ANNUAL REPORT 2015

365 SUNRISES

WILH. WILHELMSEN ASA

CONTENT

Cover: *Being a world leader in ro-ro transport means not a single sunrise goes by without our group being in action. We're at sea, on land, on vessels, at ports and in offices. The WWASA group is a global operation serving a global market. Every sunrise means a new day transporting cargo to people of the world. Every sunrise counts.*

3 000 000

NAUTICAL MILES

In other words, the WWASA fleet sailed approximately 5 500 000 kilometres in 2015. That equals 138 times around the globe. It equals almost 11 400 crossings of the English Channel. Being a leading ro-ro company means we cover the entire planet. We go to great distances to do so.

74 000 000 m³

CARGO

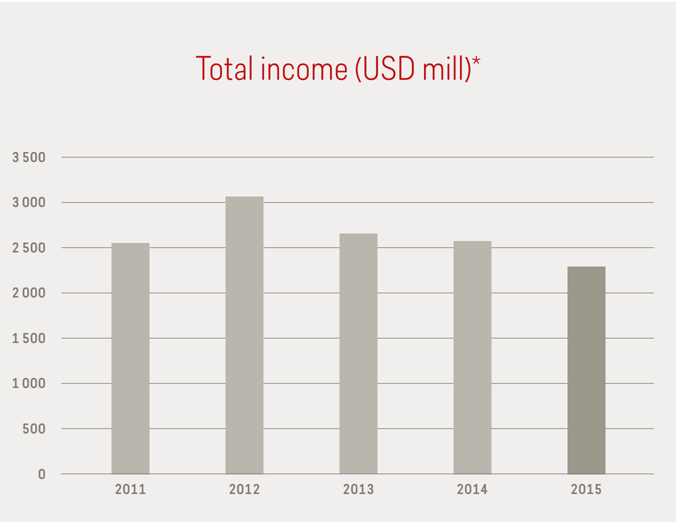
Tall, short, wide, narrow, big, small – our cargo comes in many shapes and sizes. But no matter the looks of our cargo, it amounts to enormous masses and space. At the other end of our delivery are happy customers, like you, finally receiving what you have been waiting for.

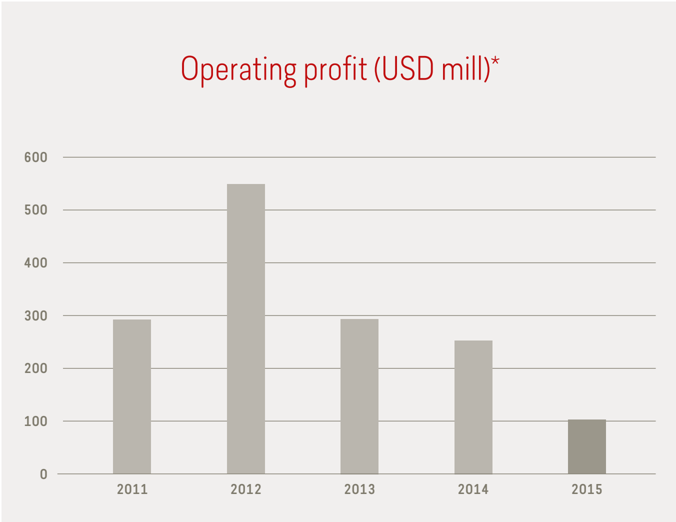
KEY FIGURES

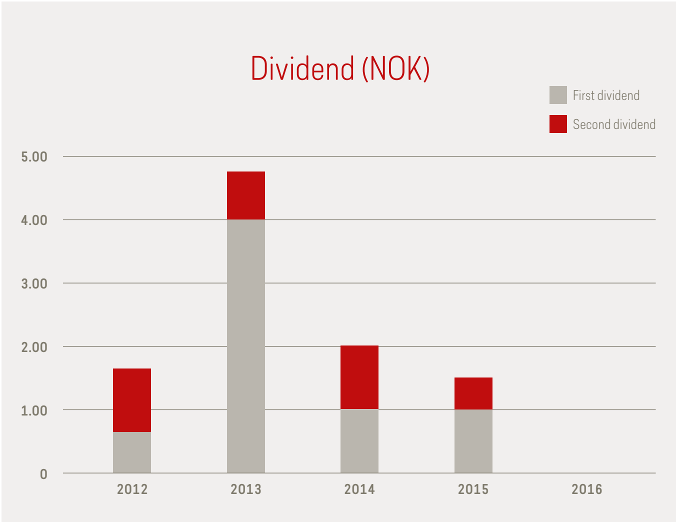
Key figures

Consolidated accounts

		2015	2014	2013	2012	2011
Income statement						
Total income*	USD mill	2 308	2 592	2 673	3 086	2 554
Operating profit before depreciation and impairment (EBITDA)*	USD mill	262	413	445	697	436
Operating profit*	USD mill	103	253	293	548	292
Profit/(loss) before tax*	USD mill	(25)	122	285	448	145
Net profit/(loss)*	USD mill	(4)	166	272	410	143
Balance sheet						
Fixed assets	USD mill	2 925	2 955	2 952	2 897	2 610
Current assets	USD mill	373	398	436	511	438
Equity	USD mill	1 655	1 707	1 632	1 544	1 207
Interest-bearing debt	USD mill	1 319	1 325	1 502	1 534	1 483
Total assets	USD mill	3 299	3 353	3 388	3 407	3 048
Key financial figures						
Cash flow from operations (1)	USD mill	194	216	194	270	164
Liquid funds at 31 Dec (2)	USD mill	349	375	411	474	402
Liquidity ratio (3)		1.3	2.7	1.9	3.2	1.4
Equity ratio (4)	%	50%	51%	48%	45%	40%
Yield						
Return on capital employed (5)	%	2.0%	6.9%	8.2%	17.6%	9.9%
Return on equity (6)	%	(0.3%)	9.9%	17.1%	29.8%	12.4%
Key figures per share						
Earnings per share (7)	USD	(0.02)	0.75	1.23	1.86	0.65
Diluted earnings per share (8)	USD	(0.02)	0.75	1.23	1.86	0.65
EBITDA per share (9)*	USD	1.19	1.88	2.02	3.17	1.98
Average number of shares outstanding	(thousand)	220 000	220 000	220 000	220 000	220 000
Market price at 31 Dec	NOK	35.30	46.00	56.75	49.70	28.60
Market price high	NOK	51.50	60.25	59.25	49.70	42.30
Market price low	NOK	32.80	41.60	45.00	29.50	23.00
Dividend per share	NOK	1.50	2.00	4.75	1.65	1.00







DEFINITION
(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 percent 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.

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

The board of WWASA: (from left) Marianne Lie, Diderik Schnitler, Nils Petter Dyvik, Thomas Wilhelmsen (chair) and Bente Brevik

DIRECTORS' REPORT

Directors' report for 2015

Wilh. Wilhelmsen ASA

Highlights for 2015

Adjusted for non-recurring items, total income fell 12%

Transported volumes declined slightly from 2014, with continued unfavourable cargo and trade mix given the group's advance fleet

Lower BAF-compensation caused by falling bunker prices

Lower contribution from logistics services, mainly caused by Hyundai Glovis

Adjusted for non-recurring items, operating profit improved by 22%

Reduced costs lifted operating margin towards the end of the year

STRATEGIC POSITION

Through its three operating companies Wallenius Wilhelmsen Logistics (WWL), EUKOR Car Carriers (EUKOR) and American Roll-on Roll-off Carrier Group (ARC), 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 group 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 2015

Demand for deep sea transportation of cars and high and heavy units was slightly lower compared with volumes shipped in 2014. In addition, an unfavourable cargo and trade mix combined with reduced bunker compensation negatively affected the total income. A general pressure on freight rates also had a negative effect.

Despite a sales gain of USD 26 million related to a reduction in the shareholding in Hyundai Glovis, the total income from the logistics segment declined compared with 2014, mainly caused by lower contribution from Hyundai Glovis.

Implemented cost reducing and efficiency measures had a positive effect on the operating expenses. However, with a provision of USD 200 million related to the ongoing anti-trust investigation in the two joint ventures, Wallenius Wilhelmsen Logistics (WWL) and EUKOR Car Carriers (EUKOR), total expenses were only slightly lower than the previous year.

Excluding the sales gains and the provision, the group's net profit came in on par with 2014.

The group paid a dividend of NOK 1.50 per share in 2015, approximately USD 41 million, representing a dividend yield of 4.3% (share price at year end).

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

ANNUAL GROUP ACCOUNTS – EQUITY FIGURES [1]

For 2015, WWASA's operating profit according to the equity method totalled USD 60 million compared with USD 211 million in 2014 (figures for 2014 are hereafter in brackets). The total income totalled USD 267 million (USD 437 million).

Figures for 2015 were affected by several non-recurring items, including a provision related to the ongoing anti-trust investigation, a gain from the share reduction in Hyundai Glovis, and an impairment of vessels sold for recycling. Adjusted for non-recurring items, the group's operating profit totalled USD 234 million (USD 218 million) based on a total income of USD 441 million (USD 443 million).

Net financial expense for 2015 was USD 98 million (expense of USD 108 million). The combination of lower interest rates and a strong appreciation of the USD, lead to a losses, mainly unrealised, on hedging contracts (interest swaps and currency hedges) and hence, high financial expenses. Lower interest rates and the strong USD had, however, a positive effect on the underlying business.

Net interest expenses in 2015, including realised losses on interest rate hedges, was USD 67 million (USD 71 million).

For the full year, net currency items totalled a loss of USD 38 million (loss of USD 17 million), mainly due to appreciation of the USD.

Group loss before tax was USD 38 million (profit of USD 104 million), mainly caused by non-recurring items. Tax income was USD 33 million (USD 62 million), mainly caused by a strong USD/NOK.

The net loss after tax amounted to USD 4 million (profit of USD 166 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 1 319 million at the end of 2015 (USD 1 325 million).

Outstanding bonds totalled USD 270 million (USD 319 million) with the remaining consisting of bank loans and export credit facilities.

Two newbuildings were delivered in the first half of 2015, both financed by ordinary bank loans.

In July 2015, the group completed the refinancing of three UK tax leases to straight bank financing.

The group has had a dialogue with its lenders and received covenant waivers related to the provision made in the third quarter 2015, an extraordinary item impacting only the debt-earnings ratio. Hence the group was in compliance with all loan covenants at 31 December 2015.

Interest rates

Long-term USD interest rates increased modestly during 2015 while the shorter term interest rates rose towards the end of the year. Three months USD Libor ended at 0.60%, up from 0.25 at the start of the year.

Net interest expenses for the group amounted to USD 67 million (USD 71 million), of which USD 32 million was related to realised losses on the interest hedging portfolio and lower average interest rates. WWASA has a high portion of the total debt hedged to fixed rate.

WWASA seeks to hedge between 30-70% of its net interest rate exposure, predominantly through interest rate swaps and options. The group has a pro-active approach to interest rate risk management and endeavors to take advantage of changing market conditions. The notional value of the interest rate derivatives and fixed rate loans corresponded to approximately 70% (about 70%) of the interest rate exposure at the end of 2015. 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 2015, the net effect from currency was a loss of USD 38.2 million (loss of USD 17.4 million).

WWASA's policy is to hedge between 25-75% of the group's net transaction exposure. The projected four year rolling USD/NOK exposure is hedged using a portfolio of currency options. The average hedge ratio at the end of 2015 was approximately 65% (60%).

The group's hedge ratio increases when the NOK appreciates and vice versa. The main strike levels on purchased put options at the end of 2015 were in the area of USD/NOK 5.50–6.10 (USD/NOK 5.50-6.10). WWASA is actively managing a portfolio of short call options to finance the put options. These call options led to realised losses due to the strong appreciation of the USD.

The market value of WWASA's foreign exchange derivatives

Highlights for 2015 cont.

Fleet capacity down 5%

NOK 1.50 per share paid in dividend, totalling USD 41 million

Provision in connection with ongoing anti-trust investigation of USD 200 million

Anti-trust investigations in China and South Africa concluded. WWASA's share of joint venture fines totalled USD 25 million

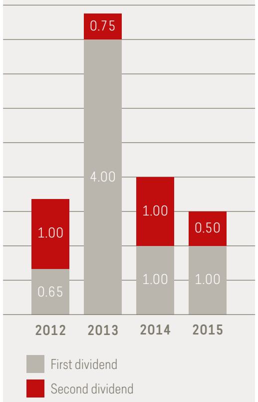
Strong balance sheet and financial position

Equity ratio of 50% of book values

Free liquid assets of USD 350 million

[1] Joint ventures and associates are accounted for using the equity method. This method provides a fair presentation of the group's financial position.

Dividend (NOK)



portfolio was negative USD 160 million (negative USD 113 million) at the end of 2015.

Bunkers

Rotterdam FOB 380 fell significantly in the 2015 and ended at approximately USD 140 per tonne at the end of 2015.

Through the operating companies, WWASA has an ambition to secure bunker adjustment clauses (BAF) in all freight contracts. The majority of the roughly 1 800 000 tonnes (1 750 000 tonnes) of bunkers consumed in 2015 by the ship operating companies in the group, were secured through BAF-clauses. WWASA's share amounted to 800 000 tonnes (770 000 tonnes). In addition, the group may secure part of its additional bunker exposure through various derivative contracts.

As of 31 December 2015, 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 derivative contracts, including share of hedge contracts in joint ventures, was negative USD 17 million (negative USD 3 million) at year end.

As of 31 December 2015, the WWASA group had secured most of the group's share of expected bunker exposure in 2016 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 32 million (negative USD 17 million) in 2015.

Cash flow from operating activities decreased from USD 216 million in 2014 to USD 194 million in 2015.

Improved operating results was offset by reduced cash up streaming from joint ventures and associates. Increased withholding tax imposed on dividends received from EUKOR also reduced the cash flow from operating activities.

Cash flow from investing activities amounted to negative USD 137 million (negative USD 16 million), as a result of taking delivery of two new vessels and increased financial investments, partly offset by proceeds from sale of assets.

Cash flow from financing activities amounted to negative USD 89 million (negative USD 216 million), reflecting payment of interest expenses, planned instalments on the existing debt and payment of dividend, partly offset by debt financing of the vessels delivered as well as proceeds from refinancing of UK tax leases.

Cash and bank deposits

Cash and bank deposits decreased to USD 108 million (USD 140 million). Total liquid assets, including cash and bank deposits and current financial investments were USD 349 million (USD 375 million) at the end of 2015. Undrawn committed drawing rights totalled USD 50 million (USD 50 million).

Equity

The group's equity amounted to USD 1 655 million (USD 1 707 million), representing an equity ratio of 50% 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 242 million at year end (USD 235 million), with investment primarily in investment grade bonds and Nordic equities. The return on the portfolio was negative 2.0% in 2015 negatively affected by the strong USD as equity investments were not hedged.

Dividend

Dividend policy

WWASA intends to provide shareholders with a competitive return over time through a combination of rising value for the group's shares and payment of dividends semi-annually to shareholders.

Dividend paid in 2015

In 2015, WWASA paid a total of NOK 1.50 per share, totalling approximately USD 41 million.

Proposed dividend for 2015

With the proposed restructuring of WWASA, the board proposes not to pay dividend for the fiscal year 2015. The proposal is expected to be resolved by the annual general meeting on 3 May 2016.

Share return

The total return on the group's share was negative 20% in

2015 including dividend payment, compared with a positive 19% on the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics).

TAX

WWASA recorded a tax income of USD 33 million (USD 62 million) in 2015.

In 2015, the WWASA group had an estimated net payable tax amounting to USD 17 million related to withholding tax on dividends. Currency transition from USD to NOK for Norwegian tax purpose had an effect on change in deferred tax with USD 10 million (deferred tax cost).

Payable withholding tax was impacted by a notice from the Korean tax authorities whereas they disregard Wilhelmsen Ships Holding Malta Ltd as the beneficial owner of dividends from EUKOR. The notice is for the period 2010-2014 with an increased withholding tax from 5% to 15%. The Korean tax authorities claim that WWASA is the beneficial owner of the dividend, leading to the authorities claiming a 15% withholding tax according to the tax treaty between Norway and Korea. EUKOR has withheld 5% on dividends paid according to the Malta-Korea tax treaty. Total increased withholding tax and penalty (10%) for the period 2010-2015 amounts to approximately USD 15 million. WWASA has made an administrative appeal to the Korean Board of Audit and Inspection and a decision is expected in the end of 2016.

Wilhelmsen Lines Shipowning 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. The litigation process was scheduled for 2-4 May 2016, but WWASA has decided to withdraw the case. The withdrawal has no impact on the income statement or balance sheet for the group.

The group has also an outstanding issue with the Norwegian tax administration related to a sales gain of NOK 72 million recorded in 2007. In 2012, the tax authorities decided the sales gain was taxable and the group paid the tax. However, the group does not agree with the tax administration's ruling and has brought the case before the Supreme Court, expected to give its judgment in March/April 2016.

For further information, please refer to the tax note (note 6) in the group accounts.

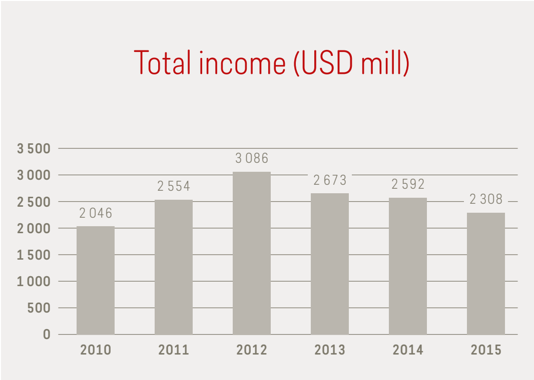
ALLOCATION OF PROFIT

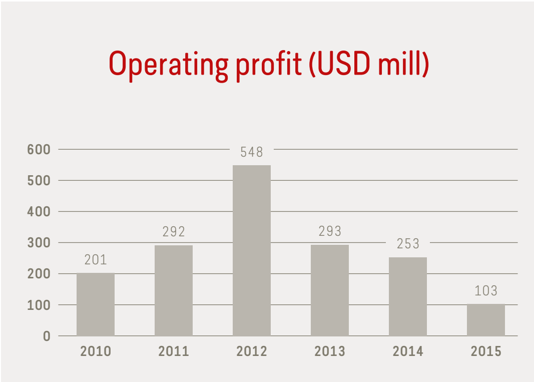
The board's proposal for allocating the net profit for 2015 is as follows:

Parent accounts (USD mill)	
Net profit	19
(To)/from equity	(8)
Interim dividend	(11)
Proposed dividend	0
Total allocation	**19**

ANNUAL GROUP ACCOUNTS – PROPORTIONATE FIGURES [2]

In 2015, the group delivered a total income of USD 2 308 million (USD 2 592 million) and an operating profit of USD 103 million (USD 253 million) according to the proportionate method.





