4)		(4)	
Accumulated depreciation and impairment losses at 31.12	**(1)**	**(640)**		**(641)**	**(1)**
Carrying amounts at 31.12	**0**	**1 698**	**61**	**1 760**	**6**
2013					
Cost price at 01.01	2	2 508		2 510	8
Additions		16	31	47	
Disposal		(88)		(89)	(1)
Cost price at 31.12	**2**	**2 436**	**31**	**2 469**	**7**
Accumulated depreciation and impairment losses 01.01	(1)	(641)		(642)	(2)
Depreciation		(82)		(82)	
Disposal		76		76	1
Accumulated depreciation and impairment losses at 31.12	**(1)**	**(647)**		**(648)**	**(1)**
Carrying amounts at 31.12	**1**	**1 789**	**31**	**1 821**	**6**
Economic lifetime	3-10 years	30 years			
Depreciation schedule	Straight-line	Straight-line			

*Vessels include dry-docking and carrying amounts at year end was USD 14 million (2013: USD 14 million).
**No interest expenses related to newbuilding contracts have been capitalised since the newbuildings are equity financed until delivery.

Segment-level summary of the goodwill allocation	2014	2013
Shipping	6	6
Total goodwill allocation	**6**	**6**

During 2014, no new vessels were delivered. WWASA has, on own accounts, four new vessels due for delivery in 2015 (2) and 2016 (2). See note 16 for commitments related to the newbuilding program.

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 2015-2019. Cash flows remain stable until vessels exceeds 20 years, then time charter earnings are reduced by 5% 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 6.17% in 2014.

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 2014.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 198 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 230 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 172 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 172 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 2014. 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 2014.

The tonnage tax is considered as operating expense in the accounts.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 27% for 2014 (2013: 28%). 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% (2013: 27%).

Forced exit taxation
Wilhelmsen Lines Shipowning AS (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. 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.

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 2014 was USD 4 million.

Cont. note 6 | TAX

USD mill	2014	2013
Distribution of tax (income)/expense for the year		
Payable tax (including witholding tax)	3	2
Change in deferred tax	(65)	(9)
Total tax (income)/expense	**(62)**	**(7)**

The tax income for 2014 is driven by the tax effect of unrealised currency losses related to non current interest-bearing debt in USD in the Norwegian entities.

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 27%

Profit before tax	104	264
27% tax (2013: 28%)	28	74
Tax effect from:		
Permanent differences	(6)	
Non taxable income	(43)	(18)
Share of profits from joint ventures and associates	(41)	(45)
Payable taxes previous year		(3)
Currency transition from USD to NOK for Norwegian tax purpose	(4)	(17)
Withholding tax	4	2
Calculated tax (income)/expense for the group	**(62)**	**(7)**
Effective tax rate for the group	(60%)	(2%)

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 had a positive effect in 2014 of USD 4 mill (2013: USD 17 mill).

USD mill	2014	2012
Deferred tax assets to be recovered after more than 12 months	51	13
Deferred tax assets to be recovered within 12 months	48	31
Deferred tax liabilities to be recovered after more than 12 months	(57)	(74)
Deferred tax liabilities to be recovered within 12 months	(17)	(21)
Net deferred tax assets/(liabilities)	**25**	**(51)**
Net deferred tax liabilities at 01.01	(51)	(66)
Currency translation differences	4	3
Tax charged to equity	6	3
Income statement charge	65	9
Net deferred tax assets/(liabilities) at 31.12	**25**	**(51)**
Deferred tax assets in balance sheet	25	
Deferred tax liabilities in balance sheet		(51)
Net deferred tax assets/(liabilities)	**25**	**(51)**

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:

USD mill	Tangible assets	Tonnage tax regime	Other	Total
Deferred tax liabilities				
At 31.12.2013	(44)	(52)	(2)	(99)
Through income statement	4	16	5	25
Currency translations		2		2
Deferred tax liabilities at 31.12.2014	**(40)**	**(33)**	**1**	**(73)**
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)**

	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 31.12.2013	52	(7)	3	49
Through income statement	24	2	17	43
Charged directly to equity	6			6
Currency translations	1		1	2
Deferred tax assets at 31.12.2014	**83**	**(4)**	**21**	**98**
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**

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 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
In order to reduce the group's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the group regularly reviews and continuously improves the design of its post-employment defined benefit plans. Until 31 December 2014 the group provides both defined benefit pension plans and defined contribution pension plans.

For many years the group had a defined benefit plan for employees in Norway through Storebrand. The defined benefit plan was closed for new employees 1 May 2005.

The group decided 11 November 2014, to terminate the group defined benefit plans for the Norwegian employees and change to defined contribution plan from 1 January 2015. After the termination all affected employees received a paid-up policy as of 31 December 2014. The termination also included the risk plan, related to the group's defined contribution pension schemes, that was covered by a defined benefit 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 up to 31 December 2014. From 1 January 2015, the contributions from the group are changed to be in accordance with new requirements.

The group pension liabilities have been calculated based on updated actuarial and financial assumptions as of 31 December 2014, and booked against other comprehensive income (directly to equity) before the termination has been reversed as an accounting gain through profit and loss and included in employees benefits to be a part of the group's operating profit.

The change in the group pension plans decreased the net equity with approximately USD 9 million.

The net effect of equity is as follow:
Through the income statement a gain of USD 17 million and a loss before tax through other comprehensive income (directly to equity) of USD 25 million.

From 1 January 2014, the group established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries excess of 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees' related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

In addition the group has 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 includes 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 the remaining 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 obligations are 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 a few 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	
	2014	2013	2014	2013
Number of people covered by pension schemes at 31.12				
In employment	2	36	37	71
On retirement (inclusive disability pensions)		249	691	700
Total number of people covered by pension schemes	**2**	**285**	**728**	**771**

	Expenses		Commitments	
	2014	2013	31.12.14	31.12.13
Financial assumptions for the pension calculations:				
Discount rate	4.00%	3.85%	2.30%	4.00%
Anticipated pay regulation	3.50%	3.50%	3.00%	3.50%
Anticipated increase in National Insurance base amount (G)	3.50%	3.50%	3.00%	3.50%
Anticipated regulation of pensions	0.60%	1.00%	0.60%	0.60%

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. The disability tariff is based on the KU table.

Cont. note 8 | PENSION

	31.12.14	31.12.13
Pension assets investments		
Current bonds	10.6%	11.3%
Bonds held to maturity	45.9%	40.4%
Money market	(0.8%)	2.2%
Equities	6.7%	8.4%
Other (property, credit bonds)	37.8%	37.8%
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 6.6% at 31 December (2013: 5.3%).

USD mill		2014			2013	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	1		1	1		1
Termination gain defined benefit plan	(11)		(11)			0
Net interest cost		2	2		2	2
Cost of defined contribution plan			0			0
Net pension expenses	**(10)**	**2**	**(8)**	**1**	**2**	**3**

	2014	2013
	Total	Total
Remeasurements - Other comprehensive income		
Effect of changes in demographic assumptions		(12)
Effect of changes in financial assumptions		4
Effect of experience adjustments	(19)	(2)
(Return) on plan assets (excluding interest income)	(1)	(1)
Total remeasurements included in OCI (parent and subsidaries)	**(20)**	**(12)**
Tax effect of pension OCI (parent and subsidaries)	5	3
Net remeasurements in OCI (parent and subsidaries)	**(14)**	**(9)**
Remeasurements included in OCI (joint ventures)	(5)	
Total remeasurements included in OCI	**(19)**	**(9)**

	2014	2013
Pension obligations		
Defined benefit obligation at 01.01	98	99
Effect of changes in foreign exchange rates	(18)	(8)
Service cost - current	1	1
Termination gain defined benefit plan	(11)	
Interest expense	3	3
Benefit payments from plan	(3)	(3)
Benefit payments from employer	(4)	(4)
Settlement payments from plan assets	(28)	
Remeasurements - change in assumptions	19	11
Pension obligations at 31.12	**58**	**98**

Cont. note 8 | PENSION

USD mill	2014	2013
Gross pension assets		
Fair value of plan assets at 01.01	38	43
Effect of changes in foreign exchange rates	(7)	(4)
Interest income	1	1
Employer contributions	1	1
Benefit payments from plan	(3)	(3)
Settlement payments from plan assets	(28)	
Net changes in business combinations/transfers		1
Return on plan assets (excluding interest income)	(1)	(1)
Gross pension assets at 31.12	**2**	**38**

	2014			2013		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Defined benefit obligation	1	55	57	38	59	97
Service cost	1		1	1		1
Total pension obligations	**2**	**56**	**58**	**39**	**59**	**98**
Fair value of plan assets	2		2	38		38
Net pension liabilities	**(1)**	**(56)**	**(56)**	**(1)**	**(59)**	**(60)**

Premium payments in 2015 are expected to be USD 0.9 million (2014: USD 1.4 million). Payments from operations are estimated at USD 4.0 million (2014: USD 4.3 million).

Historical developments	31.12.14	31.12.13	31.12.12	01.01.12	31.12.10
Defined benefit obligation	(58)	(98)	(99)	(98)	(100)
Plan assets	2	38	43	42	42
Surplus/(deficit)	**(56)**	**(60)**	**(56)**	**(55)**	**(58)**

Note 9 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2014	2013
OTHER NON CURRENT ASSETS			
Available-for-sale financial assets			4
Financial derivatives			
Other non current assets	17	1	1
Total other non current assets		**1**	**5**
OTHER CURRENT ASSETS			
Luboil		3	4
Accounts receivables		2	6
Accounts receivables related party	17	3	1
Financial derivatives		8	
Payroll tax withholding account	11		1
Other current receivables		7	14
Total other current assets		**23**	**25**
OTHER NON CURRENT LIABILITIES			
Financial derivatives		205	95
Other non current liabilities		3	
Total other non current liabilities		**208**	**95**
OTHER CURRENT LIABILITIES			
Accounts payables		3	2
Accounts payables related party	17	1	1
Next year's instalment on interest-bearing debt	12	90	182
Financial derivatives		17	4
Other current liabilities related party	17		1
Other current liabilities		34	35
Total other current liabilities		**145**	**225**

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.

	2014	2013
Accounts receivable per segment		
Shipping (shipowners)	4	6
Holding		
Total accounts receivables	**4**	**7**

See note 13 on credit risk.

Note 10 | CURRENT FINANCIAL INVESTMENTS

USD mill	2014	2013
Market value current financial investments		
Bonds	159	194
Other financial assets	76	60
Total current financial investments	**235**	**254**

The fair value of the investments that are actively traded in organised financial markets is determined by reference to quoted market price at the close of business on the balance sheet date.

Net unrealised gain/(loss) 31.12	(15)	9

Note 11 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2014	2013
Payroll tax withholding account	0	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	128

Note 12 | INTEREST-BEARING DEBT

USD mill	Note	2014	2013
Interest-bearing debt			
Mortgages		924	974
Leasing commitments		82	90
Bonds		319	439
Total interest-bearing debt		**1 325**	**1 502**
Book value of mortgaged and leased asset			
Vessels		1 627	1 691
Newbuilding contracts			
Total book value of mortgaged and leased assets		**1 627**	**1 691**
Repayment schedule for interest-bearing debt			
Due in year 1	9	90	182
Due in year 2		185	98
Due in year 3		91	399
Due in year 4		280	79
Due in year 5 and later		680	743
Total interest-bearing debt		**1 325**	**1 502**

Cont. note 12 | INTEREST-BEARING DEBT

USD mill	Note	2014	2013
Net interest-bearing debt (joint ventures based on equity method)			
Non current interest-bearing debt		1 236	1 320
Current interest-bearing debt	9	90	182
Total interest-bearing debt		**1 325**	**1 502**
Cash and cash equivalents		140	157
Current financial investments	10	235	254
Net interest-bearing debt		**951**	**1 092**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt	2	620	550
Current interest-bearing debt	2	85	95
Total interest-bearing debt in joint ventures		**705**	**646**
Cash and cash equivalents	2	223	266
Current financial investments			
Net interest-bearing debt in joint ventures		**482**	**380**

- A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 50 million at 31 December 2014 (2013: USD 50 million).
- The group's total leasing commitments, USD 82 million at 31 December 2014 (2013: USD 90 million), relates to a financial lease agreement for 3 (2013: 3) 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 106 million (2013: USD 110 million), and depreciation for the year came to USD 4 million (2013: USD 4 million).
- Loan agreements entered into by the group contain 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 2014 (analogous for 2013).
- 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.

	2014	2013
Guarantee commitments		
Guarantees for group companies	980	1 031
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	924	973
NOK	319	439
GBP	82	90
Total	**1 325**	**1 502**
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	1 105	1 359

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

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 SEK and 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 2014 was approximately 60% (2013: 35%). 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.

