Wilh. Wilhelmsen Holding ASA

ANNUAL REPORT 2012

WE MAKE THE
WORLD GO ROUND

Content

KEY FIGURES
4 Key figures

DIRECTORS' REPORT
8 Introduction
10 Main development and strategic direction
10 Financial summary
11 Performance of the group and business segments
11 Wilh. Wilhelmsen Holding group
12 Wilh. Wilhelmsen ASA
14 Wilhelmsen Maritime Services
15 Holding and Investments
16 Risk
17 Health, environment and safety
18 Organisation and people development
18 Corporate governance
18 Social responsibility
18 Allocation of profit, dividend and buy back
19 Prospects

ACCOUNTS AND NOTES
20 Introduction
22 Wilh. Wilhelmsen Holding group
22 Income statement
22 Comprehensive income
23 Balance sheet
24 Cash flow statement
25 Consolidated statement of changes in equity
26 Accounting policies
33 Notes
65 Wilh. Wilhelmsen Holding ASA
65 Income statement
65 Comprehensive income
66 Balance sheet
67 Cash flow statement
68 Notes
82 Auditor's report
84 Responsibility statement

CORPORATE GOVERNANCE
86 Corporate governance report

THE ENVIRONMENT
94 Environmental report

CORPORATE STRUCTURE
108 WWH group main structure
108 Holding and investments segment
109 WWASA group segment
110 WMS group segment

Vegar Holsbø ▶

Electrician, Wilhelmsen Ship Management

Vegar Holsbø started his career as an electrician in his hometown in Norway. However, after a while he wanted new challenges. A friend recommended him to start working on a merchant vessel. So he did, and he has never regretted his new career path.

"As the electrician on board, I'm responsible for the operation of the vessel's electrical power generation systems, lighting systems, electrical equipment and electrical appliances. Included in my duties are installation, operation, adjustment, routine maintenance, inspection, test and repair of electrical equipment. I also perform maintenance and repair of related electronic equipment. My contribution to the WW group's success is that I always do my job in the best possible way and make sure that the equipment I use is well maintained," says Vegar.

OUR VISION:

SHAPING THE MARITIME INDUSTRY

OUR PHILOSOPHY:

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

OUR VALUES:

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

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

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

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

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

Key figures

Wilh. Wilhelmsen Holding group earnings per share was USD 7.08 for the year 2012, up from USD 4.06 in 2011.

The WW group is a leading global maritime industry group offering shipping and logistics solutions and maritime services through its worldwide network.

Magnus Sande ▶

Head of merger and acquisition
Wilh. Wilhelmsen Holding

Magnus Sande has a finger on the pulse and thinks strategically on how to position the WW group for long-term growth. He is forward looking and studies new technologies, companies and competencies which can further develop the WW group as well as the maritime industry.

"When we study new opportunities, we always have to ask ourselves if the prospects correspond with WW's values and brand. In my role, I work globally and am depended on what external players chose to do. It is therefore significant that the WW group has financial strength and is positioned to act when the opportunity arises. My contribution to the WW group's success is through acquisition of companies that we can develop further and make more profitable. Companies that fit with WW's strategic ambitions and can create synergies in the group," says Magnus.

Key figures

Consolidated accounts

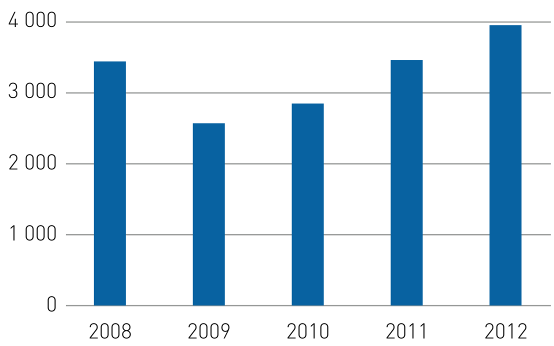
		2012	2011	2010	2009	2008
Income statement						
Total income *	USD mill	3 896	3 450	2 846	2 573	3 434
Primary operating profit *	USD mill	777	581	436	436	495
Operating profit *	USD mill	601	407	273	241	352
Profit before tax *	USD mill	496	247	144	319	28
Net profit *	USD mill	446	232	75	334	95
Net profit after minorities	USD mill	329	188	60	331	91
Balance sheet						
Non current assets	USD mill	3 700	3 286	2 721	2 581	2 421
Current assets	USD mill	1 282	1 132	1 359	1 103	828
Equity	USD mill	2 079	1 673	1 538	1 269	914
Interest-bearing debt	USD mill	2 008	1 901	1 723	1 730	1 453
Total assets	USD mill	4 982	4 418	4 080	3 684	3 250
Key financial figures						
Cash flow from operation [1]	USD mill	310	214	235	175	357
Liquid funds at 31 December [2]	USD mill	790	717	944	700	454
Liquidy ratio [3]		2.1	1.5	1.7	2.3	1.4
Equity ratio [4]	%	42%	38%	38%	34%	28%
Yield						
Return on capital employed [5]	%	15%	10%	6%	13%	4%
Return on equity [6]	%	24%	14%	5%	31%	10%
Key figures per share						
Earnings per share [7]	USD	7.06	4.05	1.29	7.11	1.94
Diluted earnings per share [8]	USD	7.08	4.06	1.29	7.11	1.94
Primary operating profit per share [9]*	USD	16.72	12.49	9.38	9.38	10.63
Average number of shares outstanding	(USD thousand)	46 404	46 454	46 504	46 504	46 504

Definitions:

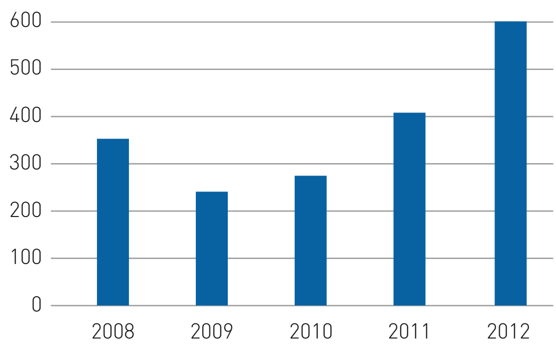
(1) Net cash flow from operating activities
(2) Cash, bank deposits and short term financial investments
(3) Current assets divided by current liabilities
(4) Equity in percent of total assets
(5) Profit for the period before taxes plus interest expenses, in percent of average equity and interest-bearing debt
(6) Profit after tax (annualised) 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 average number of shares reduced for own shares
(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 for joint ventures, which reflect the group's underlying operations in more detail than the financial statements based on equity method.

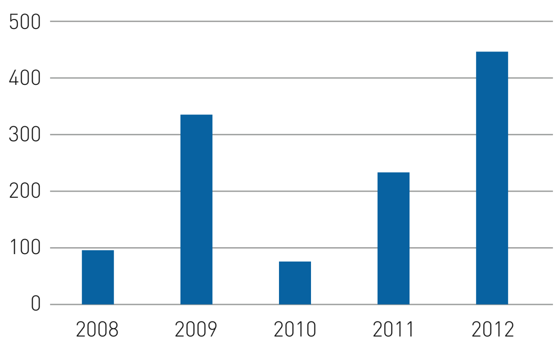
Total income* (USD mill)



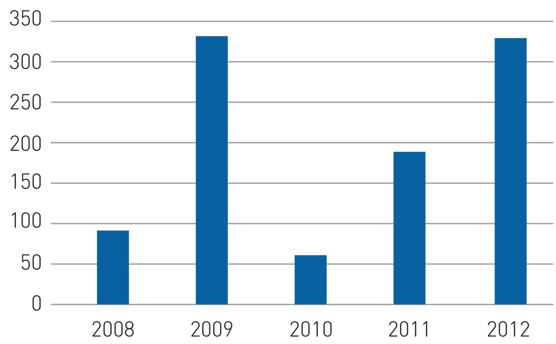
Operating profit* (USD mill)



Net profit (USD mill)



Net profit after minorities (USD mill)



Directors' report

The Wilh. Wilhelmsen Holding group experienced a solid increase in total income and operating profit for the year 2012.

The WW group employs 5 800 land based personnel and 10 100 seafarers. Total number of employees including joint ventures are 22 800.

Diderik Schnitler ▶

Chair of the board of directors
Wilh. Wilhelmsen Holding

In May 2010, Diderik Schnitler was elected chair of the board in Wilh. Wilhelmsen Holding ASA. The board of directors has five members who are responsible for larger decisions of a strategic nature, huge investments and group structure, in other words setting the group's future direction.

"Our long term goal is to further strengthen WW's position as a leading global maritime industry group. We will conduct this through evolution, not revolution. This is the Wilhelmsen way, to carefully grow on our current platform which we have developed over decades. We have several features that make us strong. We have a unique worldwide presence and have shown operational excellence. The group is recognised by strong brands, high quality and stewardship, and all together that make Wilhelmsen a very valuable trademark. The board of directors' contribution to the WW group's success is to provide a strategic framework, to constantly ask ourselves how we can develop further and which consequence our actions will have – combined with an assessment of risks and opportunities in the world around us. Together with the group's employees all over the world, we will make sure WW is a driving force in the maritime industry in the decades to come" says Diderik.

The board of directors: Odd Rune Austgulen (left), Bettina Banoun, Carl Erik Steen, Diderik Schnitler and Helen Juell.

Directors' report

WILH.WILHELMSEN HOLDING ASA

Highlights for 2012

Strong operating results

Substantial sales gain

Investment in NorSea Group

Positive development in WWH share price

Paid dividend of NOK 8.00 per share

MAIN DEVELOPMENT AND STRATEGIC DIRECTION

The Wilh. Wilhelmsen Holding group (WWH) experienced a solid increase in total income and operating profit for the year. The improved results were driven by a 7% increase in shipping volumes and substantial sales gains. In Wilh. Wilhelmsen ASA (WWASA), the first half saw historically high income and operating profit, while the second half saw a reversal in high and heavy volume negatively affecting cargo mix and earnings. For Wilhelmsen Maritime Services (WMS), the general shipping market remained difficult throughout 2012, resulting in a flat development in total income. Operating profit and margin, however, improved, positively impacted by previous year profit improvement programs. Wilh. Wilhelmsen Holding Invest (WWHI) experienced healthy results, driven by continued solid contribution from the investment in Qube and good contribution from the new investment in NorSea Group.

In 2012, WWH undertook several material investments and sales:

- In June, the group entered the offshore market with WWHI taking a 35.4% stake in NorSea Group.
- In September, WWASA reduced its shareholding in Hyundai Glovis from 15.0% to 12.5%.
- During the year the WWASA group companies took delivery of six new vessels, of which three were on WWASA's account, and placed orders for a further eight vessels including three vessels on long term charters from external owners.

The WWH share price followed the rebound of the general equity market. In 2012 total return (including dividends reinvested on ex-dates) was 22.4% for the WWI share and 25.2% for the WWIB share compared with a 20.2% increase in the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics). A NOK 3.50 dividend per share was paid during the second quarter of 2012, followed by a second dividend of NOK 4.50 in the fourth quarter.

WWH's vision is to take an active role in shaping the maritime industry.

- WWASA and WMS are global market leaders within their respective market segments, car/ro-ro shipping and logistics, and maritime services. With a global competence base and healthy balance sheets, both companies are well positioned for further expansion and to benefit from future development within their respective business areas.
- Through WWHI, the group has ambition to expand its portfolio outside its present main segments, manifested through the new investment into offshore base services.

FINANCIAL SUMMARY - THE GROUP FINANCIAL ACCOUNTS

In the Wilh. Wilhelmsen Holding's financial report the equity method is applied for consolidation of joint ventures. This method provides a fair presentation of the group's financial position.

Income statement

The WWH group's financial accounts for 2012 prepared according to the equity method shows a total income of USD 1 706 million, compared with USD 1 519 million in 2011 (figures for the corresponding period of 2011 will hereafter be shown in brackets). Operating profit for the group amounted to USD 562 million (USD 369 million). Total income and operating profit included a USD 134 million gain from sales of shares in Hyundai Glovis, while the previous year included a USD 70 million gain related to the Qube investment. Excluding these gains, income and operating profit based on the equity method increased with 9% and 43% respectively compared with the previous year.

WWASA posted an operating profit for 2012 of USD 508 million (USD 254 million). The first half benefitted from strong volume growth and positive cargo mix, and resulting in historically high total income and operating profit. However, during the second half the volume growth was reversed, particularly for the high and heavy segment, leading to less favourable cargo mix. Combined with weak performance from US flag operations, this negatively impacted the company's profitability towards the end of the year. Logistics activities had a positive contribution to the group's performance throughout the year, adjusted for seasonal variations.

WMS reported USD 68 million (USD 57 million) in operating profit for 2012. While total income was in line with the previous year, operating profit was up 18%. The increase reflected the full impact of profit improvement programmes implemented in 2011, more than offsetting an extraordinary loss related to the withdrawal of a product from the market.

Operating profit for the Holding and Investments segment was a loss of USD 14 million (profit of USD 58 million), with reduction mainly reflecting last year gain related to the Qube investment.

Net financials was an expense of USD 87 million (expense of USD 138 million), including USD 111 million (USD 160 million) in interest expenses and net loss on interest rate derivatives.

Tax was included with an expense of USD 29 million (nil), with increase reflecting currency transition effect for companies with different tax and accounting currency.

Minority interests' share of profit for the year was USD 116 million (USD 43 million), of which USD 112 million was related to minority shareholders in WWASA (USD 39 million).

Net profit after tax and minority interests was USD 329 million (USD 188 million), resulting in a diluted earnings per share of USD 7.08 (USD 4.06) for the year.

Cash flow, liquidity and debt

The WWH group's net cash flow in 2012 from operating, investing and financing activities was positive with USD 47 million (negative with USD 273 million). Cash flow from operating activities was USD 310 million (USD 214 million), reflecting the strong increase in operating profit for the year. Cash flow from investing activities was negative with USD 137 million (negative USD 503 million). Main items were USD 270 million (USD 485 million) in investments in vessel newbuildings and other fixed assets, USD 68 million in equity investment in NorSea Group and a net proceed of approximately USD 170 million from sale of shares in Hyundai Glovis. Cash flow from financing activities was negative with USD 126 million (positive USD 16 million), mainly due to dividend payments to WWH shareholders and ordinary interest payments for group companies. Net proceed from issue of new debt and repayment of debt was positive with USD 68 million (positive with USD 178 million).

Cash and cash equivalents were USD 576 million by end of the year, up from USD 529 million one year earlier. Total liquid assets including current financial investments were USD 790 million compared to USD 717 million by the end of 2011. The main group companies also have undrawn committed drawing rights to cover any short term cash flow needs, including where relevant back stop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.

The WWH group carries out active financial asset management of part of the group's liquidity, with investments in various asset classes including Nordic shares and investment grade bonds. The value of the group's investment portfolio amounted to USD 214 million (USD 188 million) at the end of the year, of which USD 84 million (USD 78 million) were in the parent company.

"Cash flow from operating activities was USD 310 million."

The group funds its investments and operations from several capital sources, including the commercial bank loan market, financial leases, export financing and the Norwegian bond market. Business activities are primarily financed over the balance sheet of the relevant subsidiary or joint venture.

As of 31 December 2012 the group's total interest-bearing debt was USD 2 008 million (USD 1 901 million), of which USD 1 534 million (USD 1 483 million) related to the WWASA group , USD 335 million (USD 335 million) related to the WMS group and USD 139 million (USD 84 million) related to Holding and Investments.

Going concern assumption

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

PERFORMANCE OF THE GROUP AND BUSINESS SEGMENTS

While the equity method provides a fair presentation of the group's financial position, the group's internal financial segment reporting is based on the proportionate method. The major contributors in the WWASA group segment are joint ventures and hence the proportionate method gives management a higher level of information and a fuller picture of the group's operations. For the WMS group segment and Holding and Investments segment the financial reporting will be the same for both the equity and the proportionate methods.

The same accounting principles are applied in both the management reports and the financial accounts, and comply with the International Financial Reporting Standards (IFRS).

WILH. WILHELMSEN HOLDING GROUP

The WWH group's accounts for 2012 prepared according to the proportionate method shows a total income of USD 3 896 million (USD 3 450

"Light vehicle car sales in main markets rose 4% from 2011 to 2012."

million), an increase of 13% compared to the previous year. Operating profit for the group amounted to USD 601 million (USD 407 million), up 48%. Total income and operating profit for 2012 included a USD 134 million gain from sales of shares in Hyundai Glovis, while 2011 included a USD 70 million gain related to the Qube investment. Excluding these gains, income was up 11% and operating profit increased with 39% compared with the previous year.

WWASA posted an operating profit for 2012 of USD 547 million (USD 292 million). The first half of 2012 was characterised by strong volume growth, positive cargo mix and historically high total income and operating profit. However, during the second half the volume growth was reversed, particularly for the high and heavy segment, leading to less favourable cargo mix.

WMS reported USD 68 million (USD 57 million) in operating profit for 2012. While total income was flat year-on-year, operating profit was up 18%. The increase reflected the full impact of profit improvement programmes implemented in 2011, more than offsetting an extraordinary loss related to the withdrawal of a product from the market.

Operating profit for the Holding and Investments segment was a loss of USD 14 million (profit of USD 58 million), with reduction mainly reflecting last year gain related to the Qube investment.

Net financials was an expense of USD 105 million (expense of USD 160 million), including USD 130 million (USD 187 million) in interest expenses and net loss on interest rate derivatives.

Tax was included with an expense of USD 50 million (expense of USD 15 million), with increase reflecting currency transition effect for companies with different tax and accounting currency.

Minority interests' share of profit for the year was USD 117 million (USD 44 million), of which USD 113 million was related to minority shareholders in WWASA (USD 40 million).

Net profit after tax and minority interests was USD 329 million (USD 188 million), resulting in a diluted earnings per share of USD 7.08 (USD 4.06) for the year.

WILH. WILHELMSEN ASA

The Wilh. Wilhelmsen ASA group (WWASA) is a global provider of shipping and logistics services towards car and ro-ro customers. WWH owns 72.7% of WWASA. In line with accounting standards, all revenue and expenses in WWASA are reported in full with minority interest included after net profit/(loss).

Result for the year

Total income for WWASA for 2012 was USD 2 949 million (USD 2 422 million), up 22% compared to the previous year. Operating profit for the year was USD 547 million (USD 292 million), an increase of 87%. Adjusted for a USD 134 million sales gain following a share reduction in Hyundai Glovis, total income was up 15% and the operating profit improved by 40%.

The first half of 2012 was characterised by strong volume growth, positive cargo mix and historically high operating profit and total income. However, during the second half the volume growth was reversed, particularly for the high and heavy segment, leading to less favourable cargo mix. Combined with weak performance from US flag operations, this negatively impacted the company's profitability towards the end of the year. Logistics activities had a positive contribution to the group's performance throughout the year, adjusted for seasonal variations.

Financial expenses amounted to USD 100 million (USD 147 million) while WWASA recorded a tax expense of USD 37 million for the year (USD 1 million). The tax expense for 2012 was negatively impacted by depreciation of the USD/NOK exchange rate.

Net profit after tax was USD 410 million for the year (USD 144 million), of which USD 298 million (USD 104 million) was attributed to WWH.

Market development

Light vehicle car sales in main markets (North America, Europe, Oceania and the BRIC countries) rose 4% from 2011 to 2012, totalling 61 million cars sold during the year. A positive development in demand for cars in North America led to an increase in sales of 12%, with Japanese and German brands as the main contributors. The Chinese market showed an overall growth of 7% with the demand for passenger cars improving more than light commercial vehicles. Sales in West Europe declined 8% during the year, with domestic South European auto manufacturers losing market share. Auto sales in Oceania grew 10% for 2012.

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

The value of global construction projects increased by 2% in 2012 compared with the previous year. The number of projects was relatively high in Asia and North America, while the activity in Europe showed a decline. Despite a slight increase in Asia, the markets for construction equipment in China and India decreased year over year from high levels in 2011.

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

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

WWASA shipping

WWASA's shipping segment includes shipping activities within Wallenius Wilhelmsen Logistics (WWL, owned 50%), EUKOR Car Carrier (EUKOR, owned 40%), American Roll-on-Roll-off Carrier (ARC, owned 50%) and Hyundai Glovis (owned 12.5%), as well as certain shipowning activities outside the operating companies.

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

With a 7% increase in total volumes transported and strong growth particularly for the high and heavy segment in the first half, operating profit was lifted 45% compared to the preceding year.

A flexible fleet, with a combination of owned tonnage, chartered vessels as well as spot and space charters for less than 12 months, is essential to be able to adjust capacity to cargo availability. In addition to shorter charters, the group companies in WWASA controlled 142 vessels (133 vessels) by the end of December 2012, equivalent to 874 000 CEUs (801 000 CEUs). The total fleet represented a 23% share of the global car carrying market. Thirty-five of the vessels were owned or controlled by WWASA.

The group companies took delivery of six new vessels in 2012 (ten vessels), of which three were on WWASA's account. During the year, four vessels (nine vessels) were redelivered to external owners, while no vessels were recycled (no vessels). The group has the flexibility to redeliver seven charter vessels to external owners during 2013 (five vessels). The group companies' remaining newbuilding programme totalled ten vessels at the end of 2012 to be delivered in 2013 and 2014. None of the vessels are for WWASA's account. Five vessels were on EUKOR's account. In addition, EUKOR will receive three newbuildings financed through long term charters from external owners.