[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.

The shipping segment

Shipping activities are mainly 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 group recorded several non-recurring items during the year, including a provision related to the ongoing anti-trust investigation, a gain on the reduction in shareholding in Hyundai Glovis, and an impairment of vessels sold for recycling. Adjusted for non-recurring items, the group's total income ended at USD 2 279 million (USD 2 051 million), while the operating profit totalled USD 277 million (USD 193 million).

The net financial expense amounted to USD 128 million (expense of USD 131 million) and was impacted by fair value losses, mainly unrealised on derivatives.

Group loss before tax and minority interests was USD 25 million (profit of USD 122 million).

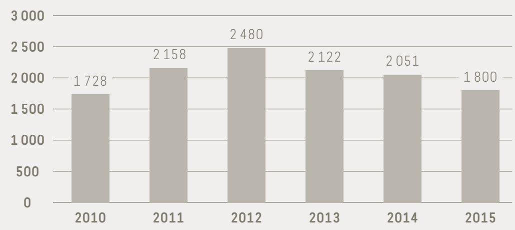
The group recorded a tax income for the year amounting to USD 23 million (income of USD 46 million), while the net loss after tax and minority interests came to USD 4 million (profit of USD 166 million).

THE SHIPPING SEGMENT

Main goal

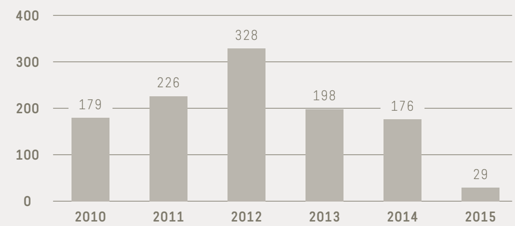
With a 22% share of the global car carrying and ro-ro fleet

Shipping income (USD mill)



The 2011-2013 figures are restated regarding the elimination of related party transactions, as a result of the group review of intercompany transations between the group joint venture's WWL and EUKOR during 2014.

Shipping operating profit (USD mill)



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 2015

In 2015, the shipping segment delivered a total income of USD 1 800 million (USD 2 051 million) and an operating profit of USD 29 million (USD 176 million).

Adjusted for non-recurring items, the shipping segment's total income ended at USD 1 798 million (USD 2 051 million), while the operating profit totalled USD 230 million (USD 198 million).

The fleet transported 74 million cubic metres (CMB) cargo, a decrease of 4.5% compared with 2014 (77.5 million cubic metres). Both auto- and high and heavy cargo volumes declined. A continued unfavourable cargo and trade mix, with lower bunker compensation and a general rate pressure, had a negative effect on profitability and fleet utilisation.

While ARC saw a positive development in volumes transported in 2015, both WWL and EUKOR saw declines. For WWL, auto volumes were stable, while the company recorded a substantial decline in high and heavy cargo negatively impacting the cargo mix. EUKOR saw a decline in volumes transported in their European trade, while volumes to the Americas improved.

Auto volumes and trades

The group's auto volumes were down from 2014, mainly due to decreased volumes in foundation trades.

Global light vehicle car sales increased 2% in 2015 and totalled 89 million unit sold. In key markets (North America, Europe, Oceania and the BRIC countries), sales were up 2% to 69 million units. A stronger USD and US economy continued to contribute to healthy sales in North America. Sales in Western Europe continued the positive trend and were up a strong 9% from last year. Chinese car sales continued to grow albeit at a lower level than previously seen and sales in Brazil and Russia continued to decline from the weak levels seen last year.

Japanese export increased by 2% from 2014 and totalled approximately 4.0 million cars in 2015, while

Korean vehicle export continued the negative trend from

2014 and ended 2015 at 2.8 million units, down 4% from the year before.

Chinese vehicle export declined and was down by 20% to 728 000 units in 2015 from 910 000 units in 2014. Exports were hurt by lower demand in Eastern Europe and Africa. Combined with export from Thailand and India, the three countries' annual export volumes were almost on par with the Korean light vehicle export level.

High and heavy volumes and trades

Global demand for transportation of construction equipment, agricultural and mining machinery remained soft in 2015, and the group lifted 6% less high and heavy cargo. Volumes were down in all trades, with volumes transported in emerging trades declining substantially more than in the foundation trades.

Estimated global construction spending grew by 2.6% in 2015, headed by North America. Construction spending in Europe improved less than expected, while the Asia-Pacific region overall recorded 3.3% growth. The Chinese market, however, continued to be under pressure due to slower economic growth and a challenging housing market. With commodity prices for coal, precious metals and industrial metals continuing on a negative trend in 2015, demand for transportation of mining equipment was modest.

Given the general negative development in commodity prices from mid-2012, most mining companies continued to cut capital expenditure and refrained from initiating new investment projects also in 2015.

Most agricultural commodity prices continued to fall through the year and ended lower than the levels seen in 2014, reducing overall farm income and investment in new machinery.

THE LOGISTICS SEGMENT

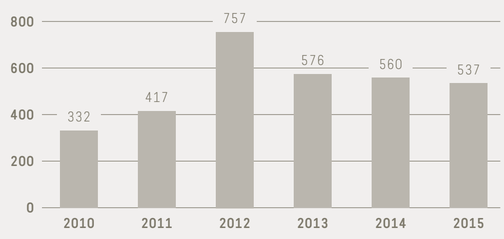
Main goal

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.

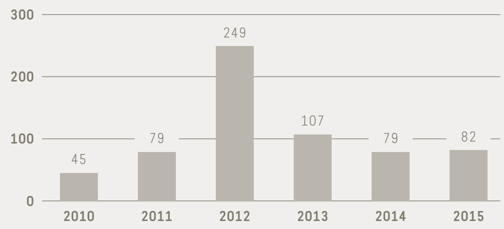
Summary of 2015

The group delivered an operating profit of USD 82 million

Logistics income (USD mill)



Logistics operating profit (USD mill)



Segment figures are excluding group eliminations.

(USD 79 million) based on a total income of USD 537 million (USD 560 million). When adjusting for non-recurring items affecting total income and operating profit in both 2014 and 2015, the group delivered underlying total income of USD 511 million (USD 548 million) and underlying operating profit of USD 56 million (USD 77 million). Of the total income and operating profit, Hyundai Glovis contributed with USD 31 million (USD 57 million). The reduced contribution was mainly related to weaker underlying results and negatively affected by currency losses.

Increased activity level in WWL, positively affecting total income, was more than offset by reduced contribution from Hyundai Glovis.

Operating profit from WWL's activities was on par with 2014, while contribution from Hyundai Glovis was down.

WWL handled a total of 5 million units at its terminals (2 million), while 6.3 million units were handled at the companies some 40 technical services facilities (6 million units). Inland distribution services grew by almost 8% and totalled 2.8 million units in 2015 (2.6 million units).

The logistics segment

Logistics activities are mainly carried out through:

Wallenius Wilhelmsen Logistics (WWL) owned 50%

Hyundai Glovis owned 12.04%

Events after the turn of the year

Investments in logistics

Acquiring strategically important logistics infrastructure is a key goal for the group, to further strengthen its position in the car and high and heavy market and increase the logistics footprint.

Following up on the ambition, WWL entered into an agreement with Two Continents Logistics to acquire full ownership of WWL Vehicle Services Americas (VSA), currently a joint venture (50/50) between the two companies, based in USA in February 2016. The company employs 3 400 employees and handles some 4.7 million units annually.

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

Simultaneous, WWL entered into an agreement with partner company Groupe CAT to acquire its 50% shares in CAT-WWL, a joint venture network of ten vehicle-processing facilities based in South Africa.

With full ownership in CAT-WWL, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.

The business employs more than 900 workers and handles some 680 000 units.

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

The new investments are expected to contribute with approximately net USD 10 million in 2016 to WWASA's operating profit.

Other issues

Update on the anti-trust investigation

The authorities in Japan (2013), South Africa (2015) and China (2015) have finalised their investigations of the car carrying industry and fined WWL for non-competitive behaviour. EUKOR has been fined in China (2015).

The companies continue to be part of anti-trust investigations in several jurisdictions, of which the EU and US are the bigger jurisdictions. As some of the processes are confidential, WWASA is not in a position to comment on the ongoing investigations within the respective jurisdictions. The processes are expected to continue to take time, but further clarifications within some jurisdictions are expected during 2016 and 2017.

In the third quarter 2015, WWASA made a provision of USD 200 million representing the estimated WWASA share of exposure in WWL and EUKOR related to the investigations. At year-end the remaining sum of provisions was USD 179 million after fines in China amounted to USD 21 million.

Restructuring of WWASA

In February 2016, the board of WWASA proposed to carry out a restructuring of the group. In the new suggested structure, Den Norske Amerikalinje AS (owning the 12% shareholding in Hyundai Glovis) will be demerged from WWASA and carried forward in a separately listed entity to be named Treasure ASA.

The proposed demerger will improve transparency and create a simpler structure visualising values for shareholders in WWASA. In addition, WWASA will be more correct capitalised following the restructuring.

The restructuring enables WWASA to focus on its core activities, creating value through its joint ventures by offering global car and ro-ro customers' high quality sea transportation and integrated logistics/land-based solutions from factory to dealer.

Shareholders will receive the same amount of shares they hold in WWASA in Treasure ASA and hence keep their prorate share.

Treasure ASA will be jointly and severally responsible for the obligations incurred by WWASA parent company prior to the demerger becoming effective.

The proposed changes are subject to approval at an extraordinary general meeting in WWASA to be held 20 April 2016.

WWASA'S TONNAGE POSITION

World car carrying tonnage

At the turn of the year, the world car carrying fleet totalled 761 vessels (4.0 million CEUs), a net increase of 12 vessels compared with 2014.

In 2015, the global orderbook increased by net 28 vessel. 21 vessels were delivered and 50 newbuildings were ordered. At the beginning of 2016, the global orderbook included 86 vessels (583 000 CEUs), representing 14% of the total fleet measured in CEUs.

Nine vessels, with an average age of 27 years, were recycled, five vessels less than in 2014. The average age of the current world fleet is approximately 11 years.

WWASA's fleet capacity
Of the world car carrying fleet, the WWASA group controlled a total of 137 vessels (147 vessels) equal to 886 000 car equivalent units (CEUs) (935 000 CEUs). The group's total fleet represented a 22% share of the global car carrying market, down from 24% in 2014.

Twenty-nine of the vessels were owned or controlled by WWASA.

WWL operated a total fleet of 52 vessels (56 vessels) at the end of December 2015, with a total capacity of 359 000 CEUs (376 000 CEUs).

EUKOR operated a total of 80 vessels (86 vessels) by the end of December 2015, with a total of 499 000 CEUs (531 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC operated a total of five vessels (five vessels) by the end of December 2015, with a total capacity of 29 000 CEUs (29 000 CEUs).

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 31 December 2014	147
Newbuilding deliveries	+2
Redeliveries to external owners	-4
Vessels recycled	-4
Chartered out	-3
Out of service due to incident	-1
Fleet capacity 31 December 2015	137

Newbuildings
The group companies took delivery of two new vessels in 2015 (five vessels). Both vessels, Thermopylæ and Thalatta, were for WWASA's account and commenced service for WWL.

Two vessels were ordered for EUKOR's account during 2015.

The group companies' newbuilding programme totalled eight Post-Panamax vessels by the turn of the year, equalling 11% of the world car carrier orderbook measured in CEUs. The vessels will be delivered in 2016-2017. Two of the vessels are for WWASA's account and will be delivered in the first half of 2016.

Redeliveries
During the year, four EUKOR operated vessels (four vessels) were redelivered to external owners.

The group has flexibility to redeliver seven chartered vessels to external owners during 2016 (seven vessels).

Recycling
Four group vessels were recycled (four vessels) in 2015, of which two – the ro-ro vessels Tagus and Tasco – were for WWASA's accounts. Three vessels were sold for recycling in the first quarter of 2016. As a responsible owner, WWASA recycles its vessels in accordance with the Hong Kong convention at green recycling facilities in China.

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

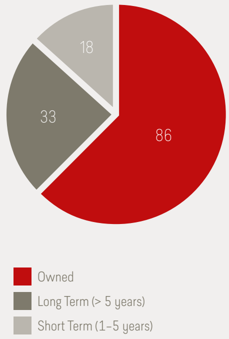
Chartered vessels
No charter vessels commenced service for group companies during 2015.

SUSTAINABILITY REPORTING

Corporate governance
The board believes sound corporate governance is a foundation for profitable growth and that it provides a

"Fleet capacity decreased by 5.2% in 2015."

Number of vessels
(End of 2015)



Of 137 vessels,
29 vessels are owned by WWASA.

healthy group 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 2015 can be found on pages 94-105 or on www.wilhelmsenasa.com. It is the board's view that the group has an appropriate governance structure and that it is managed in a satisfactory way. The corporate governance report is to be reviewed by the general meeting on 3 May 2016.

Sustainability reporting

WWASA assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting. The group has a social responsibility guideline, including human rights, labour standards and a commitment to promote greater environmental responsibility. A summary of the guideline is presented at www.wilhelmsenasa.com.

In addition, WWASA's majority shareholder, Wilh. Wilhelmsen Holding ASA, issues an annual sustainability report. A summary of the report for 2015 can be found on pages 118-123 in the Wilh. Wilhelmsen Holding ASA annual report. The full report is available on both companies' websites. The report, which follows the requirements set forward by the Global Reporting Initiative, describes how WWASA as part of the Wilhelmsen group combines long-term profitability with emphasis on ethical business conduct and with respect for human beings, the environment and society. The report will be reviewed by the general meeting on 3 May 2016.

Focus areas and achievements in 2015

In 2015, WWASA had a particular attention at the following topics:

- Innovation and sustainable solutions
- Anti-corruption, competition law, theft and fraud, whistleblowing
- Talent management
- A global safety culture

The group's achievements included:

- 1.3% reduction of CO_2 emissions
- 3.5% reduction of NOx emissions
- Successful installation of ship performance system on all WWASA owned vessels
- 95% of land based employees and 80% of active seafarers conducted the "I comply" campaign
- Zero tolerance policy towards facilitation payments implemented
- 3.7% turnover rate
- 1.2% sickness absence on land
- Engagement survey conducted
- Performance appraisals conducted

Further details on the progress on the focus areas can be viewed in the online sustainability report.

Ambitions for 2016

The focus areas for 2015 will continue into 2016.

Through clearly expressed expectations to employees as well as companies in which WWASA is a shareholder, the group will contribute to promote human rights and sound working standards, reduce its environmental impact, and work towards eliminating corruption in own operations as well as in the operations of suppliers and business partners. In 2016, the group will continue to improve guidelines and standards.

The group will also continue to improve data quality and reporting routines to follow up on issues defined as material for the group's sustainability ambitions.

In 2016, the emphasis on the zero tolerance policy on facilitation payments will continue. The group expects all employees and companies in which it holds shares to say no to corruption.

Workforce, including non-discrimination measures

Workforce

The group employed 36 (39) people in wholly owned companies (WWASA parent company, Wilhelmsen Lines Car Carriers UK and Wilhelmsen Lines Malta), and some 6 000 (6 200) people when joint ventures are included (WWL, EUKOR and ARC group).

The group's head office is located in Norway. In addition, WWASA has two foreign offices within its wholly owned structure and offices in 47 (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 and 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 group, male and female representation in the industry's recruitment base is unequal, making it difficult to achieve.

Two of the five directors on the board of WWASA are female, as well as 50% (50%) of the group's senior management.

Women accounted for 31% (31%) of the 26 (26) employees in WWASA employed in Norway at the turn of the year, and 36% (33%) of the 39 (39) employees when including wholly owned Wilhelmsen Lines Car Carriers and Wilhelmsen Malta.

WWL had 5 893 (5 971) employees worldwide, of which 27% were women.

EUKOR employed 214 (213) by year-end, of which 25% (24%) were women. The majority was located in Korea.

The US based shipping and logistics activities bundled in ARC totalled 55 (57) employees at 31 December 2015, with 31% being women.

Working environment and occupational health
By living the group 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 group's business is conducted with respect for human rights and labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum wage 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 leads to more efficient, sustainable and profitable business. The overall guidelines are described in the group's leadership expectations, as well as in the group's principles for human resources, quality, and health and safety. Several KPIs related to working environment are 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 1.2% in 2015 (2.9%). WWASA has implemented a variety of initiatives to promote a healthy working environment, including group health services, workout and 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 WWASA in Norway was 3.7% (3.2%) in 2015, which corresponded to one person leaving. This indicates that employees in general were satisfied with their employment.

Lost time injuries
There was a reduction in overall injuries on vessels resulting in positive improvement in lost-time injuries and total recordable cases.

Wilhelmsen Ship Management and Wilhelmsen Lines Car Carriers manage WWASA's owned vessels, and they conducted a number of safety campaigns aimed at creating safer and healthier working conditions on board the vessels during the year.

For vessel based operations, the lost time injury frequency rate (LTIF) ended at 0.56 (0.67) in 2015, in line with the target not to exceed 0.65. The LTIF target for 2016 is 0.6. The total recordable case frequency rate (TRCF) for vessel based operations was 2.01, below the set target of 2.8.

In 2015, there were zero work related fatalities on board WWASA's vessel or at land based facilities/offices.

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

Working committee and executive committee
Management cooperates closely with employees through several bodies, including the Joint Working Committee and the Executive Committee for Industrial Democracy in

"No work related injuries were reported during the year."

Foreign Trade Shipping. The bodies give valuable input to solve group related issues in a constructive way.

The Joint Working Committee 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 group or of special importance for the workforce. In 2015, both committees held official meetings according to plan.

Performance appraisals

The group conducts annual performance appraisals with employees, and the completion rate for 2015 ended at 100% (100%).

Engagement survey

WWASA seeks to provide a positive and stimulating work environment in which all employees are motivated to 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 2015, 95% (76%) of the employees in the group conducted the survey.

The 2015 survey show stable results at a good level. Employees reported a high sense of loyalty to the group and were proud to work for WW. Loyalty is seen as a strong contributor to motivated employees and a key to improve performance.

The impact of the group's compliance campaigns on-shore in 2014 and 2015 were successful based on the survey feedback. Going forward, the group aims to compete with the best-in-class companies. In order to achieve this, results from the engagement survey will be followed up closely in 2016, with special emphasis on leadership capabilities for strategic success.

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 group's strategic ambitions. The schemes take local regulations and competition into account as well as the responsibility and complexity of the position.

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 pages 103-104 and in the notes 4 and 2 in the group and parent accounts respectively, pages 41-43 and 72-73. The group 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 be found on pages 103-104.

Competence development

"Learning and innovation" is one of the group's core values. WWASA pays particular attention to knowledge and competence development. We believe a learning organisation with motivated employees contributes to efficient operations and has a positive impact on the group's revenue and earnings. Training related to each employee's working situation receives most attention. In addition, the group 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, expectations, ways of working, and common business standards.

