

QUARTERLY REPORT

'14



Wilh. Wilhelmsen

Wilh. Wilhelmsen ASA

FIRST QUARTER 2014

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1. Highlights for the first quarter

USD million	2014 Q1	2013 Q4	2013 Q1	2013 FY
Total income	637	671	646	2 673
Total income adjusted	637	670	646	2 672
EBITDA	91	105	104	445
EBITDA adjusted	91	121	104	463
EBIT	54	66	67	293
EBIT adjusted	54	82	67	311
Net profit/(loss)	31	67	54	272
Net profit/(loss) adjusted	31	82	54	290
Earnings per share (USD)	0,14	0,30	0,25	1,23

Adjusted figures: adjusted for non recurring items

Adjusted figures Q4 2013: accrual related to draft surcharge from JFTC (Japan Fair Trade Commission) and sales gain on Terrier

- Decline in shipped volumes quarter on quarter, driven by drop in demand for auto transportation
- Continued unfavourable trade mix
- Fleet capacity stable
- Lower contribution from Hyundai Glovis reduced operating profit in logistics

2. Market development

Region	Q1 2014	Q4 2013	QoQ change	Q1 2013	YoY change	2013 FY	2014 FY
N America	4.34	4.50	-4 %	4.29	1 %	18.40	18.90
Europe*	3.60	3.35	8 %	3.43	5 %	13.90	14.20
Oceania	0.30	0.32	-7 %	0.30	0 %	1.20	1.30
BRICs	8.07	8.59	-6 %	7.62	6 %	30.80	32.60
.....Brazil	0.78	0.95	-17 %	0.80	-2 %	3.60	3.60
.....Russia	0.60	0.73	-18 %	0.62	-3 %	2.80	2.60
.....India	0.77	0.72	6 %	0.81	-6 %	3.00	3.10
.....China	5.92	6.19	-4 %	5.39	10 %	21.40	23.30

*Excluding Russia and Turkey

Light vehicle sales in selected markets (million units).
Source: WWL Global Market Intelligence

Light vehicles

Sales

Total sale of light vehicles in key markets declined by 3% to 16.3 million units quarter on quarter. China and North America fell back after a strong fourth quarter, whilst Europe saw a improvement in sales from a low level.

Sale of light vehicles in key markets increased by 4% year over year. Car sales in Europe continued to grow after a long period of declining sales. Chinese sales increased by a

strong 10% supported by expectations of future restrictions on car purchases. Even though bad weather hurt sales in the US, car sales in North America were up 1%. A recovering economy, improved credit availability, low interest rates in addition to new or redesigned models contributed to the positive development in US auto sales. The growth was, however, stronger for local produced cars than for imported brands.

Exports

Japanese exports have shown a cautious, but stable growth since mid-2012, but declined sharply in the first quarter of 2014. Year to date, Japanese export volumes totaled 0.9 million cars, representing a 17% decrease from the previous quarter and a 14% fall back compared with the same quarter of 2013. Japanese export declined due to weak demand from European consumers and increased transplant production by Japanese manufacturers.

Korean export fell 10% from a strong fourth quarter, which was impacted by pent up demand after labour strikes in the third quarter to 0.7 million units. Total export volume was slightly lower year over year.

When combining annual export of cars from China, Thailand and India the cargo volume approximately equates Korean export for a full year.

Inventory levels

The level of light vehicle inventory in the US increased to a historically high level in the first quarter and counted at average 3.7 million units. Inventory supply averaged 71 days of sales for the quarter, but fell back to 60 days at the end of March due to the sales rate picking up after being hurt by the bad weather in the first two months of the year.

High and heavy Construction

Estimated global construction spending continued to indicate growth in absolute terms year over year and contributed to strengthen demand for construction equipment. The level was however slightly lower quarter on quarter.

Construction spending in the US remained at the high level seen at the end of 2013 and was up compared to levels seen in the same period of last year. The recovering housing market lifted spending with housing permits climbing to above 1 million seasonally adjusted. The housing construction market sentiment saw a drop in the first quarter given bad weather, but was higher year over year.

Mining

Commodity price indices for precious metals increased slightly and was up 6% quarter on quarter, but down 21% year over year. Industrial metals fell 5% from the fourth quarter and 11% year over year. Iron ore prices (62% Fe to China) have been volatile due to uncertainty related to China's economic development and levels declined sharply from last quarter.

Given the general negative development in commodity prices from mid-2012, most mining companies refrained from initiating new investment projects. They showed a strict capital expenditure discipline and cost cutting initiatives were kept up in the quarter. Despite the negative sentiment, Australian mining production and exports of metal ores and minerals were at record high levels.

The value of US mining equipment inventory remained at a high level.

Agriculture

Key agricultural commodity prices saw an increase in the first quarter of 2014 and ended higher than end 2013 levels. Large farm tractor sales in North America were up from last quarter, but on par with the same period in 2013 with inventory levels at a historically low.

World fleet

The world car carrying fleet remained at the same level as the previous quarter and counted 739 vessels (3.8 million CEUs) at the end of the first quarter. Six vessels were recycled during the first quarter and six new vessels entered the global fleet.

Four newbuildings were ordered during the first three months of 2014 and the global orderbook counted 64 vessels (452 000 CEUs), representing 12% of the total world fleet measured in CEUs, at the end of March.

The average vessel age in the global car carrying fleet remained at approximately ten years.

3. WWASA's tonnage position

Fleet capacity

Group companies had a lifting capacity of 905 000 CEUs (894 000 CEUs) at the end of March 2014, on par with the fourth quarter of 2013 or a 1.3% increase year over year. The fleet represented 24% of the global car carrying capacity. The group controlled 145 vessels by the end of March (145 vessels), a net decrease of one vessel quarter on quarter.

In addition, WWASA owns the ro-ro vessel Taiko, currently operated by an external charterer and not part of the group operated fleet.

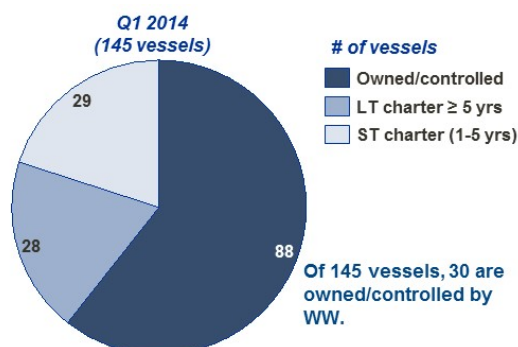
Newbuildings

Group companies took delivery of two vessels in the first quarter. Two pure car and truck carriers - Morning Chant and Morning Post - commenced service for EUKOR. The latter is the first Post-Panamax vessel to enter the group fleet.

At the end of the first quarter, the newbuilding programme for group companies counted eleven vessels (85 400 CEUs) to be delivered in 2014-2016, equalling 19% of the world car carrier orderbook measured in CEUs. Four of the vessels are for WWASA's own account, and the first Post-Panamax vessel will be delivered in the fourth quarter of 2014.