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

WWASA logistics

WWASA's logistics segment includes logistics activities within Wallenius Wilhelmsen Logistics (WWL, owned 50%), American Shipping and Logistics Group (ASL, owned 50%) and Hyundai Glovis (owned 12.5%).

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

WWL's terminal services, including storage and cargo handling, reported a positive development in operating profit and total income following an increase in handled volumes. In 2012, 2.0 million units (1.7 million) were handled at WWL's terminals worldwide. WWL's technical services delivered improved revenue and earnings as serviced units improved by 1.2 million units, to 5.7 million units being handled at some 40 technical services facilities around the world. Inland distribution services are mainly procured from third parties, with a significant proportion of revenues and costs incurred on a pass-through basis. Total income and operating profit improved due to a positive growth in volumes, which totalled 2.3 million units in 2012.

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

Wilh. Wilhelmsen ASA

WWASA's shipping activities are organised in three operating companies

Wallenius Wilhelmsen Logistics (WWL – owned 50%)

EUKOR Car Carriers (EUKOR – owned 40%)

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

The logistics activities in WWASA are carried out through:

Wallenius Wilhelmsen Logistics (WWL – owned 50%)

American Shipping and Logistics Group (ASL – owned 50%)

Hyundai Glovis (owned 12.5%)

WWASA share price development
The WWASA share price experienced a strong increase during 2012, increasing the market value of WWH's shares in WWASA to NOK 7 952 million as of 31 December 2012. The market value of WWH's shareholding in WWASA represented NOK 171 per outstanding share in WWH (WWI/WWIB) by the end of the year.

WWASA paid a total dividend of NOK 1.65 per share during 2012, with WWH receiving USD 46 million.

Wilhelmsen Maritime Services

WMS was in 2012 organised in three business areas:

Wilhelmsen Ships Service (WSS)

Wilhelmsen Ship Management (WSM)

Wilhelmsen Technical Solutions (WTS)

WILHELMSEN MARITIME SERVICES
The Wilhelmsen Maritime Services group (WMS) is a global provider of ships service, ship management and technical solutions towards the maritime industry. WMS is a wholly-owned subsidiary of WWH.

Total income for WMS for 2012 was USD 947 million (USD 958 million), down 1% compared with the previous year. The reduction in total income was due to lower activity within technical solutions, while ship management continued its steady growth. Ships service had an overall income in line with the previous year.

Operating profit for the year was USD 68 million (USD 57 million), an increase of 18%. The operating margin was 7.2%, up from 6.0% one year earlier. The improvement reflected the full impact of profit improvement programmes implemented in 2011, more than offsetting an extraordinary loss of USD 15 million in the first quarter related to the withdrawal of a technical solutions product from the market.

Financial expenses for WMS amounted to USD 15 million (USD 7 million), negatively impacted by a USD 5 million loss on currencies (gain of USD 5 million). Tax expense was USD 17 million (USD 20 million), representing normal tax for the year.

Net profit after tax and minority for the year was USD 31 million (USD 26 million).

Market development
The global merchant fleet continued to increase in 2012, partly reflecting delivery of vessels with orders placed prior to the present market downturn. With tonnage capacity exceeding demand in main shipping markets such as tankers, dry bulk and container, rates remained low impacting earnings, purchasing and investment capacity of tonnage providers. Activity remained positive in the offshore and LNG newbuilding segments.

WMS' total income is distributed with approximately 75% towards the operating fleet and 25% towards yards.

Wilhelmsen Ships Service (WSS)
WSS is a global provider of standardised product brands and service solutions to the maritime industry, focussing on safety products and services, marine products, marine chemicals, maritime logistics and ships agency. WSS is a wholly owned subsidiary of WMS.

WSS experienced a stable development in total income for 2012. While income from ships agency continued to grow, product sales were down compared to the previous year. On a regional basis, deliveries fell in Europe while other regions had a small increase. When measured against the total global merchant fleet (>100 gt), WSS generated income of USD 37 per day/vessel in 2012. This is slight decrease compared to the previous year.

The operating profit improved compared to the previous year, reflecting the full impact of profit improvement programmes implemented in 2011 and supported by a stronger USD. The general week shipping market continued to put pressure on the operating margin.

Wilhelmsen Ship Management (WSM)
WSM provides ship management for all major vessel types with exception of oil tankers. WSM is a wholly owned subsidiary of WMS.

For WSM total income was up 8% compared with the previous year. The positive development was driven by an increase in number of vessels on management, including vessels on full technical management and layup activities. By the end of the year, WSM served close to 400 ships worldwide, out of which approximately 40% were on full technical management and 5% were on layup management. The remaining contracts were related to manning services.

Operating profit also increased, positively impacted by the steady growth in total income and a stable operating margin.

Wilhelmsen Technical Solutions (WTS)
WTS is a global provider of fully engineered solutions, equipment and services towards the maritime and offshore industries, focusing on fire suppression and prevention, water treatment, power distribution and control, and HVAC-R for newbuilds and retrofits. WTS is a wholly owned subsidiary of WMS.

Total income for WTS was down 7% compared with the previous year. While activity within the HVAC offshore (heating, ventilation, air conditioning) and insulation segments developed positively, most other segments experienced a reduction in income.

Reversing a downward trend, new order intake developed positively during the year driven by newbuilding orders related to LNG insulation and HVAC offshore. The total order reserve was USD 268 million at the end of the year compared with USD 216 million one year earlier.

The operating profit was negatively impacted by a loss of USD 15 million related to withdrawal of the current design of the Unitor Ballast Water Treatment System (UBWTS) from the market. Operating profit adjusted for the UBWTS loss increased some on a year-on-year basis, positively impacted by previous year profit improvement initiatives.

In November, WTS acquired the Denmark-based company Novenco Fire Fighting A/S (NFF). NFF is a niche player in water mist technology, delivering fire fighting products and services to customers in Asia, Europe and the US.

HOLDING AND INVESTMENTS

Holding and Investments includes activities performed by the holding company and investments outside WWASA and WMS.

Total income for the Holding and Investments segment was USD 23 million for the year (USD 95 million). The reduction on a year on year basis is due to a 2011 gain of USD 70 million related to the Qube/Kaplan investment. Holding activities and share of profit from associates remained stable, with share of contribution from the new investment in NorSea Group (NSG) on par with 2011 contribution from investments in Kaplan.

Operating profit was a loss of USD 14 million (gain of 58 million), reflecting normal operation in the parent company and income from the NSG investment.

Net financials was a net income of USD 10 million (loss of 6 million), reflecting a net income of USD 9 million (loss of USD 1 million) from investment management and USD 6 million (USD 2 million) in sales gain and dividend from Qube.

Net profit/(loss) after tax and minorities was nil (profit of USD 59 million).

NorSea Group (NSG)

NSG is a leading provider of supply bases and integrated logistics solution to the Norwegian offshore industry. NSG is fully owned by NorSea Group Invest AS (NSGI). Through WWHI, WWH owns 35.4% of NSGI. NSGI is reported in WWH's accounts as "associated investment", with share of net result reported as income from associated investments from end June 2012.

Through its fully and partly owned entities NSG operates ten strategically located supply bases along the coast of Norway, including NorSea (Stavanger), Stordbase (Stord), Coast Center Base (Bergen), Vestbase (Kristiansund), Helgelandsbase (Sandnessjøen), Nordbase (Harstad) and Polarbase (Hammerfest).

Late June, WWHI acquired 35.4% of the shares in NSG through NSGI, a newly established company with the sole purpose of owning all the shares in NSG. With a 35.4% ownership WWHI is the largest shareholder in NSGI. In addition, WWHI has a first right of refusal to increase to 40% ownership.

WWHI's total investment in NSGI was USD 80 million, including an equity investment of USD 68 million and a shareholder loan of USD 12 million. Total activated transaction cost was USD 3 million.

NSG had a positive development during the second half of the year, driven by general high activity on the Norwegian shelf.

WWHI share of net result in NSGI from time of investment and up to the end of 2012 was USD 4 million.

Qube Holdings Limited (Qube)

Qube is Australia's largest integrated provider of import and export logistics services, and listed on the Australian Securities Exchange. Through WWHI, WWH owns 7.9% of Qube. The Qube investment is reported in WWH's accounts as "investment available for sale", with changes in market value of the shareholding reported under comprehensive income and dividend income reported as financial income.

During the year, Qube expanded its operation through several major acquisitions. In February, Qube announced the acquisition of Giacci Holdings Pty Limited, a provider of mine to port solutions towards the mining industry. In March and June, Qube announced three acquisitions supporting development of its logistics division. This included expansion of the port related operation in Melbourne, increased shareholding of a development property with ambition to build a new inland terminal in Sydney and acquisition of an integrated logistics provider based in New South Wales.

During the first half WWH sold 15 million shares in Qube for a total consideration of USD 25 million. While WWH remained the second largest shareholder, the sale together with new share issues in Qube reduced the WWH ownership to approximately 7.9% by the end of the year.

The Qube share price increased during the year, increasing the market value of WWH's remaining 73 million shares in Qube to USD 127 million.

Wilh. Wilhelmsen Holding Invest:

WWHI's main investments are:

NorSea Group (NSG – owned 34%)

Qube Holdings Limited (Qube – owned 8%)

"The group is committed to manage risks in a sound manner related to its businesses and operations."

The value of WWH's shareholding in Qube represented NOK 15 per outstanding share in WWH (WWI/WWIB) by the end of the year.

In 2012 Qube paid dividend of AUD 0.041 per share. Total proceeds to WWHI of USD 3 million were reported as financial income.

Investment management

Investment management include investment in equities, bonds and other financial assets available for sale and managed as part of an investment portfolio.

The financial investment portfolio held by Holding and Investments was USD 84 million (USD 78 million) by the end of the year. The portfolio primarily included Nordic equities and investment-grade bonds. Net income/(expenses) from investment management was an income of USD 9 million (loss of USD 1 million).

RISK

Through its capital intensity and cyclical nature, shipping has historically represented a relatively high degree of volatility and financial risk. While logistics and maritime services are exposed to some of the same market forces as shipping, these activities are less capital intensive and have historically been less cyclical. The car/ro-ro shipping activities still represents the single largest investment area and exposure for the WWH group, however, this has been somewhat reduced following the diversification of the portfolio that has taken place during recent years.

Internal control and risk management

The group is committed to manage risks in a sound manner related to its businesses and operations. To accomplish this, the governing concept of conscious strategy and controllable procedures for risk mitigation ultimately provides a positive impact to profitability. The responsibility of governing boards, management and all employees is 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 respond to risks to mitigate consequences.

Market risk

Demand for the WWH group's various service offerings is highly cyclical and closely correlated with the global economic activity. Demand for transportation of cars and other cargo continued its upward trend during the first half of 2012, but a fall in high and heavy volumes during the second half resulted in lower income and a less optimal cargo mix towards the end of the year. For the maritime services activities, a depressed general shipping market continues to negatively impact both new building activity and general purchasing related to the operating fleet.

Future growth in the global economy and world ocean trade is highly decisive for the development of the WWH group's earnings. A balanced flow of the different cargo classes is also important. While the group is well positioned to benefit from future growth in ocean trade and of the global maritime industry, tonnage flexibility and a scalable operation remains important in order to also adjust to a potential market fallback. Expansion of the logistics footprint and new investments into the offshore base service industry has broadened the market risk.

Operational risk

The various operating entities of the group are exposed to and manage risk specific to the markets in which they operate.

In the WWASA group (car/ro-ro shipping and logistics) operational responsibility mainly rests with the various operating companies. While certain events such as closure of the Panama or Suez canal will have impact throughout the industry, most operational risk factors will be limited to specific carriers or markets.

Through its global reach and broad product spectre, WMS is exposed to a wide range of operational risk factors, though mainly related to local markets and specific product offerings. While any such incident will normally have limited global consequences, a major accident, turbulence within a key geographical market, product quality issues, disruption of IT systems or loss of main customers may affect the wider financial and operational performance. The group has established a range of measure in order to avoid and, potentially, mitigate the consequences of any such incidents.

Financial risk

The WWH group is exposed to a wide range of financial risk, either on a general basis or related to specific group companies. The group's exposure to and management of financial risk are further described in Note 15 of the 2012 accounts. This includes foreign exchange rate risk, interest rate risk, investment portfolio risk, bunker price risk, credit risk and liquidity risk

The WWH group companies have a number of covenants related to its loans. All group companies were in compliance with covenant requirements as of the fourth quarter of 2012.

The group has substantial investments exposed to external market pricing, including shares in WWASA, vessels and shares in Hyundai Glovis (both through WWASA), real estate (through among other NorSea Group), shares in Qube and financial investments. While majority of investments are of a long term industrial nature, any fluctuations in values will have impact on the net asset value and solidity of the parent company and the group and may affect the group's profitability. During 2012, the group has increased its investment in vessels and real estate while reduced shareholdings in Hyundai Glovis and Qube.

HEALTH, ENVIRONMENT AND SAFETY

Health and working environment

Average sickness absence among employees in wholly-owned subsidiaries located at the head office was 3.2 % (4.5%) for the year. The reason for this decrease is improved follow up routines and fewer employees on long term sick leave. No injuries were reported on land-based employees during the year.

Occupational injuries on ships are recorded in accordance with the international standard for the maritime industry.[1] In 2012, the lost-time injury frequency on vessels managed by WSM was reduced to 0.62 (1.22), which is better than the set target of 0.80 and a considerable improvement from last year. This was a result of continuous focus on safety performance by all working on ships and on shore. The group will continue to raise the level of safety awareness and improve its safety culture through ship and shore campaigns, and sharing of experience with internal and external stakeholders. The HSEQ Excellence program highlighting safety, security, governance, environment and training will be continued with the aim to achieve the target set for 2013.

The natural environment

The board acknowledges the environmental challenges faced by the maritime industry, and underlines that only sustainable solutions are acceptable. Shipping is regarded the cleanest form of transport. While much progress has been made to reduce its impact on the environment, there is still potential for further improvement. The company strives to deliver services to customers and stakeholders with minimal adverse effect to the environment.

Some of the main initiatives conducted on the fleet controlled by WWASA in 2012 included:

- Three new and modern vessels entered WWASA's fleet contributing to improved operating margin
- 0.6% reduction in fuel consumed per transported unit
- Joint venture established with joint venture partner Wallenius and weather company StormGeo to develop software solutions for optimising voyages and contributing to more fuel efficient operations
- Energy and efficiency competition sailing personnel and technical management
- Introduction of a Ship Energy Efficiency Management Plan (SEEMP) onboard all own vessels
- Preparation for an exhaust gas cleaning system (scrubber) to be fitted on board a vessel in March 2013.

In addition to reducing the environmental impact from shipping activities, the WWH group had the opportunity to contribute to making the industry green by offering environmentally sound products and solutions to the merchant fleet through its maritime services offerings. In 2012, the offerings included:

- Engine room and cargo hold ventilation to merchant fleet, optimising energy use and reducing emissions
- Cold ironing systems, reducing use of diesel generators in port by hooking up to shore base power grids
- NOx reducing solutions
- Green ship recycling including Ship Recycling Facility services
- Innovate environmentally acceptable marine chemicals

"Shipping is regarded the cleanest form of transport."

The WWH group works with partners inside and outside the industry to continuously improve its environmental offerings and to reduce the environmental impacts of its own operations. In addition, the group takes an active part in developing the regulatory framework for the industry aiming at practicable and competitive solutions. High impact initiatives will receive most attention, with particular focus given to energy efficient solution and thereby emissions reduction.

For a full report on the group's environmental accounts and initiatives, please see pages 94-105. In addition to a copy of the environmental report, WWH's website includes updated and relevant information related to environmental issues.

ORGANISATION AND PEOPLE DEVELOPMENT

The group employs 5 800 (5 700) people in its wholly or partly owned subsidiaries and WMS associated companies, increasing to 15 900 (15 400) when including seafarers. Total number of employees including WWASA joint ventures is 22 800 (21 100). The group's head office is located in Norway, and the group has offices in some 260 (250) locations in 71 (71) countries including subsidiaries and WMS associated companies, increasing to close to 380 (370) locations in 73 (73) countries when WWASA joint ventures are included.

WWH gives weight to developing a good and inspiring working environment both at sea and on

[1] An injury which results in an individual being unable to return to work for a scheduled work shift on the day following the injury is registered as an incident. These incidents are measured per million hours of exposure, which is 24 hours per day while serving aboard.

"The group employs 5 800 people in its wholly or partly owned subsidiaries and WMS associated companies, increasing to 15 900 when including seafarers. Total number of employees including WWASA joint ventures is 22 800."

land through living its values highlighting among others empowerment, teaming and collaboration as well as learning and innovation.

The working environment committee, covering all employees working at the Lysaker offices of WWH and its subsidiaries , held four meetings during the year. With 14 members and the same number of alternates, all main companies located at the group's head office are represented. The meetings are also attended by the company medical officer and a representative from the human resources department, who have the right to speak but not to vote.

Performance appraisals are conducted annually on a global basis. The completion rate for 2012 ended at 80%. For 2013, the ambition is 85%. During 2012, WWH developed a WW Engagement Survey, measuring the organisations engagement, values and performance culture. The survey will be conducted annually for all onshore based employees in wholly or partly owned subsidiaries. Global launch will be in May 2013.

WWH practises a system of performance-related pay in the group. The objective is to be an attractive, fair and responsible employer that rewards performance in line with set company goals and values. All employees participate in an annual bonus plan. Bonus targets are linked to both financial and individual measures.

To facilitate continuous improvement and adaptability and thus safeguard the group's market position, training and organisational development are pursued actively. In addition to offering employees a variation of external courses, the group has its own learning institution, WW Academy. It provides programmes for leadership development, in addition to a broad range of specific training programmes. In 2012, 229 employees took classroom programmes. In addition, since 2007 a total number of 5 550 employees have taken eLearning courses online, completing 13 350 courses in 2012 alone. Participants learn in a fun and highly interactive way, and all programmes are tailor made to support the WW group's vision and values. We believe in investing time and money in developing our staff helps building a company culture that we are proud of.

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

Women accounted for 37% (38%) of the 566 (579) employees in Norway at 31 December, including WWH and its fully owned subsidiaries. In addition, majority owned WWASA had 33 employees in Norway, of whom 34% (26%) were woman.

Two of the five directors on the board of WWH ASA are female, which complies with the legal requirement in the Norwegian Public Limited Companies Act for women to comprise a minimum of 40% of directors.

One of the six members of the group management team of WWH is female.

CORPORATE GOVERNANCE

WWH's corporate culture is based on governing elements including core values and code of conduct which apply to all employees. In addition to complying with national and international regulations, the group aims at high ethical business standards and includes environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting.

The majority of employees conducted governance training in 2012.

Corruption and unethical behaviour are unacceptable and may have consequences for the employment. Anti-corruption received particular attention in 2012, and anti-corruption training including fraud and theft will be conducted in 2013.

WWH 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. Adherence to the code is based on a "comply or explain" principle. The board's report on the code can be found on pages 86-93 and on wilhelmsen.com.

SOCIAL RESPONSIBILITY

A social responsibility guideline, including human rights, labour standards and a commitment to promote greater environmental responsibility, is an integrated part of WWH's governing elements. A summary of the guideline can be reviewed at wilhelmsen.com.

ALLOCATION OF PROFIT, DIVIDEND AND BUY BACK

The board's proposal for allocation of the net profit for the year is as follows:

Parent company accounts	(NOK thousand)
Profit for the year	485 908
Dividend	162 413
Fund for unrealised gain	(31)
Transfer to retained earnings	323 526
Total allocations	485 908

Distributable equity in the parent company was NOK thousand 1 585 044 at 31.12.2012

WWH has a tradition of paying dividend twice every year. The board is proposing a NOK 3.50 dividend per share payable during the second quarter of 2013, representing a total payment of NOK 162.4 million.

The WWH board of directors is granted an authorization to, on behalf of the company, acquire up to 10% of the company's own issued shares. The authorization is valid until the annual general meeting in 2013.

PROSPECTS

Outlook for WWASA

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

The global growth picture continues to be influenced by fiscal issues in both Europe and the US impacting cargo flows. The growth in emerging markets continues, but at a lower rate. WWASA expects reduced cargo volumes and a less profitable cargo and trade mix for the operating companies for the first half of 2013.

WWASA expects cargo volumes to remain soft during the first part of 2013.

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

Outlook for WMS

The gradual growth in the global merchant fleet is expected to continue. A generally weak shipping market, however, impacts owners' purchasing capabilities and demand for certain maritime products and services. This situation is expected to continue in 2013.

For WSS, total income is expected to remain subdued short term, but to gradually increase following higher market penetration, new product offerings and positive development within certain customer segments.

For WSM, the gradual increase in total income is expected to continue, based on high market activity and new vessels on full technical management.

For WTS, income is expected to increase following increased order reserves, while activities within the safety segment is expected to remain low.

Operating profit for WMS remains sensitive to development in the general shipping market and currency fluctuations. With general market conditions remaining tight, short term operating profit is expected to remain below the long term profit margin target.

Outlook for Holding and Investments

The dividend of NOK 4.00 per share proposed by the WWASA board will strengthen the liquidity and solidity of the WWH parent company.

The Norwegian offshore activities are expected to remain high, driving demand for both supply base development and logistics services.

The Australian economy remains robust, driving demand for export-import logistics services. While return on the Qube investment will long term reflect the future performance of the company, the short term return is mainly driven by general equity market fluctuations.