The natural environment

The board acknowledges the environmental challenges faced by the maritime industry, and the need for sustainable solutions. WWASA aims to be 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 group investigates new technology, solutions and ways of working to reduce emissions and fuel consumption from its fleet of vessels.

The group implements its environmental ambition by focusing on high impact initiatives, and setting objectives and goals for the operating companies, technical managers and other stakeholders. In 2015, WWASA's main accomplishments included:

- Continued participation in the WG5 group working towards a more efficient and transparent shipping industry
- Further reducing fuel consumption by installing a highly sophisticated vessel energy performance reporting tool from Shippersys AB on all 29 WWASA vessels

- New engineering solution for engine room energy management installed and tested on a WW vessel. For the installation, Callenberg and WWASA won the SHIPPINGInsight Award of 2015
- Several vessels inspected and cleaned successfully by EcoSubsea's effective, environmental friendly hull cleaning device, called a Remotely Operated Vehicle (ROV), resulting in lower fuel consumption and emissions
- Two new energy efficient vessels, both equipped with exhaust gas cleaning systems (scrubbers), delivered
- Two vessels recycled at green recycling yards in accordance with the Hong Kong Convention
- Four vessels retrofitted with new and more energy efficient bulbous bows, reducing fuel consumption and emission.

In 2016, the group will continue to seek excellence in optimising vessel performance and operations by:
- Installing the advanced Shippersys AB energy performance reporting tool on board all EUKOR 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
- Replace the bulbous bows on two additional vessels
- Continue to support companies providing more environmentally friendly and efficient solutions to the shipping industry
- Supporting and working with academia, and related research and development initiatives targeted at further developing the shipping industry's energy and environmental advantages.

An environmental account for 2015 and update on specific issues are included in WWASA's sustainability report available on www.wilhelmsenasa.com.

Environmental incidents in 2015

No serious incidents harming the environment were reported in 2015. However, one oil spill incident was reported among the WWASA's owned and controlled vessels. 300 litres of hydraulic oil from the stern ramp system escaped to the harbour basin. The incident was handled according to the group's guidelines with close cooperation with local port authorities to clean up the spill. The local water police fined the vessel EUR 55.

In case of incidents and near misses, investigations are 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.

Port state controls

The WWASA fleet had 111 port state controls in 2015. No vessels were detained, and the deficiency rate indicated that the fleet was manged according to the group's standards.

Stakeholder engagement

In 2015, WWASA was engaged in dialogues with governments, investors, non-governmental organisations and other stakeholders discussing topics related to the group 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 group was engaged in, amongst others, the Trident Alliance, the International Maritime Organisation, KOMpakt, BIMCO, ILO and the Norwegian Shipowners' Association and indirectly in organisations such as Maritime Anti-Corruption Network, Transparency International and TRACE International.

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 to the board an overview of the most important risk factors given the organisational structure and business profile to the market and mitigating initiatives.

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 54-60.

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.

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 that 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

In 2015, the auto market saw modest growth, both for sales and demand for deep sea transport services. The high and heavy market demand for transport was stable at a relatively low level, mainly due to low and falling commodity prices.

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 have grown less lately due to more local production of autoes.

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 be affected by the development in auto and high and heavy markets. Auto transportation is expected to show a modest growth in 2016, while high and heavy transport is forecasted to remain relatively stable

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 autos and high and heavy cargo are changing as a consequence of i.e. 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. A large global newbuilding order book for car and ro-ro vessels could put further pressure on the demand/supply balance. The current orderbook is 14% 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 in several jurisdictions of which the EU and US are among the bigger jurisdictions. The company made a provision in the third quarter covering its expected share of exposure (for details see page 16 and note 19 on page 66).

Ocean Car Carrying contract

EUKOR agreed with Hyundai Motor Group to carry Hyundai/KIA vehicle exports from Korea for a further four years. The new contract commenced in January 2016 and will last through 31 December 2019. The agreement confirms EUKOR's strong position in Korea and is proof of quality delivered under the existing contract. The volume portion will decline from 50% in the first two years to 40% the remaining two years.

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 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. The group has had a dialogue with its lenders and received covenant waivers related to the provision made in the third quarter 2015, an extraordinary item impacting only the debt-earnings ratio. Hence the group was in compliance with all loan covenants at 31 December 2015.

Liquidity

The group 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

The board expects the market situation to remain challenging with continued pressure on profitability. In 2016, modest growth is expected for global car sales. Demand for transportation of high and heavy units are also expected to be modest, with lower global construction spending and relatively low commodity and crop prices limiting the need for lifting construction, agricultural and mining equipment around the world.

The new investments in Vehicle Service Americas and South Africa will have a positive effect on operating profit from the logistics segments. However, the proposed restructuring of WWASA, will reduce the contribution from the logistics segment as the Hyundai Glovis shareholding will be demerger from the group.

With limited growth in world economy and world trade, the group is working to further improve operational efficiency and reduce unit costs.

WWASA entered 2016 with a healthy balance sheet. With a strong financial position, the group is positioned to further grow the business and prepared to act upon market opportunities.

The group's ambition is to continue to shape the car carrying 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 and grow the logistics services.

Lysaker, 17 March 2016
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
chair

Diderik Schnitler

Nils P Dyvik

Bente Brevik

Marianne Lie

Jan Eyvin Wang
president and CEO

Prospects for 2016

Modest growth in demand for seaborne transportation

Continued unfavourable cargo mix

Pressure on profitability

Logistics investments to contribute positively, while demerger will take down total contribution

Fleet renewal including recycling of older vessels and delivery of new tonnage

Strong equity and sound liquidity

Continued focus on issues related to anti-corruption, competition law, theft and fraud and whistleblowing

7 400 000*

UNITS

Until a futuristic super machine arrives, physical cargo needs shipping to reach across the seven seas. We transported over 7 million units last year, each unit defined as a 3.9 meter long car. What does 7.4 million mean? Imagine a six lane highway from New York City to Los Angeles. Imagine all lanes filled up non-stop from city to city. It means every car along that highway is our cargo. And we would have left-over cars to begin a decent attempt at reaching San Francisco. That's what 7.4 million means.

* Number based on accumulated cargo carried by operating companies, converted into RT units.

ACCOUNTS AND NOTES

INCOME STATEMENT WILH. WILHELMSEN ASA GROUP

USD mill	Note	2015	2014
Operating revenue	1/17/18	**313**	**285**
Other income			
Share of profit/(loss) from joint ventures and associates	2	(72)	152
Gain on sale of assets	2/5	27	
Total income		**267**	**437**
Operating expenses			
Vessel expenses	1	(42)	(47)
Charter expenses		(22)	(23)
Employee benefits	4	(52)	(63)
Other expenses	1/17	(11)	(13)
Depreciation and impairment	5	(80)	(80)
Total operating expenses		**(207)**	**(225)**
Operating profit/(loss)		**60**	**211**
Financial income	1	48	89
Financial expenses	1	(146)	(197)
Profit/(loss) before tax		**(38)**	**104**
Tax income/(expense)	6	33	62
Profit/(loss) for the year attributable to owners of the parent		**(4)**	**166**
Basic and diluted earnings per share (USD)	7	(0.02)	0.75

COMPREHENSIVE INCOME WILH. WILHELMSEN ASA GROUP

USD mill	Note	2015	2014
Profit/(loss) for the year		(4)	166
Other comprehensive income			
Items that may be subsequently reclassified to the income statement			
Reclassification of revaluation of previously held interest in Norwegian Car Carriers ASA			5
Cash flow hedges in joint venture, net of tax		(7)	(3)
Currency translation differences in joint venture		(5)	(5)
Items that will not be reclassified to the income statement			
Remeasurement postemployment benefits, net of tax	8	5	(19)
Other comprehensive income, net of tax		**(8)**	**(22)**
Total comprehensive income attributable to owners of the parent		**(12)**	**144**

Notes 1 to 20 on the next pages are an integral part of these financial statements.

BALANCE SHEET WILH. WILHELMSEN ASA GROUP

USD mill	Note	31.12.15	31.12.14
ASSETS			
Non current assets			
Deferred tax assets	6	66	25
Goodwill and other intangible assets	5	6	6
Investments in vessels and other tangible assets	5	1 827	1 760
Investments in joint ventures and associates	2	1 025	1 164
Other non current assets	9/17	1	1
Total non current assets		**2 925**	**2 955**
Current assets			
Current financial investments	10	242	235
Other current assets	9/17	24	23
Cash and cash equivalents		108	140
Total current assets		**373**	**398**
Total assets		**3 299**	**3 353**
EQUITY AND LIABILITIES			
Equity			
Share capital		30	30
Retained earnings and other reserves		1 624	1 677
Total equity attributable to owners of the parent		**1 655**	**1 707**
Non current liabilities			
Pension liabilities	8	42	56
Non current interest-bearing debt	12/13	1 135	1 236
Other non current liabilities	9	183	208
Total non current liabilities		**1 359**	**1 500**
Current liabilities			
Current income tax liabilities	6	3	
Public duties payable		1	1
Other current liabilities	9/12/17	281	145
Total current liabilities		**285**	**145**
Total equity and liabilities		**3 299**	**3 353**

Lysaker, 17 March 2016
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
chair

Diderik Schnitler

Nils P Dyvik

Marianne Lie

Bente Brevik

Jan Eyvin Wang
president and CEO

Notes 1 to 20 on the next pages are an integral part of these financial statements.

CASH FLOW STATEMENT WILH. WILHELMSEN ASA GROUP

USD mill	Note	2015	2014
Cash flow from operating activities			
Profit/(loss) before tax		(38)	104
Financial (income)/expenses, excluding unrealised financial derivates		68	(8)
Financial derivatives unrealised		30	115
Depreciation/impairment	5	80	80
(Gain)/loss on sale of tangible assets			1
Net (gain)/loss from sale of associate		(26)	
Change in net pension assets/liabilities		(10)	(24)
Other change in working capital		(9)	7
Share of (profit)/loss from joint ventures and associates	2	72	(152)
Dividend received from joint ventures and associates	2	41	95
Tax paid (company income tax, witholding tax)		(14)	(3)
Net cash flow provided by/(used in) operating activities		**194**	**216**
Cash flow from investing activities			
Proceeds from sale of tangible assets		7	15
Investments in vessels, other tangible and intangible assets	5	(154)	(35)
Net proceeds from sale of associate		39	
Proceeds from sale of investment-held-for-sale			6
Proceeds from sale of financial investments		94	57
Investments in financial investments		(127)	(64)
Dividend received (financial investments)		2	2
Interest received		1	2
Changes in other investments		1	
Net cash flow provided by/(used in) investing activities		**(137)**	**(16)**
Cash flow from financing activities			
Proceeds from issue of debt	12	221	312
Repayment of debt	12	(178)	(400)
Interest paid including interest derivatives		(77)	(70)
Realised financial derivatives		(13)	12
Dividend to shareholders		(41)	(69)
Net cash flow provided by/(used in) financing activities		**(89)**	**(216)**
Net increase/(decrease) in cash and cash equivalents		**(32)**	**(17)**
Cash and cash equivalents, excluding restricted cash, at 01.01		140	157
Currency on cash and cash equivalents*			
Cash and cash equivalents, excluding restricted cash, at 31.12		**108**	**140**

*The group is located and operating world wide and every entity has several bank accounts in different currencies. The cash flow effect from revaluation of cash and cash equivalents is included in net cash flow provided by/(used in) operating activities.

Notes 1 to 20 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 31.12.2014	30	(24)	1 700	1 707
Profit/(loss) for the year			(4)	(4)
Other comprehensive income		(8)		(8)
Total comprehensive income	**0**	**(8)**	**(4)**	**(12)**
Dividend to shareholders			(41)	(41)
Balance 31.12.2015	**30**	**(32)**	**1 656**	**1 655**

USD mill	Share capital	Other reserves	Retained earnings	Total equity
Balance at 31.12.2013	30	(3)	1 602	1 632
Profit/(loss) 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**

As of 31 December 2015 the company had no own shares.

Dividend paid for fiscal year 2014 was NOK 1.00 per share paid in May 2015 and NOK 0.50 per share paid in November 2015.

With the proposed restructuring of WWASA, where Den Norske Amerikalinje AS (owning the 12% shareholding in Hyundai Glovis) will be demerged from WWASA, the board proposes not to pay dividend in the second quarter of 2016 for the fiscal year 2015. The proposal will be resolved by the annual general meeting on 3 May 2016.

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

Notes 1 to 20 on the next pages are an integral part of these consolidated financial statements.

ACCOUNTING POLICIES WILH. WILHELMSEN ASA GROUP AND WILH. WILHELMSEN ASA

GENERAL INFORMATION

Wilh. Wilhelmsen ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2015 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 17 March 2016.

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

There are no new or amended standards adopted by the group or parent company from 1 January 2015 or later.

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.

- IFRS 16, Leases, issued in January 2016 and effective from 1 January 2019 covers the recognition of leases and related disclosure in the financial statements, and will replace IAS 17 Leases. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with IAS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for leases currently defined as operating leases under IAS 17, both as regards impact on the balance period of time in exchange of consideration. While this definition is not dissimilar to that of IAS 17, it would have required further evaluation of each contract to determine whether all leases contracts in the group currently not defined as financial lease, would be qualify as leases under new standard.

The group is in the early phase of evaluating the impact of IFRS 16. The currently material lease contracts are related to vessels and properties.

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

The shipping segment is engaged in ocean transport of cars, roll-on roll-off (ro-ro) 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, 17 and 18 to the group accounts for transactions with joint ventures and associates, and note 7 to the parent company's accounts.

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

FOREIGN CURRENCY TRANSACTION AND TRANSLATION

Transactions

In individual companies' transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial income or expense. Change in the currency position related to qualified cash flow hedging derivatives, qualifying net investment hedges, gains and losses are recognised in comprehensive income.

Translations

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

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

REVENUE RECOGNITION

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

The group's ship owning companies

The group's revenue in ship owning companies derives from chartering (renting) out its vessels to operating companies. The charter hire per vessel is generated from either variable time charter hire (operating companies' net results) or fixed time charter, 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 16 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 a discount rate according to a weighted average cost of capital ("WACC") reflecting the company's required rate of return. The WACC is calculated based on the company's long term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

Vessels and newbuilding contracts

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

Goodwill

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

LEASES

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

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

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

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

FINANCIAL ASSETS

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

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

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

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

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

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

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

Available-for-sale financial assets
Available-for-sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses recognised as a separate component in other comprehensive income until the investments is derecognised, at which time the cumulative gain or 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
Derivatives are included in current assets or current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets or other non current liabilities as they form part of the group's long term economic hedging strategy and are not classified as held for trading.

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

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

Derivatives which do qualify for hedge accounting
Changes in the fair value of any derivative instruments which do qualify for hedge accounting are recognised in the other comprehensive income.

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 December 2015.

The group decided 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	2015	2014
OPERATING REVENUE			
Freight revenue	17/18	312	270
Other revenue		1	14
Total operating revenue		**313**	**285**
GAIN ON SALE OF ASSETS			
Gain on sale of vessels	5		
Gain on sale of associate	2	26	
Total operating revenue		**27**	**0**
VESSEL EXPENSES			
Luboil		(6)	(6)
Stores (water, safety, chemicals, ropes, etc)		(3)	(4)
Maintenance of vessels		(18)	(19)
Insurance		(5)	(7)
Other		(10)	(12)
Total vessel expenses		**(42)**	**(47)**
OTHER EXPENSES			
Office expenses		(1)	(1)
Communication and IT expenses		(1)	(1)
External services		(2)	(2)
Travel and meeting expenses		(1)	(1)
Marketing expenses		(1)	(1)
Loss on sale of vessels			(1)
Other administration expenses		(7)	(7)
Total other expenses		**(11)**	**(13)**
FINANCIAL INCOME/(EXPENSES)			
Financial items			
Investment management*		1	6
Interest income		1	2
Other financial items		(12)	(10)
Net financial items		**(9)**	**(2)**
Financial interest expenses			
Interest expense		(36)	(45)
Interest rate derivatives – realised		(32)	(26)
Net financial interest expenses		**(67)**	**(71)**
Interest rate derivatives – unrealised		24	(16)
Financial currency			
Net currency gain/(loss) – operating currency		4	15
Net currency gain/(loss) – financial currency		18	55
Derivatives for hedging of cash flow risk – realised		(2)	8
Derivatives for hedging of cash flow risk – unrealised		(26)	(36)
Derivatives for hedging of translation risk – realised		(12)	4
Derivatives for hedging of translation risk – unrealised		(21)	(63)
Net financial currency		**(38)**	**(17)**
Financial bunker derivatives			
Valuation of bunker hedges		(6)	
Financial bunker derivatives		**(6)**	**0**
Financial income/(expenses)		**(98)**	**(108)**

*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		2015	2014
	Business office, country	Voting share/ownership	
Shipping			
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40.0%	40.0%
Tellus Shipping AS	Lysaker, Norway	50.0%	50.0%
American roll-on roll off Carrier Holdings LLC	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 Singapore Pte Ltd (liquidated)	Singapore		40.0%
EUKOR Shipowning Singapore Pte Ltd (liquidated)	Singapore		40.0%
Mark I Shipping Pte Ltd (liquidated)	Singapore		50.0%
Shipping/Logistics			
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50.0%	50.0%
Logistics			
American roll-on roll-off Carrier 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) is a joint venture between WWASA, Wallenius, Hyundai Motor Company and Kia Motors Corporation. EUKOR is one of the world's largest shipping companies specialised in transporting cars and other rolling cargo. EUKOR is party to contracts for ocean transportation of Hyundai and Kia cars out of Korea, as well as a global provider of quality car carrying services for a diversified customer base.

American Roll-on Roll-off Carrier Group 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. American Roll-on Roll-off Carrier (ARC), a vessel-operating company, is the largest US flag ro-ro carrier and the third largest US flag carrier overall in international trade and provides ro-ro liner services in the US – international trades. Fidelio Limited Partnership (FLP) owns 6 ro-ro ships, of which 6 are US-flag vessels under contract in the US government's Maritime Security Program (MSP). FLP charters vessels to ARC. The logistic companies were the contract service provider to the US government under the global privately owned vehicle (POV) contract but lost the contract in May 2014.