Redeliveries

Group companies redelivered two vessels to external owners in the first quarter, both controlled by WWASA. The group can



redeliver four additional vessels throughout 2014.

Recycling

WWASA sold one vessel for recycling in the first quarter – the ro-ro vessel Texas. The demolition is taking place at a green recycling facility in China.

Events after the end of the quarter

EUKOR owned car carrier Asian Empire caught fire in April 2014. The appointed salvage company will assess the vessel and develop a salvage plan. No severe injuries to crew.

Fleet flexibility

With the current demand for transportation of cars and high and heavy units being modest, being able to adjust fleet capacity to cargo availability is crucial to optimise profitability. Optimising initiatives include chartering in or out vessels, speed adjustments, redelivery, newbuildings and recycling of older tonnage. In addition, the group's operating companies swap tonnage and benefit from group synergies.

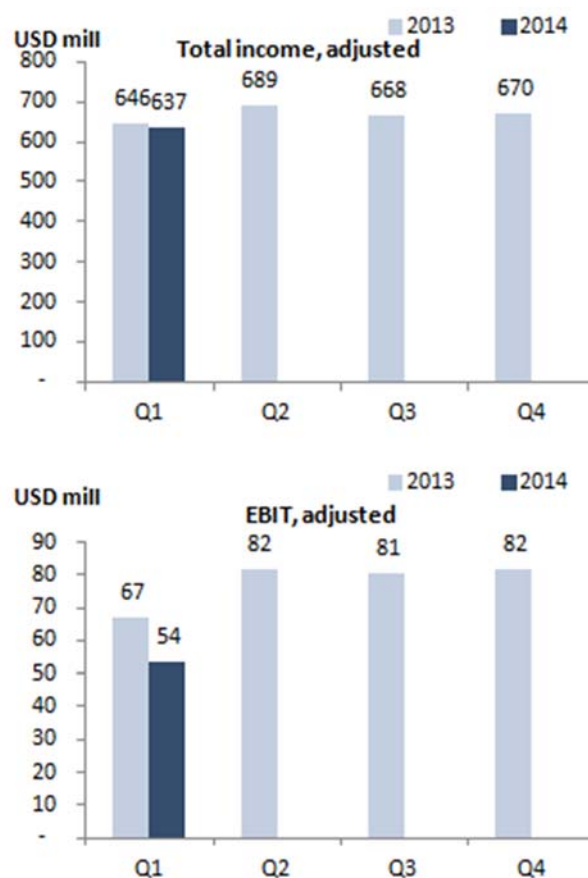
Company	Fleet by end of Q1	Deliveries in Q1	Newbuilding programme by end of Q1	Yard
WWL	58 vessels, 389 000 CEUs, (62 vessels, 408 000 CEUs)		Four pure car and truck carriers Post Panamax design (32 000 CEUs) for Wilhelmsen's account.	Hyundai Samho
			Four pure car and truck carriers Post Panamax design (32 000 CEUs) not for Wilhelmsen's account.	Xingang
EUKOR	82 vessels, 488 000 CEUs (77 vessels, 451 000 CEUs)	PCTC Morning Chant at 6 600 CEUs	Two pure car and truck carriers - Post Panamax design (15 200 CEUs) for EUKOR account.	Hyundai Gunsan
		Post Panamax PCTC Morning Post at 7 600 CEUs	One pure car and truck carrier (6 200 CEUs) financed through long term charters with external owner.	Imabari
ARC	Five vessels, 29 000 CEUs (six vessels, 35 000 CEUs)			

4. WWASA group accounts

Total volumes shipped by WWASA's operating companies decreased by 6% from the fourth quarter, caused by a decline in demand for auto transportation. High and heavy units increased slightly. However, an unfavorable trade mix combined with increased costs due to bad weather had a negative effect on the group's overall profitability. Further, the logistics activities contributed less to the group accounts quarter on quarter, mainly caused by weaker results from Hyundai Glovis.

For the first quarter of 2014, the WWASA group posted an operating profit of USD 54 million, down 20% from the same quarter in 2013 (USD 67 million). The total income declined year over year and ended at USD 637 million (USD 646 million). The corresponding figures for the fourth quarter of 2013 were USD 66 million and USD 671 million. The fourth quarter was negatively affected by an accrual of USD 16.5 million related to the cease and desist order and surcharge order WWL received from the Japanese Fair Trade Commission. A non-recurring item following a sale gains from the recycling of Terrier had a positive effect amounting to USD 1 million. Adjusted for the non-recurring items, operating profit fell 34% and total income 5% quarter on quarter.

Financial expense for the quarter was USD 16 million (USD 7 million). A fair value loss on interest derivatives contributed most to the change year over year.



Group profit before tax and minority interest amounted to USD 38 million (USD 60 million). With a tax expense of USD 6 million (tax expense of USD 5 million), net profit after tax and minority interest declined and ended at USD 31 million (USD 54 million).

The shipping segment

Due to lower demand for deep sea transportation of autos, increased cost incurred due to bad weather and an unfavourable trade mix, WWASA's shipping segment recorded an operating profit of USD 37 million (USD 42 million) and total income of USD 499 million (USD 509 million) for the first quarter of 2014. The figures for the fourth quarter of 2013 were USD 41 million and USD 533 million respectively.

First quarter 2014 compared with fourth quarter 2013

Volumes shipped by group companies in the first quarter totalled 18.5 million CBM (17.5 million CBM), a decrease of approximately 1.3 million CBM or 6% quarter on quarter. The decrease was partly related to seasonality as the first quarter historically is the weakest quarter of the year.

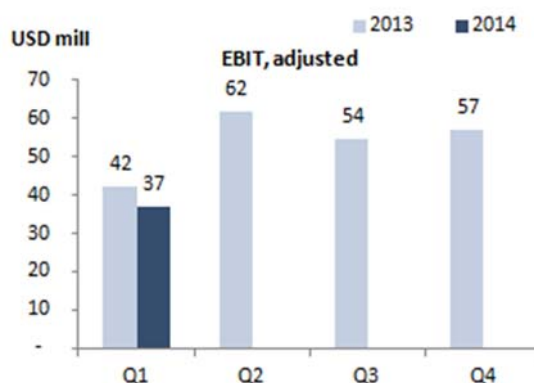
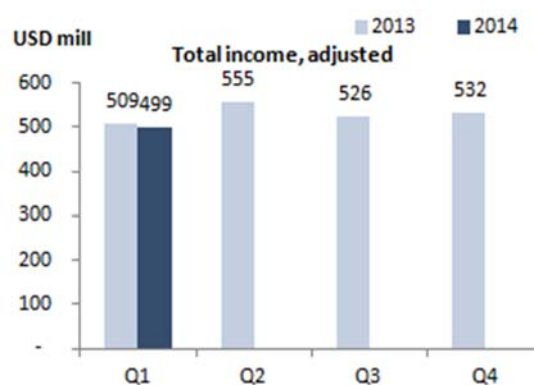
Auto volumes declined. The demand for transportation of high and heavy units increased slightly, but not in the primary ro-ro trades. This increased the operational cost making the marginal high and heavy contribution less profitable.