Outlook for the WWH group

The board expects shipping volumes and main maritime services markets to remain soft during the first half of 2013.

Long term, the group is well positioned to benefit from the growth potentials of the markets in which it operates.

Lysaker, 18 March 2013

The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler Chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

Accounts and notes

Wilh. Wilhelmsen Holding group is divided into three business segments, WWASA group, WMS group and Holding & Investments. The group accounts include more than 300 entities operating in more than 70 countries.

Wilhelmsen Technical Solutions' main markets for HVAC solutions to the offshore industry are currently Norway, Singapore and South Korea. In addition, market possibilities are good in places like Rio de Janeiro in Brazil and Houston in the USA.

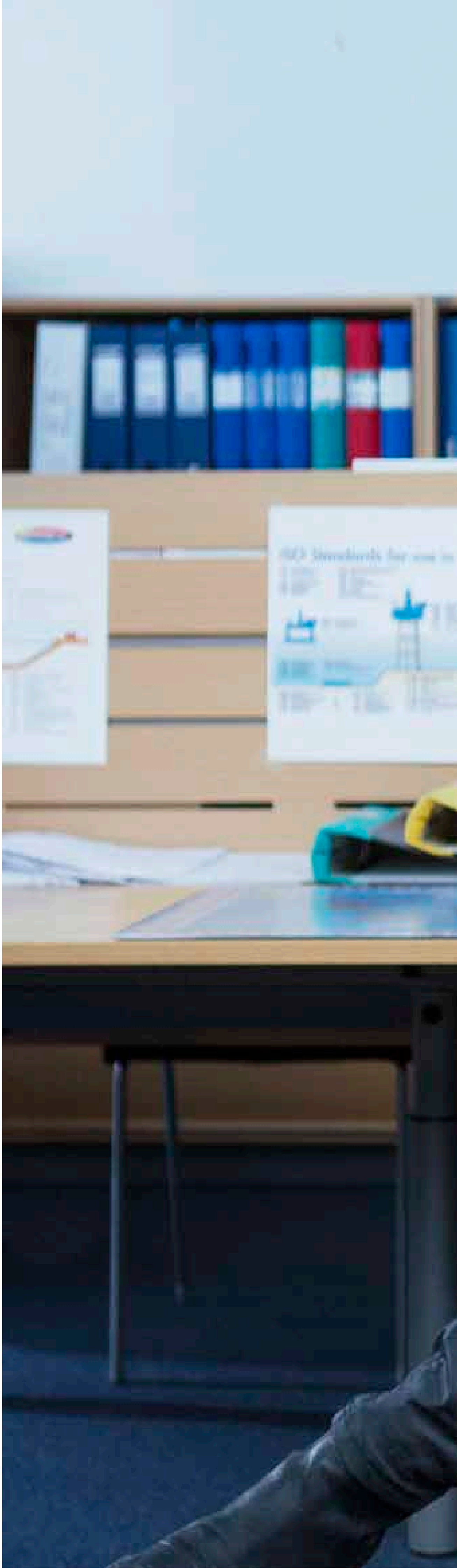
Lucy Kongevold Fjermeros ▶

HVAC engineer
Wilhelmsen Technical Solutions

Last year, Lucy Kongevold Fjermeros graduated from the Norwegian University of Science and Technology - within Energy and Environment in buildings and with HVAC* as a core subject. Today, she is working on ventilation projects for offshore installations in Norway, Singapore and South Korea.

"As a HVAC engineer, my work includes technical drawings, documentation, air-flow calculations and also to make sure that all the relevant regulations are being followed. I'm working in close cooperation with owners, ship yards and subcontractors. The other engineers on my team have high technical expertise and they are all open and willing to share their knowledge with me. My contribution to the WW group's success is that I'm eager to contribute to the customers getting high quality products and systems onboard their installations," says Lucy.

*HVAC: Heating, Ventilation and Air Conditioning



Income statement | WILH. WILHELMSEN HOLDING GROUP

USD mill	Note	2012	2011
Operating revenue	1	1 325	1 247
Other income			
Share of profit from joint ventures and associates	2/3	244	196
Gain on sale of assets	1	138	76
Total income		**1 706**	**1 519**
Operating expenses			
Vessel expenses	1	(52)	(55)
Charter expenses		(26)	(25)
Inventory cost		(391)	(411)
Employee benefits	4	(391)	(386)
Other expenses	1	(174)	(168)
Depreciation and impairments	5	(110)	(106)
Total operating expenses		**(1 144)**	**(1 150)**
Operating profit		**562**	**369**
Financial income/(expenses)	1	(87)	(138)
Profit before tax		**474**	**231**
Tax income/(expense)	6	(29)	
Profit for the year		**445**	**231**
Of which:			
Profit attributable to minority interests		116	43
Profit attributable to owners of the parent		329	188
Basic earnings per share (USD)	7	7.06	4.05
Diluted earnings per share (USD)	7	7.08	4.06

Comprehensive income | WILH. WILHELMSEN HOLDING GROUP

USD mill	Note	2012	2011
Profit for the year		445	231
Other comprehensive income			
Net investment hedge/cash flow hedges (net after tax)		2	(5)
Revaluation marked to market value	10	27	(9)
Currency translation differences		17	(19)
Other comprehensive income, net of tax		**46**	**(34)**
Total comprehensive income		**491**	**198**
Attributable to			
Owners of the parent		377	155
Minority interests		114	42
Total comprehensive income for the year		**491**	**198**

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

Balance sheet | WILH. WILHELMSEN HOLDING GROUP

USD mill	Note	31.12.2012	31.12.2011
ASSETS			
Non current assets			
Deferred tax asset	6	22	33
Goodwill and other intangible assets	5	319	292
Vessel, property and other tangible assets	5	2 083	1 934
Investments in joint ventures and associates	2/3	1 074	859
Other non current assets	8/9/10	202	169
Total non current assets		**3 700**	**3 286**
Current assets			
Inventories	11	112	114
Current financial investments	12	214	188
Other current assets	9/13	380	301
Cash and cash equivalents		576	529
Total current assets		**1 282**	**1 132**
Total assets		**4 982**	**4 418**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		122	122
Retained earnings and other reserves		1 527	1 217
Attributable to equity holders of the parent		**1 649**	**1 337**
Minority interests		430	335
Total equity		**2 079**	**1 673**
Non current liabilities			
Pension liabilities	8	101	92
Deferred tax	6	74	68
Non current interest-bearing debt	14/15	1 860	1 575
Other non current liabilities	9	248	248
Total non current liabilities		**2 284**	**1 983**
Current liabilities			
Current income tax	6	12	32
Public duties payable		14	27
Other current liabilities	9/14	592	704
Total current liabilities		**619**	**763**
Total equity and liabilities		**4 982**	**4 418**

Lysaker, 18 March 2013

Diderik Schnitler Chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

Cash flow statement | WILH. WILHELMSEN HOLDING GROUP

USD mill	Note	2012	2011
Cash flow from operating activities			
Profit before tax		474	231
Financial (income)/expenses	1	111	91
Financial derivatives unrealised	1	(34)	60
Depreciation/impairment	5/6	110	106
Gain on sale of fixed assets	1	(2)	(5)
(Gain)/loss from sale of joint ventures and associates	3	(134)	(70)
Change in net pension asset/liability		8	1
Change in inventory		3	(19)
Change in other current assets		(26)	(4)
Change in working capital		15	20
Share of profit from joint ventures and associates	3/4	(243)	(196)
Dividend received from joint ventures and associates	3/4	62	45
Tax paid (company income tax, withholding tax)		(34)	(44)
Net cash provided by operating activities		**310**	**214**
Cash flow from investing activities			
Proceeds from sale of fixed assets		16	15
Investments in fixed assets	5	(270)	(485)
Net proceeds from sale of joint ventures and associates		170	
Investments in joint ventures and associates		(70)	
Loan repayments received from joint ventures and associates		6	6
Loans granted to joint ventures and associates		(12)	
Loan from joint ventures and associates		8	
Repayments of loan from joint ventures and associates		(4)	
Proceeds from sale of financial investments		73	71
Investments in financial investments		(59)	(132)
Interest received	1	6	17
Changes in other investments		(2)	5
Net cash flow from investing activities		**(137)**	**(503)**
Cash flow from financing activities			
Net proceeds from issue of debt after debt expenses	14	567	757
Repayment of debt	14	(499)	(579)
Interest paid including interest derivatives	1	(118)	(112)
Cash from financial derivatives		9	13
Dividend to shareholders/purchase of own shares		(85)	(63)
Net cash flow from financing activities		**(126)**	**16**
Net increase in cash and cash equivalents		47	(273)
Cash and cash equivalents at the beginning of the period		529	802
Cash and cash equivalents at 31.12		**576**	**529**

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

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity | WILH. WILHELMSEN HOLDING GROUP

USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 01.01.2012	122	0	(26)	1 241	1 337	335	1 673
Comprehensive income for the period:							
Profit for the period				329	329	116	445
Comprehensive income			48		48	(2)	46
Total comprehensive income for the period	**0**	**0**	**48**	**329**	**377**	**114**	**491**
Transactions with owners:							
Dividends				(64)	(64)	(20)	(84)
Balance 31.12.2012	**122**	**0**	**22**	**1 505**	**1 649**	**430**	**2 079**

USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 01.01.2011	122	0	7	1 101	1 230	308	1 538
Comprehensive income for the period:							
Profit for the period				188	188	43	231
Comprehensive income			(33)		(33)		(34)
Total comprehensive income	**0**	**0**	**(33)**	**188**	**155**	**42**	**198**
Transactions with owners:							
Purchase of own shares				(2)	(3)		(3)
Dividends				(46)	(46)	(15)	(61)
Balance 31.12.2011	**122**	**0**	**(26)**	**1 241**	**1 337**	**335**	**1 673**

Own shares represented 0.22 % of the share capital in nominal value at 31 December 2012 (analogous for 31 December 2011).

Dividend for fiscal year 2011 was NOK 8.00 per share, where 3.50 per share was paid in May 2012 and NOK 4.50 per share was paid in November 2012.

Dividend for fiscal year 2010 was NOK 5.50 per share, NOK 3.50 per share was paid in May 2011 and NOK 2.00 per share was paid in December 2011.

The proposed dividend for fiscal year 2012 is NOK 3.50 per share, payable in the second quarter of 2013. A decision on this proposal will be taken by the annual general meeting on 25 April 2013. The proposed dividend is not accrued in the year end balance sheet.

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

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

GENERAL INFORMATION

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

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

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

BASIC POLICIES

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

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

The group accounts are presented in US dollars (USD), rounded off to the nearest whole million.

Most of the entities in WWASA group have USD as functional currency while entities in WMS group and Holding & Investments are measured using currency of primary economic location in which the entity operates. The exception from this is the investments activity in Malta, where AUD is the functional currency.

The parent company is presented in its functional currency NOK.

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 and split between controlling and minority interests

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 with the exception of the interest rate swap in WMS group which qualifies for hedge accounting.

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 accounts.

Standards, amendments and interpretations

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND PARENT COMPANY FROM 1 JANUARY 2012 OR LATER;

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP;

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

be accounted for using the equity method. The standard will not have significantly impact on the group's or parent company's net income, equity or classification in the balance sheet or income statement, and IFRS 11 will be adopted no later than the accounting period beginning on or later than 1 January 2013.

- IFRS 12 Disclosure of Interests in Other Entities - The standard combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure requirement. Some were previously included in IAS 27, IAS 31 and IAS 28, while others are new. A new term 'structured entity' which replace and expands upon the concept of a 'special purpose entity' is introduced. The standard is effective for annual periods beginning 1 January 2013. The standard will not have significantly impact on the group or the parent company.

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

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group and 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 is 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 in the statement of comprehensive income. Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Joint ventures and associates

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

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

The group's share of profit after tax from joint ventures and associates, are 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.

Minority interests

The group treats transactions with minority interests as transactions with equity owners of the group.

For purchases from minority interests, the difference between any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Gains or losses on disposals to minority interests are also recorded in equity.

SEGMENT REPORTING

The operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker.

Comparative figures have been reclassified in the segments figures from the beginning of earliest comparative period.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board and Global Management Team who makes the strategic decisions.

The WWASA group segment covers shipping and logistics activities in the group. The shipping activity is engaged in ocean transport of cars,

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

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

The WMS group segment offers marine products, technical service, ship agency services and logistics to the merchant fleet, safety and environmental systems to the newbuilding and retrofit sectors of the marine and offshore markets, supplies electrical, automation and heating ventilation and air conditioning (HVAC) systems to the marine and offshore markets, ship management including manning for all major vessel types, through a worldwide network of more than 310 offices in some 71 countries.

The Holding & Investments segment includes the parent company, Wilh. Wilhelmsen Holding ASA, Wilh. Wilhelmsen Holding Invest AS group and other minor activities (WilService AS, Wilh Wilhelmsen HK and corporate group activities like operational management, tax, legal, finance, portfolio management, communication and human relations) which fail to meet the definition for other core activities.

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

RELATED PARTIES TRANSACTIONS

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

See note 9 and 19 to the group accounts for loans to joint ventures and associates, and note 7 and 15 to the parent company 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 expense. If the currency position is regarded as qualified cash flow hedging, 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 venture and associates are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

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

REVENUE RECOGNITION

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

Shipping and logistics activities

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

Freight revenue

TIME CHARTER (T/C) BASIS

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

CONTRACTS OF AFFREIGHTMENT

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

Maritime services

Revenue from the sale of goods and services is recognised at fair value, net of VAT, returns and discounts. Revenue from the sale of goods is recognised when ownership passes to the customers. Generally, this is when products are delivered. Rebates and incentive allowance are deferred and recognised in income upon the realisation or the closing of the rebate period. Services are recognised as they are rendered.

Sales of goods and services are recognised in the accounting period in which the services are rendered or goods sold.

Work in progress related to fixed-price contracts with a long production period is accounted for in accordance with the percentage of completion method. The degree of completion is calculated as costs incurred as a percentage of the expected total cost. The total cost is reviewed continuously.

INVENTORIES

Inventories of purchased goods and work in progress, including bunkers, are valued at cost in accordance with the standard cost method. Impairment losses are recognised if the net realisable value is lower than the cost price. Sales costs include all remaining sales, administrative and storage costs.

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

CASH-SETTLED PAYMENTS TRANSACTIONS

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 cash-settled transaction.

See note 4 to the group accounts and note 2 and 17 to the parent accounts concerning remuneration of senior executives

TANGIBLE ASSETS

Vessel, property 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 deprecation 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.

Land is not depreciated. Other tangible assets are depreciated over the following expected useful lives:

Property	10-50 years
Other tangible assets	3-10 years
Vessels	30-35 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 annually.

Goodwill from acquisition of subsidiaries is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the sale of a business includes the carried amount of goodwill related to the sold business.

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

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

Other intangible assets

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

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

Trademark, technology/licenses and customer relationship have a finite life and are recognised at historical cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful life.

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

IMPAIRMENT OF GOODWILL AND OTHER NON FINANCIAL ASSETS

Non financial assets

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

Vessels and newbuilding contracts

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

Goodwill

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

LEASES

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

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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 bid price at the close of business on the balance sheet date. For investments where there is no active market fair value are determined applying commonly used valuation techniques.
Available-for-sale financial assets are included in non current assets unless the investment matures of management intends to dispose of it within 12 months of the end of the reporting period.

FINANCIAL DERIVATIVES

Derivatives which do not qualify for hedge accounting

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

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

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

Derivatives which do qualify for hedge accounting

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

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

The fair value of derivatives used for hedging is shown in note 15 to the group accounts. Changes in the valuation of qualified hedges are recognised directly in other comprehensive income until the hedged transactions are realised.

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

Cash flow hedge

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

Net investment hedge

Gains and losses arising from the hedging instruments relating to the effective portions of the net investments hedges are recognised in comprehensive income. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial income/(expenses).

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

DEFERRED TAX / DEFERRED TAX ASSET

Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit.

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

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

PENSION OBLIGATIONS

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

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

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

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

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

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

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

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

IAS 19 Employee Benefits Revised

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

RECEIVABLES

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

Receivables are recognised at face value less any impairment.

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

CASH AND CASH EQUIVALENTS

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

SHARE CAPITAL AND TREASURY SHARES

When the parent company purchases its own shares (treasury shares), the consideration paid, including any attributable transaction costs net of income tax, is deducted from the equity attributable to the parent company's shareholders until the shares are cancelled or sold. Should such shares subsequently be sold or reissued, any consideration received is included in share capital.

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 account 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 yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the loan. Loans are classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

PROVISIONS

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Impairment of vessels

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

Impairment of non financial assets

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

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

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

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

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

See note 5 in the group accounts for additional info.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	Note	2012	2011
OPERATING REVENUE			
Freight revenue		395	309
Ships service revenue		665	661
Technical solutions revenue		214	229
Ship management and crewing revenue		49	45
Other revenue		2	4
Total operating revenue		**1 325**	**1 247**
GAIN ON SALE OF ASSETS			
Gain on sale of shares in associates	3	134	69
Gain on sale of other assets		4	7
Total gain on sale of assets		**138**	**76**
VESSEL EXPENSES			
Luboil		(8)	(8)
Stores (water, safety, chemicals, ropes etc)		(4)	(5)
Maintenance of vessels		(20)	(24)
Insurance		(8)	(7)
Other		(12)	(10)
Total vessel expenses		**(52)**	**(55)**
OTHER EXPENSES			
Loss on sale of assets		(2)	(2)
Office expenses		(44)	(46)
Communication and IT expenses		(34)	(34)
External services		(19)	(19)
Travel and meeting expenses		(16)	(17)
Marketing expenses		(9)	(11)
Other administration expenses		(51)	(39)
Total other expenses		**(174)**	**(168)**
FINANCIAL INCOME/(EXPENSES)			
Financial items			
Investment management		18	
Interest income		6	17
Other financial items		2	(2)
Net financial items		**26**	**15**
Financial - interest expenses			
Interest expenses		(70)	(70)
Interest rate derivatives - realised		(47)	(45)
Net financial - interest expenses		**(117)**	**(115)**
Interest rate derivatives - unrealised		6	(45)
Financial currency			
Net currency gain/(loss)		(39)	9
Currency derivatives - realised		6	6
Currency derivatives - unrealised		11	(7)
Cross currency derivatives - realised		3	7
Cross currency derivatives - unrealised		17	(8)
Net financial currency		**(3)**	**6**
Financial income/(expenses)		**(87)**	**(138)**

See note 15 on financial risk and the section of the accounting policies concerning financial derivatives.

Note 2 | INVESTMENTS IN JOINT VENTURES

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

	2012	2011
Summarised financial information - according to the group's ownership		
Share of total income	2 362	2 066
Share of operating expenses	(2 151)	(1 893)
Share of net financial items	(18)	(22)
Share of tax expense	(21)	(15)
Share of profit for the year	**172**	**135**
Share of equity (equity method)		
Book value	752	626
Excess value (goodwill)	16	16
Joint ventures' assets, equity and liabilities (group's share of investments)		
Share of non current assets	1 132	1 117
Share of current assets	575	538
Total share of assets	**1 708**	**1 656**
Share of equity 01.01	642	543
Share of profit for the period	172	135
Dividend received/repayments of share capital	(45)	(34)
Currency translation differences		(1)
Share of equity 31.12	**768**	**643**
Share of non current liabilities	591	610
Share of current liabilities	349	403
Total share of liabilities	**939**	**1 013**
Total share of equity and liabilities	**1 708**	**1 656**
Share of profit from joint ventures	172	135
Share of profit from associates, see note 3	72	61
Share of profit from joint ventures and associates	**244**	**196**
Share of equity from joint ventures	768	642
Share of equity from associates, see note 3	305	218
Share of equity from joint ventures and associates	**1 074**	**859**

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

Note 3 | INVESTMENTS IN ASSOCIATES

USD mill	Business office/country	2012	2011
		Voting/control share	
WWASA group			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.5%	15.0%
Shippersys AB	Stockholm, Sweden	25.0%	
Holding & Investments			
NorSea Group Invest AS *	Stavanger, Norway	35.4%	
WMS group - companies with significant shares of profits		Profit sharing agreements **	
Almoayed Wilhelmsen Ltd	Bahrain	50.0%	50.0%
Wilhelmsen Ships Service Ltd	Bangladesh	50.0%	50.0%
Barwil Unimasters Ltd	Bulgaria		50.0%
Wilhelmsen Huayang Ships Services (Shanghai) Co Ltd	China	50.0%	50.0%
Wilhelmsen Huayang Ships Services (Beijing) Co Ltd	China	50.0%	50.0%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.0%	50.0%
Barklav (Hong Kong) Ltd	Hong Kong	50.0%	50.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partner WLL	Kuwait	49.0%	49.0%
Barwil-Andersson Agencies Ltd	Latvia	49.0%	49.0%
Wilhelmsen Ships Service Lebanon S.A.L.	Lebanon	49.0%	49.0%
Eurokor Barging B.V	Netherland	40.0%	40.0%
Barber Moss Ship Management AS	Norway	50.0%	50.0%
Yarwil AS	Norway	50.0%	50.0%
Golar Wilhelmsen Management AS	Norway	40.0%	40.0%
Towell Barwil Co LLC	Oman	30.0%	30.0%
Wilhelmsen Ships Services (Private) Ltd	Pakistan	50.0%	50.0%
Barwil Agencies SA ***	Panama		47.0%
Lonemar SA ***	Panama		47.0%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	49.0%	49.0%
Wilhelmsen Hyopwoon Ships Services Ltd	Republic of Korea	50.0%	50.0%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.0%	20.0%
Barwil Star Agencies SRL	Romania	50.0%	50.0%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.0%	50.0%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	49.6%	49.6%
Wilhelmsen Meridian Navigation Ltd, Sri Lanka	Sri Lanka	40.0%	40.0%
Baasher Barwil Agencies Ltd	Sudan	50.0%	50.0%
National Company For Maritime Agencies Ltd	Syrian Arab Republic	50.0%	50.0%
Barwil Universal Denizcilik Tasimacilik Ticaret AS	Turkey		50.0%
MSC Ukraine Ltd	Ukraine		25.0%
Wilhelmsen Ships Service LLC	United Arab Emirates	50.0%	43.0%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	50.0%	50.0%
Barwil Dubai LLC	United Arab Emirates	50.0%	50.0%
Wilhelmsen Ships Service (UAE) LLC	United Arab Emirates	42.5%	42.5%
Triangle Shipping Agencies Co LLC	United Arab Emirates	50.0%	50.0%
Denholm Barwil Ltd	United Kingdom	40.0%	40.0%
Knight Transport LLC	USA	33.34%	33.34%
Barwil de Venezuela C.A.	Venezuela	50.0%	
Barwil - Sunnytrans Co. Ltd	Vietnam	50.0%	

* The investment in NorSea Group Invest AS is collateral. See note 14.
** Takes account of agreements on profit sharing which are additional to the equity share.
*** The entities in Panama are take-over 100% during 2012.