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 19 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	2015	2014
Summarised financial information – according to the group's ownership		
Share of profit		
Share of total income	1 933	2 241
Share of operating expenses	(1 921)	(2 038)
Share of depreciation	(77)	(75)
Share of net financial items	(31)	(23)
Share of tax expense	(11)	(16)
Share of profit for the year	**(108)**	**86**
Share of equity (equity method)		
Book value	673	825
Excess value (goodwill)	16	16
Joint ventures' assets, equity and liabilities (WWASA's share of investment)		
Share of non current assets	1 301	1 275
Share of cash and cash equivalents	262	223
Share of current assets	240	292
Total share of assets	**1 803**	**1 790**
Share of equity 01.01	841	856
Share of profit for the period	(108)	86
Dividend to shareholder	(33)	(89)
Charged directly to equity	(6)	(8)
Currency translation differences	(5)	(5)
Share of equity 31.12	**689**	**841**
Share of non current financial liabilities	640	620
Share of other non current liabilities	197	21
Share of current financial liabilities	67	85
Share of other current liabilities	209	222
Total share of liabilities	**1 114**	**949**
Total share of equity and liabilities	**1 803**	**1 790**

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	
Summarised income statement/OCI	2015	2014	2015	2014
Total income	1 918	2 249	2 633	2 944
Operating expenses	(1 757)	(1 931)	(2 734)	(2 777)
Depreciation and impairment	(139)	(118)	(47)	(69)
Net operating profit	**23**	**201**	**(149)**	**99**
Financial income/(expense)	(48)	(37)	(23)	(18)
Profit/(loss) before tax	**(25)**	**164**	**(172)**	**81**
Tax income/(expense)	(2)	(3)	(20)	(30)
Profit/(loss) for the year, after minority interest	**(27)**	**162**	**(195)**	**46**
Other comprehensive income	(19)	(8)	(7)	(18)
Total comprehensive income	**(46)**	**154**	**(202)**	**28**
Dividend received from joint ventures, WWASA share	24	24	9	65

	EUKOR Car Carriers Inc		Other	
Summarised balance sheet	31.12.15	31.12.14	31.12.15	31.12.14
Non current assets	2 746	2 627	373	423
Other current assets	154	207	362	422
Cash and cash equivalents	265	270	313	232
Total assets	**3 165**	**3 104**	**1 048**	**1 076**
Non current financial liabilities	1 376	1 341	179	177
Other non current liabilities	161	7	266	37
Current financial liabilities	178	169	13	43
Other current liabilities	114	139	302	316
Total liabilities	**1 829**	**1 656**	**760**	**573**
Net assets	**1 336**	**1 448**	**289**	**504**

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

	EUKOR Car Carriers Inc		Other	
Reconciliation of summarised financial information	31.12.15	31.12.14	31.12.15	31.12.14
Net assets 01.01	1 448	1 356	504	629
Profit/(loss) for the period	(27)	162	(195)	46
Other comprehensive income:				
- Cash flow hedges, net of tax	(19)	(8)		
- Currency translation differences			(11)	(10)
- Remeasurement postemployment benefits, net of tax		(1)	4	(9)
- Dividend to shareholder	(60)	(60)	(19)	(153)
- Reclassification	(6)		6	
Net assets 31.12	**1 336**	**1 448**	**289**	**504**
WWASA share	534	579	138	245
Goodwill	11	11	6	6
Carrying value 31.12	**545**	**590**	**144**	**251**

CONT. NOTE 2 INVESTMENTS IN ASSOCIATES

	Business office/country	2015 Voting/control share	2014 Voting/control share
Logistics/Shipping			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.0%	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.

In the first quarter of 2015, WWASA sold 187 500 shares in Hyundai Glovis with net proceeds of approximately USD 39 million. The net gain recorded in the 2015 group's accounts amounted to USD 26 million.

Even if the share interest in Hyundai Glovis is 12%, 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 2015 of USD 741 million (2014: USD 1 257 million).

Shippersys AB is a joint venture between Wilh. Wilhelmsen ASA (WWASA), Wallenius Marine AB (Wallenius) and the Norwegian meteorology company StormGeo AS. WWASA and Wallenius 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	2015	2014
Share of profit from associates		
Hyundai Glovis Co Ltd	36	66
Other associates		
Share of profit from associates	**36**	**66**
Book value of material associates		
Hyundai Glovis Co Ltd	337	322
Specification of share of equity and profit/(loss):		
Share of equity 01.01	322	263
Share of profit for the year	36	66
Sale of share in Hyundai Glovis Co Ltd	(13)	
Dividend to shareholders	(9)	(7)
Share of equity 31.12	**337**	**322**

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 accounted for one quarter in arrears and figures presented correspond to the periods included in WWASA group.

USD mill	Hyundai Glovis Co Ltd		Other	
Summarised income statement/OCI	2015*	2014*	2015	2014
Total income	12 836	12 922		
Operating expenses	(12 237)	(12 327)		
Net operating profit	**598**	**596**	**0**	**0**
Finance income and expenses	(21)	(7)		
Other financial expenses	(109)	118		
Profit/(loss) before tax	**469**	**708**	**0**	**0**
Tax income/(expense)	(177)	(186)		
Profit/(loss) for the year	**292**	**522**	**0**	**0**
Other comprehensive income	20	(20)		
Total comprehensive income	**312**	**502**	**0**	**0**
Dividend received from associates, WWASA share	9	7		

*Corresponding to Hyundai Glovis' accounting period 01.10.2014 through 30.09.2015 and 01.10.2013 through 30.09.2014.

CONT. NOTE 2 INVESTMENTS IN ASSOCIATES

USD mill	Hyundai Glovis Co Ltd		Other	
Summarised balance sheet	31.12.2015**	31.12.2014**	31.12.15	31.12.14
Non current assets	3 149	2 587		
Other current assets	2 745	2 475		
Cash and cash equivalents	695	705		
Total assets	**6 589**	**5 767**	**0**	**0**
Non current financial liabilities	660	578		
Other non current liabilities	911	416		
Current financial liabilities	972	923		
Other current liabilities	1 393	1 272		
Total liabilities	**3 936**	**3 189**	**0**	**0**
Net assets	**2 654**	**2 578**	**0**	**0**

**Corresponding to Hyundai Glovis' accounting period ending 30.09.2015 and 30.09.2014.

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	31.12.2015**	31.12.2014**	31.12.15	31.12.14
Net assets 01.01	2 578	2 049		
Profit/(loss) for the period	292	522		
Other comprehensive income***	(158)	60		
Dividend to shareholders	(66)	(53)		
Other equity movements	8			
Net assets 31.12	**2 653**	**2 578**	**0**	**0**
WWASA share	318	322		
Sale of shares in Hyundai Glovis	(13)			
Goodwill	18	19		
Currency translation	13	(18)		
Carrying value 31.12	**337**	**322**	**0**	**0**

***Including currency translation difference on net assets 01.01.

Joint ventures' assets, equity and liabilities (WWASA's share of investment)	2015	2014
Reconciliations of the group's income statement and balance sheet		
Share of profit/(loss) from joint ventures	(108)	86
Share of profit from associates	36	66
Share of profit/(loss) from joint ventures and associates	**(72)**	**152**
Share of equity from joint ventures	689	841
Share of equity from associates	337	322
Share of equity from joint ventures and associates	**1 025**	**1 164**

The group's share of profit/(loss) (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 SUBSIDIARIES

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

The group's principal subsidiaries at 31 December 2015 are set out above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

NOTE 4 EMPLOYEE BENEFITS

USD mill	2015	2014
Pay	5	7
Payroll tax	1	2
Pension cost	2	3
Termination gain defined benefit plan		(11)
Employee benefits seagoing personnel*	43	54
Other remuneration	1	2
Provision downsizing Scandinavian officers		6
Total employee benefits	**52**	**63**
Number of employees		
Group companies in Norway	24	26
Group companies abroad	12	13
Total employees*	**36**	**39**
Average number of employees	38	40

*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 thousand	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2015						
President and CEO – Jan Eyvin Wang	454	188	554	512**	1 707	13 766
CFO – Benedicte Bakke Agerup	252	93	30	19	394	3 180

**Including gross up of pension expense: president and CEO Jan Eyvin Wang USD 481.

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.

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.

USD thousand	2015	2014
Diderik Schnitler***	43	48
Hege Sjo	43	48
Marianne Lie	43	48
Thomas Wilhelmsen (chair)		
Nils P Dyvik		

*** Diderik Schnitler has an additional consulting agreement with the group where he got paid USD 27 (2014: USD 34).

Remuneration of the nomination committee totalled USD 11 in 2015 (2014: USD 11).
The board's remuneration for the fiscal year 2015 will be approved by the general meeting 3 May 2016.

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

CONT. NOTE 4 EMPLOYEE BENEFITS

LONG TERM INCENTIVE SCHEME

As of 1 January 2015, the synthetic option programme was replaced with a new long term incentive scheme (LTI). Participant is the group's president and CEO, and maximum annual payment is 75% of base salary.

The LTI is focusing on long term shareholder value creation and is based on positive development of the WW group's value adjusted equity. The ambitions set for the programme are to increase alignment with shareholders' interest, attract, retain and motivate participants and drive long-term group performance.

Settlement is based on return on value adjusted equity the last four years leading up to the settlement. The value adjusted equity is determined by using a "sum-of-the-parts" principle and the value adjusted equity is based on market price.

The board sets value adjusted equity targets at the beginning of each four year measurement period. Without consultation or agreement with the individual, the board has the right to change or terminate incentive programme after each year.

Option program up to 31.12. 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 had a duration of three years, running from 1 January 2011 until 31 December 2013, extended to 2014, and entitled the participants to a cash reward based on the annual total return of the underlying shares and dividend during the period. Maximum annual payment was 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.

Granted share equivalents annually given:	Share equivalent in WWASA shares 2014
President and CEO – Jan Eyvin Wang	50 000
CFO – Benedicte Bakke Agerup	30 000

In addition, Mr Thomas Wilhelmsen and Mr Nils P 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.

EXPENSED AUDIT FEE

USD mill	2015	2014
Statutory audit	0.3	0.4
Other assurance services	0.1	0.3
Tax advisory fee	0.0	0.1
Total expensed audit fee	**0.4**	**0.8**

NOTE 5 VESSELS, OTHER TANGIBLE AND INTANGIBLE ASSETS

USD mill	Other tangible assets	Vessels*	Newbuilding contracts	Total tangible assets	Intangible assets
2015					
Cost price 01.01	2	2 338	61	2 401	7
Additions		10	144	154	
Reclassification from new building contracts to vessels		172	(172)		
Disposal		(81)		(82)	
Cost price at 31.12	**2**	**2 439**	**33**	**2 474**	**7**
Accumulated depreciation and impairment losses 01.01	(1)	(640)		(642)	(1)
Depreciation		(80)		(80)	
Disposal		75		75	
Accumulated depreciation and impairment losses 31.12	**(1)**	**(646)**		**(648)**	**(1)**
Carrying amounts at 31.12	**0**	**1 793**	**33**	**1 827**	**6**
2014					
Cost price 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 31.12	**(1)**	**(640)**		**(641)**	**(1)**
Carrying amounts at 31.12	**0**	**1 698**	**61**	**1 760**	**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 15 million (2014: USD 14 million).

During 2015, two new vessels were delivered (2014: no new deliveries). WWASA has, on own accounts, 2 new vessels due for delivery in 2016.
See note 16 for commitments related to the newbuilding program and note 18 for operational leasing of vessels to joint ventures.

Segment-level summary of the goodwill allocation:	2015	2014
Shipping	6	6
Total goodwill allocation	**6**	**6**

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 2016-2020. 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 6.14% in 2015.

The WACC can be estimated as follows:
Borrowing rate: Debt ratio*(implied 22 year US swap rate + loan margin)
\+ Equity Return: Equity ratio*(implied 22 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 2015.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 191 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 221 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 167 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 167 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 2015. Further, the group had one tonnage taxed joint venture company resident in the Republic of Korea and one tonnage taxed joint venture company resident in Norway in 2015.

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

Ordinary taxation
The ordinary rate of corporation tax in Norway is 27% for 2015. 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 25%.

Forced exit taxation
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. The litigation process was scheduled for 2-4 May 2016, but the group has now concluded to withdraw the case. Such withdrawal will have no impact on the income statement or balance sheet for the group.

Foreign taxes
Payable withholding tax is impacted by a notice from Korea Tax Authorities whereas they disregard Wilhelmsen Ships Holding Malta Ltd as the beneficial owner of dividends from EUKOR. The notice is for the period 2010-2014 with an increased withholding tax from 5% to 15%. Korea Tax Authorities claim Wilh. Wilhelmsen ASA being the beneficial owner of the dividend with the consequence of 15% withholding tax according to tax treaty Norway-Korea. EUKOR has withheld 5% on dividends paid according to the Malta-Korea tax treaty. Total increased withholding tax and penalty (10%) for the period 2010-2015 amounts to approximately USD 15 million. The group has made an administrative appeal to the Board of Audit and Inspection (BAI). A decision here is normally made within 6-9 months.

USD mill	2015	2014
Distribution of tax (income)/expense for the year		
Payable tax (including witholding tax)	17	3
Change in deferred tax	(50)	(65)
Total tax (income)/expense	**(33)**	**(62)**

The tax income for 2015 is driven by the tax effect of unrealised currency losses related to non current interest-bearing debt in USD in the Norwegian entities.

CONT. NOTE 6 TAX

USD mill	2015	2014
Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 27%		
Profit before tax	(38)	104
27% tax	(10)	28
Tax effect from		
Permanent differences	1	(6)
Non taxable income	(70)	(43)
Share of profits from joint ventures and associates	20	(41)
Currency transition from USD to NOK for Norwegian tax purpose	10	(4)
Withholding tax	17	4
Calculated tax (income)/expense for the group	**(33)**	**(62)**
Effective tax rate for the group	89%	(60%)

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 negative effect in 2015 of USD 10 mill (2014: positive USD 4 mill).

USD mill	2015	2014
Deferred tax assets to be recovered after more than 12 months	64	51
Deferred tax assets to be recovered within 12 months	59	48
Deferred tax liabilities to be recovered after more than 12 months	(43)	(57)
Deferred tax liabilities to be recovered within 12 months	(13)	(17)
Net deferred tax asstes/(liabilities)	**66**	**25**
Net deferred tax liabilities at 01.01	25	(51)
Currency translation differences	(10)	4
Tax charged to equity	1	6
Income statement charge	50	65
Net deferred tax asstes/(liabilities) at 31.12	**66**	**25**
Deferred tax assets in balance sheet	66	25
Deferred tax liabilities in balance sheet		
Net deferred tax asstes/(liabilities)	**66**	**25**

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 31.12.2014	(40)	(33)	1	(73)
Through income statement		12		12
Currency translations		4	1	5
Deferred tax liabilities at 31.12.2015	**(39)**	**(17)**	**3**	**(56)**
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)**

	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 31.12.2014	83	(4)	21	98
Through income statement	12	1	26	38
Charged directly to equity	1			1
Currency translations	(10)	(1)	(3)	(15)
Deferred tax assets at 31.12.2015	**85**	**(5)**	**43**	**122**
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**

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, 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 were 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 was 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	
	2015	2014	2015	2014
Number of people covered by pension schemes at 31.12				
In employment	2	2	19	23
On retirement (inclusive disability pensions)			683	691
Total number of people covered by pension schemes	**2**	**2**	**702**	**714**

	Expenses		Commitments	
	2015	2014	31.12.15	31.12.14
Financial assumptions for the pension calculations				
Discount rate	2.30%	4.00%	2.50%	2.30%
Anticipated pay regulation	3.00%	3.50%	2.25%	3.00%
Anticipated increase in National Insurance base amount (G)	3.00%	3.50%	2.25%	3.00%
Anticipated regulation of pensions	0.60%	0.60%	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

	31.12.15	31.12.14
Pension assets investments		
Current bonds	7.5%	10.6%
Bonds held to maturity	45.3%	45.9%
Money market	2.3%	(0.8%)
Equities	5.7%	6.7%
Other (property, credit bonds)	39.4%	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 3.9% at 31 December (2014: 6.6%).

USD mill	2015			2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	1		1	1		1
Termination gain defined benefit plan			0	(11)		(11)
Net interest cost		1	1		2	2
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**1**	**2**	**(10)**	**2**	**(8)**

	2015	2014
	Total	Total
Remeasurements – Other comprehensive income		
Effect of changes in financial assumptions	1	
Effect of experience adjustments	3	(19)
Return on plan assets (excluding interest income)		(1)
Total remeasurements included in OCI (parent and subsidaries)	**4**	**(20)**
Tax effect of pension OCI (parent and subsidaries)	(1)	5
Net remeasurements in OCI (parent and subsidaries)	**3**	**(14)**
Remeasurements included in OCI (joint ventures)	2	(5)
Total remeasurements included in OCI	**5**	**(19)**

CONT. NOTE 8 PENSION

USD mill	2015	2014
Pension obligations		
Defined benefit obligation at end of prior year	58	98
Effect of changes in foreign exchange rates	(9)	(18)
Service cost – current	1	1
Termination gain defined benefit plan		(11)
Interest expense	1	3
Benefit payments from plan		(3)
Benefit payments from employer	(3)	(4)
Settlement payments from plan assets		(28)
Remeasurements – change in assumptions	(4)	19
Pension obligations at 31.12	**44**	**58**

Gross pension assets		
Fair value of plan assets at end of prior year	2	38
Effect of changes in foreign exchange rates		(7)
Interest income		1
Employer contributions	1	1
Benefit payments from plan		(3)
Settlement payments from plan assets		(28)
Return on plan assets (excluding interest income)		(1)
Gross pension assets at 31.12	**2**	**2**

	2015			2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Defined benefit obligation	2	42	44	1	55	57
Service cost	1	0	1	1		1
Total pension obligations	**2**	**42**	**45**	**2**	**56**	**58**
Fair value of plan assets	2		2	2		2
Net pension liabilities	**(0)**	**(42)**	**(42)**	**(1)**	**(56)**	**(56)**

Premium payments in 2016 are expected to be USD 1.0 million (2015: USD 0.9 million).
Payments from operations are estimated at USD 3.1 million (2015: USD 4.0 million).

Historical developments	31.12.15	31.12.14	31.12.13	31.12.12	01.01.12
Defined benefit obligation	(45)	(58)	(98)	(99)	(98)
Plan assets	2	2	38	43	42
Surplus/(deficit)	**(42)**	**(56)**	**(60)**	**(56)**	**(55)**

NOTE 9 COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2015	2014
OTHER CURRENT ASSETS			
Luboil		4	3
Accounts receivables		2	2
Accounts receivables related party	17	6	3
Financial derivatives		2	8
Payroll tax withholding account	11	1	
Other current receivables		10	7
Total other current assets		**24**	**23**
OTHER NON CURRENT LIABILITIES			
Financial derivatives		182	205
Other non current liabilities			3
Total other non current liabilities		**183**	**208**
OTHER CURRENT LIABILITIES			
Accounts payables		3	3
Accounts payables related party	17	1	1
Next year's instalment on interest-bearing debt	12	184	90
Financial derivatives		63	17
Other current liabilities related party	17		
Other current liabilities		30	34
Total other current liabilities		**281**	**145**

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.

	2015	2014
Accounts receivable per segment		
Shipping (shipowners)	8	4
Holding		
Total accounts receivables	**8**	**4**

See note 13 on credit risk.