In order to adjust vessel capacity to transportation demand, the group continued to implement fleet optimising and profitability improving initiatives.

First quarter 2014 compared with first quarter 2013

Despite a total increase in volumes, an unfavourable trade mix led to a negative development in total income and operating profit.

Wallenius Wilhelmsen Logistics (WWL - owned 50%) transported 9% less cargo in the first quarter compared with the fourth quarter of 2013. This was caused by a drop in auto volumes, particularly in Asia to North America and the Atlantic trades. High and heavy volumes were on par with the previous quarter, while break bulk volumes grew slightly. However high and heavy volumes fell in main ro-ro trades. Asia to North America decreased from a strong fourth quarter, while the Oceania trade



continued to be negatively affected by lower demand for mining equipment in Australia.

Net bunker cost increased quarter on quarter caused by less optimal operation due to bad weather and reduced contribution from bunker adjustment factors compared with the previous quarter. BAF-recoveries are recorded one quarter in arrears.

In addition, transshipment and overtime drove cost.

Transported volumes in the first quarter was at the same level as the same quarter of last year, with a small decline in Asia to Europe and the Oceania trades and increases in the Asia to North America and Atlantic trades.

EUKOR Car Carriers (EUKOR – owned 40%) transported slightly less cargo in the first three months of 2014 compared with the previous quarter. While both Hyundai and Kia volumes increased, cargo from other customers declined. The total income was on par with the previous quarter. Rate pressure, an unfavourable trade mix and increased costs

however, negatively affected the operating profit.

EUKOR transported approximately 60% of Hyundai and Kia exports out of Korea in the first quarter, as per the Ocean Car Carrying contract.

Net bunker cost increased quarter on quarter as bunker adjustment factor clauses contributed less than in the previous quarter. BAF-recoveries are recorded one quarter in arrears. In addition, the realised gain from the bunker-hedging contract, recorded as a reduction in operating expenses, was USD 2 million lower compared with the previous quarter.

Year over year, EUKOR's transported volumes increased in all trades positively affecting total income. Hyundai volumes were on par with the same quarter of last year, while Kia volumes improved substantially. Despite a lift in the top line, the operating profit declined mainly caused by a negative trade mix and cost increases due to imbalance particularly in the European trade.

American Roll-On Roll-Off Carrier (ARC – owned 50%) contributed less to the group accounts quarter on quarter and year over year despite higher transported volumes, particularly compared with the previous quarter.

Ship operating activities in **Hyundai Glovis** (owned 12.5%) contributed with USD 2 million (USD 1 million) to WWASA's first quarter accounts.

Update on anti-trust investigations

WWL and EUKOR are subject to anti-trust investigations of the car carrying industry in several jurisdictions.

The Japanese Fair Trade Commission (JFTC) issued a cease and desist order and a surcharge order in the first quarter of 2014. The JFTC states that WWL and other companies in the industry, in the years 2008-2012, restrained competition through jointly agreeing on raising or maintaining rates, thereby breaching the Antimonopoly Act. The surcharge for WWL's account is estimated to USD 34 million and primarily related to shipments of new cars from Japan to Europe. WWASA made an accrual of USD 16.5 million in the fourth quarter of 2013, and the final order does therefore not affect the accounts for the first quarter.

WWL does not agree with all of the JFTC conclusions, but the WWL board has decided not to appeal the order and focus on business going forward.

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

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

The logistics segment

The logistics segment recorded an operating profit of USD 20 million for the first quarter of 2014 (USD 28 million) negatively affected by lower contribution from Hyundai Glovis. Total income amounted to USD 144 million (USD 142 million). Corresponding figures for the fourth quarter of 2013 were USD 27 million and USD 145 million respectively.

First quarter 2014 compared with fourth quarter 2013

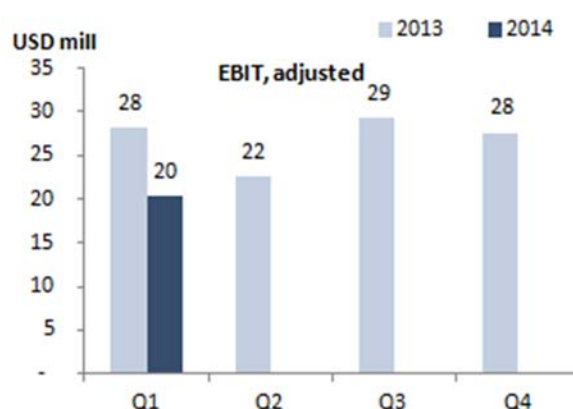
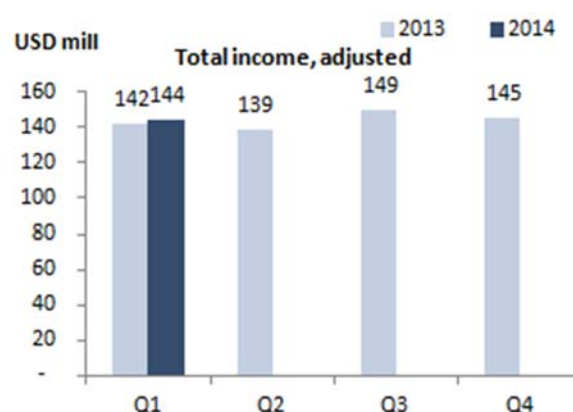
Total income was on par with the previous quarter. Increased contribution from inland distribution services offset a decline in contribution from Hyundai Glovis. Inland distribution services has a substantial part of income and cost incurred on a pass through basis. Hyundai Glovis is treated as an associated company and contribution is therefore the same on total income and operating profit. The source of income therefore has a substantial effect on profitability.

First quarter 2014 compared with first quarter 2013

Year over year, the group's logistics segment recorded a decline in revenue and profit mainly caused by reduced contribution from Hyundai Glovis. The ASL group delivered slightly lower contribution. WWL's logistics activities recorded top line growth driven by inland distribution, while operating profit was somewhat lower.

WWL handled 469 000 units (493 000 units) at its 10 terminals, 1.6 million units (1.5 million units) at 41 technical services centres and transported 672 000 units (566 000 units) through its inland distribution network.

The activity level contributed to an increase in total income both quarter on quarter and year over year, mainly driven by inland distribution. Operating profit declined compared with the same periods, mainly caused by volume decline and increased cost in the technical service segment.



The activities organised in **American Shipping and Logistics group** (owned 50%) delivered total revenue on par with the previous quarter, while profit improved. Year over year, both total income and operating profit declined because of reduced activity.

During the quarter, the company filed a protest with the US General Accountability Office disputing the loss of the Privately Owned Vehicle (POV) contract in the fourth quarter of 2013. The protest was denied, whereby a legal process was initiated without any changes to the outcome. The original contract will expire 1 May 2014, and ASL is assessing its future logistics strategy.