An overview of actual equity holdings can be found in the presentation of company structure on page 110.

Cont. note 3 | INVESTMENTS IN ASSOCIATES

USD mill	2012	2011
Summary financial information - according to the group's ownership		
Assets	798	568
Liabilities	492	349
Equity	306	219
Operating income	1 208	1 055
Net profit	72	61

USD mill	2012	2011
Share of profit from associates		
Hyundai Glovis Co Ltd	58	47
NorSea Group Invest AS	4	
Other associates	10	14
Share of profit from associates	**72**	**61**

USD mill	2012	2011
Book value of material associates		
Hyundai Glovis Co Ltd	208	194
NorSea Group Invest AS	77	

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

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

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

USD mill	2012	2011
Specification of share of equity and profit/loss:		
Share of equity 01.01	218	216
Share of profit for the year	72	61
Addition in WMS group		1
Addition in Holding & Investments	70	
Disposal WWASA group	(37)	
Disposal WMS group	(3)	(2)
Disposal Holding & Investments		(50)
Dividend	(16)	(11)
Currency translation differences	2	3
Share of equity 31.12	**305**	**218**

USD mill	2012	2011
Share of equity		
Book value	287	196
Excess value, goodwill	19	22
Total share of equity	**305**	**218**

Cont. note 3 | INVESTMENTS IN ASSOCIATES

Acquisititon
In 2012 the group acquired 35.4% of the shares in NorSea Group Invest AS (NSGI), the leading supplier of base services and integrated logistics systems to the Norwegian oil and gas industry. Through its fully and partly owned entities NSGI operates ten strategically located supply bases along the coast of Norway, including NorSea (Stavanger), Stordbase (Stord), Coast Center Base (Bergen), Vestbase (Kristiansund), Helgelandsbase (Sandnessjøen), Nordbase (Harstad) and Polarbase (Hammerfest).

As the major shareholder in NSGI, the group has significant influence, hence it follows that the investment will be accounted for as an associate.

USD mill	Acquisition
NorSea Group Invest AS	
Equity investment	68
Shareholder loan	12
Total investment in NorSea Group Invest AS	**80**

Note 4 | EMPLOYEE BENEFITS

USD mill	2012	2011
Pay	225	238
Payroll tax	41	38
Pension cost	27	25
Employee benefits seagoing personnel	64	56
Other remuneration	35	29
Total employee benefits	**391**	**386**
Number of employees:		
Group companies in Norway	602	614
Group companies abroad	5 233	5 077
Seagoing personnel Wilhelmsen Ship Management	10 037	9 728
Total employees	**15 872**	**15 419**
Average number of employees	15 646	15 076

REMUNERATION OF SENIOR EXECUTIVES

USD thousand	Pay	Bonus	Pension premium	* Other remuneration	Total	Total in NOK
2012						
Group CEO	663	277	148	173	1 261	7 332
Group CFO	539	169	252	266	1 226	7 129
President and CEO Wilh. Wilhelmsen ASA	570	169	466	466	1 672	9 720
President and CEO Wilhelmsen Maritime Services AS	503	33	355	361	1 251	7 274
2011						
Group CEO	603	156	106	142	1 008	5 649
Group CFO	531	90	224	285	1 130	6 331
President and CEO Wilh. Wilhelmsen ASA	534	54	394	421	1 402	7 859
President and CEO Wilhelmsen Maritime Services AS	474	165	367	439	1 445	8 097

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.

* Mainly related to gross up pension expenses and company car.

Cont. note 4 | EMPLOYEE BENEFITS

Board of directors
USD thousand
Remuneration of the five directors totalled USD 335 (2011: USD 305 for four directors). The chair, Diderik Schnitler, has an additional consulting agreement with the WWASA group where he got paid USD 45 in 2012 (2011: USD 37).

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

Remuneration of the nomination committee, for both Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA, totalled USD 19 for 2012 (2011: USD 20).

Senior executives
Thomas Wilhelmsen - group CEO
Nils Petter Dyvik - group CFO
Jan Eyvin Wang - president and CEO Wilh. Wilhelmsen ASA
Dag Schjerven - president and CEO Wilhelmsen Maritime Serivces AS.

See note 2 Employee benefits in the parent company accounts, and note 19 Related party transaction.

OPTION PROGRAMME FOR SENIOR EXECUTIVES

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents
The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at management level in the company, and in its associated subsidiaries.

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

The board of directors for WWH and the board of directors for Wilh. Wilhelmsen ASA (WWASA) was authorised to decide the beneficiaries under the programme. The two boards initially allocated annually 16 500 share equivalents in WWH (reference A shares) and annually 130 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2012 is average share price over the two weeks after the release of the results for the fourth quarter 2011 was NOK 149.50 (WWH A shares) and NOK 38.20 (WWASA shares), respectively.

Granted share equivalents annually given:

	Share equivalent in WWI shares	Share equivalent in WW ASA shares	Share equivalent in WWI shares	Share equivalent in WW ASA shares
	2012		2011	
Thomas Wilhelmsen - group CEO	6 500	30 000	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000	4 500	20 000
Jan Eyvin Wang - president and CEO Wilh. Wilhelmsen ASA		50 000		50 000
Benedicte B. Agerup - CFO Wilh. Wilhelmsen ASA		30 000		30 000
Dag Schjerven - president and CEO Wilhelmsen Maritime Services AS	5 500		5 500	

Per 31 December the options were in the money for 2012 and the group has booked a provision of USD 0.4 million.

EXPENSED AUDIT FEE

USD mill	2012	2011
Statutory audit	2.7	3.0
Other assurance services	0.3	0.3
Tax advisory fee	1.0	1.4
Other assistance	0.2	0.5
Total expensed audit fee	**4.1**	**5.3**

Note 5 | PROPERTY, VESSELS AND OTHER TANGIBLE ASSETS

USD mill **TANGIBLE ASSETS**	Property	Vessels* / Newbuilding contracts	Other tangible assets	Total tangible assets
2012				
Cost price 1.1	105	2 298	212	2 616
Acquisition**	3	221	21	245
Reclass/disposal	1	(11)	(19)	(28)
Currency translation differences	3		10	14
Cost price 31.12	**113**	**2 508**	**225**	**2 847**
Accumulated depreciation and impairment losses 1.1	(29)	(568)	(85)	(682)
Depreciation/amortisation	(3)	(83)	(14)	(100)
Disposals	1	10	11	22
Currency translation differences	(1)		(3)	(4)
Accumulated depreciation and impairment losses 31.12	**(33)**	**(641)**	**(91)**	**(764)**
Carrying amounts 31.12	**80**	**1 867**	**135**	**2 083**
2011				
Cost price 1.1	103	1 925	219	2 248
Acquisition**	7	401	27	435
Reclass/disposal	(1)	(29)	(30)	(60)
Currency translation differences	(3)		(4)	(7)
Cost price 31.12	**105**	**2 298**	**212**	**2 616**
Accumulated depreciation and impairment losses 1.1	(28)	(522)	(96)	(646)
Depreciation/amortisation	(2)	(75)	(14)	(92)
Disposals		29	24	53
Currency translation differences	1		2	3
Accumulated depreciation and impairment losses 31.12	**(29)**	**(568)**	**(85)**	**(682)**
Carrying amounts 31.12	**76**	**1 730**	**128**	**1 934**
Economic lifetime	10-50 years	30-35 years	3-10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	

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

The group has financial lease agreements for 6 (2011: 9) vessels in the shipping segment.
Those car carriers covered by the leases had a book value at 31 December of USD 139 million (2011: USD 291 million), and depreciation for the year came to USD 9 million (2011: USD 15 million).
The leasing commitment is classified as a current and non-current liability, see note 14.

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

Impairment
The group has evaluated the need for potential impairment losses on its fleet in accordance with the accounting policies.

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

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

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

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

Cont. note 5 | GOODWILL AND OTHER INTANGIBLE ASSETS

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

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

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

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

USD mill **INTANGIBLE ASSETS**	Goodwill	Other intangible assets	Software and licences	Total intangible assets
2012				
Cost price 01.01	239	19	98	357
Acquisition	10	1	14	25
Reclass/disposal	(3)		(3)	(6)
Currency translation differences	14		8	22
Cost price 31.12	**260**	**21**	**117**	**398**
Accumulated amortisation and impairment losses 01.01	(2)	(1)	(62)	(65)
Amortisation		(1)	(9)	(10)
Disposals			1	1
Currency translation differences			(4)	(5)
Accumulated amortisation and impairment losses 31.12	**(2)**	**(2)**	**(75)**	**(79)**
Carrying amounts 31.12	**259**	**18**	**42**	**319**
2011				
Cost price 01.01	222		94	315
Acquisition	23	20	7	50
Reclass/disposal	1		(1)	(1)
Currency translation differences	(6)	(1)	(1)	(8)
Cost price 31.12	**239**	**19**	**98**	**357**
Accumulated amortisation and impairment losses 01.01	(1)		(52)	(54)
Amortisation		(1)	(13)	(14)
Disposals			1	1
Currency translation differences			2	2
Accumulated amortisation and impairment losses 31.12	**(2)**	**(1)**	**(62)**	**(65)**
Carrying amounts 31.12	**238**	**18**	**36**	**292**

Segment-level summary of the goodwill allocation:	2012	2011
WMS group	253	232
WWASA group	6	6
Total goodwill allocation	**259**	**238**

No material acquisition in 2012

In 2011 WMS group (CGU Wilhelmsen Ships Service) acquired Nalfleet for USD 41 million. The cost price was split into inventory of USD 5 million, other intangible assets (trade name, technology/licence and customer relationship) of USD 20 million and goodwill of USD 16 million.

Cont. note 5 | GOODWILL AND OTHER INTANGIBLE ASSETS

Impairment testing of goodwill
In the WMS group segment, USD 166 million relates to business area Wilhelmsen Ships Service mainly to the acquisition of Unitor ASA and in additional USD 65 million relates to business area Wilhelmsen Technical Solution mainly to the acquisition of the Callenberg group. These amounts were originally calculated in NOK and SEK respectively.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units which are Wilhelmsen Ships Service and Wilhelmsen Technical Solutions.

Value in use was determined by discounting the future cash flows generated from the continuing operation of the units.
Cash flows were projected based on actual operating results and next year's forecast. Cash flows is based on a 5-year strategy plan period with terminal value (terminal growth rate 1%) were extrapolated using the following key assumptions:

	2012	2011
USD/NOK	5.73	5.60
USD/SEK	6.50	6.49
Discount rate	9%	7%
Growth rate	5-8%	9%
Increase in material cost	5-6%	7%
Increase in pay and other remuneration	5-6%	8%
Increase in other expenses	5-6%	8%

The values assigned to the key assumptions represent management's assessment of future trends in the maritime industry and are based on both external sources and internal sources.

No reasonably possible change in any of the key assumptions on which management has based its determination of the recoverable amount would cause the carrying amount to exceed its recoverable amount.

No impairment was necessary for goodwill at 31 December 2012 (nor 2011).

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 WWASA group had two wholly owned companies resident in UK and Malta which were taxed under a tonnage tax regime in 2012. Further, the WWASA group had one tonnage taxed joint venture company resident in the Republic of Korea, one tonnage taxed joint venture company resident in Norway, and two tonnage taxed joint venture companies in Singapore in 2012.

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

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% of net profit. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.

For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. For 2012, the companies considered part of the Norwegian tax group (i.e. more than 90% owned, directly or indirectly, by the group) had a net taxable loss, hence no tax payable on current year results. The net tax payable is calculated on the result after utilization of tax loss carry forwards in the tax group (deferred tax asset). Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised.

Forced exit taxation
WWASA group's subsidiary Wilhelmsen Lines Shipowning (WLS) has commenced legal proceedings before Oslo City Court on basis of the tax appeal board's decision to turn down the application for tonnage tax. Basis for the proceedings is that the transition rule valid for companies that exited the old tonnage tax regime (abolished in 2007) into ordinary taxation, is in breach with The Constitution of Norway article 97. Such claim is in line with the decision by the Norwegian Supreme Court in the ruling of February 2010 that the transition rule valid for companies that exited the old tonnage tax regime into the new tonnage tax system was in breach with The Constitution. Alternatively WLS 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 the group face the final outcome of the litigation process, this case will have no impact on the income statement or balance sheet for the group.

Foreign taxes
Companies domiciled outside Norway will be subject to local taxation, either on ordinary terms or under special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This generally applies to dividends paid by companies domiciled outside the EEA. Total withholding tax paid in 2012 was USD 6 million.

Cont. note 6 | TAX

USD mill	2012	2011
Allocation of tax income/(expense) for the year		
Payable tax in Norway	(7)	(19)
Payable tax foreign	(15)	(38)
Change in deferred tax	(7)	57
Total tax income/(expense)	**(29)**	**0**

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%

Profit before tax	474	231
28% tax	133	65
Tax effect from:		
Permanent differences	2	2
Non-taxable income	(66)	(21)
Share of profits from joint ventures and associates	(68)	(55)
Net adjustments taxes previous year	4	3
Withholding tax	6	6
Currency transition from USD to NOK for Norwegian tax purpose	19	
Calculated tax (income)/expense for the group	**29**	**(0)**
Effective tax rate for the group	6.20%	(0.08%)

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes. USD to NOK currency transition for Norwegian tax purpose will have a material effect in 2012 (USD 19 million).

USD mill	2012	2011
Deferred tax assets to be recovered after more than 12 months	6	10
Deferred tax assets to be recovered within 12 months	50	89
Deferred tax liabilities to be recovered after more than 12 months	(43)	(54)
Deferred tax liabilities to be recovered within 12 months	(65)	(81)
Net deferred tax liabilities	**(52)**	**(36)**
Net deferred tax liabilities at 01.01	(36)	(97)
Currency translation differences	(10)	4
Tax charged to equity	1	
Income statement charge	(7)	57
Net deferred tax liabilities at 31.12	**(52)**	**(36)**
Deferred tax assets in balance sheet	22	33
Deferred tax liabilities in balance sheet	(74)	(68)
Net deferred tax liabilities at 31.12	**(52)**	**(36)**

Cont. note 6 | TAX

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

USD mill	Fixed assets	Tonnage tax regime	Other	Total
Deferred tax liabilities				
At 01.01.2012	(32)	(85)	5	(113)
Through income statement	(13)	15	3	4
Currency translations	5	(3)	(2)	
Deferred tax liabilities at 31.12.2012	**(40)**	**(73)**	**5**	**(109)**
At 01.01.2011	(30)	(176)	(1)	(207)
Through income statement	(3)	89	6	92
Currency translations		2		2
Deferred tax liabilities at 31.12.2011	**(32)**	**(85)**	**5**	**(113)**

	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 01.01.2012	47	9	21	77
Through income statement	(19)	(1)	8	(12)
Charged directly to equity		1		1
Acquisition	(1)		1	
Currency translations	(9)	1	(2)	(10)
Deferred tax assets at 31.12.2012	**19**	**10**	**28**	**57**
At 01.01.2011	(3)	7	107	110
Through income statement	49	2	(87)	(35)
Currency translations	1		1	2
Deferred tax assets at 31.12.2011	**47**	**9**	**21**	**77**

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 temporary differences in WWASA group related to exit tonnage tax, fixed 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 through income statement due to different functional currency than local currency.

The WMS group segment will have shares in subsidiaries not subject to the exemption method which could give rise to a tax charge in the event of a sale, where no provision has been made for deferred tax associated with a possible sale or dividend. No plans exist at present to dispose of such companies.

Note 7 | EARNINGS PER SHARE

Earnings per share takes into consideration the number of outstanding shares in the period. The group has aquired own shares of 100 000 A shares during August 2011.

Basic earnings per share is calculated by dividing profit for the period after minority interests, by average number of total shares.

Diluted earnings per share is calculated by dividing profit for the period after minority interests, by average number of shares reduced for own total shares.

Diluted earnings per share is calculated based on 46 403 824 shares for 2012.

Note 8 | PENSION

Description of the pension scheme

- The group provides both defined benefit employee retirement plans and defined contribution plans. The group has for many years had a defined benefit plan for employees in Norway in a separate pension fund, Wilh. Wilhelmsen Pensjonskasse, and later, as from 1 January 2011 through Storebrand. The own pension fund was closed after the transfer to Storebrand. The defined benefit plan was closed for new employees after 1 May 2005. As a consequence of the group's conversion to a defined contribution pension scheme, all employees were given full freedom of choice to stay in the defined benefit plan or convert to defined contribution plan.
- Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules, and the pension schemes are for the material part defined contribution plans.
- The group's defined contribution pension schemes for Norwegian employees are with Storebrand and DNB, similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed. All employees in Norway included in the defined contribution plan are covered by a risk plan which is a defined benefit plan. This is included in the group's pension liability.
- In additional the group has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. These obligations are mainly financed from operations.
- The group has obligations towards some employees in the group's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.
- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

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

Changes in discount rate and return of assets assumptions can influence the funded status of the plan as well as the net periodic pension cost. The group incurred an actuarial loss of USD 24 million per 1 January 2012, mainly resulting from discount rates at 1 January 2012 and actual return on plan assets was below the estimated return for 2011. The equity effect (after tax) of change of accounting policy IAS 19 Revised at 1 January 2012 is a loss of USD 17 million for the group.

	Funded		Unfunded	
Number of people covered by pension schemes at 31.12	2012	2011	2012	2011
In employment	619	616	114	129
On retirement (inclusive disability pensions)	453	447	746	737
Total number of people covered by pension schemes	**1 072**	**1 063**	**860**	**866**

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

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

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

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

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

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

Cont. note 8 | PENSION

Pension assets investments (in %)	2012	2011
Short term bonds	6.6%	10.7%
Bonds held to maturity	35.2%	34.5%
Money market	1.2%	1.4%
Equities	15.9%	14.0%
Other (property, credit bonds)	41.1%	39.4%
Total pension assets investments	**100.0%**	**100.0%**

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December. The recorded return on assets administered by Storebrand Kapitalforvaltning was 2.8% for 2012 (2011: 2.5%).

USD mill

Pension expenses		2012			2011	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost	9	1	10	8	2	10
Interest expenses on pension obligations	4	2	6	4	4	9
Anticipated return on pension fund	(5)		(5)	(5)	(2)	(7)
Amortisation of changes in estimates not recorded in the accounts	1	4	5	(1)	2	
Cost of defined contribution plan	11		11	13		13
Net pension expenses	**20**	**7**	**27**	**18**	**6**	**25**

Recorded pension obligations		2012			2011	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension obligations	127	84	211	132	73	205
Value of pension funds	111		111	99		99
Net pension obligations	(16)	(84)	(100)	(33)	(73)	(106)
Changes in the estimates not recorded in the accounts	(7)	11	4	8	6	14
Recorded pension obligations 31.12.	**(23)**	**(73)**	**(96)**	**(24)**	**(68)**	**(92)**

Amounts in the balance sheet	2012	2011
Assets (included in other non current assets)	5	4
Liabilities	(101)	(96)
Net asset/(liability)	**(96)**	**(92)**

Pension obligations	2012	2011
Opening balance 01.01	206	204
Effect of exchange rates	20	(5)
Accumulated pension entitlements	10	9
Interest expenses	6	7
Benefits paid from plan/group	(12)	(10)
Plan settlements		(6)
Changes in estimates not recorded in the accounts	(19)	6
Pension obligations 31.12	**211**	**206**

Gross pension assets	2012	2011
Opening balance 01.01	99	103
Effect of exchange rates	8	(1)
Expected return	5	5
Premium payments	6	3
Pension payments	(6)	(5)
Plan settlements		(5)
Changes in estimates not recorded in the accounts	(2)	(1)
Gross pension assets 31.12	**111**	**99**

Cont. note 8 | PENSION

Premium payments in 2013 are expected to be USD 7 million (2011: USD 5 million). Payments from operations are estimated at USD 6 million (2011: USD 5 million).