On currency derivatives used for hedging of cash flow risk the group realised a gain of USD 8.0 million (2013: loss of USD 7.3 million) in 2014. The market value of outstanding FX hedges by end of December 2014 was negative USD 41.8 million (2013: negative USD 6.4 million).

Hedging of translation risk

The group has outstanding NOK-denominated bonds of about NOK 2.4 billion (USD 319 million). The corresponding amount was NOK 2.7 billion (USD 439 million) for 2013. A large part of this debt (NOK 2.0 billion) has been hedged against USD with basis swaps. The group had an unrealised loss of USD 59.0 million on these derivatives in 2014 (2013: unrealised loss of USD 22.0 million), ending 2014 with a USD 59.2 million negative fair value of outstanding basis swaps (2013: negative USD 0.3 million).

The group has financial leases related to three car carriers in GBP with a value of USD 82 million at 31 December 2014. This debt has been hedged against USD using basis 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 basis swaps. In sum, these swaps had a negative market value of USD 12.1 million (2013: negative USD 7.7 million) on 31 December.

FX sensitivities

On 31 December 2014, material foreign currency balance sheet exposure subject to translation risk was in NOK, EUR, 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	5.97	6.72	7.46	8.21	8.96
Income statement effect (post tax)	**(5)**	**(4)**	**0**	**3**	**3**
USD/EUR	0.97	1.09	1.21	1.33	1.46
Incremental P&L effect (post tax)	**(1)**	**(1)**	**0**	**1**	**1**
USD/SEK	6.22	6.99	7.77	8.55	9.33
Incremental P&L effect (post tax)	**4**	**3**	**0**	**(2)**	**(2)**
USD/DKK	4.91	5.53	6.14	6.75	7.37
Incremental P&L effect (post tax)	**2**	**2**	**0**	**(2)**	**(1)**

(Tax rate used is 27% that equals the Norwegian tax rate)

A negative USD 5 million in translation risks was booked in other comprehensive income as of 31 December 2014. 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	5.97	6.72	7.46	8.21	8.96
Income statement effect (post tax)	**22**	**23**	**0**	**(24)**	**(22)**

(Tax rate used is 27% 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 55% (2013: about 50%) of its outstanding long-term interest exposure at 31 December 2014. The hedge ratio at 31 December 2014, is about 70% (2013: about 60%) when fixed rate debt is also included.

At 31 December, the overall portfolio of loan hedging derivatives had a negative value of USD 101 million (2013: negative USD 84 million).

USD mill	2014	2013
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1		
Due in year 2	240	40
Due in year 3	100	240
Due in year 4	150	100
Due in year 5 and later*	460	570
Total interest rate hedges	**950**	**950**
*of which forward starting	200	200

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	50
2016	150	150
Total forward starting	**200**	**200**

The average remaining term of the existing loan portfolio is approximately 4.3 years, while the average remaining term of the running hedges and fixed interest loans is approximately 3.9 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 recognised over the income statement (as "unrealised 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 summarised in below table:

USD mill					
Fair value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value	**(51)**	**(26)**	**0**	**26**	**51**

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	2014		2013	
	Assets	Liabilites	Assets	Liabilites
Interest rate derivatives				
Wilh. Wilhelmsen ASA		19		5
Wilhelmsen Lines Shipowning AS		2		3
Wilhelmsen Lines AS		80		77
Total interest rate derivatives	**0**	**101**	**0**	**84**
Derivatives used for cash flow hedging				
Wilh. Wilhelmsen ASA		50		3
Wilhelmsen Lines AS	8			4
Total currency cash flow derivatives	**8**	**50**	**0**	**7**
Derivatives used for translation risk hedging (basis swaps)				
Wilh. Wilhelmsen ASA		59		
Wilhelmsen Lines Car Carriers Ltd		12		8
Total cross currency derivatives (basis swaps)	**0**	**71**	**0**	**8**
Total market value of capitalised financial derivatives	**8**	**222**	**0**	**99**

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 summarised in below table:

USD mill					
Fair value sensitivities of equity market risk					
Change in equity prices	(20%)	(10%)	0%	10%	20%
Income statement effect	**(7)**	**(4)**	**0**	**4**	**6**

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 (< 2 year). The interest rate sensitivity towards the fair value of held bonds is summarised in below table:

USD mill					
Fair value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Income statement effect	**4**	**2**	**0**	**(2)**	**(4)**

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 2014 was about 113 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

Fair value sensitivities of credit risk					
Change in credit spreads level	(2%)	(1%)	0%	1%	2%
Income statement effect	**4**	**2**	**0**	**(2)**	**(4)**

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 255 per tonne at end of 2014, which is significantly lower than previous year (2013: USD 585).

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 negative USD 3.2 million (2013: positive USD 0.3 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 cash equivalents
The group's exposure to credit risk on cash and cash equivalents 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 in addition to outstanding derivatives has a negative fair value.

Loans to associate
The group's exposure to credit risk on loans to associate is limited as the group, together with its associate partners, control the entity to which loans has been provided.

No loans or receivables were past due or impaired as of 31 December 2014 (analogous for 2013).

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	2014	2013
Exposure to credit risk			
Other non current assets	9	1	1
Accounts receivable	9	5	7
Financial derivatives - asset	9	8	
Other current assets	9	7	14
Current financial investments	10	235	254
Cash and cash equivalents		140	157
Total exposure to credit risk		**395**	**433**

Book value equals fair 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 slightly during 2014 as a result of limited investments in 2014. Cash flow from operating activities offset by cash flow from financing activities.

At 31 December, the group had USD 375 million (2013: USD 407 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2013: 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	108	117	573	334
Leasing commitments	8	8	23	82
Bonds	14	109	217	26
Financial derivatives	77	47	94	6
Total interest-bearing debt	**207**	**281**	**908**	**448**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	38			
Total gross undiscounted cash flows financial liabilities 31.12.2014	**245**	**281**	**908**	**448**
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 and financial derivatives)	39			
Total gross undiscounted cash flows financial liabilities 31.12.2013	**298**	**168**	**919**	**518**

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 group'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 group 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 group is in compliance with all financial and 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 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 2014 the return on capital employed was 6.9% (2013: 8.2%).

USD mill	2014	2013
Capital employed		
Average equity	1 670	1 588
Average interest-bearing debt	1 414	1 518
Profit after tax	166	272
Operating profit	211	255
Return on equity	9.9%	17.1%
Return on capital employed	6.9%	8.2%

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 value
Interest-bearing debt		
Mortgages	932	924
Leasing commitments	85	82
Bonds	323	319
Total interest-bearing debt 31.12.2014	**1 340**	**1 325**
Mortgages	956	974
Leasing commitments	87	90
Bonds	451	439
Total interest-bearing debt 31.12.2013	**1 494**	**1 502**

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		8		8
- Equities	75			75
- Bonds	142	17		159
Total assets 31.12.2014	**217**	**25**	**0**	**242**
Financial liabilities at fair value through income statement				
- Financial derivatives		222		222
Total liabilities 31.12.2014	**0**	**222**	**0**	**222**
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
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**

Cont. note 13 | FINANCIAL RISK

The following table presents the changes in level 3 instruments:

USD mill	2014	2013
Changes in level 3 instruments		
Balance at 01.01	0	0
Disposals		
Gains and losses recognised through income statement		
Balance at 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 close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2014 are listed equities and liquid investment grade bonds (2013: listed equities and liquid investment grade bonds).

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

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

Financial instruments by category:

USD mill	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets				1	1
Current financial investments		235			235
Other current assets	5	8		10	23
Cash and cash equivalent	140				140
Assets at 31.12.2014	**145**	**242**	**0**	**11**	**398**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 236	1 236
Other non current liabilities	205	3	208
Other current liabilities	17	128	145
Liabilities 31.12.2014	**222**	**1 366**	**1 589**

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

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

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 2013 eliminations of related party transactions (shipping segment's total income and operating expenses) has been restated. See next page for details:

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2014 is as follows:

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
INCOME STATEMENT										
Operating revenue	2 042	2 114	503	521	6	6	(25)	(31)	2 525	2 609
Share of profits from associates	9	7	57	55					66	62
Gain on sale of assets		1								1
Total income	**2 051**	**2 122**	**560**	**576**	**6**	**6**	**(25)**	**(31)**	**2 592**	**2 673**
Voyage expenses	(1 080)	(1 121)					19	26	(1 061)	(1 096)
Vessel expenses	(82)	(86)							(82)	(86)
Charter expenses	(329)	(335)							(329)	(335)
Employee benefits	(159)	(157)	(38)	(35)		(12)			(197)	(204)
Other expenses	(77)	(80)	(431)	(427)	(7)	(6)	6	6	(510)	(506)
Depreciation and impairment	(147)	(145)	(12)	(7)					(160)	(152)
Total operating expenses	**(1 875)**	**(1 924)**	**(482)**	**(469)**	**(7)**	**(18)**	**25**	**31**	**(2 339)**	**(2 380)**
Operating profit (EBIT)*	**176**	**198**	**79**	**107**	**(1)**	**(12)**	**0**	**0**	**253**	**293**
Net financial items	2	15	1	1	1	8	(5)	(7)	(1)	16
Net interest expenses, including derivatives	(75)	(28)	(1)	(1)	(37)	(6)	5	7	(108)	(28)
Net currency items, including derivatives		4	(1)	(0)	(19)	4			(22)	8
Valuation of bunker hedges		(3)							0	(3)
Profit/(loss) before tax	**101**	**186**	**77**	**106**	**(56)**	**(7)**	**0**	**0**	**122**	**285**
Tax income/(expense)	23	1	(9)	(17)	32	4			46	(12)
Profit/(loss)	**125**	**186**	**68**	**90**	**(25)**	**(2)**	**0**	**0**	**168**	**273**
Of which minority interest			(2)	(2)					(2)	(2)
Profit/(loss) after minority interest	**125**	**186**	**66**	**88**	**(25)**	**(2)**	**0**	**0**	**166**	**272**

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

Income in 2014 of approximately USD 177 million (2013: USD 177 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	2014	2013
Total segment income	14	2 592	2 673
Share of total income from joint ventures	2	(2 241)	(2 285)
Share of profit from joint ventures	2	86	121
Total income		**437**	**508**
Share of profit from joint ventures and associate	2	(152)	(182)
Gain on sale of assets			(1)
Operating revenue	1	**285**	**325**
Segment note's profit for the year	14	166	272
Profit for the year (Income statement)		**166**	**272**

Cont. note 14 | SEGMENT REPORTING

RESTATEMENT OF ELIMINATION OF RELATED PARTY TRANSACTIONS

Related party transactions (Time charter income, space charter and other income from terminal activities) between Eukor Car Carriers Inc (Eukor) and Wallenius Wilhelmsen Logistics AS (WWL) is eliminated in the consolidated accounts.
During 2014 the group has reviewed and analysed the intercompany transactions between the group joint venture's WWL and EUKOR. EUKOR revenues where WWL acted as collector has previously been eliminated in the consolidated accounts. These revenues are a part of the group revenues in Income statement based on proportionate consolidation for joint ventures. The adjustments have no effect on EBIT or net profit. The 2013 figures are restated and showed below.

	As reported		Restatement	Restated figures	
USD mill	Shipping	Total		Shipping	Total
	2013	2013	2013	2013	2013
INCOME STATEMENT					
Operating revenue	1 964	2 460	150	2 113	2 609
Share of profit from associates	7	62		7	62
Gain on sale of assets	1	1		1	1
Total income	**1 973**	**2 523**	**150**	**2 122**	**2 673**
Voyage expenses	(934)	(909)	(187)	(1 121)	(1 096)
Vessel expenses	(86)	(86)		(86)	(86)
Charter expenses	(335)	(335)		(335)	(335)
Employee benefits	(157)	(204)		(157)	(204)
Other expenses	(117)	(544)	37	(80)	(506)
Depreciation and impairment	(145)	(152)		(145)	(152)
Total operating expenses	**(1 775)**	**(2 230)**	**(150)**	**(1 925)**	**(2 380)**
Operating profit (EBIT) *	**198**	**293**	**0**	**198**	**293**
Financial income/(expenses)	(13)	(8)		(13)	(8)
Profit/(loss) before tax	**186**	**285**	**0**	**186**	**285**
Tax income/(expense)	1	(12)		1	(12)
Profit/(loss)	**186**	**273**	**0**	**186**	**273**
Of which minority interest		(1)			(1)
Profit/(loss) after minority interest	**186**	**272**	**0**	**186**	**272**

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

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	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
BALANCE SHEET										
Fixed assets	1 765	1 826			1				1 766	1 827
Investments in joint ventures and associates	686	695	478	425					1 164	1 120
Non current receivables/ investments	0	5			92	187	(66)	(187)	26	5
Current assets	377	353			35	86	(14)	(3)	398	436
Total assets	**2 828**	**2 879**	**478**	**425**	**128**	**274**	**(81)**	**(190)**	**3 353**	**3 388**
Equity	1 620	1 437	478	425	(391)	(229)			1 707	1 632
Non current liabilities	1 083	1 304			483	409	(66)	(187)	1 500	1 527
Current liabilities	124	138			35	94	(14)	(3)	145	229
Total equity and liabilities	**2 828**	**2 879**	**478**	**425**	**128**	**274**	**(81)**	**(190)**	**3 353**	**3 388**
Investments in tangible assets	35	47							35	47

Cont. note 14 | SEGMENT REPORTING

USD mill	Europe		Americas		Asia & Africa		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
GEOGRAPHICAL AREAS										
Total income	7	17	9	25	136	153	285	314	437	508
Total assets	179	193	42	52	322	263	2 809	2 879	3 353	3 388
Investment in tangible assets							35	47	35	47

Assets and investments in shipping-related activities are not allocated to geographical areas, since these assets constantly move between the geographical areas 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
Area 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
Area assets are based on the geographical location of the assets.