The contribution from **Hyundai Glovis** in WWASA's group accounts for the quarter was USD 9 million (USD 16 million), a decline of USD 7 million both quarter on quarter and year over year. WWASA's 12.5% shareholding in Hyundai Glovis at 7 May 2014 was valued at USD ~1.1 billion.

5. Financial items

The WWASA group recorded a financial expense amounting to USD 16 million for the first quarter of 2014 (USD 7 million).

The investment portfolio continued to contribute with a good return that reflected a positive development in the stock markets, especially in the Nordic markets, but also a positive contribution from bonds, which is the largest part of the total portfolio.

Net interest expenses decreased with about USD 5 million to USD 18 million compared with the first quarter in 2013. The reduction in interest cost was related to a combination of lower short term interest rates, a realised gain on a NOK interest rate swap and less fixed rate contracts in total.

US interest rates with a maturity of up to five-six years increased during the period while 10-year rates decreased. A fair value unrealised loss of USD 6 million (gain of USD 14 million) on the interest rate derivatives portfolio was recorded in the first quarter.

Net currency items for the quarter came out with a gain of USD 3 million (zero). The result was mainly caused by an appreciation of NOK/USD. GBP also continued its strong performance throughout the period.

The bunker exposure is mainly covered through bunker adjustment factors (BAF) in the ocean contracts. In addition, the operating companies have entered into bunker hedging contracts, which created an unrealised loss of USD 0.2 million (gain of USD 1 million). A realised gain on the bunker hedging contracts this quarter of USD 0.4 million (USD 2 million) was recorded as a reduction in operating expenses.

During the quarter, the company sold its remaining shares in Norwegian Car Carriers. The sale proceeds amounted to approximately USD 5 million, but the sale had a negative accounting effect of USD 4 million.

6. Tax

Tax expense came to USD 6 million in the first quarter of 2014 (tax expense of USD 5 million).

7. Capital and financing

Cash and cash equivalents including the investment portfolio amounted to USD 428 million at the end of the first quarter (USD 671 million when including the group's share of cash and cash equivalents in the joint ventures), USD 17 million higher than the previous quarter.

The group's equity increased from the previous quarter with USD 37 million to USD 1 669 million, representing an equity ratio of 49% based on book values for WWASA's own account.

WWASA's gross interest bearing debt amounted to USD 1 492 million (USD 2 124



million when including the group's share of interest-bearing debt in joint ventures) at the end of the quarter.

The company has previously declared options to order two new Post-Panamax vessels for delivery first and second quarter in 2016. The vessels are identical to the existing two Post-Panamax vessels in order and will be financed at a later stage.

On 25 April, the annual general meeting resolved to pay a dividend of NOK 1 per share, totalling approximately USD 37 million. The dividend is expected to be paid to shareholders 8 May 2014. After the payout, the company's equity ratio will be somewhat reduced.

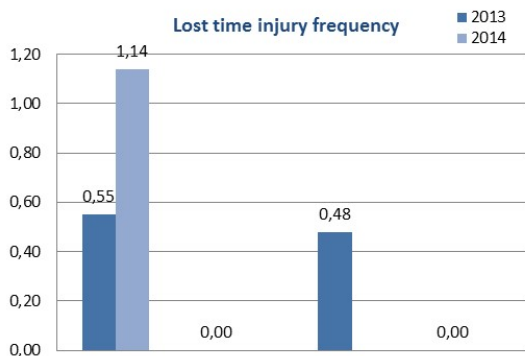
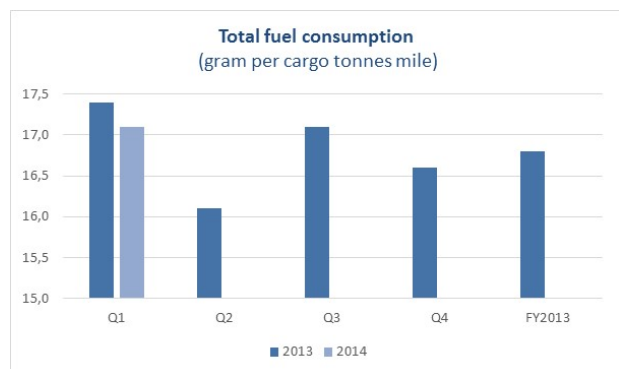
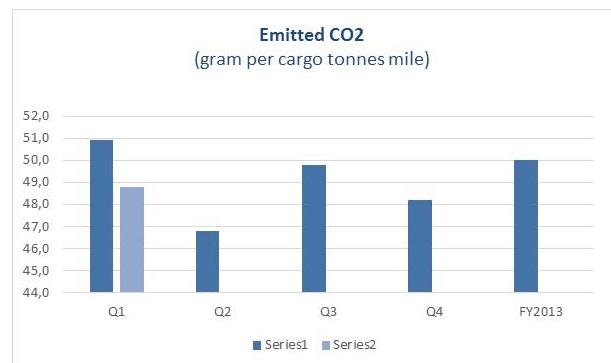
8. Health, safety, environment and quality¹

Fuel consumption and CO₂ emissions

In the first quarter, the 30 WWASA owned and controlled vessels (35 vessels) used 58.4 thousand tonnes fuel. Having sailed 3 410 million tonne miles², the fleet consumption was equal to 17.1 gram (17.4 gram) fuel per cargo tonnes mile. The vessels emitted 50 gram (50.9 gram) CO₂ per cargo tonnes mile.³

Operational excellence

There were no major incidents nor any oil spills reported on WWASA vessels in the first quarter, with average number of off-hire per vessel below set target. The fleet experienced 27 port state controls. No vessels were detained and the deficiency rate indicated that the fleet was managed according to the group's expectations.



Lost time injury frequency

During the first quarter, the group recorded a lost time injury frequency of 1.14, slightly above the group's target.⁴

¹ HSEQ reporting is based on vessels owned and controlled by WWASA.

² Measures number of tonnes by distance transported.

³ Energy efficiency is measured by the International Maritime Organisation as grams of CO₂ per tonne nautical mile.

⁴ Lost time injury frequency is measures as an injury, which results in an employee being unable to return to work for a scheduled work shift on the day following the injury. Measured as injury per million working hour.

9. Prospects

Despite a positive underlying growth potential for transportation of cars and high and heavy cargo long term, the short term demand for deep-sea transportation is modest. In addition, an increased pressure on margins for both shipping and logistics services is evident.

As of 1 May, the AAL held POV-contract expires which will have a negative effect on earnings.

The group will continue to actively optimise and adjust tonnage to market demand in addition to

implementing the cost efficiency programmes initiated in order to offset potentially negative effects stemming from suboptimal cargo and trade mixes.

In accordance with seasonality, the board expects the group's core activities to perform stronger in the second quarter.