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

USD mill

Basis 3.85%	Change in assumptions	Impact of service cost	Impact pension obligation (PBO)
Discount rate	Increase by 0.5 %	(1)	(7)
Discount rate	Decrease by 0.5%	1	8

Historical developments	2012	2011	2010	2009	2008
Gross pension obligations, including payroll tax	(211)	(205)	(204)	(204)	(196)
Gross pension assets	111	99	103	99	103
Assets not recorded in the accounts	4	14	15	23	23
Net recorded pension obligations	**(96)**	**(92)**	**(87)**	**(83)**	**(71)**
Experience adjustments on plan liabilities	10	(4)	(4)	10	(17)
Experience adjustments on plan assets	(2)	1	2	(3)	12

Note 9 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2012	2011
OTHER NON CURRENT ASSETS *			
Available-for-sale financial assets	10	132	123
Non current share investments	15	2	2
Financial derivatives	15	28	10
Pension assets	8	5	4
Related party non current assets **	15/19	22	14
Other non current assets	15	13	15
Total other non current assets		**202**	**169**
OTHER CURRENT ASSETS *			
Accounts receivables	19	216	190
Financial derivatives	15	5	8
Restricted cash	13	10	5
Related party current assets	15/19	6	6
Other current assets	15	143	93
Total other current assets		**380**	**301**
OTHER NON CURRENT LIABILITIES *			
Financial derivatives	15	163	164
Related party non current liabilities	19		7
Other non current liabilities **		86	77
Total other non current liabilities		**248**	**248**
OTHER CURRENT LIABILITIES *			
Accounts payables	19	187	176
Next year's instalment on interest-bearing debt	14	147	323
Financial derivatives		6	16
Related party current liabilities	19	14	3
Other current liabilities		238	186
Total other current liabilities		**592**	**704**

* Current assets and current liabilities are due within 12 months. Non current assets and non current liabilities are due in more than 12 months.

** WMS group has 508 000 (2011: 480 000) cylinders booked as a other tangible asset in the balance sheet, see note 5. The cylinders are valued at USD 95 million (2011: USD 84 million). These cylinders are partly in the group's own possession and partly on board customers vessels. Most customers have paid a deposit for the cylinders they have onboard their vessels. The total deposit liability booked is USD 86 million (2011: USD 84 million). If cylinders are not returned within 48 months statistics show that the cylinders will not be returned and the net between deposit value and booked value is booked to the income statement.

Cont. note 9 | COMBINED ITEMS, BALANCE SHEET

ACCOUNTS RECEIVABLES

At 31 December 2012, USD 20 million (2011: USD 16 million) in trade receivables had fallen due but not been subject to impairment. These receivables related to a number of separate customers. Historically, the percentage of bad debts has been low and the group expects the customers to settle outstanding receivables. Receivables fallen due but not subject to impairment have the following age composition:

USD mill	2012	2011
Aging of trade receivables past due but not impaired		
Up to 90 days	12	10
90-180 days	8	6
Over 180 days		
Movements in group provision for impairment of trade receivables are as follows		
Balance at 01.01	6	5
Provision for receivables impairment	1	1
Balance 31.12	**7**	**6**
Accounts receivable per segment		
WMS group (shipowners and yards)	210	181
WWASA group (shipowners)	5	9
Holding & Investments		
Total accounts receivable	**216**	**190**

See note 15 on credit risk.

Note 10 | AVAILABLE-FOR-SALE ASSETS

USD mill	2012	2011
Available-for-sale financial assets		
At 01.01	123	5
Sale of available-for-sale financial assets	(22)	
Acquisition of shares in Qube Holdings Limited		131
Marked to market adjustment on available-for-sale financial assets	34	(7)
Currency translation adjustment	(3)	(6)
Total available-for-sale financial assets	**132**	**123**

Qube Holdings Limited is a company listed on the Australian Securities Exchange (ASX). See note 14 regarding finance and collateral.

Available-for-sale financial assets are denominated in Australian Dollar and Norwegian Krone.

Note 11 | INVENTORIES

USD mill	2012	2011
Inventories		
Raw materials	9	10
Goods/projects in process		(1)
Finished goods/products for onward sale	98	103
Luboil	5	2
Total inventories	**112**	**114**
Accrual obsolete inventory	3	4

Note 12 | CURRENT FINANCIAL INVESTMENTS

USD mill	2012	2011
Market value current financial investments		
Nordic equities	48	45
Bonds	166	143
Total current financial investments	**214**	**188**

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

The net unrealised gain/(loss) at 31.12	1	(12)

The equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility. See note 14.

Note 13 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2012	2011
Payroll tax withholding account	3	5
Other restricted bankaccount / deposits	7	

Wilhelmsen Maritime Services AS, Wilhelmsen Chemicals AS, Wilhelmsen Ships Service AS, Wilhelmsen Technical Solutions AS, Wilhelmsen Technical Solutions Norway AS and Wilhelmsen IT Services AS do not have a payroll tax withholding account, but bank guarantees for USD 4.3 million, (2011: USD 3.7 million).

Undrawn committed drawing rights	54	159
Including backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity		(61)
Undrawn committed loans	75	242

Note 14 | INTEREST-BEARING DEBT

USD mill	Note	2012	2011
Interest-bearing debt			
Mortgages		1 072	824
Leasing commitments		96	265
Bonds		352	384
Bank loan		473	417
Loans from joint ventures	19	14	10
Other interest-bearing debt			1
Total interest-bearing debt	15	**2 008**	**1 901**
Book value of collateral, mortgaged and leased assets:			
Vessels		1 755	1 471
Available-for-sale-financial assets, current financial investments		163	
Investment in associate and shareholder loan (NorSea Group Invest AS)		90	
Total book value of collateral, mortgaged and leased assets		**2 008**	**1 471**

Cont. note 14 | INTEREST-BEARING DEBT

USD mill	Note	2012	2011
Repayment schedule for interest-bearing debt			
Due in year 1		147	325
Due in year 2		325	88
Due in year 3		112	169
Due in year 4		713	83
Due in year 5 and later		710	1 237
Total interest-bearing debt	15	**2 008**	**1 901**

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of companies. The group was in compliance with these covenants at 31 December 2012 (analogous for 31 December 2011).

USD mill	2012	2011
The group net interest-bearing debt (joint ventures based on equity method)		
Non current interest-bearing debt	1 860	1 575
Current interest-bearing debt	147	326
Total interest-bearing debt	**2 008**	**1 901**
Cash and cash equivalents	576	529
Current financial investments	214	188
Net interest-bearing debt	**1 217**	**1 184**
Net interest-bearing debt in joint ventures		
Non current interest-bearing debt	564	580
Current interest-bearing debt	103	170
Total interest-bearing debt in joint ventures	**667**	**750**
Cash and cash equivalents	227	179
Net interest-bearing debt in joint ventures	**440**	**571**

- A key part of the liquidity reserve of the group takes the form of undrawn committed drawing rights, which amounted to USD 54 million at 31 December 2012 (2011: USD 159 million).

- The group's total leasing commitments, USD 96 million at 31 December 2012 (2011: USD 265 million) relates to a financial lease agreement for 6 (2011: 9) car carriers. The leasing agreement for 3 car carriers runs until 2014 with options for repurchase, which has been exercised in first quarter 2013. The leasing agreement for the remaining 3 car carriers runs until 2029 (1) and 2030 (2) when the ownership is transferred to the group. The charter for 3 car carriers has a fixed interest rate (fixed annual nominal charter rate), while the charter for a further 3 carriers has a floating interest rate (varying annual nominal charter rate).

- Leasing liabilities for the 3 (2011: 3) ships on fixed interest rates had a fair value of about USD 6 million (2011: 14 million) as against a carrying amount of USD 6 million at 31 December 2012 (2011: 14 million). The fair value is calculated on the basis of cash flows discounted by an average interest cost of 2.3%. All other non current liabilities have floating interest rates.

- 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.

- The bank debt which partly finances the investment in NorSea Group Invest AS utilizes financial assets available-for-sale as collateral. The equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility."

Guarantee commitments	2012	2011
Guarantees for group companies	1 206	1 013
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	1 242	1 162
NOK	676	652
GBP	90	87
Total	**2 008**	**1 901**
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	1 718	1 750

See otherwise note 15 for information on financial derivatives (interest rate and currency hedges) relating to interest-bearing debt.

Note 15 | 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

Hedging strategies have been established in order to mitigate risks originating from movements in currencies and interest rates. This is compliant with the financial strategy approved by the board of directors. Changes in the market value of financial derivatives are recognised through the income statement (Fair Value Accounting), except for interest rate swaps in WMS group, where changes in the market value are allocated to other comprehensive income according to IAS 39 (Hedge Accounting).

Joint venture and associate 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 derivatives in these companies are included in the line "share of profit 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, mostly USD (transaction risk) and balance sheet items denominated in currencies other than non functional currencies, mostly USD (translation risk). The group's by far largest individual foreign exchange exposure is NOK against USD. However, the group is also exposed to a number of other currencies, including material exposures in EUR, SGD, SEK, KRW, GBP and JPY.

HEDGING OF TRANSACTION RISK (CASH FLOW)

The group's operating segments are responsible for hedging their own material transaction risk. Within the WWASA group segment, approximately 37% at the end of 2012 (2011:39%) of the USD/NOK exposure is hedged using a four year rolling portfolio of currency forwards and currency options. Exposures in remaining segments and in other currencies are hedged on an ad hoc basis.

The group realised a gain of USD 9.0 million (2011: USD 13.1 million) on currency derivatives in 2012. The market value of outstanding FX hedges by end of December 2012 positive USD 20.5 million (2011: negative USD 1.0 million).

HEDGING OF TRANSLATION RISK (ACCOUNTING)

The group's policy for mitigating translation risk is to match the denomination currency of assets and liabilities to as a large extent as possible. Residual and material translation risk is hedged using cross currency swaps.

NOK 1 billion of the group's net NOK debt and all of the group's net GBP debt has been hedged against USD with cross currency swaps. The group had an unrealised gain of USD 12.3 million on these derivatives in 2012 (compared to an unrealised loss of USD 4.8 million in 2011), ending in 2012 with a USD 21.8 million positive fair value of outstanding cross currency swaps in the company (2011: USD 9.5 million).

FX SENSITIVITIES

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

USD mill					
Sensitivity	(20%)	(10%)	0%	10%	20%
Translation risk					
USD/NOK	4.64	5.06	5.56	6.18	6.95
Income statement effect (post tax)	**(57)**	**(28)**	**0**	**28**	**57**
EUR/USD	1.06	1.19	1.32	1.45	1.58
Income statement effect (post tax)	**(4)**	**(2)**	**0**	**2**	**4**
USD/SEK	5.42	5.91	6.50	7.22	8.12
Income statement effect (post tax)	**14**	**7**	**0**	**(7)**	**(14)**

(Tax rate used is 28% which equals the Norwegian tax rate)

Through Income statement	Note	2012	2011
Financial currency			
Net currency gain/(loss) - Operating currency		(19)	16
Net currency gain/(loss) - Financial currency		(21)	(8)
Currency derivatives - realised		6	6
Currency derivatives - unrealised		11	(7)
Cross currency derivatives - realised		3	7
Cross currency derivatives - unrealised		17	(8)
Net financial currency	1	**(3)**	**6**
Through other comprehensive income			
Currency translation differences		17	(19)
Total net currency effect		**14**	**(13)**

Cont. note 15 | FINANCIAL RISK

The translation risk of material balances items (other currencies than the entities functional currency) is related to WWASA group, since the segment is dominated in USD. The translation currencies for this segment is booked through Income statement and included in "Net financial currency".

For WMS group and Holding & Investments, the material translation risk for these segments are booked to other comprehensive income due to the functional currency for most of the entities is different from the reporting currency USD.

The group's segments perform sensitivity analyses with respect to the unhegded part of the transaction risk on a regular basis.

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

USD mill					
Sensitivity	(20%)	(10%)	0%	10%	20%
Income statement sensitivities of economic hedge program					
Transaction risk					
USD/NOK spot rate	4.64	5.06	5.56	6.18	6.95
Income statement effect (post tax)	**54**	**27**	**0**	**(1)**	**(10)**

(Tax rate used is 28% that equals the Norwegian tax rate)

Interest rate risk
The group's strategy is to hedge a significant part of the interest-bearing debt against rising interest rates. As the capital intensity varies across the group's business segments and subsidiaries, which have their own policies on hedging of interest rate risk, targeted and actual hedge ratios vary.

Overall, interest rate derivatives held by the group corresponded to about 51% (2011: 60%) of its interest-bearing debt exposure at 31 December 2012.

At 31 December 2012, the overall portfolio of interest rate hedging derivatives had a negative value of USD 156 million (2011: negative USD 162 million).

USD mill **Maturity schedule interest rate hedges** (nominal amounts)	2012	2011
Due in year 1		225
Due in year 2	60	
Due in year 3	40	60
Due in year 4	260	199
Due in year 5 and later *	600	710
Total interest rate hedges	**960**	**1 194**
*of which forward starting	150	60

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

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

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

Cont. note 15 | FINANCIAL RISK

Interest rate sensitivity
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 (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 interest rates – in combination with financial derivatives on interest rates (plain vanilla interest rate swaps and swaptions) – will be exposed to changes in the level and curvature of interest rates. The group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates. This methodology differs from the accounting principles, as only the changes in the market value of interest rate derivatives are recognised over the income statement (as "unrealised gain or loss on interest rate instruments"), whereas outstanding debt is booked at the respective outstanding notional value.

USD mill

Fair value sensitivities of interest rate risk

Change in interest rates' level	(2%)	(1%)	0%	1%	2%
Estimated change in fair value (post tax)	**(57)**	**(28)**	**0**	**28**	**57**

All financial derivatives are booked against the income statement in accordance with the fair value accounting principle, except for interest rate hedge in WMS group on USD 1.9 million (2011: 0.9 million). Other comprehensive income sensitivities will thus equal sensitivities in the income statement.

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

USD mill	2012		2011	
	Assets	Liabilites	Assets	Liabilites
Interest rate derivatives				
WWASA group		153		161
WMS group (hedge accounting)		3		1
Holding & Investments				
Total interest rate derivatives	**0**	**156**	**0**	**162**
Currency derivatives				
WWASA group	11	3	6	5
WMS group	1			
Holding & Investments				
Total currency derivatives	**12**	**3**	**6**	**5**
Cross currency derivatives				
WWASA group	22	10	10	12
WMS group				
Holding & Investments				
Total cross currency derivatives	**22**	**10**	**10**	**12**
Total market value of financial derivatives	**34**	**169**	**16**	**180**

Book value equals market value

Cont. note 15 | FINANCIAL RISK

Investment portfolio risk
The group actively manages a defined portfolio of liquid financial assets for a proportion of the group's liquidity. In the WWASA group, the board of directors determines a strategic asset allocation by setting weights for main asset classes, bonds, money market instruments and cash. In WWH, the strategic asset allocation consists of bonds and equities and management are given certain intervals for each asset class, between which the asset allocation is allowed to fluctuate.

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

Income statement sensitivities of investment portfolio's equity risk, including hedging derivatives (post tax)

USD mill

Change in equity prices					
Change in portfolio market value	(20%)	(10%)	0%	10%	20%
Income statement effect (post tax)	**(6)**	**(3)**	**0**	**3**	**5**

(Tax rate used is 28% which equals the Norwegian tax rate)

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

USD mill

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

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

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

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

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

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

CREDIT RISK
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial derivative 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 exposure to credit risk on its receivables varies across segments and subsidiaries.

The credit risk in the WWASA group segment is determined by the mix and characteristics of each individual customer of the segment specific joint ventures.

However, the WWASA group segment has historically been considered to have low credit risk as the business is long term in nature and primarily with large and solid customers. In addition, cargo can be held back.

Within the WMS group segment, the global customer base provides a certain level of diversification with respect to credit risk on receivables. The segment's credit risk is monitored and managed on a regular basis. Reference is made to note 9.

However, in the aftermath of the financial crisis of the past two years, some customers are currently facing increased financial difficulties relative to previous years, implying that the group's credit risk has increased somewhat, but is still regarded as moderate.

CASH AND BANK DEPOSITS
The group's exposure to credit risk on cash and bank deposits is considered to be very limited as the group maintain banking relationships with a selection of well known and financially solid banks (as determined by their official credit ratings) 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 counterparties are financially solid and well known to the group.

LOANS TO JOINT VENTURES
The group's exposure to credit risk on loans to joint ventures is limited as the group - together with is respective joint venture partners - control the entities to which loans have been provided.

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

Cont. note 15 | FINANCIAL RISK

Guarantees
The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within the WWASA group segment and the WMS group segment. See note 14 for further details.

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

USD mill	Note	2012	2011
Exposure to credit risk			
Financial derivatives	9	34	17
Accounts receivables	9	216	190
Current financial investments	12	166	143
Other non current assets	9	37	32
Other current assets	9	149	99
Cash and bank deposits		576	529
Total exposure to credit risk		**1 178**	**1 010**

LIQUIDITY RISK

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

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

At 31 December 2012, the group had in excess of USD 790 million (2011: USD 717 million) in liquid assets which can be realised over a three day period in addition to USD 54 million (2011: USD 150 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 2012				
Mortgages	119	116	320	655
Leasing commitments	14	8	17	128
Bonds	18	111	257	41
Bank loan	42	94	317	
Financial derivatives	19	18	34	39
Total undiscounted cash flow financial liabilities	**212**	**346**	**944**	**862**
Current liabilities (excluding next year's instalment on interest-bearing debt)	471			
Total gross undiscounted cash flows financial liabilities 31.12.2012	**683**	**346**	**944**	**862**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Undiscounted cash flows financial liabilities 2011				
Mortgages	175	82	332	346
Leasing commitments	19	19	35	224
Bonds	83	17	345	38
Bank loan	110	25	321	
Financial derivatives	40	27	54	26
Other interest-bearing debt	1			
Total undiscounted cash flow financial liabilities	**428**	**170**	**1 087**	**635**
Current liabilities (excluding next year's instalment on interest-bearing debt)	416			
Total gross undiscounted cash flows financial liabilities 31.12.2011	**844**	**170**	**1 087**	**635**

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

Cont. note 15 | FINANCIAL RISK

COVENANTS
The group's bank and lease financing as well as the outstanding bonds is subject to financial or non financial covenant clauses related to one or several of the following:

- Limitation on the ability to pledge assets
- Change of control
- Minimum liquidity
- Current assets/current liabilities
- Net interest-bearing debt/ EBITDA
- Leverage (market value adjusted assets/total liabilities)
- Loan-to-Value (ship values) and
- Value-adjusted equity ratio.

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

CAPITAL RISK MANAGEMENT
The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future business development. The board of directors monitors return on capital employed, which the group defines as operating profit divided by capital employed (shareholders equity and interest-bearing debt). The long term objective is a ROCE > 10%, where annual targets are set to meet the long term objectives. The board of directors also monitors the level of dividends to shareholders.

The group seeks to maintain a balance between the higher returns that might be possible with higher levels of financial gearing and the advantages of a strong balance sheet. The groups target is to achieve a return on capital employed over time that exceeds the risk adjusted long term weighted average cost of capital. In 2012 the return on capital employed was 15% (2011:10%).

USD mill	2012	2011
Average equity	1 876	1 605
Average interest-bearing debt	2 018	1 844
Profit after tax	445	231
Net profit before tax *	474	231
Interest expenses and realised interest derivatives	117	115
Return on equity	24 %	14 %
Return on capital employed	15 %	10 %

* Profit for before taxes plus interest expenses and realised interest derivatives, in percent of average equity and interest-bearing debt.

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 derivatives include:

- Quoted market prices or dealer quotes for similar derivatives

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value

- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

The carrying value less impairment provision of 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 derivatives.

USD mill	Note	Fair value	Book value
Interest-bearing debt			
Mortgages		1 055	1 072
Leasing commitments		96	96
Bonds		353	352
Bank loan		473	473
Loans from joint ventures		14	14
Total interest-bearing debt 31.12.2012	14	**1 991**	**2 008**
Mortgages		790	824
Leasing commitments		266	265
Bonds		375	384
Bank loan		417	417
Loans from joint ventures		10	10
Other interest-bearing debt		1	1
Total interest-bearing debt 31.12.2011	14	**1 859**	**1 900**

Cont. note 15 | FINANCIAL RISK

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Nordic equities	48			48
Bonds	165			165
Financial derivatives		33		33
Available-for-sale financial assets	132			132
Total financial assets 31.12.2012	**346**	**33**	**0**	**379**
Financial liabilities at fair value				
Financial derivatives		169		169
Total financial liabilities 31.12.2012	**0**	**169**	**0**	**169**
Financial assets at fair value				
Nordic equities	45			45
Bonds	140		3	143
Financial derivatives		16		16
Available-for-sale financial assets	123			123
Total financial assets 31.12.2011	**308**	**16**	**3**	**326**
Financial liabilities at fair value				
Financial derivatives		180		180
Total financial liabilities 31.12.2011	**0**	**180**	**0**	**180**

The following table presents the changes in level 3 derivatives for the year ended 31 December 2012. The movements during 2012 were only caused by reduction of positions in illiquid bonds.

USD mill	2012	2011
Changes in level 3 instruments		
Opening balance 01.01	3	4
Disposals	(2)	(1)
Gains and losses recognised through income statement	(1)	
Closing balance 31.12	**0**	**3**

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

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of 2012 are liquid investment grade bonds (analogous for 2011).