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

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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
INCOME STATEMENT										
Income other operating segments						6		(6)	0	0
Income external customers	285	324			6		(5)		285	324
Share of profits from joint ventures and associates*	86	95	66	88					152	182
Gain on sales of assets		1							0	1
Total income	**371**	**420**	**66**	**88**	**6**	**6**	**(5)**	**(5)**	**437**	**508**
Primary operating profit	**226**	**262**	**66**	**88**	**(1)**	**(12)**			**291**	**337**
Depreciation and impairment	(79)	(82)							(80)	(82)
Operating profit	**147**	**179**	**66**	**88**	**(1)**	**(12)**	**0**	**0**	**211**	**255**
Financial income/(expenses)	(53)	4			(55)	6			(108)	9
Profit/(loss) before tax	**94**	**183**	**66**	**88**	**(56)**	**(7)**	**0**	**0**	**104**	**264**
Tax income/(expense)	30	3			32	4			62	7
Profit/(loss) for the year	**125**	**186**	**66**	**88**	**(25)**	**(2)**	**0**	**0**	**166**	**272**

* 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 2013 to 31 December 2014.

Note 16 | COMMITMENTS

The group has lease agreements for 3 vessels on operating leases. 3 leases run over 15 years from 2006 (2) and 2007 (1) 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	2014	2013
Due in year 1	23	23
Due in year 2	23	23
Due in year 3	23	23
Due in year 4	23	23
Due in year 5 and later	66	89
Value of operating lease commitments	**157**	**180**

WWASA has, on own accounts, four new vessels due for delivery in 2015 (2) and 2016 (2).
The commitments related to the newbuilding program is set out below:

USD mill	2014	2013
Due in year 1	145	89
Due in year 2	130	82
Due in year 3		125
Value of newbuilding commitments	**275**	**296**

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 about 60% of voting shares of Wilh. Wilhelmsen Holding ASA who has an ownership of approximately 73% 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 280 000 whereof USD 254 000 was ordinary paid pension and USD 27 000 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	2014	2013
Operating revenue from WWH	0.1	0.3
Operating revenue from related parties are accounting services		
Operating expenses to WWH, Wilservice AS and WMS group	8.2	8.2

Cont. note 17 | RELATED PARTY TRANSACTIONS

WWH delivers services to the WWASA group related to inter alia human resources, tax, communication, treasury, accounting and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

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	2014	2013
Current receivables related parties within WWH, Wilservice AS and WMS group	9		0.1
Current loan/payables related parties within WWH, Wilservice AS and WMS group	9	0.3	0.9

TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

Wallenius Wilhelmsen Logistics (WWL) is a joint venture between WWASA and Wallenius Lines AB (Wallenius). It is an operating company within both the shipping segment and the logistics segment. It operates most of the WWASA's and Wallenius' owned vessels. The distribution of income from WWL to WWASA and Wallenius is based on the total net revenue earned by WWL from the operating of the combined fleets of WWASA and Wallenius, rather than the net revenue earned by each party's vessels.
EUKOR Car Carriers Inc is also chartering vessel from WWASA. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

USD mill	Business office, country	Ownership	Note	2014	2013
Operating revenue from joint ventures					
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%		226	269
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%		36	46
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		8	8
Tellus Shipping AS	Lysaker, Norway	50%			
ASL Group**	New Jersey, USA	50%			
Freight revenue from joint ventures			1	**270**	**323**

**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 to associate - Shippersys AB	Fixed interest of 6%	9	0.2	
Account receivables from related party				
Joint ventures		9	3	1
Account payable to related party				
Joint ventures		9	1	1

In addition, joint ventures and Hyundai Glovis Co Ltd (associate) 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.

Further, shipowning subsidiaries and Shippersys AB (associate) have transactions with each other. The contracts governing such transactions are based on commercial market terms and relates to software solutions for the shipping industry.

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.

Update on anti-trust investigations
Wallenius Wilhelmsen Logistics and EUKOR Car Carriers Inc continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include the US, EU, Canada, Mexico, Brazil, Chile and South Africa.

WWASA is not in a position to comment on the ongoing investigations, but expects further clarification during 2015.

Cost of process management related to the investigations is charged on an ongoing basis.

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

The Chilean National Economic Prosecutor (FNE) announced 29 January 2015 an investigation against the car carrying industry. FNE has now filed a suit against six car carriers, including EUKOR before the court for proceedings and decision.

In the suit filed, the Chilean authorities claim the carriers have adopted and executed agreements for allocations of markets and volumes transported by the carriers to Chile. The Chilean authorities' proposed fine for claim towards EUKOR is estimated to maximum USD 25 million. If fined, WWASA share's would be maximum USD 10 million. The indicative claim, fine and justification for the fine, need to be proven in court by FNE. As this process can take up to two years, EUKOR and hence WWASA has not made any accrual in its accounts.

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	2014	2013
Operating income	1	**6**	**6**
Operating expenses			
Employee benefits	2		(12)
Depreciation and impairments	3		
Other operating expenses	1	(6)	(6)
Total operating expenses		**(7)**	**(18)**
Net operating profit/(loss)		**(1)**	**(12)**
Financial income and expenses			
Financial income	1	145	82
Financial expenses	1	(27)	(21)
Financial derivatives	1	(118)	(19)
Financial income/(expenses)		**1**	**42**
Profit/(loss) before tax		**0**	**30**
Tax income	4	31	1
Profit/(loss) for the year		**31**	**31**
Transfers and allocations			
(To)/from equity		(1)	6
Dividend to shareholders		(29)	(36)
Total transfers and allocations		**(31)**	**(31)**

Comprehensive income | WILH. WILHELMSEN ASA

USD mill	Note	2014	2013
Profit for the year		31	31
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	11	(13)	(7)
Total comprehensive income		**18**	**23**
Attributable to			
Owners of the parent		18	23
Total comprehensive income for the year		**18**	**23**

Notes 1 to 16 on the next pages are an integral part of these financial statements.

Balance sheet | WILH. WILHELMSEN ASA

USD mill	Note	31.12.14	31.12.13
ASSETS			
Non current assets			
Deferred tax asset	4	50	16
Intangible assets	3		
Tangible assets	3		1
Investments in subsidiaries	5	902	740
Investments in joint ventures and associates	6		50
Other non current assets	7/12	47	190
Total non current assets		**1 001**	**998**
Current assets			
Current financial investments	8		
Other current assets	7/12	4	37
Cash and cash equivalents	9/12	33	81
Total current assets		**38**	**118**
Total assets		**1 038**	**1 116**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	30	30
Premium fund	10	89	89
Retained earnings	10	354	399
Total equity		**474**	**519**
Non current liabilities			
Pension liabilities	11	53	57
Non current interest-bearing debt	12	319	354
Other non current liabilites	7/12	16	47
Total non current liabilities		**388**	**458**
Current liabilities			
Public duties payable			1
Other current liabilities	7/12	176	138
Total current liabilities		**177**	**139**
Total equity and liabilities		**1 038**	**1 116**

Lysaker, 18 March 2015

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

Notes 1 to 16 on the next pages are an integral part of these financial statements.

Cash flow statement | WILH. WILHELMSEN ASA

USD mill	Note	2014	2013
Cash flow from operating activities			
Profit before tax			30
Depreciation and impairments	3		
Tax paid		(1)	
Financial (income)/expense excluding financial derivatives unrealised		(38)	(27)
Financial derivatives unrealised	1	120	17
Currency exchange operation - through income statement		(83)	(35)
(Gain)/loss from sale of tangible and intangible assets			
Change in net pension asset/liability	11	(11)	(2)
Other change in working capital		4	1
Net cash flow provided by/(used in) operating activities		**(9)**	**(17)**
Cash flow from investing activities			
Proceeds from sale of tangible and intangible assets	3		
Investments in tangible and intangible assets			
Loan repayments received from subsidiaries		28	45
Loans granted to subsidiaries			(38)
Interest received		6	8
Group contribution		7	2
Dividend received from joint ventures and associates		54	5
Net cash flow provided by/(used in) investing activities		**94**	**22**
Cash flow from financing activities			
Proceeds from issuance of debt		135	122
Repayment of debt		(177)	
Dividend to shareholders		(69)	(177)
Amortisation discount WW bonds		(1)	
Interest paid including interest rate derivates realised		(21)	(20)
Bank charges			
Net cash flow provided by/(used in) financing activities		**(133)**	**(75)**
Net increase/(decrease) in cash and cash equivalents		**(48)**	**(71)**
Cash and cash equivalents at 01.01*		81	152
Cash and cash equivalents at 31.12		**33**	**81**

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

Notes 1 to 16 on the next pages are an integral part of these financial statements.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	Note	2014	2013
OPERATING INCOME			
Inter-company income	14	6	6
Other external income			
Total operating income		**6**	**6**
OTHER OPERATING EXPENSES			
Inter-company expenses	14	(4)	(3)
Other administration expenses		(2)	(2)
Total other operating expenses		**(6)**	**(6)**
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Dividend from subsidiaries and group contribution	14	57	38
Interest income		6	8
Net currency gain		83	36
Other financial income			
Total financial income		**145**	**82**
Financial expenses			
Interest expenses		(20)	(19)
Other financial expenses		(7)	(2)
Total financial expenses		**(27)**	**(21)**
Financial derivatives			
Realised gain/(loss) related to currency derivatives		3	2
Realised gain/(loss) related to interest rate derivatives		(1)	(4)
Unrealised gain/(loss) related to currency derivatives		(106)	(36)
Unrealised gain/(loss) related to interest rate derivatives		(14)	18
Total financial derivatives		**(118)**	**(19)**
Financial income/(expenses)		**1**	**42**

Note 2 | EMPLOYEE BENEFITS

USD mill	2014	2013
Pay	5	7
Payroll tax	1	2
Pension cost	5	2
Termination gain defined benefit plan	(11)	
Other remuneration		2
Total employee benefits	**0**	**12**
Average number of employees	26	27

Cont. note 2 | EMPLOYEE BENEFITS

REMUNERATION OF SENIOR EXECUTIVES

USD 1 000	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2014						
President and CEO - Jan Eyvin Wang	574	188	427	426*	1 615	10 174
CFO - Benedicte Bakke Agerup	314	99	38	25	476	2 998

*Including gross up of pension expense: President and CEO Jan Eyvin Wang USD 387.

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	40	26	477	2 802

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

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.

President and CEO - agreed retirement age is 62, provided not agreed to be postponed. The pension should approximately be 66% at age 67.

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.

REMUNERATION OF THE BOARD OF DIRECTORS

USD 1 000	2014	2013
Diderik Schnitler**	48	50
Hege Sjo	48	50
Marianne Lie	48	50
Thomas Wilhelmsen (chair)		
Nils P Dyvik		

**Diderik Schnitler has an additional consulting agreement with the group where he got paid USD 34 (2013: USD 33). Remuneration of the nomination committee totalled USD 11 in 2014 (2013: USD 12).

The board's remuneration for the fiscal year 2014 will be approved by the general meeting 23 April 2015.

LOANS AND GUARANTEES

USD 1 000	Employees	Board	Chair	President and CEO	Related parties
Total loans					

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31.12

	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%

Cont. note 2 | EMPLOYEE BENEFITS

OPTION PROGRAM FOR SENIOR EXECUTIVES

Option program from 1 January 2011 until 31 December 2013, extended to 2014 - 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, extended to 2014, 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 WWASA 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 2014 was NOK 55.00 (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 2013 was NOK 50.40.