Lysaker, 8 May 2014

The board of directors of Wilh. Wilhelmsen ASA

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made, but are inherently subject to uncertainties and contingencies, which are difficult or impossible to predict. WWASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

Income statement - segment reporting ¹

Joint ventures based on proportionate method

USD mill	Shipping			Logistics			Holding			Eliminations			Total		
	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full
QUARTER	2014	2013	year	2014	2013	year	2014	2013	year	2014	2013	year	2014	2013	year
Operating revenue	497	507	2 114	135	127	521	1	1	6	(7)	(7)	(31)	626	628	2 609
Other income															
Share of profit from associates	2	2	7	9	16	55							11	17	62
Gain on sale of assets			1												1
Total income	499	509	2 122	144	142	576	1	1	6	(7)	(7)	(31)	637	646	2 673
Operating expenses															
Voyage expenses	(266)	(270)	(1 121)							5	5	26	(261)	(265)	(1 096)
Vessel expenses	(22)	(23)	(86)										(22)	(23)	(86)
Charter expenses	(81)	(82)	(335)										(81)	(82)	(335)
Employee benefits	(38)	(39)	(157)	(9)	(9)	(35)	(3)	(3)	(12)				(50)	(51)	(204)
Other expenses	(19)	(17)	(80)	(113)	(104)	(427)	(2)	(2)	(6)	2	2	6	(132)	(120)	(507)
Depreciation and impairment	(35)	(36)	(145)	(2)	(2)	(7)							(37)	(38)	(152)
Total operating expenses	(462)	(467)	(1 924)	(124)	(114)	(469)	(5)	(5)	(18)	7	7	31	(583)	(579)	(2 380)
Operating profit (EBIT) ²	37	42	198	20	28	107	(4)	(3)	(12)	0	0	0	54	67	293
Financial income/(expenses)	(13)	(5)	(13)			(1)	(3)	(3)	6				(16)	(7)	(8)
Profit/(loss) before tax	24	38	186	20	28	106	(7)	(6)	(7)	0	0	0	38	60	285
Tax income/(expense)	(5)	(3)	1	(3)	(4)	(17)	2	2	4				(6)	(5)	(12)
Profit/(loss)	20	35	186	17	24	90	(5)	(5)	(2)	0	0	0	32	54	273
Of which minority interest				(1)		(2)							(1)		(2)
Profit/(loss) after minority interest	20	35	186	16	24	88	(5)	(5)	(2)	0	0	0	31	54	272

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

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

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

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

2014: Material gain/(loss) from disposal of assets and impairment charges (* Included in share of profits from associates and joint ventures)

2013: Material gain/(loss) from disposal of assets and impairment charges (* Included in share of profits from associates and joint ventures)

Q1 - No material gain/(loss)

Q2 - No material gain/(loss)

Q3 - No material gain/(loss)

Q4 - No material gain/(loss)

Income statement - segment reporting ¹

Joint ventures based on proportionate method

USD mill	Shipping				Logistics				Holding				Total incl elimination			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
QUARTER	2013	2013	2013	2014	2013	2013	2013	2014	2013	2013	2013	2014	2013	2013	2013	2014
Operating revenue	554	524	529	497	129	136	129	135	1	1	2	1	678	652	651	626
Other income																
Share of profit from associates	1	2	3	2	10	13	16	9					11	15	19	11
Gain on sale of assets			1												1	
Total income	555	526	533	499	139	149	145	144	1	1	2	1	689	668	671	637
Operating expenses																
Voyage expenses	(291)	(282)	(277)	(266)									(285)	(274)	(271)	(261)
Vessel expenses	(21)	(22)	(21)	(22)									(21)	(22)	(21)	(22)
Charter expenses	(89)	(80)	(84)	(81)									(89)	(80)	(84)	(81)
Employee benefits	(38)	(40)	(39)	(38)	(9)	(10)	(8)	(9)	(3)	(3)	(3)	(3)	(50)	(53)	(50)	(50)
Other expenses	(17)	(13)	(33)	(19)	(106)	(109)	(108)	(113)	(1)	(1)	(1)	(2)	(123)	(123)	(140)	(132)
Depreciation and impairment	(37)	(36)	(37)	(35)	(2)	(2)	(2)	(2)					(38)	(38)	(39)	(37)
Total operating expenses	(493)	(473)	(491)	(462)	(117)	(121)	(117)	(124)	(4)	(5)	(4)	(5)	(607)	(590)	(604)	(583)
Operating profit (EBIT) ²	62	53	41	37	22	29	27	20	(3)	(4)	(3)	(4)	82	78	66	54
Financial income/(expenses)	8	(9)	(6)	(13)			(1)		14	(4)	(1)	(3)	22	(14)	(8)	(16)
Profit/(loss) before tax	69	43	35	24	23	29	26	20	12	(8)	(4)	(7)	104	64	58	38
Tax income/(expense)	(3)	(1)	8	(5)	(4)	(5)	(3)	(3)	(4)	2	4	2	(12)	(4)	9	(6)
Profit/(loss)	66	42	44	20	18	24	23	17	8	(6)	0	(5)	92	60	67	32
Of which minority interest						(1)		(1)						(1)		(1)
Profit/(loss) after minority interest	66	42	44	20	18	23	23	16	8	(6)	0	(5)	92	59	67	31

^{1/2} Comments - see previous page

Notes - segment reporting

Joint ventures based on proportionate method

Note 1 - Financial income/(expenses)

USD mill	01.01-31.03 2014	01.01-31.03 2013	Full year 2013
Financials			
Investment management ¹	7,9	0,7	13,6
Interest income	1,4	0,8	3,0
Other financial items	(4,3)	(0,1)	(0,7)
Net financial items	5,0	1,5	15,9
Net financials - interest rate			
Interest expenses	(15,5)	(15,3)	(61,3)
Interest rate derivatives - realised	(2,5)	(7,8)	(38,0)
Net interest expenses	(18,0)	(23,1)	(99,3)
Interest rate derivatives - unrealised	(5,6)	13,6	71,2
Net financial - currency			
Net currency gain/(loss)	(7,5)	19,8	45,5
Currency derivatives - realised	(2,1)	(1,6)	(7,7)
Currency derivatives - unrealised	5,2	(4,4)	(13,7)
Cross currency derivatives - realised	0,9	0,7	3,4
Cross currency derivatives - unrealised	6,3	(14,7)	(19,8)
Net currency items	2,9	(0,1)	7,7
Financial derivatives bunkers			
Valuation of bunker hedges	(0,2)	1,0	(3,2)
Net financial derivatives bunkers	(0,2)	1,0	(3,2)
Financial income/(expenses)	(16,0)	(7,2)	(7,7)

¹ Includes financial derivatives for trading

Realised bunker and fuel hedges included in operating expenses

USD mill	01.01-31.03 2014	01.01-31.03 2013	Full year 2013
Cash settled bunker and fuel hedges	0,4	2,3	12,3

Notes - segment reporting ¹

Joint ventures based on proportionate method

Note 2 - Restatement of elimination of related party transactions

Related party transactions (Time charter income, space charter and other income from terminal activities) between Eukor Car Carriers Inc (Eukor) and Wallenius Wilhelmsen Logistics AS (WWL) is eliminated in the consolidated accounts.