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

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

Cont. note 15 | FINANCIAL RISK

Financial instruments by category

USD mill	Note	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets						
Other non current assets	9	22	31	132	18	202
Current financial investments	12		214			214
Other current assets	9	365	5		10	380
Cash and cash equivalent		576				576
Assets at 31.12.2012		**962**	**250**	**132**	**28**	**1 372**

Liabilities	Note	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Non current interest-bearing debt	14		1 860	1 860
Other non current liabilities	9	163	86	248
Other current liabilities	9	6	586	592
Liabilities 31.12.2012		**169**	**2 532**	**2 701**

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Other non current assets	9	14	13	123	20	169
Current financial investments	12		188			188
Other current assets	9	289	7		5	301
Cash and cash equivalent		529				529
Assets at 31.12.2011		**833**	**207**	**123**	**25**	**1 187**

Liabilities	Note	Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Non current interest-bearing debt	14		1 575	1 575
Other non current liabilities	9	164	84	248
Other current liabilities	9	16	688	704
Liabilities 31.12.2011		**180**	**2 347**	**2 526**

Note 16 | SEGMENT REPORTING

SEGMENTS

The chief operating decision-maker monitores the business by combining operatings having similar operational characteristics such as product services, market and underlying asset base, into operating segments. The WWASA group 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 WWASA group segment are joint ventures and hence the proportionate method gives the chief operating decision-maker a higher level of information and a fuller picture of the group's operations.

For the WMS group segment and Holding & Investment segment the financial reporting will be the same for both equity and proportionate methods.

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

USD mill	WWASA group		WMS group		Holding and Investments		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
INCOME STATEMENT										
Operating revenue	2 758	2 375	933	943	19	20	(23)	(25)	3 687	3 313
Share of profit from associates	57	47	10	10	4	4			71	61
Gain on disposals of assets	134		4	5		70			138	76
Total income	**2 949**	**2 422**	**947**	**958**	**23**	**95**	**(23)**	**(25)**	**3 896**	**3 450**
Voyage expenses	(1 130)	(1 043)							(1 130)	(1 043)
Vessel expenses	(84)	(86)							(84)	(86)
Charter expenses	(375)	(288)							(375)	(288)
Inventory cost			(389)	(409)	(2)	(2)			(391)	(411)
Employee benefits	(203)	(187)	(298)	(303)	(16)	(15)	2	2	(516)	(504)
Other expenses	(460)	(382)	(166)	(160)	(18)	(20)	22	23	(622)	(538)
Depreciation and impairments	(150)	(144)	(26)	(29)	(1)	(1)			(176)	(174)
Total operating expenses	**(2 402)**	**(2 130)**	**(879)**	**(901)**	**(37)**	**(37)**	**23**	**25**	**(3 295)**	**(3 043)**
Operating profit	**547**	**292**	**68**	**57**	**(14)**	**58**	**0**	**0**	**601**	**407**
Net financial items	9	10	7	10	16		(4)		28	21
Net financial interest expenses	(111)	(159)	(17)	(22)	(6)	(6)	4		(130)	(187)
Net financial currency	2	2	(5)	5		(1)			(2)	6
Financial income/(expenses)	**(100)**	**(147)**	**(15)**	**(7)**	**10**	**(6)**	**0**	**0**	**(105)**	**(160)**
Profit before tax	**448**	**145**	**52**	**50**	**(4)**	**51**	**0**	**0**	**496**	**247**
Tax income/(expense)	(37)	(1)	(17)	(20)	4	7			(50)	(15)
Profit for the year before minorities	**410**	**144**	**36**	**30**	**0**	**59**	**0**	**0**	**446**	**232**
Minority interests	113	40	4	4					117	44
Profit for the year after minorities	**298**	**104**	**31**	**26**	**0**	**59**	**0**	**0**	**329**	**188**

Cont. note 16 | SEGMENT REPORTING

Reconciliations between the operational segments and the group's income statement	Note	2012	2011
Total segment income	16	3 896	3 450
Share of total income from joint ventures	2	(2 362)	(2 066)
Share of profit from joint ventures	2	172	135
Total income		**1 706**	**1 519**
Share of profit from associates	2/3	(244)	(196)
Gain on sale of assets	1	(138)	(76)
Operating revenue	1	**1 325**	**1 247**
Total profit for the year	16	329	188
Profit for the year (Income statement)		**329**	**188**

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	WWASA group		WMS group		Holding & Investments	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
BALANCE SHEET						
Tangible and intangible assets	1 874	1 736	523	481	4	7
Investments in joint ventures and associates	976	836	20	23	77	
Non current receivables/investments	49	38	27	62	149	126
Current assets	511	438	694	614	123	107
Total assets	**3 411**	**3 048**	**1 264**	**1 180**	**353**	**241**
Equity	1 553	1 207	381	353	146	112
Non current liabilities	1 697	1 540	450	453	138	14
Current liabilities	161	301	433	374	70	114
Total equity and liabilities	**3 411**	**3 048**	**1 264**	**1 180**	**353**	**241**
Investments in tangible assets	221	402	24	28		4

	Eliminations		Total	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
BALANCE SHEET				
Tangible and intangible assets			2 401	2 225
Investments in joint ventures and associates			1 074	859
Non current receivables/investments		(25)	225	202
Current assets	(46)	(26)	1 282	1 132
Total assets	**(46)**	**(51)**	**4 982**	**4 418**
Equity			2 079	1 673
Non current liabilities		(25)	2 284	1 983
Current liabilities	(46)	(26)	619	763
Total equity and liabilities	**(46)**	**(51)**	**4 982**	**4 418**
Investments in tangible assets			245	435

Cont. note 16 | SEGMENT REPORTING

GEOGRAPHICAL AREAS

	Europe		Americas		Asia & Africa		Oceania		Other		Total	
USD mill	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total income	589	524	138	138	550	512	35	37	394	308	1 706	1 519
Total assets	1 864	1 553	81	74	521	503	34	30	2 481	2 259	4 982	4 419
Investment in tangible assets	7	12	4	2	12	15	2	3	221	401	245	434

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

Russia is defined as Europe.

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

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

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

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	WWASA group		WMS group		Holding & Investments	
	2012	2011	2012	2011	2012	2011
INCOME STATEMENT						
Income other operating segments			6	7	16	17
Income external customers	395	309	927	936	3	3
Share of profit from joint ventures and associates *	230	182	10	10	4	4
Gain on sales of assets	134		4	5		70
Total income	**759**	**491**	**947**	**958**	**23**	**95**
Primary operating profit	**591**	**330**	**93**	**87**	**(13)**	**59**
Depreciation and impairment	(83)	(76)	(26)	(29)	(1)	(1)
Operating profit	**508**	**254**	**68**	**57**	**(14)**	**58**
Financial income/(expense)	(82)	(125)	(15)	(7)	10	(6)
Profit/(loss) before tax	**426**	**129**	**52**	**50**	**(4)**	**51**
Tax income/(expense)	(17)	14	(17)	(20)	4	7
Profit for the year before minorities	**409**	**143**	**36**	**30**	**0**	**59**
Minorities	112	39	4	4		
Profit for the year after minorities	**298**	**104**	**31**	**26**	**0**	**59**

Cont. note 16 | SEGMENT REPORTING

USD mill	Eliminations 2012	Eliminations 2011	Total 2012	Total 2011
INCOME STATEMENT				
Income other operating segments	(23)	(25)		
Income external customers			1 325	1 247
Share of profit from joint ventures and associates *			244	196
Gain on sales of assets			138	76
Total income	**(23)**	**(25)**	**1 706**	**1 519**
Primary operating profit			**672**	**475**
Depreciation and impairment			(110)	(106)
Operating profit	**0**	**0**	**562**	**369**
Financial income/(expense)			(87)	(138)
Profit/(loss) before tax	**0**	**0**	**474**	**231**
Tax income/(expense)			(29)	0
Profit for the year before minorities	**0**	**0**	**445**	**231**
Minorities			116	43
Profit for the year after minorities	**0**	**0**	**329**	**188**

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

Note 17 | OPERATING LEASE COMMITMENTS

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

In addition the group has:
Sale/leaseback agreement for the office building, Strandveien 20 for 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

Liferafts, as a part of the WMS group products and services, are on operating lease for 5 years. The first lease agreement was established in 2008.

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

USD mill	2012	2011
Due in year 1	45	39
Due in year 2	39	36
Due in year 3	37	35
Due in year 4	35	34
Due in year 5 and later	174	202
Value of operating lease commitments	**329**	**347**

In connection to the daily operation the group has additional lease agreements for office rental and office equipment.
During 2012, 3 new vessels were delivered. WWASA has no further new vessels due for delivery.

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

USD mill	2012	2011
Due in year 1		200
Due in year 2		
Value of newbuilding commitments	**0**	**200**

Note 18 | BUSINESS COMBINATIONS

There were no material acquisitions in the group in 2012 or 2011.

In 2011 the group acquired Nalfleet, see note 5.

In 2012 the group acquired NorSea Group Invest AS, see note 3.

Note 19 | RELATED PARTY TRANSACTIONS

The ultimate owner of the group Wilh.Wilhelmsen Holding ASA is Tallyman AS, which control 60% of voting shares of the group. Mr Wilhelm Wilhelmsen controls Tallyman AS.

Remuneration to Mr Wilhelm Wilhelmsen for 2012 totalled USD 397 thousand (2011: USD 372 thousand) whereof USD 90 thousand (2011: USD 62 thousand) was consulting fee, USD 9 thousand (2011: USD 9 thousand) in nomination committee fee for Wilh. Wilhelmsen Holding ASA (WWH) and Wilh. Wilhelmsen ASA (WWASA) and USD 298 thousand (2011: USD 301 thousand) in pension and 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 agreements and transactions with related parties - joint ventures in the segments WWASA group, WMS group and Holding & Investments in 2012 and 2011. All transactions are entered into in the market terms. The services are:

- Ship management including crewing, technical and management service
- Agency services
- Freight and liner services
- Marine products
- Shared services

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.

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

Material related parties in the group are:	Business office, country	Ownership
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%
ASL group *	New Jersey, USA	50%
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.5%
NorSea Group Invest AS	Stavanger, Norway	35.4%

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

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

EUKOR Car Carriers Inc is also chartering vessel from WWASA group. 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.

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

Cont. note 19 | RELATED PARTY TRANSACTIONS

USD mill	2012	2011
OPERATING REVENUE FROM RELATED PARTY		
Sale of goods and services to joint ventures and associates from:		
WWASA group	393.6	308.6
WMS group	13.4	3.4
Holding & Investments	2.5	2.5
Operating revenue from related party	**409.5**	**314.5**
OPERATING EXPENSES FROM RELATED PARTY		
Purchase of goods and services from joint ventures and associates to:		
WMS group	0.3	
FINANCIAL INCOME FROM RELATED PARTY		
Interest received:		
WWASA group		1.1
ACCOUNTS RECEIVABLE FROM RELATED PARTY		
WWASA group		7.8
WMS group	4.7	
Holding & Investments	0.1	0.2
Account receivables related party	**4.8**	**8.0**
ACCOUNTS PAYABLES TO RELATED PARTY		
WWASA group		1.8
Holding & Investments		1.2
Account payables related party	**0.0**	**3.0**
NON CURRENT ASSETS TO RELATED PARTY		
WWASA group	8.4	14.0
Holding & Investments	13.2	
Non current assets to related party	**21.6**	**14.0**
CURRENT ASSETS TO RELATED PARTY		
WWASA group *	5.6	5.6
NON CURRENT LIABILITIES TO RELATED PARTY		
WWASA group *		7.0
CURRENT LIABILITIES TO RELATED PARTY		
WWASA group *	14.0	2.8

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

Note 20 | CONTINGENCIES

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

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

Note 21 | EVENTS AFTER THE BALANCE SHEET DATE

The group company Wilhelmsen Ships Service Inc. has after last balance date received a revised claim for import duties from US Customs in an ongoing dispute that refers to the period 1994 to 1999. The revised claim put forward by US customs consists of loss of USD 10 million including loss of duty, interests and penalties. As of 31 December 2012 a provision of USD 2 million including USD 1 million accumulated interest on underpayment since the period of the dispute.

Wilhelmsen Ships Service Inc. will pursue and oppose the claim.

No additional 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 HOLDING ASA

NOK thousand	Note	2012	2011
Operating income	1	**25 656**	**25 273**
Operating expenses			
Employee benefits	2	(75 218)	(64 384)
Operating expenses	1	(33 455)	(54 060)
Depreciation	3/5	(1 847)	(1 254)
Total operating expenses		**(110 521)**	**(119 698)**
Operating profit		**(84 865)**	**(94 425)**
Financial income/(expenses)			
Net financial income	1/6	589 126	711 831
Net financial expenses	1	(45 606)	(43 417)
Financial income/(expenses)		**543 521**	**668 414**
Profit before tax		**458 656**	**573 988**
Tax income/(expense)	4	27 252	(16 888)
Profit for the year		**485 908**	**557 100**
Transfers and allocations			
To equity	10	323 526	396 402
Fund for unrealised gains	10	(31)	(1 715)
Dividends	10	162 413	162 413
Total transfers and allocations		**485 908**	**557 100**

Comprehensive income | WILH. WILHELMSEN HOLDING ASA

NOK thousand	2012	2011
Profit for the year	485 908	557 100
Total comprehensive income	**485 908**	**557 100**
Attributable to		
Owners of the parent	485 908	557 100
Total comprehensive income for the year	**485 908**	**557 100**

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Balance sheet | WILH. WILHELMSEN HOLDING ASA

NOK thousand	Note	31.12.2012	31.12.2011
ASSETS			
Non current assets			
Deferred tax asset	4	37 930	9 672
Intangible assets	3		11
Tangible assets	3	13 498	13 796
Investments in subsidiaries	5	3 928 026	3 877 986
Other non current assets	7	6 652	7 721
Total non current assets		**3 986 106**	**3 909 187**
Current assets			
Current financial investments	8/9	467 456	465 900
Other current assets	7/9	27 735	16 035
Cash and cash equivalents		164 594	129 829
Total current assets		**659 786**	**611 765**
Total assets		**4 645 892**	**4 520 951**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	10	930 076	930 076
Own shares		(2 000)	(2 000)
Premium fund	10	1 272 571	1 272 571
Fund for unrealised gains	10		31
Retained earnings	10	1 622 974	1 506 445
Total equity		**3 823 622**	**3 707 124**
Non current liabilities			
Pension liabilities	11	85 609	79 891
Non current interest-bearing debt	12	400 000	
Other non current liabilities	7	41 666	43 479
Total non current liabilities		**527 275**	**123 370**
Current liabilities			
Public duties payable		6 708	6 427
Other current liabilities	7/12	288 286	684 031
Total current liabilities		**294 995**	**690 457**
Total equity and liabilities		**4 645 892**	**4 520 951**

Lysaker, 18 March 2013

Diderik Schnitler Chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Cash flow statement | WILH. WILHELMSEN HOLDING ASA

NOK thousand	Note	2012	2011
Cash flow from operating activities			
Profit before tax		458 656	573 989
Financial (income)/expenses		(542 520)	(246 979)
Depreciation	3	1 848	1 035
Gain on sale of subsidiaries	5		(7)
Gain on sale of associate	6		(399 119)
Change in net pension liability		5 718	(2 414)
Change in other current assets		5 706	2 075
Change in working capital		(14 682)	3 620
Tax paid (company income tax, withholding tax)	4	(1 005)	(20 884)
Net cash provided by operating activities		**(86 279)**	**(88 685)**
Cash flow from investing activities			
Investments in fixed assets	2	(1 539)	(4 924)
Investments in subsidaries		(50 040)	(25 120)
Proceeds from sale of subsidiary			481
Loan repayments received from subsidiaries		1 069	19 961
Loans granted to subsidiaries			(16 500)
Proceeds from sale of financial investments		122 984	338 910
Investments in financial investments		(96 175)	(359 761)
Dividend received	1	8 721	11 334
Interest received	1	1 781	4 488
Net cash flow from investing activities		**(13 198)**	**(31 132)**
Cash flow from financing activities			
Proceeds from issue of debt		500 000	
Repayment of debt		(500 000)	
Interest paid		(16 488)	(29 956)
Group contribution/dividends from subsidaries	1/4	520 141	310 000
Purchase of own shares	10		(12 677)
Dividend to shareholders	10	(369 410)	(255 571)
Loan granted to other			33 453
Net cash flow from financing activities		**134 242**	**45 249**
Net increase in cash and cash equivalents		34 765	(74 569)
Cash and cash equivalents, at the beginning of the period		129 829	204 398
Cash and cash equivalents at 31.12		**164 594**	**129 829**

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

Notes 1 to 17 on the next pages are an integral part of these financial statements.

Note 1 | COMBINED ITEMS, INCOME STATEMENT

NOK thousand	Note	2012	2011
OPERATING INCOME			
Other income		31	6
Income from group companies	15	25 625	25 267
Total operating income		**25 656**	**25 273**
OTHER OPERATING EXPENSES			
Expenses from group companies	15	(15 447)	(14 524)
Communication and IT expenses		(1 724)	(1 857)
External services	2	(5 935)	(20 179)
Travel and meeting expenses		(2 354)	(3 189)
Marketing expenses		(3 305)	(6 176)
Other administration expenses		(4 691)	(8 135)
Total other operating expenses		**(33 455)**	**(54 060)**
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Investment management		68 725	(392)
Interest income	15	1 772	3 698
Dividend/group contribution from subsidiaries	15	520 141	310 000
Dividend from assosicates			824
Other financial items	6	(1 511)	397 700
Net financial income		**589 126**	**711 831**
Financial expenses			
Interest expenses	15	(30 558)	(32 412)
Net currency gain/(loss)		(15 048)	(11 005)
Net financial expenses		**(45 606)**	**(43 417)**
Net financial income/(expenses)		**543 521**	**668 414**

Note 2 | EMPLOYEE BENEFITS

NOK thousand	2012	2011
Pay	47 780	43 723
Payroll tax	8 614	7 737
Pension cost	12 628	5 294
Other remuneration	6 197	7 630
Total employee benefits	**75 218**	**64 384**
Average number of employees	44	45

Cont. note 2 | EMPLOYEE BENEFITS

REMUNERATION OF SENIOR EXECUTIVES

NOK thousand	Pay	Bonus	Pension premium	* Other remuneration	Total
2012					
Group CEO	3 856	1 612	860	1 004	7 332
Group CFO	3 132	985	1 465	1 548	7 129
2011					
Group CEO	3 381	875	594	798	5 649
Group CFO	2 974	503	1 256	1 598	6 331

* Mainly related to gross up pension expenses and company car.

Board of directors
Remuneration of the five directors totalled NOK 1 700 for 2012 (2011: NOK 1 460 four directors). The board's remuneration for the fiscal year 2012 will be approved by the general assembly 25 April 2013.

In addition the chair had remuneration as a board member in WWASA with NOK 250 (2011: NOK 250). The chair also has an consulting agreement with the WWASA group, where he got paid NOK 250 in 2012 (2011: NOK 200).

Remuneration of the nomination committee totalled NOK 55 for 2012 (2011: NOK 55).

Senior executives
Thomas Wilhelmsen - group CEO
Nils Petter Dyvik - group CFO

The group CEO - agreed retirement age is 62, provided not agreed to be postponed. The pension should basically be 66% of end salary at age 67.

The group CEO has a severance pay guarantee under which he has the right to receive up to 100% of his annual salary for 24 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 six months notice period.

Loans and guarantees	Employees	Board	Chair	Group CEO	Related party
Total loans	33				

Employees are charged with a nominal interest average rate which for 2012 was average of 2.42%. No security has been provided for the loans.

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN HOLDING ASA AT 31 DECEMBER 2012

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
Board of directors					
Diderik Schnitler (chair)	2 000	25 000	27 000	0.06 %	0.01 %
Bettina Banoun	2 100		2 100	0.00 %	0.01 %
Helen Juell	20 188		20 188	0.04 %	0.06 %
Odd Rune Austgulen	136	40 000	40 136	0.09 %	0.00 %
Carl E. Steen	8 000		8 000	0.02 %	0.02 %
Senior executives					
Thomas Wilhelmsen - group CEO	22 100	750	22 850	0.05 %	0.06 %
Nils Petter Dyvik - group CFO	4 492	5 000	9 492	0.02 %	0.01 %
Nomination committee					
Wilhelm Wilhelmsen	20 882 114	2 302 444	23 184 558	49.86 %	60.29 %
Gunnar Fredrik Selvaag				0.00 %	0.00 %
Jan Gunnar Hartvig				0.00 %	0.00 %

Cont. note 2 | EMPLOYEE BENEFITS

OPTION PROGRAMME FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

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

The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at management level in the company, and in its associated subsidiaries.

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

The board of directors for WWH and the board of directors for Wilh. Wilhelmsen ASA (WWASA) was authorised to decide the beneficiaries under the programme. The two boards initially allocated annually 16 500 share equivalents in WWH (A shares) and annually 130 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2012 is average share price over the two weeks after the release of the results for the fourth quarter 2011 was NOK 149.50 (WWH A shares) and NOK 38.20 (WWASA shares), respectively.