Granted share equivalents annually given:	Share equivalent in WWASA shares 2014	2013
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 out of money for 2014 (in the money for 2013) and the group has not made any provision for 2014 (2013: USD 0.2 million).

EXPENSED AUDIT FEE (excluding VAT)

USD 1 000	2014	2013
Statutory audit	114	122
Other assurance services	48	21
Tax advisory fee	2	
Total expensed audit fee	**164**	**143**

Note 3 | INTANGIBLE AND TANGIBLE ASSETS

USD mill	Intangible assets	Tangible assets
2014		
Cost price at 01.01	1.5	1.6
Additions		0.3
Disposal		(0.5)
Cost price at 31.12	**1.5**	**1.4**
Accumulated ordinary depreciation at 01.01	1.0	1.1
Disposal		(0.3)
Depreciation	0.1	0.1
Accumulated ordinary depreciation at 31.12	**1.1**	**1.0**
Carrying amounts at 31.12	**0.3**	**0.4**

Cont. note 3 | INTANGIBLE AND TANGIBLE ASSETS

USD mill	Intangible assets	Tangible assets
2013		
Cost price at 01.01	2.6	1.9
Additions		0.1
Disposal	(1.1)	(0.3)
Cost price at 31.12	**1.5**	**1.6**
Accumulated ordinary depreciation at 01.01	2.0	1.2
Disposal	(1.1)	(0.2)
Depreciation	0.1	0.1
Accumulated ordinary depreciation at 31.12	**1.0**	**1.1**
Carrying amounts at 31.12	**0.5**	**0.5**
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.	2014	2013
Due in year 1		1
Due in year 2		1
Due in year 3		1
Due in year 4		1
Due in year 5 and later	3	4
Total expense related to lease agreement of office building	**4**	**6**

Note 4 | TAX

USD mill	2014	2013
Distribution of tax (income)/expense for the year		
Payable tax/witholding tax	1	1
Change in deferred tax	(32)	(2)
Total tax (income)/expense	**(31)**	**(1)**
Basis for tax computation		
Profit before tax	0	30
27% tax (2013: 28%)	0	8
Tax effect from		
Wilhtholding tax	1	1
Non taxable income	(32)	(10)
Current year's calculated tax	**(31)**	**(1)**
Effective tax rate	0.0%	(3.5%)
Deferred tax assets/(liabilities)		
Tax effect of temporary differences		
Current assets and liabilities	35	2
Non current liabilities and provisions for liabilities	13	14
Tax losses carried forward	3	
Deferred tax assets/(liabilities)	**50**	**16**

Cont. note 4 | TAX

USD mill	2014	2013
Composition of deferred tax and changes in deferred tax		
Deferred tax assets at 01.01	16	12
Charged directly to equity	5	3
Change of deferred tax through income statement	32	2
Currency translation differences	(3)	(1)
Deferred tax assets at 31.12	**50**	**16**

The main part of deferred tax asset is related to financial derivatives and will vary in size.

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

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	2014 Book value	2013 Book value
Njord Insurance Company Ltd*	Hamilton, Bermuda	0%		475
Wilh. Wilhelmsen Netherlands BV*	Breda, Netherlands	0%		174
Wilhelmsen Lines AS	Lysaker, Norway	100%	839 810	727 310
Den Norske Amerikalinje AS	Lysaker, Norway	100%	62 481	12 300
Total investments in subsidiaries			**902 291**	**740 259**

*Liquidated in 2014 (ownership in 2013: 100%)

The split ownership of the Hyundai Glovis shares within the group has been deemed suboptimal and the long term strategic ownership of the financial investments will be gathered in one company, Den Norske Amerikalinje AS (NAL). As a result the shares in Hyundai Glovis owned by WWASA (10.04%) were transferred to NAL in 2014 as a contribution in kind. The remaining shares (2.5%) owned by Wilhelmsen Lines AS is planned transferred to NAL in 2015.

Note 6 | INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Business office, country	Note	2014 Voting share/ ownership share	2013 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	5		10.0%
Shippersys AB	Stockholm, Sweden		25.0%	25.0%

USD 1 000			Book value	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	5		50 181
Shippersys AB	Stockholm, Sweden		38	38
Book value of joint ventures and associates			**74**	**50 255**

Note 7 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2014	2013
OTHER NON CURRENT ASSETS			
Non current loan group companies	14	47	190
Other non current assets			
Total other non current assets		**47**	**190**
Of which non current debitors falling due for payment later than one year:			
Loans to subsidiaries	14	47	165
Total other non current assets due after one year		**47**	**165**
OTHER CURRENT ASSETS			
Inter-company receivables	14	4	36
Financial derivatives			
Other current receivables			1
Total other current assets		**4**	**37**
OTHER NON CURRENT LIABILITES			
Loans from subsidiaries	14	16	47
Total other non current liabilites		**16**	**47**
OTHER CURRENT LIABILITIES			
Accounts payable			
Inter-company payables	14		3
Next year's instalment on interest-bearing debt			85
Dividend to shareholders		29	36
Financial derivatives		128	7
Other current liabilities		18	6
Total other current liabilities		**176**	**138**

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	2014	2013
Market value current financial investment		
Other financial assets	0	0

Note 9 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2014	2013
Payroll tax withholding account	0	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
Change in equity					
Equity 31.12.2013	30	0	89	399	519
Dividend to shareholders				(33)	(33)
Proposed dividend to shareholders				(29)	(29)
Profit for the year				31	31
Other comprehensive income for the year				(13)	(13)
Balance 31.12.2014	**30**	**0**	**89**	**354**	**474**
Equity 31.12.2012	30	0	89	432	551
Dividend to shareholders				(19)	(19)
Proposed dividend to shareholders				(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**

As of 31 December 2014, the company's share capital comprises 220 000 000 shares with a nominal value of NOK 1.00 each. The company had no own shares.

Dividend paid
Dividend paid for fiscal year 2013 was NOK 1.00 per share paid in May 2014 and NOK 1.00 per share paid in December 2014.

The proposed dividend for fiscal year 2014 is NOK 1.00 per share, payable in the second quarter of 2015. A decision on this proposal will be taken by the annual general meeting on 23 April 2015.

The largest shareholders at 31.12.2014

Shareholders	Note	Number of shares	% of shares
Wilh. Wilhelmsen Holding ASA	14	160 000 000	72.73%
Folketrygdfondet		10 781 515	4.90%
Danske Invest Norske		2 786 387	1.27%
J.P. Morgan Chase Bank European		2 727 194	1.24%
Others		43 704 904	19.87%
Total number of shares		**220 000 000**	**100.00%**

Shares on foreigners' hands
At 31.12.2014 - 18 602 055 (8.46%) shares.
At 31.12.2013 - 21 351 149 (9.71%) shares.

Note 11 | PENSION

Description of the pension scheme
In order to reduce the company's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the company regularly reviews and continuously improves the design of its post-employment defined benefit plans. Until 31 December 2014, the company provides both defined benefit pension plans and defined contribution pension plans.

For many years the company had a defined benefit plan for employees in Norway through Storebrand. The defined benefit plan was closed for new employees on 1 May 2005.

The company decided on 11 November 2014, to terminate the group defined benefit plans for the Norwegian employees and change to defined contribution plan from 1 January 2015. After the termination, all affected employees received a paid-up policy as of 31 December 2014. The termination also included the risk plan, related to the company's defined contribution pension schemes, that was covered by a defined benefit plan.

The company'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 up to 31 December 2014. From 1 January 2015, the contributions from the company are changed to be in accordance with new requirements.

The company pension liabilities have been calculated based on updated actuarial and financial assumptions as of 31 December 2014, and booked against other comprehensive income (directly to equity) before the termination has been reversed as an accounting gain through profit and loss and included in employees benefits to be a part of the company's operating profit.

The change in the company pension plans decreased the net equity with approximately USD 8 million.

The net effect of equity is as follow:
Through the income statement, a gain of USD 10 million and a loss before tax through other comprehensive income (directly to equity) of USD 18 million.

From 1 January 2014, the company established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries excess of 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the company obligations mainly financed from operation. However, the company still has obligations for some employees' related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

In addition, the company has 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 company annuity policies in Storebrand.

Pension costs and obligations includes 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 the remaining 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 obligations are 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.

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	
	2014	2013	2014	2013
Number of people covered by pension schemes at 31.12				
In employement	2	36	37	71
On retirement (inclusive disability pensions)		168	656	665
Total number of people covered by pension schemes	**2**	**204**	**693**	**736**

	Expenses		Commitments	
	2014	2013	31.12.14	31.12.13
Financial assumptions for the pension calculations				
Discount rate	4.00%	3.85%	2.30%	4.00%
Anticipated pay regulation	3.50%	3.50%	3.00%	3.50%
Anticipated regulation of National Insurance base amount (G)	3.50%	3.50%	3.00%	3.50%
Anticipated regulation of pensions	0.60%	1.00%	0.60%	0.60%

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. The disability tariff is based on the KU table.

Cont. note 11 | PENSION

	31.12.14	31.12.13
Pension assets investments		
Non current bonds	10.6%	11.3%
Bonds held to maturity	45.9%	40.4%
Money market	(0.8%)	2.2%
Equities	6.7%	8.4%
Other (property, credit bonds)	37.8%	37.8%
Total pension assets investments	**100.0%**	**100%**

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 6.6% at 31 December (2013: 5.3%).

USD mill		2014			2013	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	1		1	1		1
Termination gain defined benefit plan	(10)		(10)			
Net interest cost		2	2		2	2
Cost of defined contribution plan			0			0
Net pension expenses	**(8)**	**2**	**(7)**	**1**	**2**	**2**

	2014 Total	2013 Total
Remeasurements - Other comprehensive income		
Effect of changes in demographic assumptions		(10)
Effect of changes in financial assumptions		3
Effect of experience adjustments	(17)	(3)
(Return) on plan assets (excluding interest income)	(1)	(1)
Total remeasurements included in OCI	**(18)**	**(10)**
Tax effect of pension OCI	5	3
Net remeasurement in OCI	**(13)**	**(7)**

USD mill	2014	2013
Pension obligations		
Defined benefit obligations at 01.01	83	83
Effect of changes in foreign exchange rates	(16)	(7)
Service cost - current	1	1
Termination gain defined benefit plan	(10)	
Interest expense	3	3
Benefit payments from plan	(2)	(2)
Benefit payments from employer	(3)	(4)
Settlement payments from plan assets	(19)	
Remeasurements - change in assumptions	17	10
Pension obligations at 31.12	**55**	**83**
Gross pension assets		
Fair value of plan assets at 01.01	26	28
Effect of changes in foreign exchange rates	(5)	(2)
Interest income	1	1
Employer contributions	1	1
Benefit payments from plan	(2)	(2)
Settlement payments from plan assets	(19)	
Net changes in business combinations/transfers		1
Return on plan assets (excluding interest income)	(1)	(1)
Gross pension assets at 31.12	**2**	**26**

Cont. note 11 | PENSION

USD mill	2014 Funded	2014 Unfunded	2014 Total	2013 Funded	2013 Unfunded	2013 Total
Total pension obligations						
Accrued pension obligations	1	52	54	26	56	82
Estimated effect of future salary regulations	1		1	1		1
Total pension obligations	**2**	**53**	**55**	**27**	**56**	**83**
Value of pensions funds	2		2	26		26
Recorded pension obligations	**(1)**	**(53)**	**(53)**	**(1)**	**(56)**	**(57)**

Premium payments in 2015 are expected to be USD 0.9 million (2014: USD 1.4 million). Payments from operations are estimated at USD 3.7 million (2014: USD 4.0 million).

Note 12 | INTEREST-BEARING DEBT

USD mill	2014	2013
Interest-bearing debt		
Bonds	319	439
Repayment schedule for interest-bearing debt		
Due in year 1		85
Due in year 2	94	
Due in year 3		210
Due in year 4	94	
Due in year 5 and later	131	144
Total interest-bearing debt	**319**	**439**

As of 31 December 2014, weighted average interest rate on interest-bearing debt is 4.39%

Financial instruments by category

	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets	47			47
Current financial investments				0
Other current assets	4			4
Cash and cash equivalents	33			33
Assets at 31.12.2014	**85**	**0**	**0**	**85**

	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities			
Non current interest-bearing debt		319	319
Other non current liabilities		16	16
Other current liabilities	128	48	176
Liabilities 31.12.2014	**128**	**383**	**510**

	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 equivalents	81			81
Assets at 31.12.2013	**308**	**0**	**1**	**309**

Cont. note 12 | INTEREST-BEARING DEBT

USD mill	Liabilites at fair value through 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	7	130	138
Liabilities 31.12.2013	**7**	**531**	**539**

Note 13 | FINANCIAL RISK

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

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
- Credit risk
- Liquidity risk

MARKET RISK INCLUDING BUNKERS

For the group as a whole, 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. Separate economic hedging strategies have not been established for the parent company for the market risks. As a consequence, financial derivatives part of the group's economic hedging strategies, are held by the company and included in the parent company's accounts without any direct hedging effect for the parent company.