During 2014 the group has reviewed and analysed the intercompany transactions between the group joint venture's WWL and EUKOR. EUKOR revenues where

WWL acted as collector has previously been eliminated in the consolidated accounts. These revenues are a part of the group revenues in Income statement based on proportionate consolidation for joint ventures. The adjustments have no effect on EBIT or net profit.

The 2013 figures are restated and showed below.

	As reported								Restated figures											
USD mill	Shipping				Total incl elimination				Restatement				Shipping				Total incl elimination			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
QUARTER	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
Operating revenue	476	517	483	489	597	640	612	610	32	38	40	41	507	554	524	529	628	678	652	651
Other income																				
Share of profit from associates	2	1	2	3	17	11	15	19					2	1	2	3	17	11	15	19
Gain on sale of assets				1				1								1				1
Total income	477	518	486	492	614	652	627	630	32	38	40	41	509	555	526	533	646	689	668	671
Operating expenses																				
Voyage expenses	(231)	(245)	(232)	(227)	(226)	(239)	(224)	(220)	(39)	(47)	(50)	(51)	(270)	(291)	(282)	(277)	(265)	(285)	(274)	(271)
Vessel expenses	(23)	(21)	(22)	(21)	(23)	(21)	(22)	(21)					(23)	(21)	(22)	(21)	(23)	(21)	(22)	(21)
Charter expenses	(82)	(89)	(80)	(84)	(82)	(89)	(80)	(84)					(82)	(89)	(80)	(84)	(82)	(89)	(80)	(84)
Employee benefits	(39)	(38)	(40)	(39)	(51)	(50)	(53)	(50)					(39)	(38)	(40)	(39)	(51)	(50)	(53)	(50)
Other expenses	(25)	(26)	(23)	(43)	(128)	(132)	(133)	(151)	8	9	10	10	(17)	(17)	(13)	(33)	(120)	(123)	(123)	(140)
Depreciation and impairment	(36)	(37)	(36)	(37)	(38)	(38)	(38)	(39)					(36)	(37)	(36)	(37)	(38)	(38)	(38)	(39)
Total operating expenses	(435)	(456)	(433)	(451)	(547)	(570)	(549)	(564)	(32)	(38)	(40)	(41)	(467)	(493)	(473)	(491)	(579)	(607)	(590)	(604)
Operating profit (EBIT) ²	42	62	53	41	67	82	78	66	0	0	0	0	42	62	53	41	67	82	78	66
Financial income/(expenses)	(5)	8	(9)	(6)	(7)	22	(14)	(8)					(5)	8	(9)	(6)	(7)	22	(14)	(8)
Profit/(loss) before tax	38	69	43	35	60	104	64	58	0	0	0	0	38	69	43	35	60	104	64	58
Tax income/(expense)	(3)	(3)	(1)	8	(5)	(12)	(4)	9					(3)	(3)	(1)	8	(5)	(12)	(4)	9
Profit/(loss)	35	66	42	44	54	92	60	67	0	0	0	0	35	66	42	44	54	92	60	67
Of which minority interest							(1)												(1)	
Profit/(loss) after minority interest	35	66	42	44	54	92	59	67	0	0	0	0	35	66	42	44	54	92	59	67

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

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

FINANCIAL REPORT

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Wilh. Wilhelmsen



Wilh. Wilhelmsen ASA

FIRST QUARTER 2014

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Report for the first quarter, comments based on equity method

Highlights for the first quarter

- Decline in shipped volumes quarter on quarter, driven by drop in demand for auto transportation
- Continued unfavourable trade mix
- Fleet capacity stable
- Lower contribution from Hyundai Glovis reduced operating profit in logistics

WW ASA group accounts

Total volumes shipped by WWASA's operating companies decreased by 6% from the fourth quarter, caused by a decline in demand for auto transportation. High and heavy units increased slightly. However, increased cost due to bad weather combined with an unfavorable trade mix had a negative effect on the group's overall profitability. Further, the logistics activities contributed less to the group accounts quarter on quarter, mainly caused by weaker results from Hyundai Glovis.

The operating profit for the first quarter totalled USD 45 million for the first three months of the year (USD 60 million) based on a total income of USD 106 million (USD 125 million). The similar figures for the fourth quarter of 2013 were USD 56 million and USD 117 million.

Group profit before tax amounted to USD 33 million (USD 56 million) for the first three months. The group recorded a tax expense of USD 2 million in the first quarter (tax expense of USD 1 million). Net profit after tax came to USD 31 million (USD 54 million).

Financial expenses amounted to USD 12 million (USD 4 million) for the first quarter. The investment portfolio continued to contribute with a good return, which reflected a positive development in the stock markets, especially in the Nordic markets, but also a positive

contribution from bonds, which is the largest part of the total portfolio.

Net interest expenses decreased with USD 11 million quarter on quarter to USD 13 million, mainly driven by early termination of interest swaps.

An increase in the long term USD interest rates up to 6 years coupled with a decreasing 10 year rate and the realisation of a NOK interest rate swap, lead to an unrealised loss of USD 6 million (USD 13 million gain) on interest rate derivatives in the first quarter.

Net currency items in the quarter came out with a gain of USD 3 million (gain of USD 0.5 million). The result was mainly caused by an appreciation of NOK versus USD and EUR. GBP continued its strong performance throughout the period.

At the company's annual general meeting it was resolved to pay a dividend equal to NOK 1.0 per share, totalling approximately USD 37 million. The dividend is expected payable to shareholders on or about 8 May 2014.

In accordance with seasonality, the board expects the group's core activities to perform stronger in the second quarter.

Income statement - financial report

Joint ventures based on equity method

USD mill	Notes	01.01-31.03 2014	01.01-31.03 2013	Full year 2013
Operating revenue		71	78	325
Other income				
Share of profit from joint ventures and associates		34	48	182
Gain on sale of assets	2			1
Total income		106	125	508
Operating expenses				
Vessel expenses		(14)	(15)	(53)
Charter expenses		(6)	(7)	(28)
Employee benefits		(18)	(21)	(79)
Other expenses		(4)	(3)	(11)
Depreciation and impairment	3	(19)	(21)	(82)
Total operating expenses		(61)	(66)	(253)
Operating profit (EBIT)		45	60	255
Financial income/(expenses)	4	(12)	(4)	9
Profit before tax		33	56	264
Tax income/(expense)		(2)	(1)	7
Profit for the period attributable to the owners of the parent		31	54	272
Basic and diluted earnings per share (USD)*		0,14	0,25	1,23

* EPS is calculated based on 220 000 000 shares.