Granted share equivalents annually given:	2012		2011	
	Share equivalent in WWI shares	Share equivalent in WW ASA shares	Share equivalent in WWI shares	Share equivalent in WW ASA shares
Thomas Wilhelmsen - group CEO	6 500	30 000	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000	4 500	20 000

Per 31 December the options were in the money for 2012 and the company has booked a provision of NOK 1.2 million.

EXPENSED AUDIT FEE (excluding VAT)

	2012	2011
Statutory audit	422	441
Other assurance services		296
Other assistance		22
Total expensed audit fee	**422**	**758**

Note 3 | TANGIBLE AND INTANGIBLE ASSETS

NOK thousand	Intangible assets	Buildings	Other tangible assets
2012			
Cost price 01.01	43	6 663	8 637
Additions			1 539
Cost price 31.12	**43**	**6 663**	**10 176**
Accumulated ordinary depreciation 01.01	(32)	(489)	(1 016)
Depreciation/amortisation	(11)	(267)	(1 570)
Accumulated ordinary depreciation 31.12	**(43)**	**(755)**	**(2 586)**
Carrying amounts 31.12	**(0)**	**5 908**	**7 590**
2011			
Cost price 01.01	43	6 663	3 713
Additions			4 924
Cost price 31.12	**43**	**6 663**	**8 637**
Accumulated ordinary depreciation 01.01	(11)	(222)	(50)
Depreciation/amortisation	(21)	(267)	(966)
Accumulated ordinary depreciation 31.12	**(32)**	**(489)**	**(1 016)**
Carrying amounts 31.12	**11**	**6 175**	**7 621**
Economic lifetime	Up to 3 years	Up to 25 years	3-10 years
Amortisation/depreciation schedule	Straight-line	Straight-line	Straight-line

Note 4 | TAX

NOK thousand	2012	2011
Allocation of tax income/(expenses)		
Payable tax/withholding tax	(1 005)	(18 221)
Change in deferred tax	28 257	1 332
Total tax income/(expense)	**27 252**	**(16 888)**
Basis for tax computation		
Profit before tax	458 656	573 988
28% tax	(128 424)	(160 717)
Tax effect from		
Permanent differences	(477)	(1 166)
Withholding tax	(1 005)	(1 250)
Non taxable income and loss	153 321	163 216
Tax credit allowance	3 837	(16 971)
Current year calculated tax	**27 252**	**(16 888)**
Effective tax rate	5.9%	(2.9)%
Deferred tax asset		
Tax effect of temporary differences		
Fixtures	(152)	20
Current assets and liabilities	(2 761)	(3 425)
Non current liabilities and provisions for liabilities	(1 115)	123
Tax losses carried forward	(33 901)	(30 190)
Tax effect on received group contribution		23 800
Deferred tax asset	**(37 930)**	**(9 672)**
Deferred tax asset 01.01	9 672	8 340
Change of deferred tax through income statement	28 257	1 332
Deferred tax asset 31.12	**37 930**	**9 672**

Note 5 | INVESTMENTS IN SUBSIDIARIES

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

NOK thousand	Business office country	Voting share/ ownership share	2012 Book value	2011 Book value
Wilh. Wilhelmsen ASA	Lysaker, Norway	73%	2 174 931	2 174 931
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	964 440	964 440
Wilh. Wilhelmsen (Hong Kong) Ltd	Hong Kong	100%	900	900
WilService AS	Lysaker, Norway	100%	12 000	12 000
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	100%	775 755	725 715
Wilh. Wilhelmsen Holding Invest Malta Limited	Valletta, Malta	100%		
Total investments in subsidiaries			**3 928 026**	**3 877 986**

Wilh. Wilhelmsen Holding Invest AS is a company established in 2011, and wholly owned by Wilh. Wilhelmsen Holding ASA.
There was issued new equity in Wilh. Wilhelmsen Holding Invest AS in 2012 with NOK 50 040 thousand.

Wilh. Wilhelmsen Holding Invest Malta Limited is a company established in 2011, where Wilh. Wilhelmsen Holding ASA own one share, and Wilh. Wilhelmsen Holding Invest AS owns the remaining part.

Note 6 | INVESTMENTS IN ASSOCIATES

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

Wilh. Wilhelmsen Holding ASA had no investments in associates per 31 December 2012, and neither per 31 December 2011.

Gain on converted shares reflected in other financial items in 2011

Wilh. Wilhelmsen Holding ASA converted its shares in K-POAGS Pty Limited, K-NSS Pty Limited, KW Auto Logistics Pty Limited and K-AATerminals Pty Limited in 2011 to shares in Qube Holdings Limited a listed company in Australia.

The disposal contributed a gain in the company corresponding to NOK 398 294 thousand in the income statement.

The shares in Qube Holdings Limited was transferred to Wilh. Wilhelmsen Holding Invest Malta Limited.

Note 7 | COMBINED ITEMS, BALANCE SHEET

NOK thousand	Note	2012	2011
OTHER NON CURRENT ASSETS			
Non current loan group companies (subsidiary and associates)	15		1 039
Other non current assets		6 652	6 682
Total other non current assets		**6 652**	**7 721**
Of which non current debitors falling due for payment later than one year:			
Loans to subsidiary and associates	15		1 039
Other non current assets		6 620	6 682
Total other non current assets due after one year		**6 620**	**7 721**
OTHER CURRENT ASSETS			
Inter-company receivables	15	20 263	3 207
Other current receivables		7 472	12 828
Total other current assets		**27 735**	**16 035**
OTHER NON CURRENT LIABILITIES			
Allocation of commitment		41 666	43 479
Total other non current liabilites		**41 666**	**43 479**
OTHER CURRENT LIABILITIES			
Accounts payables		2 367	2 954
Inter-company payables	15	1 301	1 290
Next year's instalment on interest-bearing debt	12	100 000	500 000
Proposal dividend	10	162 413	162 413
Other current liabilities		22 205	17 373
Total other current liabilities		**288 286**	**684 031**

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

Lending is at floating rates of interest. Fair value is virtually identical with the carried amount. See note 14.

Note 8 | CURRENT FINANCIAL INVESTMENTS

NOK thousand	2012	2011
Market value asset management portfolio		
Nordic equities	269 178	267 730
Bonds	199 253	198 555
Other financial derivatives	(975)	(385)
Total current financial investments	**467 456**	**465 900**

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

The net unrealised gain/(loss) at 31.12	22 532	(8 252)

The equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility. See note 12.

Note 9 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

NOK thousand	2012	2011
Payroll tax withholding account	4 415	4 138

There were no undrawn committed drawing rights for 31 December 2012 (analogue for 31 December 2011).

Note 10 | EQUITY

NOK thousand	Share capital	Own shares	Premium fund	Fund for unrealised gains	Retained earnings	Total
Current year's change in equity						
Equity 01.01.2012	930 076	(2 000)	1 272 571	31	1 506 445	3 707 124
Dividend in November					(206 997)	(206 997)
Proposed dividend					(162 413)	(162 413)
Total comprehensive income for the year				(31)	485 939	485 908
Equity 31.12.2012	**930 076**	**(2 000)**	**1 272 571**	**0**	**1 622 974**	**3 823 622**
2011 change in equity						
Equity 01.01.2011	930 076		1 272 571	1 746	1 213 528	3 417 922
Own shares		(2 000)			(10 677)	(12 677)
Dividend in December					(92 808)	(92 808)
Proposed dividend					(162 413)	(162 413)
Total comprehensive income for the year				(1 715)	558 815	557 100
Equity 31.12.2011	**930 076**	**(2 000)**	**1 272 571**	**31**	**1 506 445**	**3 707 124**

Cont. note 10 | EQUITY

At 31 December 2012 the company's share capital comprises 34 637 092 Class A shares and 11 866 732 Class B shares, totalling 46 503 824 shares with a nominal value of NOK 20 each. Class B shares do not carry a vote at the general meeting. Otherwise, each share confers the same rights in the company.

At 31 December 2012 Wilh. Wilhelmsen Holding ASA had own shares of 100 000 Class A shares. The total purchase price of these shares was NOK 12.7 million.

Dividend
The proposed dividend for fiscal year 2012 is NOK 3.50 per share, payable in the second quarter 2013. A decision on this proposal will be taken by the annual general meeting on 25 April 2013.

Dividend for fiscal year 2011 was NOK 8.00 per share, NOK 3.50 per share was paid in May 2012 and NOK 4.50 per share was paid in November 2012.

Dividend for fiscal year 2010 was NOK 5.50 per share, NOK 3.50 per share was paid in May 2011 and NOK 2.00 per share was paid in December 2011.

The largest shareholders at 31 December 2012

Shareholders	A shares	B shares	Total number of shares	% of total shares	% of voting stock
Tallyman AS	20 784 730	2 281 044	23 065 774	49.60%	60.01%
Pareto Aksje Norge	1 630 889	848 185	2 479 074	5.33%	4.71%
Odin Norden		1 611 263	1 611 263	3.46%	0.00%
Folketrygdfondet	1 042 450	560 100	1 602 550	3.45%	3.01%
Skagen Vekst	1 315 811		1 315 811	2.83%	3.80%
Pareto Aktiv	693 261	361 054	1 054 315	2.27%	2.00%
Odin Norge		1 007 877	1 007 877	2.17%	0.00%
Six SIS AG 5 Pct Nom	643 158		643 158	1.38%	1.86%
Stiftelsen Tom Wilhelmsen	370 400	236 000	606 400	1.30%	1.07%
Pareto Verdi	369 098	192 864	561 962	1.21%	1.07%
Nordea Nordic Small Cap Fund	119 305	406 870	526 175	1.13%	0.34%
MP Pensjon PK	180 943	273 244	454 187	0.98%	0.52%
Oslo Pensjonsforsikring AS PM		400 000	400 000	0.86%	0.00%
Odin Maritim	125 931	242 218	368 149	0.79%	0.36%
Six SIS AG	32 500	262 300	294 800	0.63%	0.09%
Citibank NA New York Branch	253 146		253 146	0.54%	0.73%
JP Morgan Clearing Corp.	41 860	208 821	250 681	0.54%	0.12%
Forsvarets Personellservice	242 900		242 900	0.52%	0.70%
Stenshagen Invest AS	44 525	184 475	229 000	0.49%	0.13%
Bras Kapital AS	30 000	187 369	217 369	0.47%	0.09%
Other	6 716 185	2 603 048	9 319 233	20.04%	19.39%
Total number of shares	**34 637 092**	**11 866 732**	**46 503 824**	**100.00%**	**100.00%**

Shares on foreigners hands
At 31. December 2012 - 1 988 766 (5.74%) A shares and 1 495 773 (12.60%) B shares.
Corresponding figures at 31. December 2011 - 1 967 101 (5.68%) A shares and 1 975 150 (16.64%) B shares.

Note 11 | PENSION

Descripton of the pension scheme

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

- The company defined contribution pension schemes for employees are with Storebrand and DNB, similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed. All employees in Norway including in the defined contribution plan are covered by a risk plan which is a defined benefit plan. This is included in the company's pension liability. In additional the company has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. These obligations are mainly financed from operations. The company has obligations towards some employees in the company's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

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

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

- Changes in discount rate and return of assets assumptions can influence the funded status of the plan as well as the net periodic pension cost. The company incurred an actuarial gain of NOK 12 million at 1 January 2012 mainly resulting of the discount rates at 1 January 2012 and actual return on plan assets was below the estimated return for the year 2011. The equity effect (after tax) of change of accounting policy IAS 19 Revised at 1 January 2012 is NOK 9 million for the company.

	Funded		Unfunded	
Number of people in pension plans at 31.12	2012	2011	2012	2011
In employment	47	47	5	7
Pensioners and beneficiaries	4	2	4	5
Total number of people covered by pension schemes	**51**	**49**	**9**	**12**

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

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

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

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

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

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

Cont. note 11 | PENSION

NOK thousand	2012	2011
Pension assets investments (in %)		
Short-term bonds	6.6%	10.7%
Bonds held to maturity	35.2%	34.5%
Money market	1.2%	1.4%
Equities	15.9%	14.1%
Other *	41.1%	39.3%
Total pension assets investments	**100.0%**	**100.0%**

* Investments in private equity, properties and credit investments

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 around 2.8% for 2012 and 2.5% for 2011.

NOK thousand	2012			2011		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension expenses						
Service cost	5 747	5 132	10 880	4 750	4 898	9 648
Interest expenses on pension obligations	1 770	1 278	3 048	3 478	2 303	5 781
Anticipated return pension fund	(2 165)		(2 165)	(3 450)		(3 450)
Plan settlements/curtailments		(226)	(226)	(7 609)		(7 609)
Costs of defined contribution plan	1 091		1 091	925		925
Net pension expense	**6 444**	**6 184**	**12 628**	**(1 906)**	**7 201**	**5 295**

	2012			2011		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Recorded pension obligations						
Accrued pension obligations	(61 454)		(61 454)	(64 553)		(64 553)
Fair value of plan assets	52 217		52 217	44 492		44 492
Net pension obligations funded	**(9 237)**		**(9 237)**	**(20 062)**		**(20 062)**
Accrued pension obligations unfunded		(53 538)	(53 538)		(47 902)	(47 902)
Net pension obligations	**(9 237)**	**(53 538)**	**(62 775)**	**(20 062)**	**(47 902)**	**(67 964)**
Changes in estimates not recorded in the accounts	(13 835)	(8 999)	(22 834)	(2 064)	(9 863)	(11 927)
Recorded pension obligations	**(23 072)**	**(62 537)**	**(85 609)**	**(22 126)**	**(57 765)**	**(79 891)**

Amounts in the balance sheet	2012	2011
Liabilities	(85 609)	(79 891)
Net liability	**(85 609)**	**(79 891)**

NOK thousand	2012	2011
Pension obligations		
Opening balance 01.01	112 456	150 873
Current service cost	12 793	9 648
Interest expenses	3 048	5 781
Pension payments	(4 260)	(1 533)
Actuarial (gain)/loss	(9 043)	(15 547)
Plan settlements/curtailments		(36 766)
Pension obligations 31.12	**114 993**	**112 456**

Cont. note 11 | PENSION

NOK thousand	2012	2011
Gross pension assets		
Opening balance 01.01	44 492	70 195
Expected return	2 165	3 450
Employer contributions	4 406	3 550
Pension payments	(935)	(376)
Actuarial gain/(loss) on plan assets	2 090	(4 071)
Plan settlements/curtailments		(28 257)
Gross pensions assets 31.12	**52 217**	**44 492**

Premium payments in 2013 are expected to be NOK 4 406 thousand. Payments from operations are estimated at NOK 2 105 thousand.

NOK thousand	2012	2011
Historical developments		
Defined benefit obligation	(114 993)	(112 456)
Plan assets	52 217	44 492
Surplus/(deficit)	**(62 775)**	**(67 964)**
Experience adjustments on plan liabilities	8 308	(21 342)
Experience adjustments on plan assets	(2 090)	0

Note 12 | INTEREST-BEARING DEBT

NOK thousand	2012	2011
Interest-bearing debt		
Bank loan	500 000	500 000
Total interest-bearing debt	**500 000**	**500 000**
Repayment schedule for interest-bearing debt		
Due in year 1	100 000	500 000
Due in year 2	400 000	
Due in year 3		
Due in year 4		
Due in year 5 and later		
Total interest-bearing debt	**500 000**	**500 000**

The parent company's financing arrangement provides for customary financial covenants related to minimum liquidity, and minimum value adjusted equity ratio. The company was in compliance with these covenants at 31 December 2012 (analougue for 31 December 2011).

The equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility NOK 269 178.

FINANCIAL RISK

See note 14 to the parent accounts and note 15 to the group accounts for further information on financial risk, and note 14 to the group accounts concerning the fair value of interest-bearing debt.

Note 13 | OPERATING LEASE COMMITMENT

The company has a sale/leaseback agreement for the office building, Strandveien 20. The lease run over 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

NOK thousand	2012	2011
Due in year 1	37 973	38 478
Due in year 2	38 414	38 925
Due in year 3	38 861	39 378
Due in year 4	39 313	39 836
Due in year 5 and later	331 413	380 027
Total expense related to sale/leaseback of office building	**485 974**	**536 644**

Note 14 | FINANCIAL RISK

CREDIT RISK

Guarantees

The group and parent policy's is that no financial guarantees are provided by the parent company.

Cash and bank deposits

The parent's exposure to credit risk on cash and bank deposits is considered to be very limited as the parent maintain banking relationships with a selection of well-known and good quality banks.

LIQUIDITY RISK

The parent'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 parent and group's reputation.

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

FAIR VALUE ESTIMATION

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

Quoted market prices or dealer quotes for similar instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

The carrying value less impairment provision of 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 company for similar financial instruments.

NOK thousand	Fair value	Carrying amount
2012		
Interest-bearing debt		
Bank loan	500 000	500 000
Total interest-bearing debt 31.12	**500 000**	**500 000**
2011		
Interest-bearing debt		
Bank loan	500 000	500 000
Total interest-bearing debt 31.12	**500 000**	**500 000**

Cont. note 14 | 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 mid price. These instruments are included in level 1. Instruments included in level 1 at the end of 2012 and 2011 are liquid investment grade bonds.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These instruments are included in level 2. Instruments included in level 2 are FX and IR derivatives.
If one or more of the significant inputs is not based on observable market data, the instrument is in level 3.

Total financial instruments and short term financial investments

NOK thousand	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement 2012				
- Financial derivatives	(1 453)	293		(1 160)
- Bonds	199 253			199 253
- Equities	269 178			269 178
Total assets 31.12.2012	**466 979**	**293**		**467 271**
Financial assets at fair value through income statement 2011				
- Financial derivatives	375	(56)		318
- Bonds	198 555			198 555
- Equities	267 730			267 730
Total assets 31.12.2011	**466 660**	**(56)**		**466 603**

Financial instruments by category

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Total
Other non current assets	7	6 652		6 652
Current financial investments	8		467 456	467 456
Other current assets	7	27 735		27 735
Cash and cash equivalent		164 594		164 594
Assets at 31.12.2012		**198 981**	**467 456**	**666 438**

Liabilities	Note	Other financial liabilites at amortised cost	Total
Non current interest bearing debt	7	400 000	400 000
Current interest-bearing debt	7	100 000	100 000
Other current liabilities	7	25 873	25 873
Liabilities 31.12.2012		**525 873**	**525 873**

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Total
Other non current assets	7	7 721		7 721
Current financial investments	8		465 900	465 900
Other current assets	7	16 035		16 035
Cash and cash equivalent		129 829		129 829
Assets at 31.12.2011		**153 586**	**465 900**	**619 486**

Liabilities	Note	Other financial liabilites at amortised cost	Total
Current interest-bearing debt	7	500 000	500 000
Other current liabilities	7	21 617	21 617
Liabilities 31.12.2011		**521 617**	**521 617**

See note 15 to the group financial statement for further information about the group risk factors.

Note 15 | RELATED PARTY TRANSACTION

The ultimate owner of the group Wilh.Wilhelmsen Holding ASA is Tallyman AS, which control 60% of voting shares of the group. Mr Wilhelm Wilhelmsen controls the ultimate owner Tallyman AS.

Shares owned or controlled by related party of Wilh. Wilhelmsen Holding ASA at 31 December 2012

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
Wilhelm Wilhelmsen	20 882 114	2 302 444	23 184 558	49.86%	60.29%

Wilhelm Wilhelmsen has in 2012 received remuneration of NOK 523 thousand (2011: NOK 375 thousand) in consulting fee, NOK 50 thousand (2011: NOK 50 thousand) in nomination committee fee for Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA and NOK 1 734 thousand (2011: NOK 1 687 thousand) in pension and other remunerations.

WWH ASA delivers services to the WWASA group and WMS group, these include primarily human resources, tax, communication, treasury and legal services ("Shared Services").

In accordance with service level agreements, WilService AS delivers in-house services such as canteen, post, switchboard and rent of office facilities, WW ASA delivers accounting services and WMS group delivers IT services and group consolidation services to WWH. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

NOK thousand	Note	2012	2011
OPERATING REVENUE FROM GROUP COMPANIES			
WWASA group		9 532	9 941
WMS group		14 235	14 918
Holding & Investments		1 857	415
Operating revenue from group companies	1	**25 625**	**25 273**
OPERATING EXPENSES TO GROUP COMPANIES			
WWASA group		(1 050)	(1 050)
WMS group		(3 764)	(3 831)
Holding & Investments		(10 633)	(9 642)
Operating expenses to group companies	1	**(15 447)**	**(14 524)**
FINANCIAL INCOME FROM GROUP COMPANIES			
WWASA group		264 000	160 000
WMS group		256 141	150 000
Holding & Investments		5	789
Financial income from group companies	1	**520 146**	**310 789**
FINANCIAL EXPENSES TO GROUP COMPANIES			
WMS group		(6 141)	
Holding & Investments		(990)	
Financial expenses to group companies	1	**(7 131)**	**0**
ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLES WITH GROUP COMPANIES			
Account receivables			
WWASA group		991	497
WMS group		4 767	1 884
Holding & Investments		14 505	826
Account receivables group companies	7	**20 263**	**3 207**
Account payables			
WWASA group		(230)	(175)
WMS group		(1 073)	(1 115)
Holding & Investments		2	
Account payables group companies	7	**(1 301)**	**(1 290)**

Cont. note 15 | RELATED PARTY TRANSACTION

NON CURRENT LOAN TO GROUP COMPANIES	Note	2012	2011
Holding & Investments *	7		1 039

* Loan to WilService (Holding & Investments segment) was provided at commercially reasonable market terms (average margins 3%). Interest rates are based on floating LIBOR-rates.