NOTE 10 CURRENT FINANCIAL INVESTMENTS

USD mill	2015	2014
Market value current financial investments		
Bonds	169	159
Other financial assets	72	76
Total current financial investments	**242**	**235**

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	(20)	(15)

NOTE 11 RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2015	2014
Payroll tax withholding account	1	0
Undrawn committed drawing rights	50	50
- Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	50	
Undrawn committed loans		128

NOTE 12 INTEREST-BEARING DEBT

USD mill	Note	2015	2014
Interest-bearing debt			
Mortgages		1 049	924
Leasing commitments			82
Bonds		270	319
Total interest-bearing debt		**1 319**	**1 325**
Book value of mortgaged and leased asset			
Vessels		1 730	1 627
Newbuilding contracts			
Total book value of mortgaged and leased assets		**1 730**	**1 627**
Repayment schedule for interest-bearing debt			
Due in year 1	9	184	90
Due in year 2		105	185
Due in year 3		279	91
Due in year 4		337	280
Due in year 5 and later		414	680
Total interest-bearing debt		**1 319**	**1 326**

CONT. NOTE 12 INTEREST-BEARING DEBT

USD mill	Note	2015	2014
Net interest-bearing debt (joint ventures based on equity method)			
Non current interest-bearing debt		1 135	1 236
Current interest-bearing debt	9	184	90
Total interest-bearing debt		**1 319**	**1 325**
Cash and cash equivalents		108	140
Current financial investments	10	242	235
Net interest-bearing debt		**970**	**951**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt	2	640	620
Current interest-bearing debt	2	67	85
Total interest-bearing debt in joint ventures		**707**	**705**
Cash and cash equivalents	2	262	223
Current financial investments			
Net interest-bearing debt in joint ventures		**445**	**482**

A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 50 million at 31 December 2015 (2014: USD 50 million).

The group's leasing commitments relating to a financial lease agreement for 3 car carriers was terminated in July 2015 (leasing commitments at 31 December 2014 was USD 82 million). The leasing commitments were related to a financial lease agreement for 3 car carriers. The charter had a floating interest rate (varying annual nominal charter rate). These car carriers had a book value at 31 December 2014 of USD 106 million, and depreciation for the year came to 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 has had a dialogue with its lenders and received covenant waivers related to the provision made in the third quarter 2015, an extraordinary item impacting only the debt-earnings ratio. Hence the group was in compliance with all loan covenants at 31 December 2015. (The group was in compliance with its covenants at 31 December 2014).

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.

	2015	2014
Guarantee commitments		
Guarantees for group companies	1 057	980
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	1 049	924
NOK	270	319
GBP		82
Total	**1 319**	**1 325**
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	1 110	1 105

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, but the group also has exposure towards a number of other currencies whereof EUR, KRW and SEK 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 2015 was approximately 65% (2014: 60%). 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.

Hedging of translation risk

The group has outstanding NOK-denominated bonds of about NOK 2.4 billion (USD 270 million). The corresponding amount was NOK 2.4 billion (USD 319 million) for 2014. A large part of this debt (NOK 1.6 billion) has been hedged against USD with basis swaps.

FX sensitivities

On 31 December 2015, 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	7.06	7.94	8.82	9.71	10.59
Income statement effect (post tax)	**(4)**	**(4)**	**0**	**3**	**2**
USD/EUR	0.87	0.98	1.09	1.20	1.31
Income statement effect (post tax)	**(0)**	**(0)**	**0**	**0**	**0**
USD/SEK	6.74	7.58	8.42	9.27	10.11
Income statement effect (post tax)	**3**	**2**	**0**	**(2)**	**(2)**
USD/DKK	5.49	6.17	6.86	7.54	8.23
Income statement effect (post tax)	**3**	**2**	**0**	**(2)**	**(2)**

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

Through income statement	Note	2015	2014
Financial currency			
Net currency gain/(loss) – operating currency		4	15
Net currency gain/(loss) – financial currency		18	55
Derivatives for hedging of cash flow risk – realised		(2)	8
Derivatives for hedging of cash flow risk – unrealised		(26)	(36)
Derivatives for hedging of translation risk – realised		(12)	4
Derivatives for hedging of translation risk – unrealised		(21)	(63)
Net financial currency	1	**(38)**	**(17)**
Through other comprehensive income			
Currency translation differences through other comprehensive income		(5)	(5)
Total net currency effect		**(44)**	**(22)**

A negative USD 5 million in translation risk was booked in other comprehensive income as of 31 December 2015 (2014: negative USD 5 million). 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	7.06	7.94	8.82	9.71	10.59
Income statement effect (post tax)	**42**	**23**	**0**	**(11)**	**(23)**

(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 60% (2014: about 55%) of its outstanding long-term interest exposure at 31 December 2015.
The hedge ratio at 31 December 2015, is about 70% (2014: about 70%) when fixed rate debt is also included.

USD mill	2015	2014
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1	190	
Due in year 2	100	240
Due in year 3	150	100
Due in year 4	230	150
Due in year 5 and later*	280	460
Total interest rate hedges	**950**	**950**
*of which forward starting	150	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 150 million (2014: USD 200 million). These derivatives commence in 2016 (2014: USD 50 million in 2015 and USD 150 million in 2016).

The group has outstanding swaption contracts with a notional value of USD 110 million expiring at the end of 2017. Depending on interest rate levels on the expiry date, exercising the swaptions by the counterparties will extend the maturity of normally expiring swaps until 2021.

The average remaining term of the existing loan portfolio is approximately 3.7 years, while the average remaining term of the running hedges and fixed interest loans is approximately 4.0 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) – are 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 below table summarizes the interest rate sensitivity towards the fair value of assets and liabilities:

USD mill					
Fair value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value	**(20)**	**(10)**	**0**	**10**	**20**

CONT. NOTE 13 FINANCIAL RISK

Apart from the fair value sensitivity calculation based on the group's net duration, the group has cash flow risk exposure 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	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives				
Holding segment		17		19
Shipping segment		60		82
Total interest rate derivatives	**0**	**77**	**0**	**101**
Derivatives used for cash flow hedging				
Holding segment		69		50
Shipping segment	2	1	8	
Total currency cash flow derivatives	**2**	**69**	**8**	**50**
Derivatives used for translation risk hedging (basis swaps)				
Holding segment		93		59
Shipping segment				12
Total cross currency derivatives (basis swaps)	**0**	**93**	**0**	**71**
Derivatives used for bunker hedging				
Shipping segment		6		
Total currency cash flow derivatives	**0**	**6**	**0**	**0**
Total market value of capitalised financial derivatives	**2**	**246**	**8**	**222**

Book value equals fair 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. Listed equity derivatives (futures and options) are applied to manage this equity risk to reduce the volatility of the investment portfolio's market value. The below table summarizes the equity market sensitivity towards the market value of held equities and equity derivatives:

USD mill					
Fair value sensitivities of equity market risk					
Change in equity prices	(20%)	(10%)	0%	10%	20%
Income statement effect	**(10)**	**(5)**	**(0)**	**5**	**9**

Interest rate risk
Within the investment portfolio, corporate bonds are exposed to interest rate risk, typically measured by the duration. The duration has been low throughout the year (< 3 year). The below table summarizes the interest rate sensitivity towards the fair value of held bonds:

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

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 2015 was about 218 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	**1**	**0**	**0**	**(0)**	**(1)**

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 139 per tonne at end of 2015, which is significantly lower than previous year (2014: USD 255).

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 has also directly entered into derivative contracts to hedge part of the remaining bunker price exposure. The contracts constitutes less than 4% of the annual estimated bunker consumption and covers the years 2016 and 2017.

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 2015 (analogous for 2014).

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	2015	2014
Exposure to credit risk			
Other non current assets		1	1
Accounts receivable	9	8	5
Financial derivatives – asset	9	2	8
Other current assets	9	10	7
Current financial investments	10	242	235
Cash and cash equivalents		108	140
Total exposure to credit risk		**371**	**395**

Book value equals market value.

CONT. NOTE 13 FINANCIAL RISK

LIQUIDITY RISK

The group's approach to managing liquidity is to secure that it will always have sufficient liquidity to 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 low in that it holds significant liquid assets in addition to credit facilities with the banks.

At 31 December, the group had USD 350 million (2014: USD 375 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2014: 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	125	136	561	374
Bonds	90	6	185	13
Financial derivatives	124	26	102	4
Total interest-bearing debt	**339**	**168**	**848**	**391**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	34			
Total gross undiscounted cash flows financial liabilities 31.12.2015	**373**	**168**	**848**	**391**
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**

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. The group has had a dialogue with its lenders and received covenant waivers related to the provision made in the third quarter 2015, an extraordinary item impacting only the debt-earnings ratio. Hence the group was in compliance with all loan covenants at 31 December 2015.

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 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 2015 the return on capital employed was 2.0% (2014: 6.9%).

USD mill	2015	2014
Capital employed		
Average equity	1 681	1 670
Average interest-bearing debt	1 322	1 414
Profit after tax	(4)	166
Operating profit	60	211
Return on equity	(0.3%)	9.9%
Return on capital employed	2.0%	6.9%

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

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

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

USD mill	Fair value	Book amount
Interest-bearing debt		
Mortgages	1 047	1 049
Bonds	268	270
Total interest-bearing debt 31.12.2015	**1 315**	**1 319**
Mortgages	932	924
Leasing commitments	85	82
Bonds	323	319
Total interest-bearing debt 31.12.2014	**1 340**	**1 325**

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		2		2
- Equities	72			72
- Bonds	169			169
Total assets 31.12.2015	**241**	**2**	**0**	**243**
Financial liabilities at fair value through income statement				
- Financial derivatives		246		246
Total liabilities 31.12.2015	**0**	**246**	**0**	**246**
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**

CONT. NOTE 13 FINANCIAL RISK

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. Following instruments are included in level 1: Listed equities, equity derivatives and liquid investment grade bonds.

The fair value of financial instruments 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 derivatives is in level 3.

Financial instruments by category:

USD mill	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets			1	1
Current financial investments		242		242
Other current assets	8	2	14	24
Cash and cash equivalent	108			108
Assets at 31.12.2015	**116**	**243**	**15**	**374**

	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 135	1 135
Other non current liabilities	182		183
Other current liabilities	63	218	281
Liabilities 31.12.2015	**246**	**1 353**	**1 599**

	Loans and receivables	Assets at fair value through the income statement	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**	**11**	**398**

	Liabilities at fair value through the income statement	Other financial liabilities 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**

NOTE 14 SEGMENT REPORTING

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

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

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

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

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
INCOME STATEMENT										
Operating revenue	1 793	2 042	480	503	5	6	(34)	(25)	2 243	2 525
Share of profit from associates	5	9	31	57					36	66
Gain on sale of assets	2		26						29	0
Total income	**1 800**	**2 051**	**537**	**560**	**5**	**6**	**(34)**	**(25)**	**2 308**	**2 592**
Voyage expenses	(847)	(1 080)					29	19	(818)	(1 062)
Vessel expenses	(85)	(82)							(85)	(82)
Charter expenses	(316)	(329)							(316)	(329)
Employee benefits	(125)	(159)	(36)	(38)	(7)				(168)	(197)
Other expenses	(245)	(77)	(413)	(431)	(6)	(7)	5	6	(658)	(509)
Depreciation and impairment	(153)	(147)	(6)	(12)					(160)	(160)
Total operating expenses	**(1 771)**	**(1 875)**	**(455)**	**(482)**	**(14)**	**(7)**	**34**	**25**	**(2 205)**	**(2 338)**
Operating profit (EBIT)*	**29**	**176**	**82**	**79**	**(8)**	**(1)**	**0**	**(0)**	**103**	**253**
Net financial items	(7)	2	1	1		1	(1)	(5)	(6)	(1)
Net interest expenses, including derivatives	(47)	(75)	(2)	(1)	(19)	(37)	1	5	(67)	(108)
Net currency items, including derivatives	(12)	(2)	(5)	(1)	(31)	(19)			(49)	(22)
Valuation of bunker hedges	(6)								(6)	0
Profit/(loss) before tax	**(43)**	**101**	**76**	**77**	**(58)**	**(56)**	**0**	**0**	**(25)**	**122**
Tax income/(expense)	4	23	(5)	(9)	24	32			23	46
Profit/(loss)	**(39)**	**125**	**71**	**68**	**(34)**	**(25)**	**0**	**0**	**(3)**	**168**
Of which minority interest			(1)	(2)					(1)	(2)
Profit/(loss) after minority interest	**(39)**	**125**	**69**	**66**	**(34)**	**(25)**	**0**	**0**	**(4)**	**166**

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

Reconciliations between the operational segments and the group's income statement	Note	2015	2014
Total segment income	14	2 308	2 592
Share of total income from joint ventures	2	(1 933)	(2 241)
Share of profit from joint ventures	2	(108)	86
Total income		**267**	**437**
Share of (profit)/loss from joint ventures and associate	2	72	(152)
Gain on sale of assets	1	(27)	
Operating revenue	1	**313**	**285**
Segment note's profit for the year	14	(4)	166
Profit for the year (Income statement)		**(4)**	**166**

CONT. NOTE 14 SEGMENT REPORTING

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

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
BALANCE SHEET										
Fixed assets	1 832	1 765			1	1			1 833	1 766
Investments in joint ventures and associates	641	686	385	478					1 025	1 164
Non current receivables/investments	1				66	92		(66)	67	26
Current assets	349	377			58	35	(33)	(14)	373	398
Total assets	**2 823**	**2 828**	**385**	**478**	**124**	**128**	**(33)**	**(81)**	**3 299**	**3 353**
Equity	1 678	1 620	385	478	(408)	(391)			1 655	1 707
Non current liabilities	1 007	1 083			353	483		(66)	1 359	1 500
Current liabilities	139	124			179	35	(33)	(14)	285	145
Total equity and liabilities	**2 823**	**2 828**	**385**	**478**	**124**	**128**	**(33)**	**(81)**	**3 299**	**3 353**
Investments in tangible assets	154	35							154	35

USD mill	Europe		Americas		Asia & Africa		Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
GEOGRAPHICAL AREAS										
Total income	(71)	7	7	9	25	136	307	285	267	437
Total assets	103	188	36	33	337	322	2 823	2 809	3 299	3 353
Investment in tangible assets							154	35	154	35

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.

CONT. NOTE 14 SEGMENT REPORTING

ADDITIONAL SEGMENT REPORTING

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

USD mill	Shipping		Logistics		Holding		Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
INCOME STATEMENT										
Income other operating segments					5		(5)		0	0
Income external customers	312	285				6		(5)	313	285
Share of profit/(loss) from joint ventures and associates*	(115)	86	43	66					(72)	152
Gain on sale of assets			26						27	0
Total income	**197**	**371**	**69**	**66**	**5**	**6**	**(5)**	**(5)**	**267**	**437**
Operating profit before depreciation and impairment	**79**	**226**	**69**	**66**	**(8)**	**(1)**			**140**	**291**
Depreciation and impairment	(80)	(79)							(80)	(80)
Operating profit (EBIT)	**(1)**	**147**	**69**	**66**	**(8)**	**(1)**	**0**	**0**	**60**	**211**
Financial income/(expenses)	(48)	(53)			(50)	(55)			(98)	(108)
Profit/(loss) before tax	**(49)**	**94**	**69**	**66**	**(58)**	**(56)**	**0**	**0**	**(38)**	**104**
Tax income/(expense)	10	30			24	32			33	62
Profit/(loss) for the year	**(39)**	**125**	**69**	**66**	**(34)**	**(25)**	**0**	**0**	**(4)**	**166**

*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 2014 to 31 December 2015.

NOTE 16 COMMITMENTS

Operating leases

The group has lease agreements for 3 vessels on operating leases. The 3 vessels are chartered on a 15 year time charter from 2006 (2 vessels) and 2007 (1 vessel) with an option to extend for additional 5 + 5 years. In addition the group has lease agreements for office rental and office equipment.

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

USD mill	2015	2014
Due in year 1	22	23
Due in year 2	22	23
Due in year 3	23	23
Due in year 4	23	23
Due in year 5 and later	43	66
Nominal amount of operating lease commitments	**134**	**157**

CONT. NOTE 16 COMMITMENTS

Commitments related to the newbuilding program
WWASA has, on own accounts, 2 new vessels due for delivery in 2016.

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

USD mill	2015	2014
Due in year 1	130	145
Due in year 2		130
Nominal amount of newbuilding commitments	**130**	**275**

Financial leases
Sale/leaseback agreements have been entered into for the two vessels due for delivery in 2016. The 2 leases run over 14 years and 9 month from delivery with an option to extend for an additional 5 + 5 years or a purchase option after the end of each period, and will be accounted for according to financial leases.

The time charter commitments relating to the fixed period is as set out below (nominal amounts):

USD mill	2015	2014
Due in year 1	20	
Due in year 2	20	
Due in year 3	20	
Due in year 4	20	
Due in year 5 and later	215	
Nominal amount of financial lease commitments	**295**	**0**

NOTE 17 RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTY
The ultimate owner of the Wilh. Wilhelmsen ASA group is Tallyman AS, which controls the group through its ownership in Wilh. Wilhelmsen Holding ASA. Tallyman AS control 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 223 000, whereof USD 202 000 was ordinary paid pension and USD 21 000 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	2015	2014
Operating revenue from WWH	0.1	0.1
Operating revenue from related parties are accounting services		
Operating expenses to WWH, Wilservice AS and WMS group	7.2	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	2015	2014
Current receivables related parties within WWH, Wilservice AS and WMS group	9		
Current loan/payables related parties within WWH, Wilservice AS and WMS group	9	0.1	0.3

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	2015	2014
Operating revenue from joint ventures					
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%	18	268	226
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%	18	44	36
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		1	8
Tellus Shipping AS	Lysaker, Norway	50%			
ARC*	New Jersey, USA	50%			
Freight revenue from joint ventures			1	**312**	**270**

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

	Note	2015	2014
Loan to related party			
Associate (fixed interest of 6%)	9	0.2	0.2
Accounts receivable from related party			
Joint ventures	9	6	3
Accounts 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 OPERATING LEASE REVENUE

Of the groups total controlled fleet as per 31 December 2015 26 (26) vessels are chartered out on operating lease with variable time charter rates and 6 (6) vessels are chartered out on operating lease with fixed time charter rates.

USD mill	2015	2014
Variable Time Charter	268	226
Fixed Time Charter	44	44
Other operating revenues	1	15
Total operating revenues	**313**	**285**

Future minimum lease payments under non-cancellable fixed operating leases agreements:

USD mill	2015	2014
Duration less than one year	44	44
Duration between one and five years	111	129
Duration over five years	23	49
Total future minimum lease payments	**178**	**222**

NOTE 19 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
The authorities in Japan (2013), South Africa (2015) and China (2015) have fined WWL for anti-trust behaviour. EUKOR has been fined in China (2015).