Foreign exchange rate risk

The company 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 company's largest individual foreign exchange exposure is NOK against USD.

Hedging of cash flow risk

The group's foreign exchange strategy is to hedge 25-75% of its net transaction risk. The group projected four year rolling USD/NOK exposure is hedged using a portfolio of currency options. Material exposures against other currencies are hedged on an ad-hoc basis.

On currency derivatives used for hedging of group's cash flow risk, the company realised a loss of USD 0.8 million (2013: loss USD 1.7 million) in 2014. The market value of outstanding FX hedges by end of December 2014 was negative USD 49.9 million (2013: negative USD 2.9 million).

Hedging of translation risk

The company has outstanding NOK-denominated bonds of about NOK 2.4 billion (USD 319 million). The corresponding amount was NOK 2.7 billion (USD 439 million) for 2013. A large part of this debt (NOK 2.0 billion) has been hedged against USD with basis swaps. The company had an unrealised loss of USD 59.0 million on these derivatives in 2014 (2013: unrealised loss of USD 22.1 million), ending 2014 with a USD 59.2 million negative fair value of outstanding basis swaps (2013: negative USD 0.3 million).

FX sensitivities

On 31 December 2014 material foreign currency balance sheet exposure subject to translation risk was in NOK. Income statement sensitivities (post tax) for the net exposure booked were as follows:

USD mill					
Sensitivity	(20%)	(10%)	0%	10%	20%
Translation risk					
USD/NOK	5.97	6.72	7.46	8.21	8.96
Income statement effect (post tax)	**(14)**	**(11)**	**0**	**9**	**7**

(Tax rate used is 27% that equals the Norwegian tax rate)

All financial derivatives are booked against the income statement. Equity sensitivities will therefore equal sensitivities in the income statement.

Cont. note 13 | FINANCIAL RISK

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

Income statement sensitivities of economic hedge program

USD mill					
Sensitivity	(20%)	(10%)	0%	10%	20%
Transaction risk					
USD/NOK spot rate	5.97	6.72	7.46	8.21	8.96
Income statement effect (post tax)	**22**	**23**	**0**	**(24)**	**(22)**

(Tax rate used is 27% that equals the Norwegian tax rate)

Interest rate risk
The group's strategy, of which WWASA is a part, 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 company corresponded to about 40% of its outstanding long-term interest exposure at 31 December 2014. The hedge ratio at 31 December 2014 is about 65% when fixed rate debt is also included.

At 31 December, the overall portfolio of loan hedging derivatives had a negative value of USD 18.6 million (2013: negative USD 4.5 million).

USD mill **Maturity schedule interest rate hedges (nominal amounts)**	2014	2013
Due in year 1		
Due in year 2	90	
Due in year 3	40	90
Due in year 4		40
Due in year 5 and later*	150	150
Total interest rate hedges	**280**	**280**
*of which forward starting	150	150

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

Forward starting in		
2016	150	150
Total forward starting	**150**	**150**

The average remaining term of the existing loan portfolio is approximately 3.4 years, while the average remaining term of the running hedges and fixed interest loans is approximately 1.8 years.

Interest rate sensitivities
The company's interest rate risk originates from differences in duration between assets and liabilities. On the asset side, bank deposits are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the 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 **Fair value sensitivities of interest rate risk**					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value	**4**	**2**	**0**	**(2)**	**(4)**

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

Cont. note 13 | FINANCIAL RISK

USD mill	2014		2013	
	Assets	Liabilites	Assets	Liabilites
Interest rate derivatives				
Wilh. Wilhelmsen ASA		19		5
Total interest rate derivatives	**0**	**19**	**0**	**5**
Derivatives used for cash flow hedging				
Wilh. Wilhelmsen ASA		50		3
Total currency cash flow derivatives	**0**	**50**	**0**	**3**
Derivatives used for translation risk hedging (basis swaps)				
Wilh. Wilhelmsen ASA		59		
Total cross currency derivatives (basis swaps)	**0**	**59**	**0**	**0**
Total market value of capitalised financial derivatives	**0**	**128**	**0**	**7**

Book value equals fair value.

CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and originates primarily from the company'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 company's direct exposure to credit risk on its receivables is limited as the company does not have any direct relationship with the customers.

However, the company's underlying exposure to credit risk through its subsidiaries and joint ventures is influenced mainly by individual characteristics of each customer. The demographics of the 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 cash equivalents

The group's exposure to credit risk on cash and cash equivalents 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 company'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 in addition to outstanding derivatives has an negative fair value.

Loans to affiliated companies

The company's exposure to credit risk on loans to affiliated companies is limited as the company, control the entity to which loans has been provided.

No loans or receivables were past due or impaired as of 31 December 2014 (analogous for 2013).

Guarantees

The parent policy is that no financial guarantees are provided by the parent company.

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	2014	2013
Exposure to credit risk			
Other non current assets	7		
Inter-company receivables	7	4	36
Financial derivatives - asset	7		
Other current receivables	7		1
Current financial investments	8		
Cash and cash equivalents		33	81
Total exposure to credit risk		**38**	**118**

Book value equals fair value.

Cont. note 13 | FINANCIAL RISK

LIQUIDITY RISK

The company'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 company's reputation.

The company'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 2014 mainly due to negative cash flow from financing activities, mainly repayment of debt and payment of dividends, exceeded positive cash flow from investing activities.

At 31 December, the company had USD 33 million (2013: USD 81 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2013: 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				
Bonds	14	109	217	26
Financial derivatives	56	21	53	3
Total interest-bearing debt	**69**	**130**	**270**	**29**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	48			
Total gross undiscounted cash flows financial liabilities 31.12.2014	**117**	**130**	**270**	**29**
Bonds	106	18	357	35
Financial derivatives		(1)	(2)	(11)
Total interest-bearing debt	**106**	**18**	**356**	**24**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	45			
Total gross undiscounted cash flows financial liabilities 31.12.2013	**152**	**18**	**356**	**24**

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

COVENANTS

The main covenant related to the company's bond debt is limitation on the ability to pledge assets.

FAIR VALUE ESTIMATION

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

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

Cont. note 13 | FINANCIAL RISK

USD mill	Fair value	Book value
Interest-bearing debt		
Bonds	323	319
Total interest-bearing debt 31.12.2014	**323**	**319**
Bonds	451	439
Total interest-bearing debt 31.12.2013	**1 494**	**1 502**

Total financial instruments and short term financial investments:

USD mill	Level 1	Level 2	Level 3	Total balance
Financial liabilities at fair value through income statement				
- Financial derivatives		128		128
Total liabilities 31.12.2014	**0**	**128**	**0**	**128**
- Financial derivatives		8		8
Total liabilities 31.12.2013	**0**	**8**	**0**	**8**

The following table presents the changes in level 3 instruments:

USD mill	2014	2013
Changes in level 3 instruments		
Balance at 01.01	0	0
Disposals		
Gains and losses recognised through income statement		
Balance at 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 close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2014 are listed equities and liquid investment grade bonds (2013: listed equities and liquid investment grade bonds).

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

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

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 14 | RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTY

The ultimate owner of Wilh. Wilhelmsen ASA is Tallyman AS, which controls the company through its ownership in Wilh. Wilhelmsen Holding ASA. Tallyman AS control about 60% of voting shares of Wilh. Wilhelmsen Holding ASA who has an ownership of approximately 73% 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 280 000 whereof USD 254 000 was ordinary paid pension and USD 27 000 in other remuneration.

See note 2 for further information on fees to board of directors.

The company has undertaken several transactions with related parties within the Wilh. Wilhelmsen Holding group (WWH 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.

Cont. note 14 | RELATED PARTY TRANSACTIONS

WWH delivers services to WWASA related to inter alia human resources, tax, communication, treasury, accounting and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

USD mill	Note	2014	2013
INTER-COMPANY INCOME			
WWH group			
WWASA group subsidiaries		5	5
WWASA group joint ventures and associates			
Operating revenue from group companies	1	**6**	**6**
INTER-COMPANY EXPENSES			
WWH group		(4)	(3)
WWASA group subsidiaries			
WWASA group joint ventures and associates			
Operating expenses to group companies	1	**(4)**	**(3)**
DIVIDEND FROM SUBSIDIARIES AND GROUP CONTRIBUTION			
WWASA group subsidiaries		4	33
WWASA group joint ventures and associates		53	5
Total Dividend from Subisidiaries and Group Contribution	1	**57**	**38**
INTER-COMPANY INTEREST INCOME			
WWASA group subsidiaries		5	7
WWASA group joint ventures and associates			
Financial income from group companies	1	**5**	**7**
INTER-COMPANY INTEREST EXPENSES			
WWASA group subsidiaries		(1)	(1)
Financial expenses to group companies	1	**(1)**	**(1)**
INTER-COMPANY RECEIVABLES			
WWH group			
WWASA group subsidiaries		4	36
WWASA group joint ventures and associates			
Account receivables group companies	7	**4**	**36**
INTER-COMPANY PAYABLES			
WWH group			1
WWASA group subsidiaries			2
Account payables group companies	7	**0**	**3**
NON CURRENT LOAN GROUP COMPANIES			
WWASA group subsidiaries		47	190
WWASA group joint ventures and associates			
Total non current loan to group companies*	7	**47**	**190**
LOANS FROM SUBSIDIARIES			
WWASA group subsidiaries		16	47
Total non current loan from group companies*	7	**16**	**47**

*Loans to and from group companies were provided at floating rates of 3 month LIBOR interest with margins at commercially reasonable market terms.

Note 15 | 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 16 | STATEMENT ON THE REMUNERATION 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 2015.

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.

The CFO also have rights related to salaries in excess of 12G and the option to take early retirement from the age of 65. Pension obligations related to salaries in excess of 12G and the option to take early retirement are financed through operation.

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 president and CEO also participates 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. A new long-term incentive programme, linked to long-term value-creation, is being evaluated as an alternative to the synthetic option programme that expired 31 December 2014.

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.

The CFO also have rights related to salaries in excess of 12G and the option to take early retirement from the age of 65. Pension obligations related to salaries in excess of 12G and the option to take early retirement are financed through operation.

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

To the Annual 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 2014, 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 2014, 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 application of international accounting standards according 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.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Auditor's report

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 2014, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according 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 2014, 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 reports on Corporate Governance and Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the Corporate Governance report and Sustainability report 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 2015
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 2014 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 2015
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

Corporate governance

Cyprus, 09:15.
Special tasks for MV Taiko.