Statement of comprehensive income - financial report

Joint ventures based on equity method

USD mill	Notes	01.01-31.03 2014	01.01-31.03 2013	Full year 2013
Profit/(loss) for the period		31	54	272
Other comprehensive income				
Items that will be reclassified to income statement				
Fair value adjustment available-for-sale financial assets				
Reclassification of revaluation of previously held interest in Norwegian Car Carriers ASA		5		
Currency translation differences				1
Items that will not be reclassified to income statement				
Remeasurement postemployment benefits, net of tax			(2)	(9)
Other comprehensive income, net of tax		5	(2)	(8)
Total comprehensive income attributable to owners of the parent		37	52	264

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

Balance sheet - financial report

Joint ventures based on equity method

USD mill	Notes	31.03.2014	31.03.2013	31.12.2013
Non current assets				
Deferred tax asset				
Goodwill and other intangible assets	3	6	6	6
Investments in vessels and other tangible assets	3	1 801	1 855	1 821
Investments in joint ventures and associates		1 130	998	1 120
Other non current assets		4	28	5
Total non current assets		2 941	2 889	2 952
Current assets				
Current financial investments		266	122	254
Other current assets		50	62	25
Cash and cash equivalents		162	320	157
Total current assets		478	503	436
Total assets		3 419	3 393	3 388
Equity				
Share capital	6	30	30	30
Retained earnings and other reserves		1 639	1 566	1 602
Total equity attributable to owners of the parent		1 669	1 596	1 632
Non current liabilities				
Pension liabilities		60	55	60
Deferred tax		55	64	51
Non current interest-bearing debt	8	1 308	1 377	1 320
Other non current liabilities		97	155	95
Total non current liabilities		1 520	1 651	1 527
Current liabilities				
Current income tax liabilities			0	2
Public duties payable		2	1	1
Other current liabilities		228	145	225
Total current liabilities		230	146	229
Total equity and liabilities		3 419	3 393	3 388

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

Cash flow statement - financial report

Joint ventures based on equity method

USD mill	Note	01.01-31.03 2014	01.01-31.03 2013	Full year 2013
Cash flow from operating activities				
Profit before tax		33	56	264
Financial income/(expenses)		18		32
Financial derivatives unrealised		(6)	5	(35)
Depreciation/impairment	4	19	21	82
(Gain)/loss on sale of fixed assets				(1)
Change in net pension asset/liability			(3)	(8)
Other change in working capital		9	(5)	(1)
Share of profit from joint ventures and associates		(34)	(48)	(182)
Dividend received from joint ventures and associates				42
Tax paid (company income tax, withholding tax)		(1)		1
Net cash provided by/(used in) operating activities		38	25	194
Cash flow from investing activities				
Proceeds from sale of fixed assets		8		14
Investments in vessels, other tangible and intangible assets	4	(8)	(8)	(47)
Loan repayments received from joint ventures and associates			3	3
Repayments of loan from joint ventures and associates			(3)	(3)
Proceeds from sale of investment held for sale		6		
Proceeds from sale of financial investments		33	32	90
Investments in financial investments		(41)	(28)	(201)
Dividend received (financial investments)				1
Interest received		1		1
Net cash flow provided by/(used in) investing activities		(0)	(4)	(142)
Cash flow from financing activities				
Proceeds from issue of debt				122
Repayment of debt		(17)	(22)	(100)
Repayments of loan from related party				
Interest paid including interest derivatives		(16)	(23)	(81)
Cash from other financial derivatives		(1)	(1)	(4)
Dividend to shareholders				(177)
Net cash flow provided by/(used in) financing activities		(33)	(46)	(240)
Net increase in cash and cash equivalents		5	(25)	(187)
Cash and cash equivalents, excluding restricted cash, at beginning of period		157	344	344
Currency on cash and cash equivalents*				
Cash and cash equivalents at end of period		162	320	157

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

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

Statement of changes in equity - financial report

Joint ventures based on equity method

Statement of changes in equity - Year to date

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 31.12.2013	30	89	(3)	1 513	1 632
Profit for the year				31	31
Other comprehensive income			5		5
Paid dividends to shareholders					0
Balance 31.03.2014	30	89	3	1 546	1 669

Balance at 31.12.2012	30	89	4	1 418	1 544
Profit for the year				54	54
Other comprehensive income			(2)		(2)
Paid dividends to shareholders					0
Balance 31.03.2013	30	89	2	1 472	1 596

Statement of changes in equity - Full year 2013

USD mill	Share capital	Premium fund	Other reserves	Retained earnings	Total equity
Balance at 31.12.2012	30	89	4	1 418	1 544
Profit for the year				272	272
Other comprehensive income			(8)		(8)
Paid dividends to shareholders				(177)	(177)
Balance 31.12.2013	30	89	(3)	1 513	1 632

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

Notes - financial report

Joint ventures based on equity method

Note 1 - Accounting principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2013 for Wilh. Wilhelmsen ASA group (WWASA), which has been prepared in accordance with IFRS's endorsed by the EU.

The accounting policies implemented are consistent with those of the annual financial statements for WWASA for the year end 31 December 2013.

IFRS 10 «Consolidated Financial Statements», IFRS 11 «Joint Arrangements» and IFRS 12 "Disclosure of Interest in Other Entities" have been implemented for annual periods beginning 1 January 2014.

According to IFRS 11 a joint arrangement is either a joint operation or a joint

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

venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The group have assessed its rights and obligations and concluded that all joint arrangements are joint ventures that should be consolidated according to the equity method. Hence, the implementation of the new standards have not had any effect on the group's consolidation of their investment into the financial statements.

There are no new standards or amendments to standards released during 2014.

Note 2 - Significant acquisitions and disposals

2014 - There has not been any significant acquisitions or disposals during the first quarter of 2014.

2013 - There has not been any significant acquisitions or disposals during 2013.

Note 3 - Vessels, other tangible and intangible assets

USD mill	Other tangible assets	Vessels & Newbuilding contracts	Total tangible assets	Intangible assets
2014				
Cost price 01.01	2	2 467	2 469	8
Additions		8	8	
Disposal		(52)	(52)	(1)
Cost price 31.03	2	2 423	2 425	7
Accumulated depreciation and impairment losses 01.01	(1)	(647)	(649)	(2)
Depreciation		(19)	(19)	
Disposal		43	43	1
Accumulated depreciation and impairment losses 31.03	(1)	(623)	(625)	(1)
Carrying amounts 31.03	0	1 800	1 801	6
2013				
Cost price 01.01	2	2 508	2 510	8
Additions		47	47	
Disposal		(88)	(89)	(1)
Cost price 31.12	2	2 467	2 469	7
Accumulated depreciation and impairment losses 01.01	(1)	(641)	(643)	(2)
Depreciation		(82)	(82)	
Disposal		76	76	1
Accumulated depreciation and impairment losses 31.12	(1)	(647)	(649)	(1)
Carrying amounts 31.12	1	1 820	1 821	6

Notes - financial report

Joint ventures based on equity method

Note 4 - Financial income/(expenses)