The companies continue to be part of anti-trust investigations in several jurisdictions, of which the EU and US are among the bigger jurisdictions. As some of the processes are confidential, WWASA is not in a position to comment on the ongoing investigations within the respective jurisdictions. The processes are expected to continue to take time, but further clarifications within some jurisdictions are expected during 2016 and 2017.

In the third quarter 2015, WWASA made a provision of USD 200 million representing the estimated WW share of exposure in WWL and EUKOR. The provision is allocated to JVs in the shipping segment. As of 31 December 2015 USD 179 million is remaining.

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 20 EVENTS AFTER THE BALANCE SHEET DATE

Restructuring of WWASA
The board of directors of WWASA proposes to carry out a restructuring of the company. In the new suggested structure, Den Norske Amerikalinje AS (owning the 12% shareholding in Hyundai Glovis) is demerged from WWASA and carried forward in a separately listed entity to be named Treasure ASA.

The proposed demerger will improve transparency and create a simpler structure visualising values for shareholders in WWASA. In addition, WWASA will be more correct capitalised following the restructuring.

The restructuring enables WWASA to focus on their core activities, creating value through its joint ventures by offering global car and ro-ro customers' high quality sea transportation and integrated logistics/land-based solutions from factory to dealer.

Shareholders in WWASA will receive the same amount of shares they hold in WWASA in Treasure ASA and hence keep their prorate share.

Treasure ASA will be jointly and severally responsible for the obligations incurred by WWASA parent company prior to the demerger becoming effective.

The proposed changes are subject to approval at an extraordinary general meeting in WWASA to be held in April 2016 (to be confirmed).

Investments in logistics
WWL has entered into an agreement with Two Continents Logistics to acquire full ownership of WWL Vehicle Services Americas (VSA), currently a joint venture (50/50) between the two companies based in USA. The company employs 3 400 employees and handles some 4.7 million units annually.

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

WWL has also entered into an agreement with partner company Groupe CAT to acquire its 50% shares in CAT-WWL, a joint venture network of ten vehicle-processing facilities based in South Africa.

With full ownership in CAT-WWL, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.

The business employs more than 900 workers and handles some 680 000 units.

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

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	2015	2014
Operating income	1	**5**	**6**
Operating expenses			
Employee benefits	2	(7)	
Depreciation and impairments	3		
Other operating expenses	1	(6)	(6)
Total operating expenses		**(13)**	**(7)**
Net operating profit/(loss)		**(8)**	**(1)**
Financial income and expenses			
Financial income	1	107	145
Financial expenses	1	(15)	(27)
Financial derivatives	1	(89)	(118)
Financial income/(expense)		**3**	**1**
Profit/(loss) before tax		**(5)**	**(0)**
Tax income/(expense)	4	24	31
Profit/(loss) for the year		**19**	**31**
Transfers and allocations			
(To)/from equity		(8)	32
Interim dividend pay		(11)	(33)
Proposed dividend			(29)
Total transfers and allocations		**(19)**	**(31)**

COMPREHENSIVE INCOME WILH. WILHELMSEN ASA

USD mill	Note	2015	2014
Profit for the year		19	31
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	11	3	(13)
Total comprehensive income		**22**	**18**
Attributable to			
Owners of the parent		22	18
Total comprehensive income for the year		**22**	**18**

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

BALANCE SHEET WILH. WILHELMSEN ASA

USD mill	Note	31.12.15	31.12.14
ASSETS			
Non current assets			
Deferred tax asset	4	65	50
Intangible assets	3		
Tangible assets	3		
Investments in subsidiaries	5	902	902
Investments in joint ventures and associates	6		
Other non current assets	7/12		47
Total non current assets		**969**	**1 001**
Current assets			
Current financial investments	8		
Other current assets	7/12	18	4
Cash and bank deposits	9/12	57	33
Total current assets		**74**	**38**
Total assets		**1 043**	**1 038**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	30	30
Premium fund	10	89	89
Retained earnings	10	365	354
Total equity		**485**	**474**
Non current liabilities			
Pension liabilities	11	40	53
Non current interest-bearing debt	12	191	319
Other non current liabilites	7/12		16
Total non current liabilities		**230**	**388**
Current liabilities			
Public duties payable		1	
Other current liabilities	7/12	327	176
Total current liabilities		**327**	**177**
Total equity and liabilities		**1 043**	**1 038**

Lysaker, 17 March 2016
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen
chair

Diderik Schnitler

Nils P Dyvik

Marianne Lie

Bente Brevik

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	2015	2014
Cash flow from operating activities			
Profit before tax		(5)	
Depreciation and impairment	3		
Tax paid			
Financial (income)/expense excluding financial derivatives unrealised		(11)	(38)
Financial derivatives unrealised	1	57	120
Currency exchange operation – through P/L		(49)	(83)
(Gain)/loss from sale of tangible and intangible assets			
Change in net pension asset/liability		(2)	(11)
Change in current financial investment	8		
Other change in working capital		42	4
Net cash provided by/(used in) operating activities		**33**	**(9)**
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		47	28
Loans granted to subsidiaries and associates			
Interest received		1	6
Group contribution		2	7
Dividends received from associates and joint ventures		41	54
Net cash flow provided by/(used in) investing activities		**92**	**94**
Cash flow from financing activities			
Proceeds from issuance of debt			135
Repayment of debt		(16)	(177)
Dividends paid		(40)	(69)
Amortization discount WW bonds			(1)
Interest paid including interest rate derivates		(45)	(21)
Bank charges		(1)	
Net cash flow provided by/(used in) financing activities		**(102)**	**(133)**
Net increase/(decrease) in cash and cash equivalents		**23**	**(48)**
Cash and cash equivalents at 01.01*		33	81
Cash and cash equivalents at 31.12		**56**	**33**

*The company has several banks accounts in different currencies. The cash flow effect from revaluation of cash and cash equivalents is included in net cash flow provided by/(used in) 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	2015	2014
OPERATING REVENUE			
Inter-company income	14	5	6
Other external income			
Total operating income		**5**	**6**
OTHER OPERATING EXPENSES			
Inter-company expenses	14	(3)	(4)
Other administration expenses		(3)	(2)
Total other operating expenses		**(6)**	**(6)**
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Dividend from subsidiaries and group contribution	14	58	57
Interest income		1	6
Net currency gain		49	83
Other financial income			
Total financial income		**107**	**145**
Financial expenses			
Interest expenses		(13)	(20)
Net currency loss			
Other financial expenses		(1)	(7)
Total financial expenses		**(15)**	**(27)**
Financial derivatives			
Realised gain/(loss) related to currency derivatives		(25)	3
Realised gain/(loss) related to interest rate derivatives		(7)	(1)
Unrealised gain/(loss) related to currency derivatives		(52)	(106)
Unrealised gain/(loss) related to interest rate derivatives		1	(14)
Unrealised gain/(loss) related to commodities		(6)	
Total financial derivatives		**(89)**	**(118)**
Financial income/(expenses)		**3**	**1**

NOTE 2 EMPLOYEE BENEFITS

USD mill	2015	2014
Pay	4	5
Payroll tax	1	1
Pension cost	4	5
Termination gain defined benefit plan	(2)	(11)
Other remuneration	1	
Total employee benefits	**7**	**0**
Average number of employees	24	26

REMUNERATION OF SENIOR EXECUTIVES

USD thousand

2015	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
President and CEO – Jan Eyvin Wang	454	188	554	512*	1 707	13 766
CFO – Benedicte Bakke Agerup	252	93	30	19	394	3 180

*Including gross up of pension expense: president and CEO Jan Eyvin Wang USD 481

2014	Pay	Bonus	Pension premium	Other remuneration	Total	Total in NOK
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.

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 thousand	2015	2014
Diderik Schnitler**	43	48
Hege Sjo	43	48
Marianne Lie	43	48
Thomas Wilhelmsen (chair)		
Nils P Dyvik		

**Diderik Schnitler has an additional consulting agreement with the group where he got paid USD 27 (2014: USD 34).

Remuneration of the nomination committee totalled USD 11 in 2015 (2014: USD 11).
The board's remuneration for the fiscal year 2015 will be approved by the general meeting 3 May 2016.

LOANS AND GUARANTEES

There were no loans or guarantees to employees or members of the board per 31 December 2015.

CONT. NOTE 2 EMPLOYEE BENEFITS

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31.12.2015

Name	Number of shares	% of shares
Board of directors		
Thomas Wilhelmsen (chair)	42 000	0.02%
Diderik Schnitler	60 000	0.03%
Nils P Dyvik	4 132	0.00%
Senior executives		
President and CEO – Jan Eyvin Wang	25 246	0.01%
CFO – Benedicte Bakke Agerup	21 246	0.01%
Nomination Commitee		
Wilhelm Wilhelmsen	1 151 095	0.52%

LONG TERM INCENTIVE SCHEME

As of 1 January 2015, the synthetic option programme was replaced with a new long term incentive scheme (LTI). Participant is the group's president and CEO, and maximum annual payment is 75% of base salary.

The LTI is focusing on long term shareholder value creation and is based on positive development of WWASA's value adjusted equity. The ambitions set for the programme are to increase alignment with shareholders' interest, attract, retain and motivate participants and drive long-term group performance.

Settlement is based on return on value adjusted equity the last four years leading up to the settlement. The value adjusted equity is determined by using a "sum-of-the-parts" principle and the value adjusted equity is based on market price.

The board sets value adjusted equity targets at the beginning of each four year measurement period. Without consultation or agreement with the individual, the board has the right to change or terminate incentive programme after each year.

Option program up to 31.12. 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 had a duration of three years, running from 1 January 2011 until 31 December 2013, extended to 2014, and entitled the participants to a cash reward based on the annual total return of the underlying shares and dividend during the period. Maximum annual payment was 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.

Granted share equivalents annually given:	Share equivalents in WWASA shares 2014
President and CEO – Jan Eyvin Wang	50 000
CFO – Benedicte Bakke Agerup	30 000

In addition, Mr Thomas Wilhelmsen and Mr Nils P 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.

EXPENSED AUDIT FEE

USD thousand	2015	2014
Statutory audit	90	114
Other assurance services	42	48
Tax advisory fee	1	2
Total expensed audit fee	**133**	**164**

NOTE 3 INTANGIBLE AND TANGIBLE ASSETS

USD mill	Intangible assets	Tangible assets
2015		
Cost price 01.01	1.5	1.4
Cost price 31.12	**1.5**	**1.4**
Accumulated ordinary depreciation 01.01	1.1	1.0
Depreciation	0.1	0.1
Accumulated ordinary depreciation 31.12	**1.2**	**1.1**
Carrying amounts 31.12	**0.2**	**0.3**
2014		
Cost price 01.01	1.5	1.6
Additions		0.3
Disposal		(0.5)
Cost price 31.12	**1.5**	**1.4**
Accumulated ordinary depreciation 01.01	1.0	1.1
Disposal		(0.3)
Depreciation	0.1	0.1
Accumulated ordinary depreciation 31.12	**1.1**	**1.0**
Carrying amounts 31.12	**0.3**	**0.4**
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	2015	2014
Due in year 1		
Due in year 2		
Due in year 3		
Due in year 4		
Due in year 5 and later	2	3
Total expense related to lease agreement of office building	**3**	**4**

NOTE 4 TAX

USD mill	2015	2014
Distribution of tax (income)/expense for the year		
Payable tax/witholding tax		1
Change in deferred tax	(24)	(32)
Total tax (income)/expense	**(24)**	**(31)**
Basis for tax computation		
Profit before tax	(5)	0
27% tax	(1)	0
Tax effect from		
Witholding tax		1
Non taxable income	(23)	(32)
Current year's calculated tax	**(24)**	**(31)**
Effective tax rate	0%	0%

CONT. NOTE 4 TAX

USD mill	2015	2014
Deferred tax assets/(liabilities)		
Tax effect of temporary differences		
Current assets and liabilities	46	35
Non current liabilities and provisions for liabilities	10	13
Tax losses carried forward	10	3
Deferred tax assets/(liabilities)	**65**	**50**
Composition of deferred tax and changes in deferred tax		
Deferred tax assets 01.01	50	16
Charged directly to equity	(1)	5
Change of deferred tax through income statement	24	32
Currency translation differences	(8)	(3)
Deferred tax assets/(liabilities) 31.12	**65**	**50**

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

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, an impairment to net realisable value is recorded.

USD thousand	Business office, country	Voting share ownership share	2015 Book value	2014 Book value
Wilhelmsen Lines AS	Lysaker, Norway	100%	600 464	839 810
Den Norske Amerikalinje AS	Lysaker, Norway	100%	301 827	62 481
Total investments in subsidiaries			**902 291**	**902 291**

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 has been 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 were transferred to NAL in 2015.

NOTE 6 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Business office, country	2015 voting share/ ownership share	2014 voting share/ ownership share
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd*	Singapore		40.0%
EUKOR Shipowning Singapore Pte Ltd*	Singapore		40.0%
Associates			
Shippersys AB	Stockholm, Sweden	25.0%	25.0%

USD thousand	Business office, country	Book value	Book value
Joint ventures			
EUKOR Car Carriers Singapore Pte Ltd*	Singapore		24
EUKOR Shipowning Singapore Pte Ltd*	Singapore		11
Associates			
Shippersys AB	Stockholm, Sweden	68	38
Book value of joint ventures and associates		**68**	**74**

*Liquidated in 2015

NOTE 7 COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2015	2014
OTHER NON CURRENT ASSETS			
Non current loan group companies	14		47
Other non current assets			
Total other non current assets		**0**	**47**
Of which non current debitors falling due for payment later than one year:			
Loans to subsidiaries	14		47
Total other non current assets due after one year		**0**	**47**
OTHER CURRENT ASSETS			
Inter-company receivables	14	17	4
Other current receivables			
Total other current assets		**18**	**4**
OTHER NON CURRENT LIABILITES			
Loans from subsidiaries	14		16
Total other non current liabilites		**0**	**16**
OTHER CURRENT LIABILITES			
Accounts payable			
Inter-company payables	14	24	
Next year's instalment on interest-bearing debt		79	
Dividend			29
Financial derivatives		185	128
Other current liabilities		38	18
Total other current liabilities		**327**	**176**

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	2015	2014
Market value current financial investment		
Other financial assets	0	0

NOTE 9 RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2015	2014
Payroll tax withholding account	1	0
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	Other reserves	Retained earnings	Total
Change in equity					
Equity 31.12.2014	30	0	89	354	474
Interim dividend paid				(11)	(11)
Profit for the year				19	19
Other comprehensive income for the year				3	3
Equity 31.12.2015	**30**	**0**	**89**	**365**	**485**
Equity 31.12.2013	30	0	89	399	519
Interim dividend paid				(33)	(33)
Proposed dividend				(29)	(29)
Profit for the year				31	31
Other comprehensive income for the year				(13)	(13)
Equity 31.12.2014	**30**	**0**	**89**	**354**	**474**

As of 31 December 2015 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 2014 was NOK 1.00 per share paid in May 2015 and NOK 0.50 per share paid in November 2015.

With the proposed restructuring of WWASA, where Den Norske Amerikalinje AS (owning the 12% shareholding in Hyundai Glovis) will be demerged from WWASA, the board proposes not to pay dividend in the second quarter of 2016 for the fiscal year 2015. The proposal will be resolved by the annual general meeting on 3 May 2016.

The largest shareholders at 31.12.2015

Shareholders	Note	Number of shares	% of shares
Market value current financial investment			
Wilh. Wilhelmsen Holding ASA	14	160 000 000	72.73%
Folketrygdfondet		7 679 240	3.49%
Danske Invest Norske C/O Danske Capital		4 922 271	2.24%
Danske Invest Norske		2 615 177	1.19%
Others		44 783 312	20.36%
Total number of shares		**220 000 000**	**100.00%**

Shares on foreigners hands
At 31.12.2015 – 16 723 999 (7.60%) shares.
At 31.12.2014 – 18 602 055 (8.46%) shares.

NOTE 11 PENSIONS

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, 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 were 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 was 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 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 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	
	2015	2014	2015	2014
Number of people covered by pension schemes at 31.12				
In employment	2	2	19	37
On retirement (inclusive disability pensions)			649	656
Total number of people covered by pension schemes	**2**	**2**	**668**	**693**

	Expenses		Commitments	
	2015	2014	31.12.15	31.12.14
Financial assumptions for the pension calculations				
Discount rate	2.30%	4.00%	2.50%	2.30%
Anticipated pay regulation	3.00%	3.50%	2.25%	3.00%
Anticipated regulation of National Insurance base amount (G)	3.00%	3.50%	2.25%	3.00%
Anticipated regulation of pensions	0.60%	0.60%	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 PENSIONS

	Unfunded 31.12.15	Unfunded 31.12.14
Pension assets investments		
Current bonds	7.5%	10.6%
Bonds held to maturity	45.3%	45.9%
Money market	2.3%	(0.8%)
Equities	5.7%	6.7%
Other (property, credit bonds)	39.4%	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 3.9% at 31 December (2014: 6.6%).

USD mill	2015			2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	1		1	1		1
Termination gain defined benefit plan			0	(10)		(10)
Net interest cost		1	1		2	2
Cost of defined contribution plan			0			0
Net pension expenses	**1**	**1**	**2**	**(8)**	**2**	**(7)**

	2015 Total	2014 Total
Remeasurements – Other comprehensive income		
Effect of changes in demographic assumptions		
Effect of changes in financial assumptions	1	
Effect of experience adjustments	3	(17)
(Return) on plan assets (excluding interest income)		(1)
Total remeasurements included in OCI	**4**	**(18)**
Tax effect of pension OCI	(1)	5
Net remeasurement in OCI	**3**	**(13)**

	2015	2014
Pension obligations		
Defined benefit obligations 01.01	55	83
Effect of changes in foreign exchange rates	(8)	(16)
Service cost – current	1	1
Termination gain defined benefit plan		(10)
Interest expense	1	3
Benefit payments from plan		(2)
Benefit payments from employer	(2)	(3)
Settlement payments from plan assets		(19)
Remeasurements – change in assumptions	(4)	17
Pension obligations 31.12	**42**	**55**
Gross pension assets		
Fair value of plan assets 01.01	2	26
Effect of changes in foreign exchange rates		(5)
Interest income		1
Employer contributions	1	1
Benefit payments from plan		(2)
Settlement payments from plan assets		(19)
Net changes in business combinations/ transfers		
Return on plan assets (excluding interest income)		(1)
Gross pension assets 31.12	**2**	**2**

CONT. NOTE 11 PENSIONS

USD mill	2015			2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Total pension obligations						
Accrued pension obligations	2	39	41	1	52	54
Estimated effect of future salary regulations	1		1	1		1
Total pension obligations	**2**	**39**	**42**	**2**	**53**	**55**
Value of pensions funds	2		2	2		2
Recorded pension obligations	**(0)**	**(39)**	**(40)**	**(1)**	**(53)**	**(53)**

Premium payments in 2016 are expected to be USD 1.0 million (2015: USD 0.9 million).
Payments from operations are estimated at USD 3.1 million (2015: USD 3.7 million).