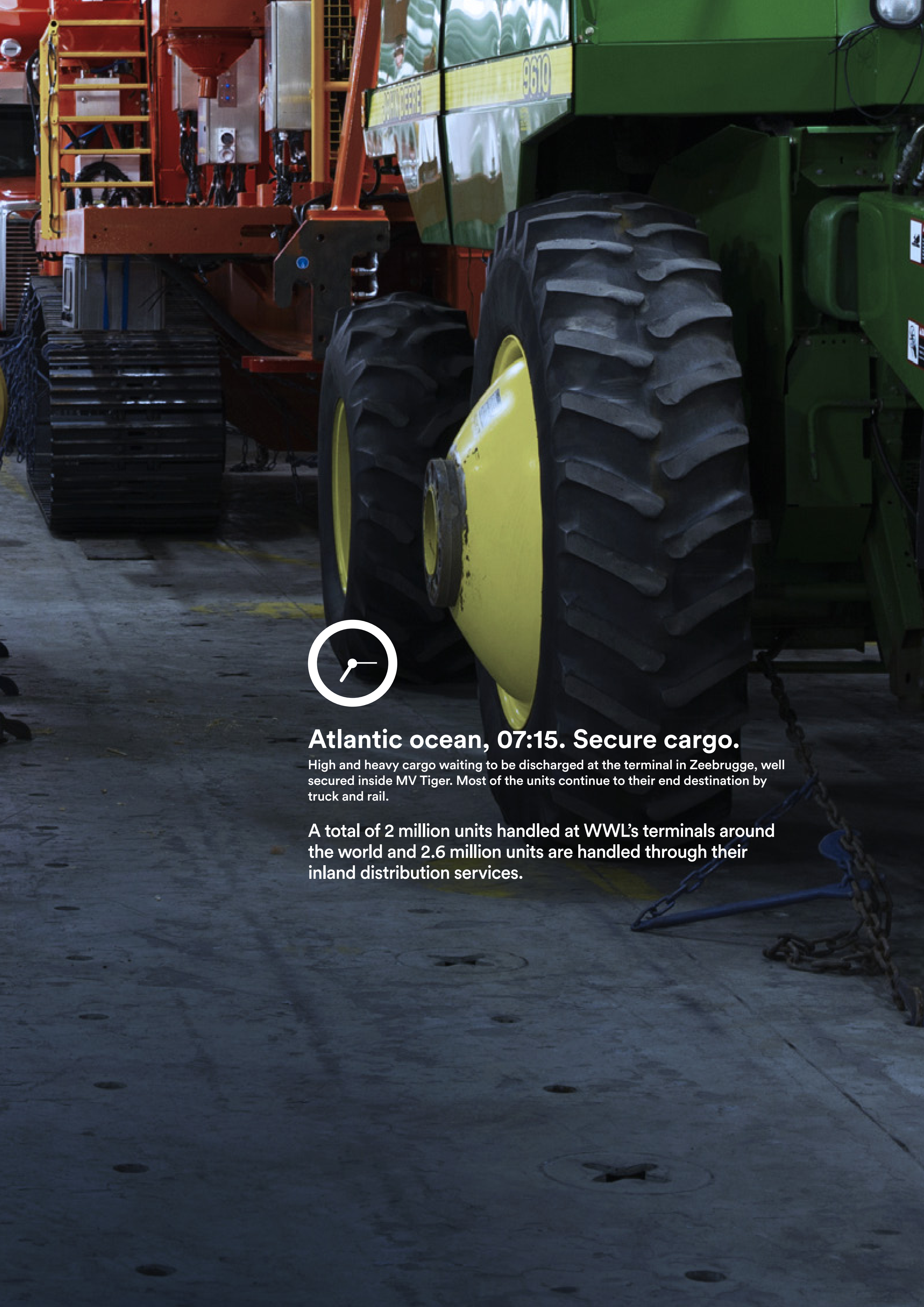
MV Taiko sails from Limassol towards Latakia, Syria, to pick up the last load of chemicals being removed by international authorities in an attempt to eliminate Syria's chemical weapons.

WWASA has a tradition for supporting national and international authorities on assignments when vessels are suitable for cargo operations.

Port Said, 11:15.
Keeping up the standards.

The pilot disembarks from MV Tiranna after having passed the 193 kilometres long Suez Canal.

With a single passing of the Suez Canal amounting to around USD 400 000, WWL operated vessels alone accounted for USD 30 million in 2014.



Atlantic ocean, 07:15. Secure cargo.

High and heavy cargo waiting to be discharged at the terminal in Zeebrugge, well secured inside MV Tiger. Most of the units continue to their end destination by truck and rail.

A total of 2 million units handled at WWL's terminals around the world and 2.6 million units are handled through their inland distribution services.

Corporate governance

the foundation for profitable growth

❞ Dividend 2014 NOK 2.00 per share

❞ 51% equity ratio

Listed on the Oslo Stock Exchange and subject to Norwegian securities legislation and stock exchange regulations, Wilh. Wilhelmsen ASA (WWASA) is a public limited company organised under Norwegian law.

The WWASA board believes sound corporate governance is a foundation for profitable growth and essential for a healthy company culture. A responsible governance structure contributes to reducing risk and creates value over time for the company's shareholders, employees and other stakeholders.

WWASA provides 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 the company's share in accordance with underlying value and future prospects.

REPORTING ON CORPORATE GOVERNANCE

Annual corporate governance report

The board of WWASA issues a report on governance performance annually. The report is based on the requirements outlined in the Norwegian Code of Practice for Corporate Governance ("the code", dated 30 October 2014), the Public Limited Liabilities 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.

Comply or explain principle

The code is built on a "comply or explain" principle, which means that reasons will be given for possible divergence from the code's 15 provisions. Explanation for the deviations and alternative solutions chosen by the company is given where applicable. A comply and explain overview can be found on page 103 of this report.

Company values and governing elements

WWASA's governing elements – the foundation for corporate governance in the group – is developed in order to improve business performance and ensure that the right results are achieved in the right way. The elements include the company vision, values and basic philosophy, the code of conduct, leadership expectations and eight company principles. One of the principles outlines a commitment to be a socially responsible company.

The governing elements are available in detail to all employees through the web based global information management system, Navigator, both as written documentation and as e-learning. Governance training for WWASA employees has been conducted in 2014. In addition to regular training related to the company's governing elements, a particular focus was directed towards anti-corruption training.

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

Deviations from the code: None

THE BUSINESS

According to WWASA's 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 its three operating companies Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Shipping and Logistics, 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.

With current demand for deep sea transportation of auto and high and heavy equipment combined with market changes, the main five-year strategic targets for WWASA are improving profitability and strengthening market position. The company has a healthy balance sheet and a strong financial position, and is therefore well positioned to act on market opportunities.

Deviations from the code: None

EQUITY AND DIVIDEND

Equity

The company has a sound equity level. As of 31.12.2014, the total equity amounted to USD 1 707 million (up from USD 1 632 million in 2013), representing an equity ratio of 51% based on book values for WWASA's own account.

Dividend policy

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 pay-out in 2014

Dividend was paid twice to shareholders in 2014, in total NOK 2.00 per share or approximaltey USD 69 million. The payable dividend was in line with the company's dividend policy and based on approved annual accounts.

Dividend proposal for 2015

The BOD has proposed a dividend for the fiscal year 2014 amounting to NOK 1.00 per share, payable in the second quarter of 2015. A decision on the proposal will be taken by the annual general meeting on 23 April 2015. The proposed dividend is not accrued in the year-end balance sheet.

In line with the extended possibilities to pay dividend as outlined by the Norwegian Companies Act, the board will also propose to the annual general meeting to authorise a second dividend to be paid in the fourth quarter, limited to NOK 1.25 per share.

The payable dividend is in line with the company's dividend policy and based on approved annual accounts.

Own shares

WWASA does not hold own shares. At the annual general meeting in April 2014, the board was authorised to increase the share capital by up to NOK 22 million by subscribing new shares, equivalent to 10% of the current share capital. The authorisation has not been used and is valid until the company's next annual general meeting, scheduled 23 April 2015. For an overview of the terms and conditions for the authorisation, please refer to the Minutes from the general meeting 2012.

Deviations from the code: None

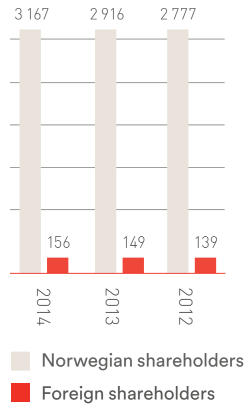
EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

One share class

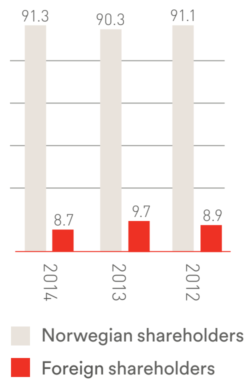
WWASA has one share class, comprising 220 000 000 shares, all with equal rights. Updated share information is available on the company's web site and on the Oslo Stock Exchange website.

Shareholder structure As of 31 December 2014, WWASA had 3 323 shareholders, of whom 156 were foreign and 3 167 Norwegian. This is an increase of six foreign and 251 Norwegian shareholders compared with 31 December 2013. The Norwegian shareholder base comprised 95% of the total number of shareholders, but only held 91.3% of the total shares.

Number of Norwegian and foreign shareholders



% of shares owned by Norwegian and foreign shareholders



An updated list of the 20 largest shareholders can be found on the company's web page.

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

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

Transactions

Any transactions taking place between a principal shareholder and the company will be conducted at arm's length on terms.

Any transactions taking place between a principal shareholder or close associates and the company will be conducted on arm's length market terms. A similar principle will be used for certain transactions between companies with in the group.

In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency.

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

Overview of insiders

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

Deviations from the code: None

NEGOTIABILITY

Listed on the Oslo Stock Exchange under the ticker "WWASA", the company's share is freely negotiable. The company's Articles of Association does not include any restrictions on negotiability.

Deviations from the code: None

GOVERNING BODIES

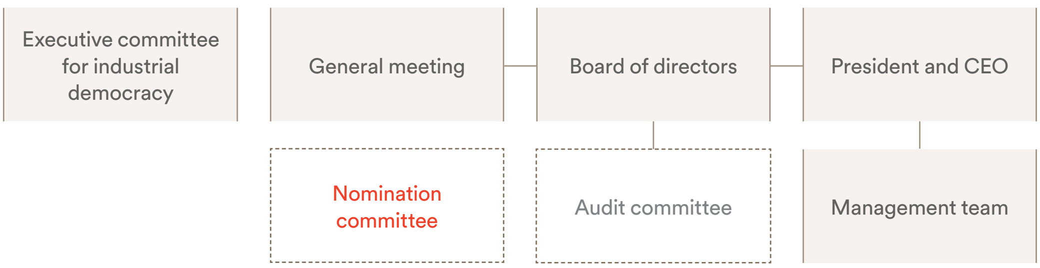
The company's governing bodies consist of the general meeting, the executive committee for industrial democracy, the board, the group chief executive and the management team.

The ordinary general meeting is normally held in the second quarter. The following items will be on the agenda for the 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

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

Shareholders can participate at the general meeting either:
- In person, by sending a notice to the company within two working prior to the meeting
- By nominating a proxy (form is sent to share holders, but also available on the company's website)

Governing bodies



- By voting electronically in advance of the meeting (guidelines are submitted to shareholders with the summons)

The company's Articles of Association states that documents to be handled at the 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 chair, auditor and representatives from the company are present at the general meeting, which is organised in a way that facilitates dialogue between shareholders and representatives from the company. The chair acts as the chair of the meeting according to the specifications in the Articles of Association.

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

Nomination committee

The general meeting of WWASA appoints a nomination committee. The committee nominates directors to the board and proposes the director remuneration. As part of its nomination process, the committee will have contact with the major shareholder, the board and the company's executives to ensure the process takes the board's and company's needs into consideration. A justification for a candidate will include information on each candidate's competence, capacity and independence.

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 2014, and as of 31.12.2014 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 2014 for a period of two years, and are therefore up for election in 2016. Information on the committee members can be found on WWASA's web site.

Executive committee and board of directors – composition and independence

The annual general meeting elects the board, which consist of five members.

Board member:	Elected:	Up for election:
Thomas Wilhelmsen chair	Apr. 12	Apr. 15
Diderik Schnitler	Apr. 14	Apr. 15
Nils P. Dyvik	Apr. 14	Apr. 16
Hege Sjo*	Apr. 14	Apr. 15
Marianne Lie	Apr. 14	Apr. 16

*Hege Sjo was elected for a two year period in 2014. However, due to other engagements, Ms Sjo has stepped down from the board effective 1 April. The nomination committee will propose a new candidate to the general meeting.

The board elects its own chair. 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.

All the board members have 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 where absent, all the directors were present at meetings either in person or per telephone.

Work of the board

The instruction for the board includes rules on the work of the board and its administrative procedures determining what matters should be considered by the board. The board has the ultimate responsibility for the management of the company and that the business is run in a sustainable and responsible way.

The board head the company's strategic planning and makes decisions that form the basis for the administrations execution of the agreed strategy.

The chair of the board has an extended duty to ensure the board operates well and carries out its duties.

The board establishes an annual plan for its work. In 2014, the company hosted nine board meetings, including one full day strategy meeting. All the board members were present at seven of the meetings. At two meetings, one and two directors respectively had a lawful excuse for non-appearance. The directors were, however, present at the audit committee meeting.

In addition to the board meetings, the board visits business related locations to ensure they have a solid understanding of the business, market and outlook for the maritime industry.

The company keeps the board regularly updated on development in the group through a variety of communication channels, including a board portal containing timely and relevant information.

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.

Audit committee

WWASA has an audit committee consisting of three members elected by and from the board of directors. 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. Members are elected for a term of two years in 2014 and up for re-election in 2016. The competence of the members are broad and includes accounting and industry expertise in addition to finance, risk management, strategy, corporate governance and social responsibility.

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 2014, anti-corruption, theft and fraud, whistleblowing, competition law and the roll-out of an awareness programme related to these topics. The focus will continue in 2015 with a follow up session of the awareness programme.