USD mill	01.01-31.03 2014	01.01-31.03 2014	Full year 2013
Financials			
Investment management ¹	7,9	0,7	13,3
Interest incomes	0,9	0,4	1,3
Other financial items	(4,5)	(0,4)	(1,6)
Net financial items	4,4	0,8	13,0
Net financials - interest rate			
Interest expenses	(11,4)	(11,1)	(44,7)
Interest rate derivatives - realised	(1,9)	(7,5)	(36,2)
Net interest expenses	(13,2)	(18,6)	(80,9)
Interest rate derivatives - unrealised	(5,7)	13,3	68,3
Net financial - currency			
Net currency gain/(loss)	(7,4)	19,9	46,3
Currency derivatives - realised	(2,1)	(1,5)	(7,3)
Currency derivatives - unrealised	5,3	(3,9)	(13,7)
Cross currency derivatives - realised	0,9	0,7	3,4
Cross currency derivatives - unrealised	6,3	(14,7)	(19,8)
Net financial - currency	3,0	0,5	8,9
Financial income/(expenses)	(11,6)	(4,0)	9,4

¹ Includes financial derivatives for trading

Note 5 - Tax

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

originally was claimed by the authorities to be constitutional. WLS choice to exit into ordinary taxation was hence based on wrong assumptions.

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

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.

Note 6 - Shares

The company's share capital is as follows:

	Number of shares	NOK mill
Share capital	220 000 000	220

Notes - financial report

Joint ventures based on equity method

Note 7 - Paid/ proposed dividend

Dividend for fiscal year 2012 of NOK 4.00 per share, total of approximately USD 150 million, was paid to the shareholders in May 2013. The dividend had effect on retained earnings and other reserves in the second quarter of 2013.

Based on the company's distributable equity as of 31 December 2012 (less dividend paid in the first half of 2013), an additional dividend of NOK 0.75 per share, total of approximately USD 27 million, was paid in December 2013. The dividend had effect on retained earnings and other reserves in fourth quarter

of 2013.

The proposed dividend for fiscal year 2013 in 2014 is NOK 1.00 per share, payable in the second quarter of 2014. A decision on this proposal will be taken by the annual general meeting on 24 April 2014. The proposed dividend is not accrued in the year-end balance sheet.

Note 8 - Interest-bearing debt

USD mill	31.03.2014	31.03.2013	31.12.2013
Non current interest-bearing debt	1 308	1 377	1 320
Current interest-bearing debt	183	109	182
Total interest-bearing debt	1 492	1 486	1 502
Cash and cash equivalents	162	320	157
Current financial investments	266	122	254
Net interest bearing debt	1 064	1 045	1 092
Net interest bearing debt in Joint Ventures (group's share)	31.03.2014	31.03.2013	31.12.2013
Non current interest-bearing debt	557	561	550
Current interest-bearing debt	75	144	95
Total interest-bearing debt	632	705	646
Cash and cash equivalents	243	256	266
Current financial investments			
Net interest bearing debt	389	450	380
Specification of interest-bearing debt	31.03.2014	31.03.2013	31.12.2013
Interest-bearing debt			
Mortgages	956	1 066	974
Leasing commitments	90	85	90
Bonds	446	335	439
Total interest-bearing debt	1 492	1 486	1 502
Repayment schedule for interest-bearing debt			
Due in 2014	167	92	183
Due in 2015	98	186	98
Due in 2016	402	98	399
Due in 2017	80	407	79
Due in 2018 and later	745	702	743
Total interest-bearing debt	1 492	1 486	1 502

Notes - financial report

Joint ventures based on equity method

Note 9 - Financial level

Total financial instruments and short term financial investments:

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Financial derivatives		6		6
Equities	79			79
Bonds	164	22	0	187
Available-for-sale financial assets				0
Other financial assets				0
Total financial assets 31.03.2014	243	28	0	271
Financial liabilities at fair value				
Financial derivatives		99		99
Total financial liabilities 31.03.2014	0	99	0	99
Financial assets at fair value				
Financial derivatives				0
Equities	59			59
Bonds	179	15	0	194
Available-for-sale financial assets	4			4
Other financial assets				0
Total financial assets 31.12.2013	242	15	0	258
Financial liabilities at fair value				
Financial derivatives		99		99
Total financial liabilities 31.12.2013	0	99	0	99
Changes in level 3 instruments			2013	2012
Opening balance 01.01			0	0
Closing balance			0	0

Fair value estimation

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

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

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities

for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

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

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

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

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

Notes - financial report

Joint ventures based on equity method

Note 10 - Segments

USD mill	Shipping			Logistics			Holding			Eliminations			Total		
	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full	Q1	Q1	Full
QUARTER	2014	2013	2013	2014	2013	2013	2014	2013	2013	2014	2013	2013	2014	2013	2013
Total income	71	77	324				1	1	6	(1)	(1)	(5)	71	78	325
Share of profit from joint ventures and associates ¹	18	23	95	16	24	88							34	48	182
Gain on sale of assets			1												1
Total income	89	101	420	16	24	88	1	1	6	(1)	(1)	(5)	106	125	508
Primary operating profit	51	59	262	16	24	88	(4)	(3)	(12)				64	80	337
Depreciation and impairment	(19)	(21)	(82)										(19)	(21)	(82)
Operating profit (EBIT)	32	39	179	16	24	88	(4)	(3)	(12)	0	0	0	45	60	255
Financial income/(expense)	(8)	(1)	4				(3)	(3)	6				(12)	(4)	9
Profit/(loss) before tax	24	38	183	16	24	88	(7)	(6)	(7)	0	0	0	33	56	264
Tax income/(expenses)	(4)	(3)	3				2	2	4				(2)	(1)	7
Profit/(loss) for the period attributable to the owners of the parent	20	35	186	16	24	88	(5)	(5)	(2)	0	0	0	31	54	272

¹ Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses

Notes - financial report

Joint ventures based on equity method

Note 11 - Related party transactions

Wilh. Wilhelmsen Holding ASA (WWH) delivers services to the WWASA group related to inter alia human resources, accounting services, tax, communication, treasury and legal services ("Shared Services") and in-house services such as canteen, post, switchboard and rent of office facilities. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the

principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually. In addition, WWASA group has several transactions with associates. The contracts governing such transactions are based on commercial market terms and mainly relate to the chartering of vessels on short and long term charters.

Note 12 - Contingencies

The group's joint ventures Wallenius Wilhelmsen Logistics AS (WWL) and EUKOR Car Carriers Inc (EUKOR) are subject to anti-trust investigation of the car carrying industry in several jurisdictions. The Japanese Fair Trade Commission (JFTC) issued a final cease and desist order in first quarter of 2014. The JFTC states that WWL and other companies in the industry, in the years 2008-2012, restrained competition through jointly agreeing on raising or maintaining rates, thereby breaching the Antimonopoly Act. The surcharge for WWL's account is USD 34 million and primarily related to shipments of new cars from Japan to Europe (WWASA's share USD 16.5 million). An accrual of USD 16.5 million related to the surcharge order from JFTC were charged to the accounts in 2013.

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

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

Note 13 - Events occurring after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented providing new information

about conditions prevailing on the balance sheet date.

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