NOTE 12 INTEREST-BEARING DEBT

USD mill	2015	2014
Interest-bearing debt		
Bonds	270	319
Repayment schedule for interest-bearing debt		
Due in year 1	79	
Due in year 2		94
Due in year 3	79	
Due in year 4	91	94
Due in year 5 and later	21	131
Total interest-bearing debt	**270**	**319**

As of 31 December 2015 weighted average interest rate on interest-bearing debt is 4.77%

Financial instruments by category	Loans and receivables	Assets at fair value through the income statement	Other	Total
Assets				
Other non current assets				0
Current financial investments				0
Other current assets	17			17
Cash and cash equivalents	57			57
Assets at 31.12.2015	**74**	**0**	**0**	**74**

Liabilities	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Non current interest-bearing debt		191	191
Other non current liabilities			0
Other current liabilities	185	141	327
Liabilities 31.12.2015	**185**	**332**	**517**

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

CONT. NOTE 12 INTEREST-BEARING DEBT

Liabilities	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost"	Total
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**

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.

Hedging of translation risk

The company has outstanding NOK-denominated bonds of about NOK 2.4 billion (USD 270 million). The corresponding amount was NOK 2.4 billion (USD 319 million) for 2014. A large part of this debt (NOK 1.6 billion) has been hedged against USD with basis swaps.

FX sensitivities

On 31 December 2015 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	7.06	7.94	8.82	9.71	10.59
Income statement effect (post tax)	**(4)**	**(4)**	**0**	**3**	**2**

(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.

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	7.06	7.94	8.82	9.71	10.59
Income statement effect (post tax)	**42**	**23**	**0**	**(11)**	**(23)**

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

CONT. NOTE 13 FINANCIAL RISK

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 50% of its outstanding long-term interest exposure at 31 December 2015. The hedge ratio at 31 December 2015 is about 70% when fixed rate debt is also included.

USD mill

Maturity schedule interest rate hedges (nominal amounts)	2015	2014
Due in year 1	90	
Due in year 2	40	90
Due in year 3		40
Due in year 4		
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 (2014: USD 150 million starting in 2016).

The average remaining term of the existing loan portfolio is approximately 2.4 years, while the average remaining term of the running hedges and fixed interest loans is approximately 0.8 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 below table summarizes the interest rate sensitivity towards the fair value of assets and liabilities:

USD mill

Fair value sensitivities of interest rate risk					
Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value	**(10)**	**(5)**	**0**	**5**	**10**

Apart from the fair value sensitivity calculation based on the company's net duration, the company has 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	2015 Assets	2015 Liabilities	2014 Assets	2014 Liabilities
Interest rate derivatives				
Wilh. Wilhelmsen ASA		17		19
Total interest rate derivatives	**0**	**17**	**0**	**19**
Derivatives used for cash flow hedging				
Wilh. Wilhelmsen ASA		69		50
Total currency cash flow derivatives	**0**	**69**	**0**	**50**
Derivatives used for translation risk hedging (basis swaps)				
Wilh. Wilhelmsen ASA		93		59
Total cross currency derivatives (basis swaps)	**0**	**93**	**0**	**59**
Derivatives used for bunker hedging				
Wilh. Wilhelmsen ASA		6		
Total cross currency derivatives (basis swaps)	**0**	**6**	**0**	**0**
Total market value of capitalised financial derivatives	**0**	**185**	**0**	**128**

Book value equals market value.

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 company has also directly entered into derivative contracts to hedge part of the remaining bunker price exposure in the group.

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 bank deposits
The company's exposure to credit risk on cash and bank deposits is considered to be very limited as the company maintains banking relationships with well reputed and familiar banks. In addition, the group – of which WWASA is a part – 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 having a 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 2015 (analogous for 2014).

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	2015	2014
Exposure to credit risk			
Other non current assets	7		
Inter-company receivables	7	1	4
Financial derivatives – asset	7		
Other current receivables	7		
Current financial investments	8		
Cash and cash equivalents		57	33
Total exposure to credit risk		**58**	**38**

Book value equals market 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.

At 31 December, the company had USD 57 million (2014: USD 33 million) in liquid assets which can be realised over a three-day period in addition to USD 50 million (2014: 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 years
Undiscounted cash flows financial liabilities				
Bonds	90	6	185	13
Financial derivatives	100	7	76	3
Total interest-bearing debt	**189**	**13**	**261**	**16**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	247			
Total gross undiscounted cash flows financial liabilities 31.12.2015	**437**	**13**	**261**	**16**
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)	176			
Total gross undiscounted cash flows financial liabilities 31.12.2014	**245**	**130**	**270**	**29**

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.

As of the balance date, the company is not in breach of any financial or non-financial covenants.

FAIR VALUE ESTIMATION

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

Specific valuation techniques used to value financial instruments include:

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

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

USD mill	Fair value	Book amount
Interest-bearing debt		
Bonds	268	270
Total interest-bearing debt 31.12.2015	**268**	**270**
Bonds	323	319
Total interest-bearing debt 31.12.2014	**323**	**319**

CONT. NOTE 13 FINANCIAL RISK

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		246		246
Total liabilities 31.12.2015	**0**	**246**	**0**	**246**
- Financial derivatives		128		128
Total liabilities 31.12.2014	**0**	**128**	**0**	**128**

USD mill	2015	2014
Changes in level 3 instruments		
Opening balance 01.01	0	0
Disposals		
Gains and losses recognised through income statement		
Closing balance 31.12	**0**	**0**

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

The quoted market price used for financial assets held by the group is the current close price. Following instruments are included in level 1: Listed equities, equity derivatives 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

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 223 000, whereof USD 202 000 was ordinary paid pension and USD 21 000 in other remuneration.

See note 2 regarding 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.

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.

CONT. NOTE 14 RELATED PARTY TRANSACTIONS

USD mill	Note	2015	2014
INTER-COMPANY INCOME			
WWASA group subsidiaries		5	5
WWASA group joint ventures and associates			
Operating revenue from group companies	1	**5**	**6**
INTER-COMPANY EXPENSES			
WWH group		(3)	(4)
WWASA group subsidiaries			
Operating expenses to group companies	1	**(3)**	**(4)**
DIVIDEND FROM SUBSIDIARIES AND GROUP CONTRIBUTION			
WWASA group subsidiaries		58	4
WWASA group joint ventures and associates			53
Total Dividend from Subisidiaries and Group Contribution	1	**58**	**57**
INTER-COMPANY INTEREST INCOME			
WWASA group subsidiaries		1	5
WWASA group joint ventures and associates			
Financial income from group companies	1	**1**	**5**
INTER-COMPANY INTEREST EXPENSES			
WWASA group subsidiaries			(1)
Financial expenses to group companies	1	**(0)**	**(1)**
INTER-COMPANY RECEIVABLES			
WWH group			
WWASA group subsidiaries		17	4
WWASA group joint ventures and associates			
Account receivables group companies	7	**17**	**4**
INTER-COMPANY PAYABLES			
WWH group			
WWASA group subsidiaries		24	
Account payables group companies	7	**24**	**0**
NON CURRENT LOAN GROUP COMPANIES			
WWASA group subsidiaries			47
WWASA group joint ventures and associates			
Total non current loan to group companies *	7	**0**	**47**
LOANS FROM SUBSIDIARIES			
WWASA group subsidiaries			16
Total non current loan from group companies *	7	**0**	**16**

*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

Restructuring of WWASA
The board of directors of WWASA proposes to carry out a restructuring of the company. In the new suggested structure, Den Norske Amerikalinje AS (owning the 12% shareholding in Hyundai Glovis) is demerged from WWASA and carried forward in a separately listed entity to be named Treasure ASA.

The proposed demerger will improve transparency and create a simpler structure visualising values for shareholders in WWASA. In addition, WWASA will be more correct capitalised following the restructuring.

The restructuring enables WWASA to focus on their core activities, creating value through its joint ventures by offering global car and ro-ro customers' high quality sea transportation and integrated logistics/land-based solutions from factory to dealer.

Shareholders in WWASA will receive the same amount of shares they hold in WWASA in Treasure ASA and hence keep their prorate share.

Treasure ASA will be jointly and severally responsible for the obligations incurred by WWASA parent company prior to the demerger becoming effective.

The proposed changes are subject to approval at an extraordinary general meeting in WWASA to be held in April 2016 (to be confirmed).

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.

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 4 (president and CEO) and 6 months' salary (CFO).

Long term variable remuneration
The president and CEO also participates in a long term variable remuneration scheme based on positive development of the WW Group's Value adjusted Equity which aims to increase alignment with shareholders' interests. The maximum annual payment is set to 75% of base salary. The LTI arrangement, has replaced the old synthetic option programme

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 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.

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 2015, 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 2015, 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.

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

AUDITOR'S REPORT

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 2015, 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 2015, 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 Sustainability

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the Corporate Governance report and the 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, 17 March 2016
PricewaterhouseCoopers AS

Fredrik Melle
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 2015 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, 17 March 2016
The board of directors of Wilh. Wilhelmsen ASA

Thomas Wilhelmsen chair	Diderik Schnitler	Nils P Dyvik
Marianne Lie	Bente Brevik	Jan Eyvin Wang president and CEO

19.4

GRAMS OF FUEL PER TONNE NAUTICAL MILE

The Wilhelmsen group is a leading power in emission-reducing initiatives. We reduce our emissions every year, we are well ahead of regulatory changes and we welcome stricter regulations for the maritime industry. We see our initiatives together with regulatory changes paving the way for even further reductions in emissions at sea.

CORPORATE GOVERNANCE

Corporate governance

A summary of the corporate governance report for 2015

Corporate governance comply or explain overview

Principle		Deviations	Reference in this report
1.	Implementation and reporting on corporate governance	None	On page 96
2.	The business	None	On page 96
3.	Equity and dividends	None	On page 96
4.	Equal treatment of shareholders and transactions with close associates	None	On page 97
5.	Freely negotiable shares	None	On page 98
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.	On page 98
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.	On page 98
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.	On page 98
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.	On page 98
10.	Risk management and internal control	None	On page 102
11.	Remuneration of the board of directors	None	On page 103
12.	Remuneration of the executive personnel	None	On page 103
13.	Information and communications	None	On page 104
14.	Take-overs	No policy developed. However, intention is described in the report.	On page 104
15.	Auditor	None	On page 104

A foundation for profitable growth

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.

The board assesses the company's corporate governance performance to be of high standard, and discussed and approved this report 17 March 2016. All the directors were present at the meeting.

On behalf of the board

Thomas Wilhelmsen, chair
Lysaker, 17 March 2016

1. IMPLEMENTATION AND 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 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 94 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

2. 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 Roll-on Roll-off Carrier, WWASA aims at creating value by offering global car/ro-ro customers high quality sea transportation and integrated land-based 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

3. EQUITY AND DIVIDEND

Equity

The company has a solid balance sheet. As of 31.12.2015, the total equity amounted to USD 1 655 million (down from USD 1 707 million in 2014), representing an equity ratio of 50% 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 value creation 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.

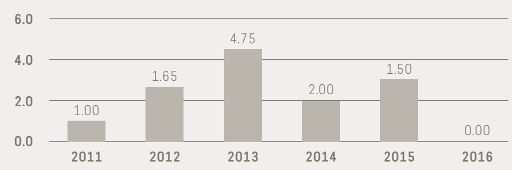
Dividend pay-out in 2015
Dividend was paid twice to shareholders in 2015, in total NOK 1.50 per share or approximately USD 41 million. The payable dividend was in line with the company's dividend policy and based on approved annual accounts.

Dividend proposal for 2016
In February 2016, the board of WWASA announced a restructuring of the company. In the new suggested structure, Den Norske Amerikalinje AS (owning the 12% Hyundai Glovis shareholding) will be demerged from WWASA and carried forward in a separately listed entity to be named Treasure ASA. The change is subject to approval at an extraordinary general meeting to be held in April 2016.

With the proposed restructuring, the board proposes not to pay dividend in the second quarter for the fiscal year 2015. The proposal will be resolved by the annual general meeting on 3 May 2016.

Divident payout 2010–2016 (NOK)

*dividend 2016 pending AGM approval



Own shares
WWASA does not hold own shares. At the annual general meeting in April 2015, the board was authorised to increase the share capital by up to NOK 22 million. The authorisation has not been used and is valid until the company's next annual general meeting, scheduled 3 May 2016. 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

4. 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 2015, WWASA had 3 477 shareholders, of whom 165 were foreign and 3 312 were Norwegian. This is an increase of nine foreign and 145 Norwegian shareholders compared with 31 December 2014. The Norwegian shareholder base comprised 95% of the total number of shareholders, and held 92% of the total shares.

A monthly 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 72.7% 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 with close associates
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.

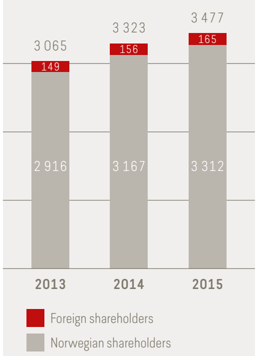
In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency.

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).

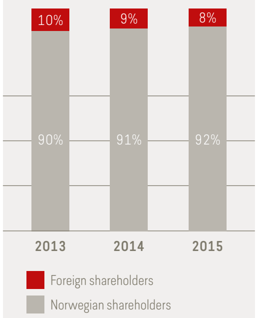
Overview of insiders
A list of insiders can be found on the Oslo Stock Exchange website under the company's ticker.

Deviations from the code: None

Number of shareholders



% of shares owned by Norwegian and foreign shareholders



5. NEGOTIABILITY

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

Deviations from the code: None

6.–9. 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.

General meeting

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 ordinary general 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 shareholders, but also available on the company's website)
- 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.

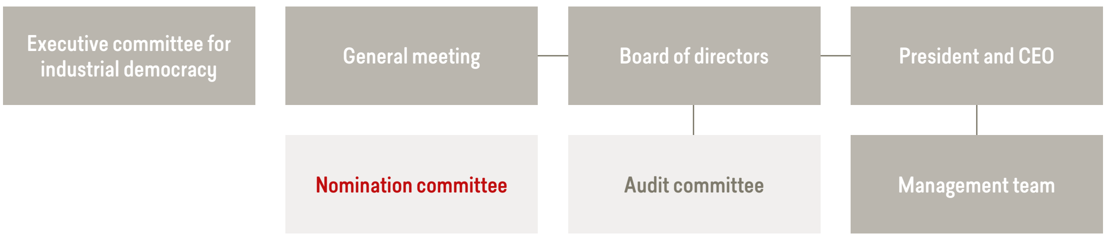
The company is not aware of any shareholder agreements among its shareholders.

Nomination committee

The general meeting of WWASA appoints a nomination committee and has approved guidelines for the committee's work. The committee nominates directors to the board and proposes the director remuneration. As part of its nomination process, the committee will have contact with major shareholders, 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.

Governing bodies



There was no changes in the committee in 2015, and as of 31.12.2015 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.

The committee held three meetings in 2015.

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	April 2015	April 2018
Diderik Schnitler	April 2015	April 2018
Nils P Dyvik	April 2014	April 2016
Bente Brevik	April 2015	April 2017
Marianne Lie	April 2014	April 2016

The board elects its own chair. Two of the directors are women. Two directors are independent of the majority owner (Ms Bente Brevik and Ms Marianne Lie) and all five are independent of the executive management. Ms Sjo stepped down from the board effective 1 April 2015 and was replaced by Bente Brevik.

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 2015, the company hosted eight board meetings, including two full day strategy meeting. Two of the directors had lawful excuse for non-appearance at two separate board 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, Bente Brevik and Marianne Lie. All three are independent of the management in the company. Ms Brevik and Ms Lie are also independent of the majority shareholder. Mr Dyvik and Ms Lie were elected for a term of two years in 2014 and up for re-election in 2016. Ms Brevik replaced Hege Sjo, when she stepped down from the board in 2015. 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 2015, anti-corruption, theft and fraud, whistleblowing and competition law were focus areas. The focus will continue in 2016 with a follow up session of the awareness programme "I comply" that was conducted in 2014.

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, resources and align decision making related to the implementation of the company's strategy. In addition to the senior executives (chief executive and CFO), the team consists of department heads and main corporate functions.

Chief executive

The management team is headed by the chief executive, who is responsible for the financial result of the company. The chief executive is also responsible 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 monthly reports to the board describing the group's operations, financial results, projections and financial status according to instructions from the board.

Chief financial officer

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

Governance of subsidiaries

The WWASA group consists of several legal entities (a full overview is listed on pages 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 ARC, 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.

Senior executive team

From left:

Benedicte Bakke Agerup
(CFO)

Jan Eyvin Wang
(president and CEO)

10. 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 22 and in financial risk 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 by case basis if bunker hedging is conducted. A separate mandate is issued for the management of the investment portfolio.

External reassurance

The company'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 consolidated financial statements are free from material misstatements and whether internal control over financial reporting were appropriate in the circumstances relevant to the audit. The audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting policies used and the reasonableness of accounting estimates made by management as well as evaluation of the overall financial statement presentation including the disclosures.

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

11. 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 the parent company 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

12. 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 key performance indicators are linked to financial targets, while the remaining are linked to company and or individual key performance indicators.

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 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.

WWASA's financial calendar for 2016

10 February
Q4 2015 presentation

3 May
Annual general meeting

12 May
Q1 2016 presentation

4 August
Q2 2016 presentation

15 September
Capital Markets Day

10 November
Q3 2016 presentation

The company reserves the right to revise the dates, and will in case of changes inform the market in due time. The listed dates indicate when the report is released to the Oslo Stock Exchange (after close of trading). The quarterly presentation will take place at the company's premises on the following day.

Long-term bonus scheme

As of 1 January 2015, the synthetic option programme was replaced with a new long term incentive scheme (LTI). Participants are the two senior executives. For the president and CEO maximum annual payment is 75% of base salary and for the CFO, the annual payment is 50% of base salary.

The LTI is focusing on long term shareholder value creation and is based on positive development of the WWASA's value adjusted equity. The ambitions set for the programme are to increase alignment with shareholders' interest, attract, retain and motivate participants and drive long-term group performance.

Settlement is based on return on value adjusted equity the last four years leading up to the settlement. The value adjusted equity is determined by using a "sum-of-the-parts" principle. For listed companies, value adjusted equity is based on market price, while earnings multiples are used for non-listed entities.

The board sets value adjusted equity targets at the beginning of each four year measurement period. Without consultation or agreement with the individual, the board has the right to change or terminate incentive programme after each year.

Deviations from the code: None

13. 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 the financial markets 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 an annual capital markets day, 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

14. 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.

15. AUDITOR

The company's auditor – PricewaterhouseCoopers AS (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 2015.