Remuneration committee

The board has not seen it as relevant to have a separate remuneration committee for a company employing 26 employees within its wholly-owned structure, and therefore acts collectively as the remuneration committee.

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 shore 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 were elected in 2014 for a three year period.

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 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

Management team

From left:
Benedicte Bakke Agerup
Jan Eyvin Wang

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 106-107 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 have a steering committee headed by Håkan Larsson. 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. Further, it shall ensure that potential synergies between the three companies are realised.

Deviations from the code: The chair of the board also acts as chair of the general meeting as stated in the company's Articles of Association. Further, the company has an Executive committee for industrial democracy in foreign trade shipping instead of a corporate assembly. Without a corporate assembly, the board elects its own chair. Given the size of the board and the fact that the board jointly is responsible for its decisions, separate committees is not valued as necessary. The whole board therefore acts as remuneration committee. Last, the nomination committee is not enshrined in the Articles of Association and the company has not developed an opportunity for shareholders to submit proposals for candidates to the committee.

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.

Risk overview

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 x and in note 13 to the group accounts.

About the system

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

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

Based on the financial strategy, limits are set for hedge ratios on currency and interest rates. 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.

External reassurance

WWASA's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and give reasonable assurance as to whether the financial statements are free from material misstatements. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. It also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management as well as evaluation of the overall financial statement presentation.

Whistleblowing

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.

Deviations from the code: None

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. The programme, which ended 31 December 2014, entitled the two members to a cash reward based on the annual total return of the underlying share and dividends during the period, limited upward to 50% of annual basic salary. For more information, please refer to note 4 in the majority owner Wilh. Wilhelmsen Holding ASA's group account and note 2 in WWH'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.

Deviations from the code: None

REMUNERATION OF EXECUTIVE PERSONNEL

Remuneration policy

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 company and or individual KPIs.
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.

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's statement of executive personnel is also a separate appendix to the agenda for the annual general meeting, which approves the remuneration as part of the annual report.

Short-term bonus scheme

A bonus scheme has been instituted by the board for WWASA's employees in Norway. The programme is

Further Information

HEAD OF INVESTOR RELATIONS:
CFO
Benedicte Bakke Agerup

benedicte.b.agerup@wilhelmsenasa.com

+47 915 48 029

Financial calendar for 2015

13 February
Q4 2014 results and presentation

23 April
Annual general meeting

7 May
Q1 2015 results

8 May
Q1 2015 presentation

6 AUGUST
Q2 2015 results and presentation

17 September
Capital Markets Day

11 November
Q3 2015 results and presentation

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

linked to the company's annual operating plan 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 one month for other employees. The board determines the annual norm for the bonus scheme.

Long-term 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. The programme was extended for one year in 2013. 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. A new long-term incentive programme, linked to long-term value creation, is being evaluated as an alternative to the synthetic option programme that expired 31 December 2014.

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

Deviations from the code: None

INFORMATION AND COMMUNICATION

Communication principles and standards

Transparency, accountability and timeliness guides the group's communication activities. The company follow the guidelines set out by the Oslo Stock Exchange and The Norwegian Investor Relations Association and their opinion of best practice related to financial reporting and Investor Relations information.

Communication channels and activities

The interim and annual results are presented to invited analysts and business journalists. At least two of these presentations are transmitted directly by webcast. Results are also posted on the company's website. Further, the company strives to host one capital markets day a year, to give the stakeholders more in-depth knowledge about the group's activities and strategies. The market is regularly informed about the group's activities and results through stock exchange notices, annual and interim reports, press releases and updates on the group's web site.

Extensive information about the activities of the group is provided on the group's web pages. A separate section named "Investor Relations" includes relevant information to shareholders, including reports and presentations, financial calendar, analysts, share information, corporate governance, IR contact and news and media. The investor relations' point of contact is the company's CFO Ms Benedicte Bakke Agerup.

The group is present on social media, but has strict rules on who can utilise social media for company purposes and has clear guidelines stating that stock sensitive information must be published through the stock exchange before it is made available on social media.

Silent period

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.

Deviations from the code: None

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.

Deviations from the code: No policy developed, but intention described above.

AUDITOR

The company's auditor PricewaterhouseCoopers (PwC) - attends board meetings as required and is always present when the annual accounts are approved.

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

There were no disagreements between the management and PwC during 2014.

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. 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.

In 2014, PwC has audited accounts, notes, the director's report and read through and commented on the board's report on corporate governance and the company's sustainability report.

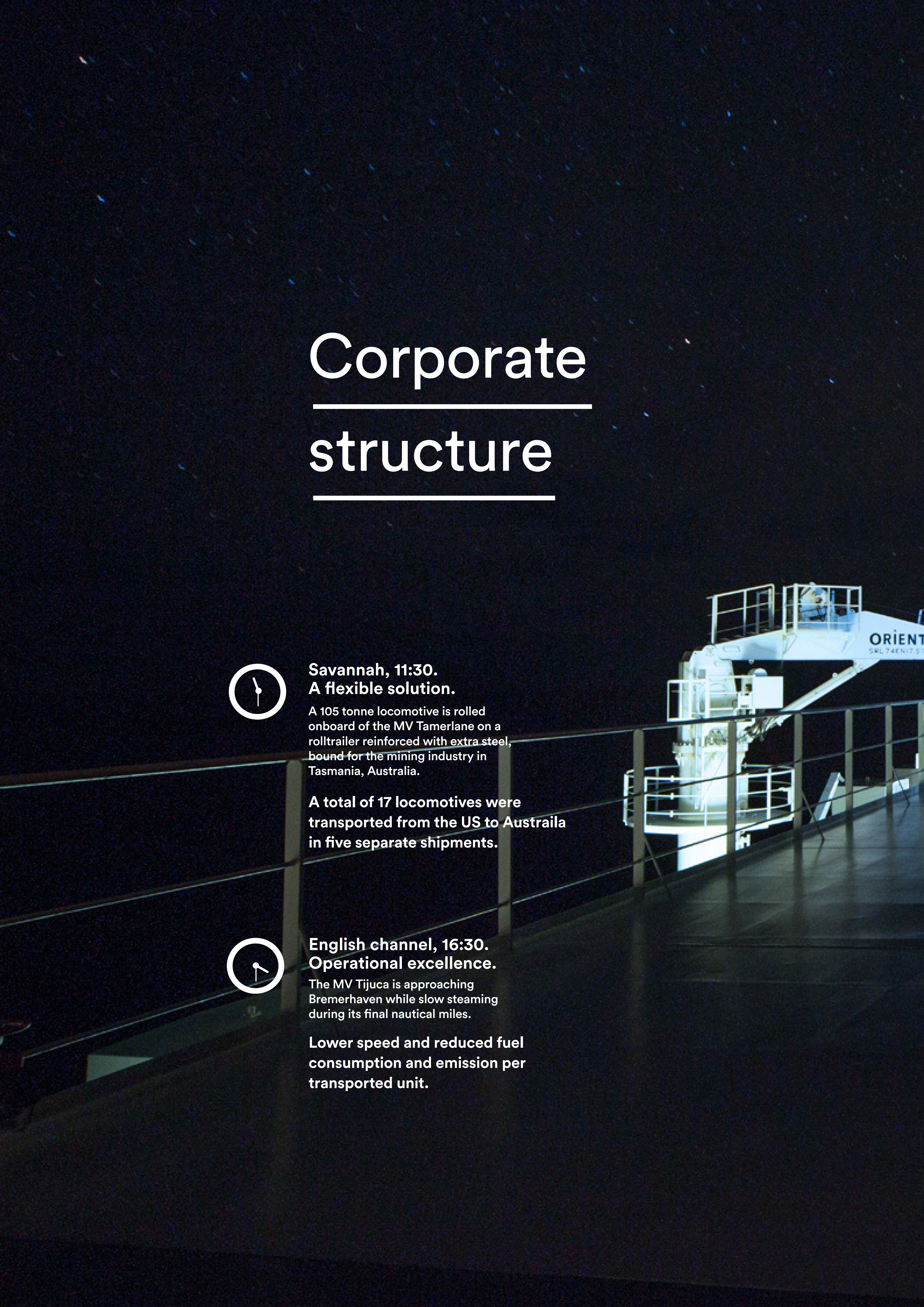
The auditor's fee, broken down by audit work, audited related services, tax services and other consultancy services, is specified in note 4 to the WWASA accounts and note 2 to the parent company accounts.

For the financial year 2015, Rita Granlund will be succeeded by Fredrik Melle as the company's main auditor at PwC.

Deviations from the code: None

Corporate governance comply or explain overview

	Principles	Explanation /comment
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	The nomination committee is not described in the Articles of Association and the company has not developed a formal way for shareholders to submit proposals for candidates to the committee.
8.	Corporate assembly and board of directors: composition and independence	Executive committee for industrial democracy in foreign trade shipping instead of Corporate assembly. General meeting elects the board.
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	



Corporate structure

Savannah, 11:30. A flexible solution.

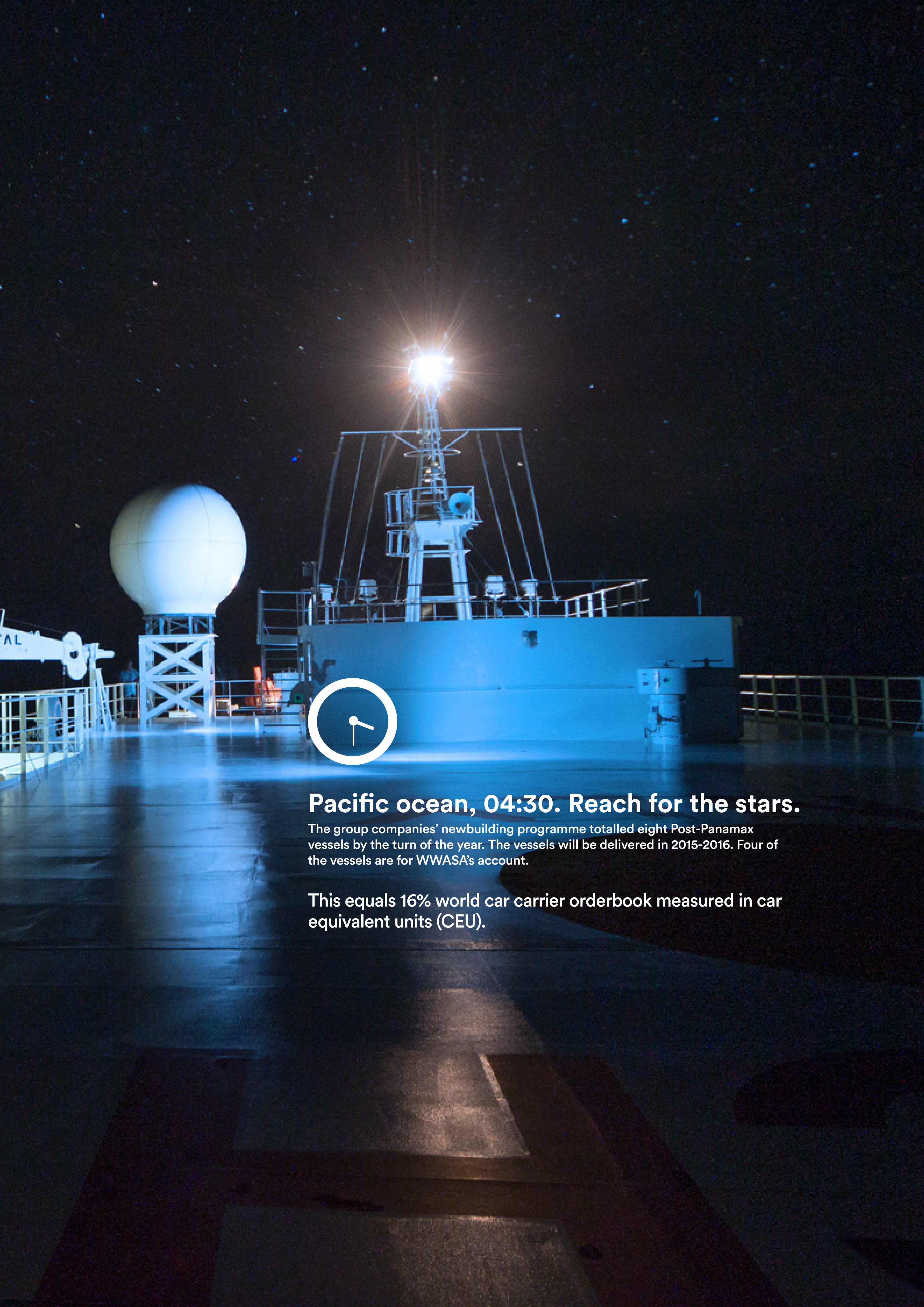
A 105 tonne locomotive is rolled onboard of the MV Tamerlane on a rolltrailer reinforced with extra steel, bound for the mining industry in Tasmania, Australia.

A total of 17 locomotives were transported from the US to Austraila in five separate shipments.

English channel, 16:30. Operational excellence.

The MV Tijuca is approaching Bremerhaven while slow steaming during its final nautical miles.

Lower speed and reduced fuel consumption and emission per transported unit.



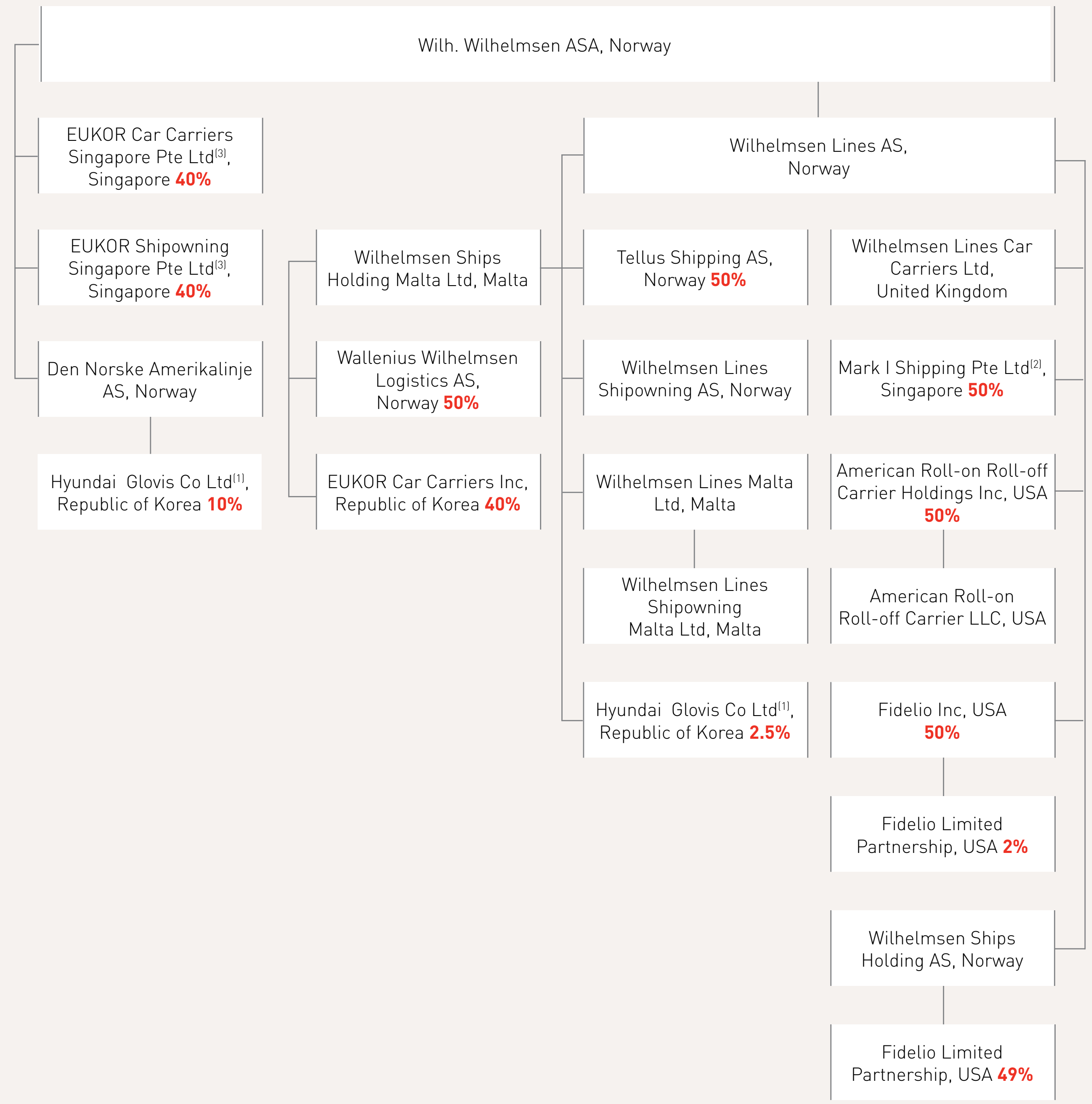
Pacific ocean, 04:30. Reach for the stars.

The group companies' newbuilding programme totalled eight Post-Panamax vessels by the turn of the year. The vessels will be delivered in 2015-2016. Four of the vessels are for WWASA's account.

This equals 16% world car carrier orderbook measured in car equivalent units (CEU).

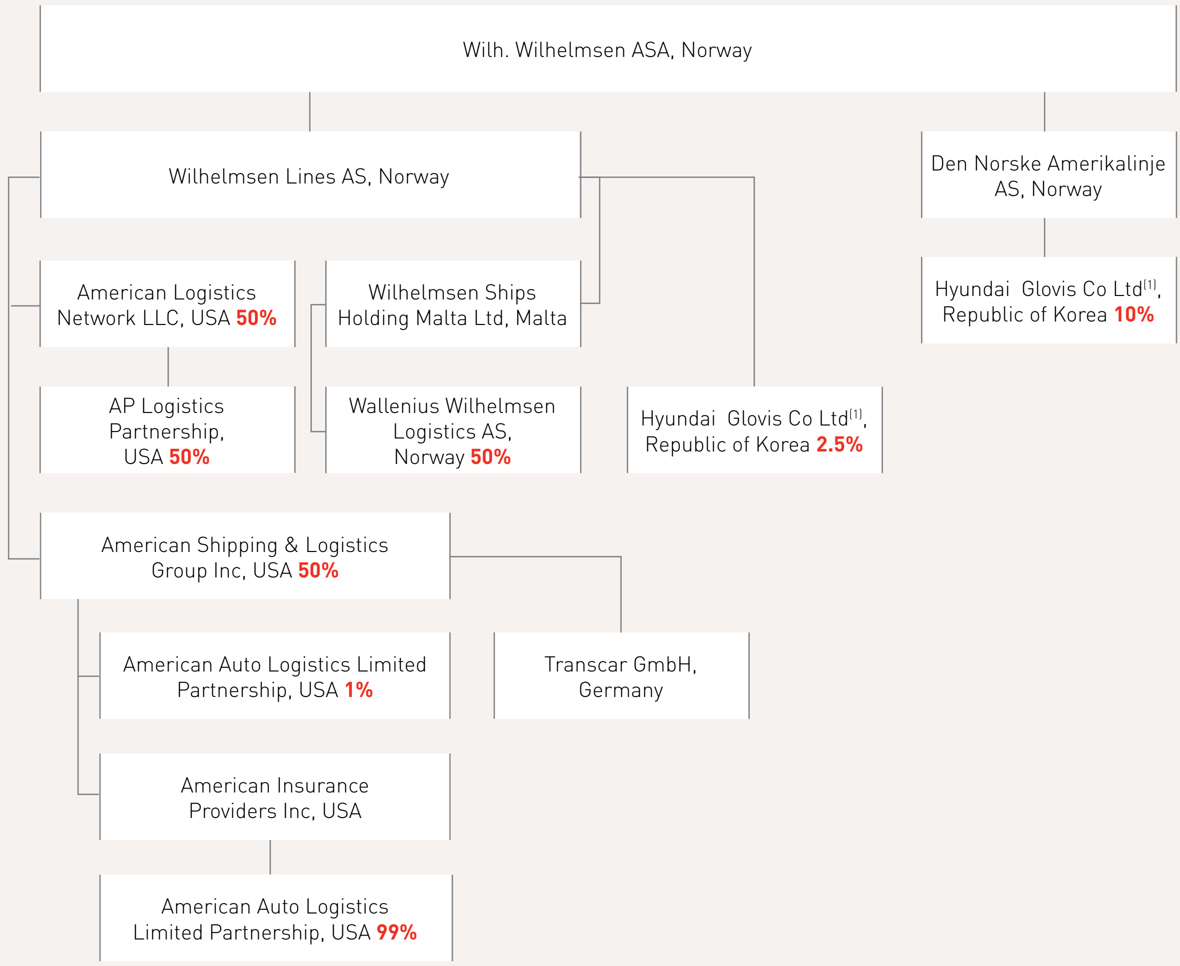
Corporate structure

Shipping segment | STRUCTURE* PER 31 DECEMBER 2014



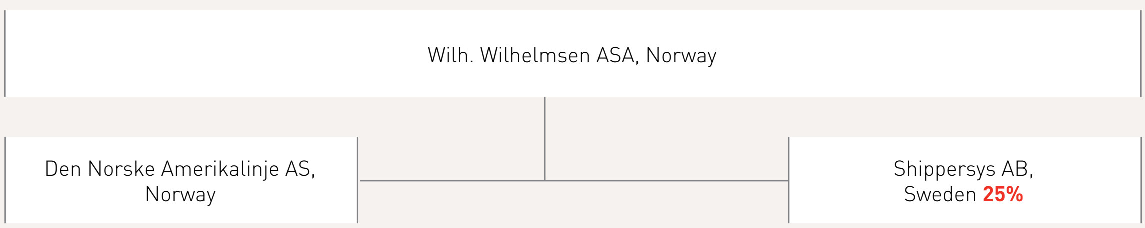
[*]Unless otherwise stated, the company is wholly-owned
[1]Owned through Den Norske Amerikalinje AS (10%) and Wilhelmsen Lines AS (2.5%)
[2]Under liquidation
[3]Will be liquidated in 2015

Logistics segment | STRUCTURE* PER 31 DECEMBER 2014



*Unless otherwise stated, the company is wholly-owned
[1]Owned through Den Norske Amerikalinje AS (10%) and Wilhelmsen Lines AS (2.5%)

Holding segment | STRUCTURE* PER 31 DECEMBER 2014



*Unless otherwise stated, the company is wholly-owned

WW fleet
Flag and ownership status as per 31.12.2014

Name	Imo	Built	Type	Flag	WWASA ownership/control
PCTC					
MHI TYPE					
TORRENS	9 293 612	2004/10	PCTC	GBR	Financial lease
TORONTO	9 293 624	2005/02	PCTC	GBR	Financial lease
TOLEDO	9 302 205	2005/08	PCTC	GBR	Financial lease
TOPEKA	9 310 109	2006/06	PCTC	GBR	100 %
TOMBARRA	9 319 753	2006/09	PCTC	GBR	100 %
TORTUGAS	9 319 765	2006/12	PCTC	GBR	100 %
TOMAR	9 375 264	2008/10	PCTC	GBR	100 %
TOREADOR	9 375 288	2008/12	PCTC	GBR	100 %
TORINO	9 398 321	2009/03	PCTC	GBR	100 %
TOSCANA	9 398 333	2009/06	PCTC	GBR	100 %
TONGALA	9 605 786	2012/09	PCTC	MLT	100 %
OTHER					
TANCRED	8 605 167	1987/04	PCTC	NIS	100 %
TRIANON	8 520 680	1987/04	PCTC	NIS	100 %
TRINIDAD	8 602 579	1987/09	PCTC	NIS	100 %
TASCO*	8 309 581	1985/02	PCTC	NIS	100 %
TAGUS*	8 309 579	1985/03	PCTC	NIS	100 %
MORNING CONCERT	9 312 822	2006/04	PCTC	GBR	100 %
LCTC					
LCTC1					
TIJUCA	9 377 511	2008/12	LCTC	NIS	100 %
TIRRANNA	9 377 523	2009/06	LCTC	NIS	100 %
LCTC2					
TIGER	9 505 039	2011/06	LCTC	MLT	100 %
TUGELA	9 505 065	2011/07	LCTC	MLT	100 %
TITANIA	9 505 053	2011/12	LCTC	MLT	100 %
TULANE	9 505 089	2012/06	LCTC	MLT	100 %
RORO					
MARK V					
TØNSBERG	9 515 383	2011/03	RO/RO	MLT	100 %
TYSLA	9 515 400	2012/01	RO/RO	MLT	100 %
MARK IV					
TAMESIS	9 191 307	2000/04	RO/RO	NIS	100 %
TALISMAN	9 191 319	2000/06	RO/RO	NIS	100 %
TARAGO	9 191 321	2000/09	RO/RO	NIS	100 %
TAMERLANE	9 218 648	2001/02	RO/RO	NIS	100 %

* Tagus and Tasco were sold for recycling in February 2015.
** Thermopylæ (Post-Panamax design) was delivered in January 2015.
*** Thalatta (Post-Panamax design) was delivered in April 2015.
An updated fleet list is available at wilhelmsenasa.com

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