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 2015, 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 group accounts and note 2 to the parent company accounts.

For the financial year 2015, Fredrik Melle has been the company's main auditor at PwC.

Deviations from the code: None

Further information

Benedicte Bakke Agerup
Chief financial officer

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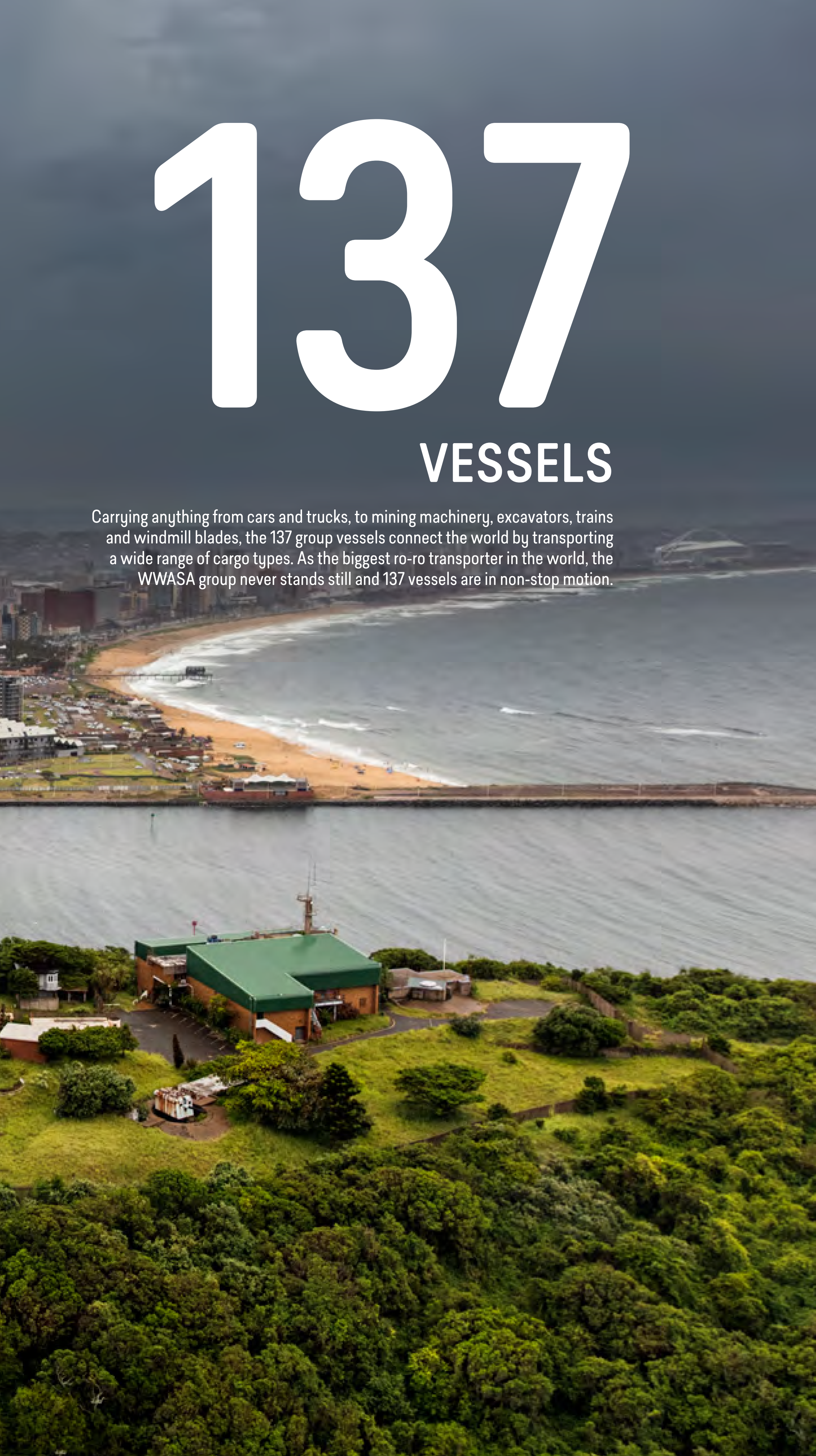
+47 915 48 029


WALLENIUS WILHELMSEN



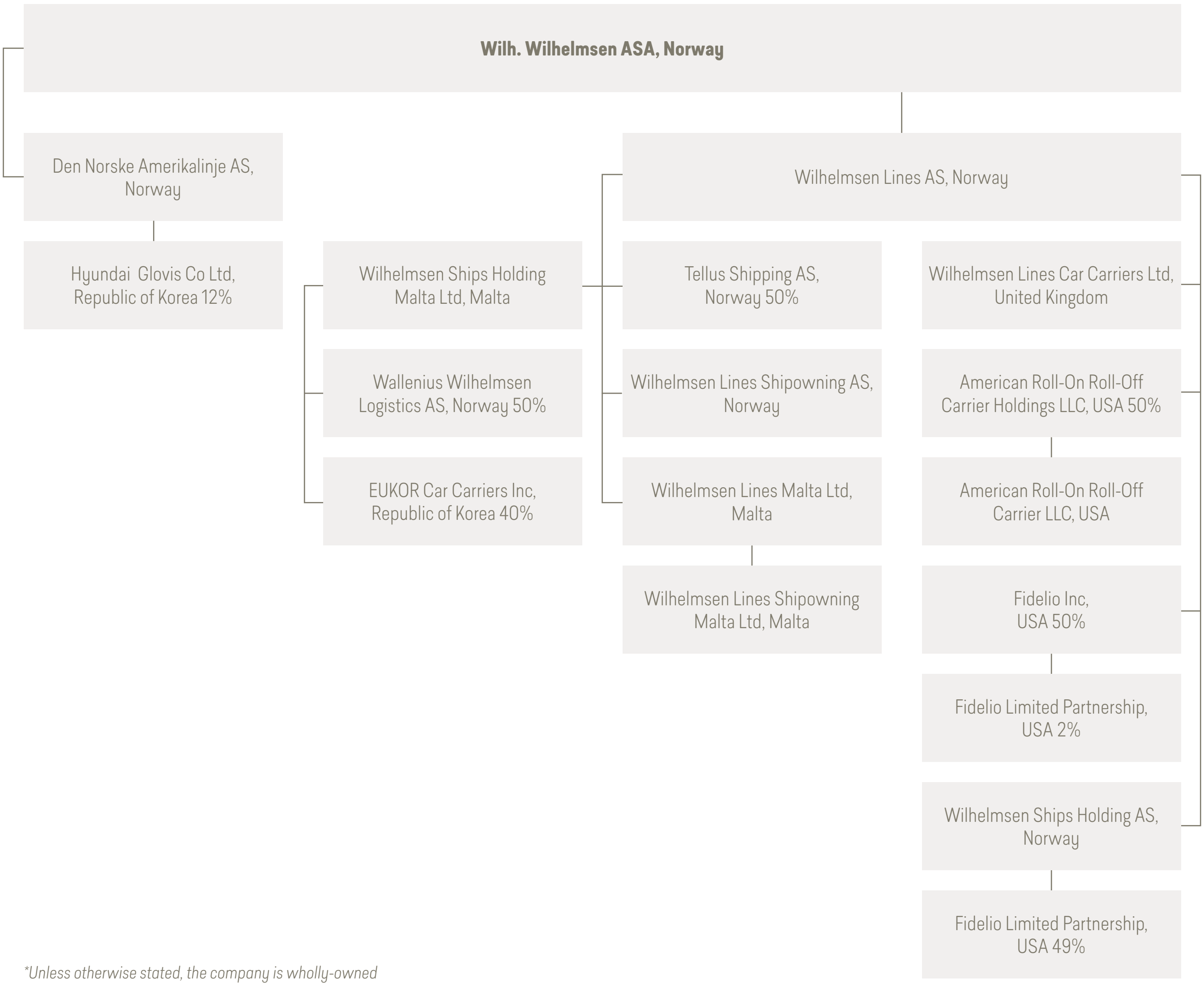
137

VESSELS

Carrying anything from cars and trucks, to mining machinery, excavators, trains and windmill blades, the 137 group vessels connect the world by transporting a wide range of cargo types. As the biggest ro-ro transporter in the world, the WWASA group never stands still and 137 vessels are in non-stop motion.

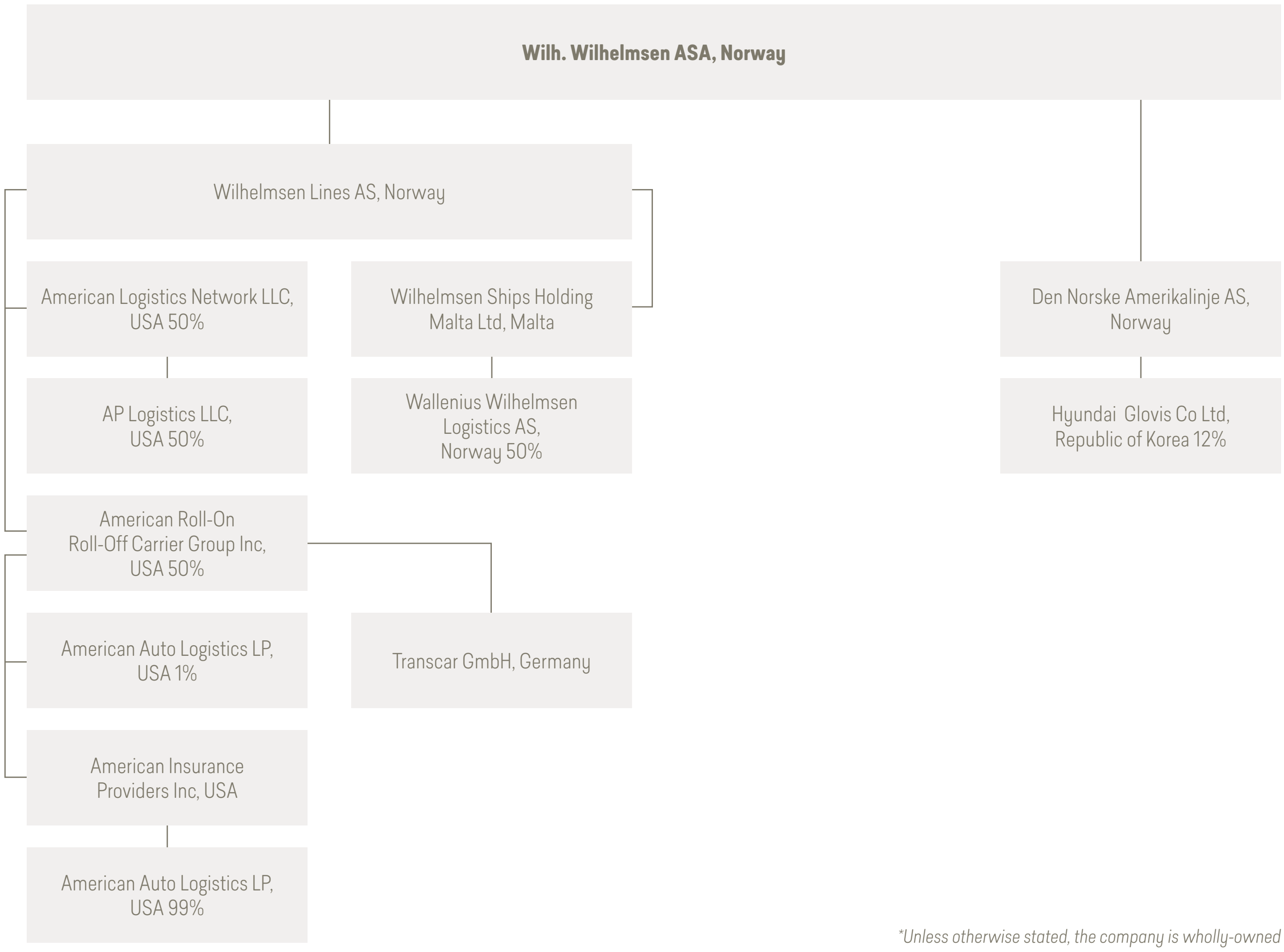
Corporate structure

SHIPPING SEGMENT STRUCTURE* PER 31 DECEMBER 2015*



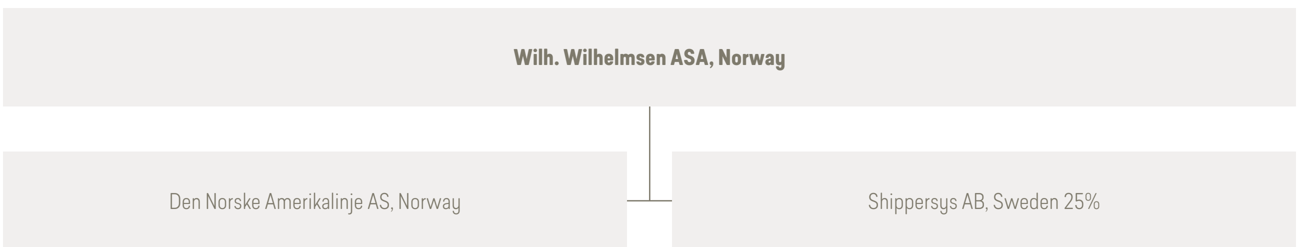
Unless otherwise stated, the company is wholly-owned

LOGISTICS SEGMENT STRUCTURE* PER 31 DECEMBER 2015*



Unless otherwise stated, the company is wholly-owned

HOLDING SEGMENT STRUCTURE* PER 31 DECEMBER 2015*



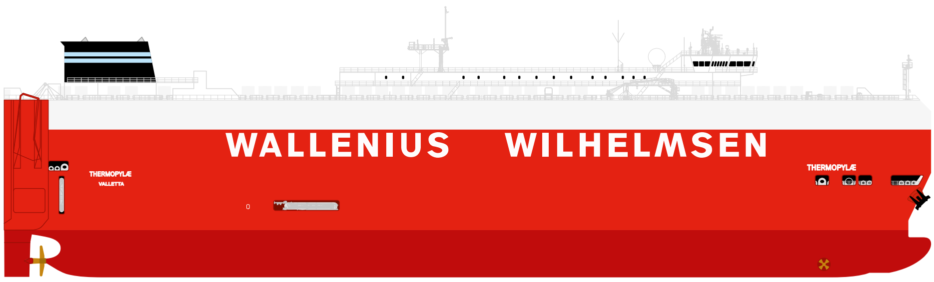
Unless otherwise stated, the company is wholly-owned

WW FLEET FLAG AND OWNERSHIP STATUS AS PER 31 DECEMBER 2015

PCTC

PCTC: Pure car and truckcarrier

NAME	IMO	BUILT	TYPE	FLAG	CEU	WW SHARE
MHI TYPE						
TORONTO	9302205	2005/8	PCTC	GBR	6 500	100%
TOLEDO	9293624	2005/2	PCTC	GBR	6 500	100%
TORRENS	9293612	2004/10	PCTC	GBR	6 500	100%
TOPEKA	9310109	2006/06	PCTC	GBR	6 500	100%
TOMBARRA	9319753	2006/09	PCTC	GBR	6 500	100%
TORTUGAS	9319765	2006/12	PCTC	GBR	6 500	100%
TOMAR	9375264	2008/10	PCTC	GBR	6 500	100%
TOREADOR	9375288	2008/12	PCTC	GBR	6 500	100%
TORINO	9398321	2009/03	PCTC	GBR	6 500	100%
TOSCANA	9398333	2009/06	PCTC	GBR	6 500	100%
TONGALA	9605786	2012/09	PCTC	MLT	6 400	100%
OTHER						
TANCRED*	8605167	1987/04	PCTC	NIS	4 600	100%
TRINIDAD*	8602579	1987/09	PCTC	NIS	5 800	100%
TRIANON*	8520680	1987/04	PCTC	NIS	5 800	100%
MORNING CONCERT	9312822	2006/04	PCTC	GBR	6 600	100%



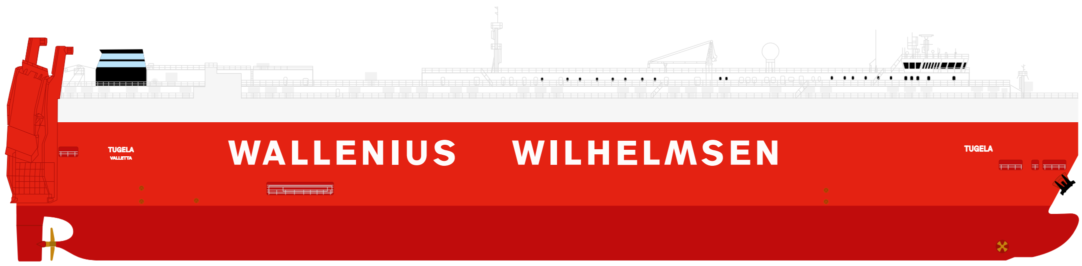
PCTC: Pure car and truckcarrier

NAME	IMO	BUILT	TYPE	FLAG	CEU	WW SHARE
POST PANAMAX (HERO TYPE)						
THERMOPYLÆ	9702443	2015/01	PCTC	MLT	8 000	100%
THALATTA	9702455	2015/04	PCTC	MLT	8 000	100%

The three PCTC vessels Tancred, Trianon and Trinidad – were sold for recycling at green facilities in China in the first quarter of 2016.

WW FLEET FLAG AND OWNERSHIP STATUS AS PER 31 DECEMBER 2015

LCTC



LCTC: Large car and truckcarrier

NAME	IMO	BUILT	TYPE	FLAG	CEU	WW SHARE
LCTC 1						
TIJUCA	9377511	2008/12	LCTC	NIS	7 600	100%
TIRRANNA	9377523	2009/6	LCTC	NIS	7 600	100%
LCTC 2						
TUGELA	9505065	2011/07	LCTC	MLT	8 050	100%
TULANE	9505089	2012/06	LCTC	MLT	8 050	100%
TIGER	9505039	2011/06	LCTC	MLT	8 050	100%
TITANIA	9505053	2011/12	LCTC	MLT	8 050	100%

RO-RO

RO-RO: Roll-on-roll-off

NAME	IMO	BUILT	TYPE	FLAG	CEU	WW SHARE
MARK V						
TØNSBERG	9515383	2011/03	RO-RO	MLT	8 500	100%
TYSLA	9515400	2012/01	RO-RO	MLT	8 500	100%
MARK IV						
TAMESIS	9191307	2000/04	RO-RO	NIS	7 700	100%
TALISMAN	9191319	2000/06	RO-RO	NIS	7 700	100%
TARAGO	9191321	2000/09	RO-RO	NIS	7 700	100%
TAMERLANE	9218648	2001/02	RO-RO	NIS	7 700	100%

Capacity in terms of Car Equivalent Units (CEU) equals RT43 and is based on stowage plans for PCTC and LCTC. For RO-RO vessels, the CEU capacity is estimated from the bale cubic and is greater than the RT43-capacity.

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