Note 16 | EVENTS AFTER THE BALANCE SHEET DATE

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

Note 17 | 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: Thomas Wilhelmsen (group CEO); Nils Petter Dyvik (group CFO); Jan Eyvin Wang (President and CEO of Wilh.Wilhelmsen ASA) and Dag Schjerven (President and CEO of Wilhelmsen Maritime Services AS).

The following guidelines are applied for 2013.

General principles for the remuneration of senior executives
The remuneration of the group CEO is determined by the board of directors, 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. These include newspapers, telecommunication, broadband, insurance and company car. The senior executives are also compensated for certain taxable expenses.

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 group's 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 four to six months' salary, depending on role.

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

Share purchase plan
The senior executives (with the exception of the President and CEO of WWASA) participate – in common with the other employees in the wholly-owned Norwegian companies – in the group's share purchase plan. All participants receive an offer every year to buy shares in WWH at a discount corresponding to 20% on the market price. The discount can be no more than NOK 1 500.

Pension scheme
Pension benefits for senior executives include coverage for old age, disability, spouse and children, and supplement payments by the Norwegian National Insurance system. The senior executives also have rights related to salaries in excess of 12G at a level of approximately 66% of gross salary and the option to take early retirement from the age of 62- 65. Pension obligations related to salaries in excess of 12G and the option to take early retirement are insured.

Severance package scheme
The group CEO has a severance pay guarantee under which he has the right to receive up to 100% of his annual salary for 24 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 six months notice period. The group CFO and President and CEO of Wilhelmsen Maritime Services AS also have arrangements for severance payment beyond redundancy period following departure from the group.

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

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

Auditor's report

To the General Shareholders' Meeting of Wilh. Wilhelmsen Holding ASA

Independent auditor's report

Report on the Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

Auditor's report

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

Opinion on the financial statements of the parent company

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

Opinion on the financial statements of the group

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

Report on Other Legal and Regulatory Requirements

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

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

Opinion on Registration and Documentation

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

Oslo, 18 March 2013
PricewaterhouseCoopers AS

Rita Granlund
Rita Granlund
State Authorised Public Accountant (Norway)

(2)

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2012 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit for the entity and the group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

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

Diderik Schnitler Chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

Tushar Mohile

Head of special projects
Wilhelmsen Ship Management

Tushar Mohile believes in enhancing the synergies within the WW group to further grow our business. As head of special projects, his main focus is to promote our ship management services to the offshore segment in the US Gulf and Brazil.

"Working out of Houston, the energy capital in the US, gives us many opportunities to expand our business. By building our competence, and by working together with our sister companies in the WW group, we aim at offering our services to the offshore industry in Houston. My contribution to the WW group's success is to make the customer understand our total offering and how our services can help improve their operational efficiency," says Tushar.

Corporate governance

Sound corporate governance is believed to strengthen the confidence in the company and contribute to the greatest possible value creation over time.

Wilhelmsen Ship Management provides crew to its customers out of 19 manning offices in 12 countries.

Torbjørn Pedersen ▶

Master MV Tønsberg
Wilhelmsen Ship Management

With his 40 years at sea, Torbjørn Pedersen is one of our most experienced seafarers. As Master on the MV Tønsberg, he is in charge of the world's largest ro-ro vessel.

"I have had a long career at sea starting as a deck hand back in 1973. I have sailed as Master on various Wilhelmsen vessels since 2002. As Master, I'm ultimately responsible for the vessel's safe and efficient operation including cargo operation, navigation and crew management. I'm also the company's representative towards authorities in the countries and ports we visit. My contribution to the WW group's success is to ensure that the vessel complies with local and international laws as well as company and flag state policies," says Torbjørn.

Corporate governance

REDUCING RISK AND IMPROVING ACCOUNTABILITY

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

Annually, the board of directors in WWH issues a report on the company's corporate governance performance. Sound corporate governance is believed to strengthen the confidence in the company and contribute to the greatest possible value creation over time in the best interests of the company's shareholders, employees and other stakeholders.

A "COMPLY OR EXPLAIN" PRINCIPLE

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

The code is built on a "comply or explain" principle, which means that reasons must be given for possible divergence from its provisions. WWH has a majority owner controlling more than 50% of the votes at the general meeting. The shareholder structure implies that the code's provisions not are implemented in full. Justification for deviations and alternative solution the company has chosen are given where applicable

GOVERNING ELEMENTS

The company has developed a set of governing elements representing a framework for the group's leadership and business culture. The system helps to ensure that all employees carry out their activities in an ethical manner and in accordance with current legislation and the company's standards.

The governing elements include the group's vision, its core values, basic philosophy, leadership expectations, company principles and code of conduct. A corporate social responsibility statement is part of the group's principles. The core values are customer centred, empowerment, learning and innovation, stewardship and teaming and collaboration.

The set of governing elements are available electronically on the group's intranet, as written documentation and as e-learning. Governance training was mandatory for all employees in 2012.

THE BUSINESS

According to the company's Articles of Association, the objective 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.

The company intends to create value by developing a diversified business portfolio focusing on shipping and integrated logistics services for cars and rolling cargo through its shareholding in Wilh. Wilhelmsen ASA (WWASA), involvement in maritime services through the wholly owned Wilhelmsen Maritime Services AS (WMS) and exploiting new opportunities within the maritime sector through Wilh. Wilhelmsen Holding Invest AS. The company will leverage its market positions, global network and collective competence to continue to grow the business profitably.

EQUITY AND DIVIDEND

The company has a sound level of equity tailored to its objectives, strategy and risk profile. As of 31 December 2012, the total equity amounted to USD 2 079 million, corresponding to 42% of the total capital.

A dividend policy approved by the board states that the company's goal is to provide shareholders with a high return over time through a combination of rising value for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually. In 2012, the company paid dividend totalling NOK 8.00 per share.

As of 31 December 2012, the company held 100 000 own shares. The board is authorised by the general meeting, on behalf of WWH, to acquire shares in the company. The company can own up to 10% of the current share capital. The minutes from the annual general meeting in April 2012 describes the authorisation, expiring on 30 June 2013, in more detail. The board cannot increase the company's share capital without a specific mandate from the general meeting.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company has two share classes, comprising 34 637 092 A shares and 11 866 732 B shares. According to the company's Articles of Association, the B shares do not carry voting rights at the general meeting. Apart from this, each B share carries the same rights in the company and holders of the respective classes are treated equally. Converting to a single share class is not regarded as appropriate in the present circumstances.

As of 31 December 2012, the company had 3 037 shareholders, of which 210 were foreign and the remaining were Norwegian.

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

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 WWH group (WWH including subsidiaries).

NEGOTIABILITY

The WWH shares are listed on the Oslo Stock Exchange with the tickers WWI and WWIB for the A and B share respectively. Both shares are freely negotiable.

GOVERNANCE BODIES

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

General meeting

The following matters are to be dealt with and decided on by the annual general meeting:

- Adoption of the annual report and accounts including the consolidated accounts and the distribution of dividend
- Adoption of the auditor's remuneration
- Determination of the remuneration for board and committee members
- Election of members to the board and election of the auditors
- Any other matter that belongs under the annual general meeting by law or according to the Articles of Association.

In addition, to the annual general meeting normally held late April/early May, the company will summon an extraordinary general meeting during the second half of the year with the main purpose being to decide on any distribution of a second dividend. Shareholders with known address are notified by mail no later than 21 days prior to the meeting and information on the meeting and all relevant documents are published on the WWH's website no later than 21 days prior to the meeting.

Pursuant to the Public Limited Companies Act, the company has included a provision in its Articles of Association stating that documents to be handled at the general meeting and which are available to shareholders on the WWH's web pages need not be mailed in hard copy to the shareholders unless they specifically ask to receive hard copies.

Shareholders wishing to attend the general meeting must notify the company at least two working days before it takes place. Shareholders can appoint a proxy to vote for their shares. Form for the appointment of a proxy are sent to all shareholders with known address, but can also be found at WWH's web pages.

The Public Limited Companies Act also opens for, subject to relevant provisions in the company's Articles of Association, shareholders to take part at the general meeting without being present in person. At present, WWH has no intention of including such provisions.

The chair of the board attends the general meeting and acts as its chair as specified in the company's Articles of Association. All shareholders have the right to submit motions to and speak at

The board of directors

Diderik Schnitler
Chair

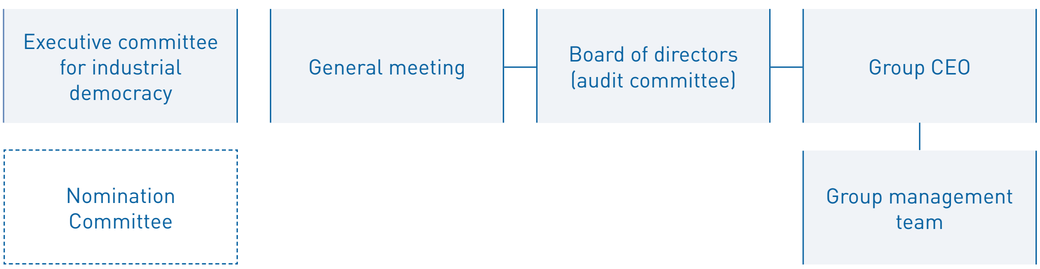
Odd Rune Austgulen

Bettina Banoun

Helen Juell

Carl Erik Steen

Governance bodies



the general meeting, but only A shares carry voting rights. The company is not aware of any shareholder agreements between its shareholders.

Nomination committee

The annual general meeting appoints a nomination committee and has also approved guidelines for the nomination committee's work.

The nomination committee nominates candidates to the WWH board and proposes remuneration.

The nomination committee currently consists of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig.

Executive committee and board of directors – composition and independence

The company does not have a corporate assembly. The annual general meeting elects the board of directors. The board comprises five directors elected for two years at a time. Two of the present directors are women. Four directors are independent of the majority owner and of the executive management.

Information on the background and experience of the directors can be found on the company's web pages, which also lists the number of shares in the company held by directors.

The interests of the employees are met by an executive committee for industrial democracy in foreign trade shipping, chaired by the group CEO Thomas Wilhelmsen. The committee comprises six members, four appointed from the management and two elected by the workforce. It meets regularly through the year. Issues submitted for consideration by the committee include a draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce.

Work of the WWH board

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

Instructions have been drawn up for the board, and it works continuously on internal control in the company as specified below. The WWH board regularly assesses its work.

Audit committee

The whole board serves as the company's audit committee. This is deemed as the most suitable arrangement for the company, as the board only comprises five members. In addition, WWASA, representing a material part of the WWH group, has its own audit committee. The audit committee in WWASA assists the WWH board/audit committee on issues related to the integrity of WWASA's financial statements, financial reporting processes, internal control and risk assessments and risk management policies.

The audit committee maintains a pre-approval policy governing the engagement of WWASA's primary and other external auditors to ensure auditor independence.

Group CEO

The group CEO is responsible for the company's results and for conducting the businesses and affairs of the company and its subsidiaries in a proper and efficient manner, in the company's and its shareholders best interest and according to instructions and guidelines from the board.

The group CEO has delegated the responsibility of the different sectors and companies to the group CFO and other members of the GMT.

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

Group CFO

The group CFO heads finance and strategy for WWH ASA and consolidated WWH group. The group CFO is responsible for providing group CEO and the WWH board with reliable, relevant and sufficient financial information related to the WWH group's business activities, and assuring that such information is based on requirements for listed companies.

Group management team (GMT)

The GMT in WWH consists of the group chief executive officer (group CEO) and five executive managers:

- group chief financial officer (group CFO)
- group VP corporate communications
- group VP human resources and organisation development
- president and CEO of WMS

In addition, the president and CEO of WWASA attends the GMT meetings.

GMT discusses and coordinates all main business and management issues relevant for the group of companies. It also makes benefit of the group's total expertise and knowledge when executing strategies and goals set by the WWH board.

GOVERNANCE OF SUBSIDIARIES

The WWH group consists of several legal entities (for a full overview, please see pages 106-114). Each entity has its own board of directors responsible for issues related to the specific entity.

Control and management of all entities are based on the same governance principles applicable to WWH.

In the case of partly-owned subsidiaries, the same principle applies concerning control and management of the business. WWH is represented on the board of partly-owned subsidiaries. WWH's ownership in the subsidiaries is formally exercised through the respective companies' general meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The WWH's internal control contributes to sound control characterised by integrity, ethical values and attitudes in the organisation. The group's internal control system is designed as a consequence of the extent and nature of the group's business activities.

Internal control is broadly defined as a process designed to provide reasonable assurance of:

- Effective and efficient operations
- Reliable financial reporting
- Compliance with laws and regulations
- Necessary resources provided and used in cost efficient ways.

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and WWH board confidence that the WWH group 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 segment management's expectations.

Internal control activities can be split into four categories:

- Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per segment)
- Procedure for year-end financial statement and the WWH board's 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

Risk factors are described and made public to the market in the company's second quarter and annual reports

Governing documents, code of conduct, company principles (including corporate social responsibility), policies, guidelines and process descriptions are documented and electronically available to the company's employees through WWH's global integrated management system.

The WWH group's finance and strategy division has the responsibility for updating internal control procedures on a group level, including:

- WWH group financial strategy
- WWH group financial policies and guidelines
- WWH (parent) financial policies and guidelines
- WWH group enterprise risk management policy and guidelines

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

- Financial strategy
- Financial organisation, responsibility and organisation
- Objectives and key ratios
- Equity and dividend
- Investor relation
- Financing and debt management
- Cash and liquidity management
- Financial investment management
- Currency management
- Credit management
- Contingent liabilities
- Mergers and acquisitions
- Accounting and financial reporting
- Tax management
- Internal control and risk management
- Bunker oil management
- Reporting to WWH board

WWASA and WMS have implemented similar governing documents approved by the respective boards and in line with the WWH group financial strategy.

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 financial statements are free of material misstatements. The audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation

Financial calendar 2013*

14 February
Q4 2012 presentation

25 April
Annual general meeting

8 May
Q1 2013 presentation

8 August
Q2 2013 presentation

18 September
Capital markets day

6 November
Q3 2013 presentation

27 November
Extraordinary general meeting

*subject to changes

REMUNERATION OF THE BOARD OF DIRECTORS
Remuneration of directors is determined by the annual general meeting and is not dependent upon the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the business. No director 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.

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

REMUNERATION OF EXECUTIVE PERSONNEL
The board determines the group CEO's remuneration and establishes the framework for adjustments for other employees. Salary adjustment for each employee is settled administratively within the limits set. For these purposes the board carries out a comparison with salary conditions in other Norwegian shipping companies and also looks to the general level of pay adjustments in Norway.

The board has instituted a bonus scheme for key employees in WWH and its main subsidiaries. Intended to reinforce the focus on performance and results, the bonus scheme is based on the group's return on capital employed and other selected predefined key performance indicators. A similar bonus scheme is also developed for employees. The bonus scheme may differ between subsidiaries. The board also determines the annual norm for any bonus schemes.

In 2011, the general assembly endorsed a synthetic option programme as part of the remuneration to the group CEO and other certain senior executives. The programme comprises share equivalents, runs over three years and entitles its participants to a cash reward based on the total share return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary. For further information on the determination of employee benefits for senior executives, please refer to note 17 to WWH parent accounts.

Remuneration of certain senior executives is specified in note 4 to WWH group accounts and note 2 to the parent company accounts.

INFORMATION AND COMMUNICATION
Communication activities are carried out in an environment of transparency and accountability, and 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 in general.

The market is regularly informed about the group's activities and results through stock exchange notices, annual and interim reports and press releases. A financial calendar including the dates for quarterly presentations and general meetings can be found on the WWH website.

The interim and annual results are presented to invited analysts and business journalists at the same time as the accounts are made public on the Oslo Stock Exchange. At least two of these presentations each year are transmitted directly by webcast. Results are also posted on the group's web pages.

Extensive information about the activities of WWH and the WWH group is provided on the group's web pages A separate section named "Investors" includes relevant information to shareholders, including reports and presentations, financial calendar, analysts, share information, corporate governance, IR contact and news and media.

The company intends to host a capital markets day annually. Analysts, investors, lenders and media are invited to meet senior executives of the group, presenting various aspects of the WWH group's businesses in more detail than can be provided in the quarterly presentations.

TAKEOVERS
The WWH board has not established any key principles for its response to possible takeover bids. Were such circumstances to arise, it would seek to treat all shareholders equally.

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

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

Larry Wilkerson

Driver
Wilhelmsen Ships Service

Larry Wilkerson is one of our senior drivers. He started his career in the WW group in 1998. Today he is looked upon as a leader and a very dependable employee.

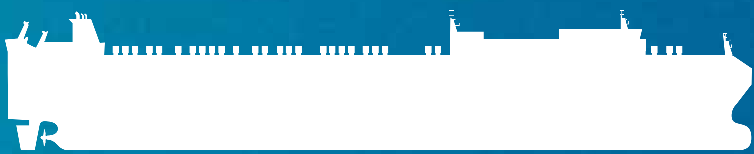
"Every day I inspect my truck to make sure that everything is in good condition. When the truck has been loaded, I always ensure that the load is properly secured and that the placards on the truck are in compliance with the load. I also keep an eye on the other drivers to make sure that their loads are secured and in compliance as well. My contribution to the WW group's success is that I always make sure that the customers get the right products delivered at the right time," says Larry.

The environment

AHEAD OF REGULATIONS: Major environmental regulations dealing with air pollution, greenhouse gases and invasive marine species will come into effect this decade aiming at reducing the environmental impact of shipping. The Wilh. Wilhelmsen group's ambition is to be at the forefront of environmental regulations, both those already implemented and those expected.

0.6%

The fuel consumed per cargo tonnes transported (g/tonne nm) decreased by 0.6% in 2012, showing that our vessels have been operated more efficiently than ever before.



Petter Chr Jønvik ▶

Shipping and environment manager
Wilh. Wilhelmsen ASA

Petter Chr Jønvik is responsible for setting the strategy for how our vessels shall meet existing and new rules and regulations in the best possible way. For seven years, his main focus has been to find out how we can turn what's good for the environment to be good for business.

"Through our new reporting system, the Performance Monitoring Analysis (PMA), we are able to meet a substantial part of the required reporting from vessel to office. This system, which is installed on all our vessels, also enables us to follow-up on the vessels' performance in a much better way than before. We aim to freight cargo as efficient as possible with less fuel consumption and at the same time minimize our environmental footprint. My contribution to the WW group's success is my effort to keep us in front and prepared for environmental requirements and make sure that our organisation meets future environmental regulations as cost effective as possible," says Petter.

Why environment matters

The Wilh. Wilhelmsen group is committed to deliver environmentally sustainable solutions to the shipping industry while reducing its own environmental footprint. Sustainability is therefore the guiding principle for our business operations. In this report we present an overview of our most recent environmental initiatives together with the framework in which we operate.

As a leading industrial maritime group we offer a wide portfolio of marine products and services through the world's largest sales and service network. We operate in 40 regular ocean trades and have the capability to provide service in more than 2 200 ports worldwide. Our environmental goal is to continuously reduce emissions from our own vessel operations and supply our shipping customers with marine products that are cost efficient and have minimum impact on the environment. We believe that close cooperation with customers and partners is a key to making this happen.

Our car carrying fleet is one of the most modern in its segment and exemplifies our commitment to staying ahead of environmental regulations. To reduce emissions to air our ships use low sulphur bunkers, and last year we started a pilot project to install the world's largest multi-stream scrubber system on the MV Tarago. We are also exploring solutions to the several challenges of operating in the new Emission Control Areas, both within our own group, but also with external partners.

On the product side, our joint venture with Yara International, Yarwil, has developed a competitive NO_x reduction system, while our ship management operation has launched a new green ship recycling service in China. You can read about these and more on the following pages.

OUR ENVIRONMENTAL FRAME

We believe that accidents and environmental harm can be prevented by maintaining high quality operations and a safety standard based on continuous improvement. Our business units are certified by reputable international certification bodies whenever such certification is required by statute, requested by the market, and/or otherwise found to be positive and desirable. Regular evaluation of the environmental aspects of our business operations is an integrated part of our planning and decision making processes.

We also work with national and international maritime regulatory bodies to promote a practical and effective international statutory regime that creates a level commercial playing field in the industry. Within the constraints of technological development and economic realities, we constantly organise our business to eliminate or minimise problems related to health and the environmental. We believe that harm to the environment is best combated through preventive measures, and will therefore continue to evaluate our environmental risk to find ways to increase level of safety and lower our burden on the environment.

Thomas Wilhelmsen
Group CEO

Reducing emissions and launching new initiatives

Through ownership in Wilh. Wilhelmsen ASA (WWASA) we take an active part in reducing the environmental footprint of our shipping activities.

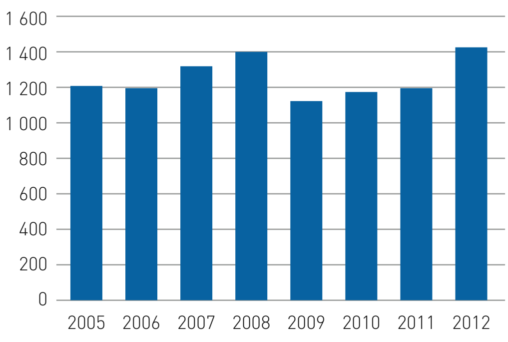
Several important environmental achievements were made in 2012. One such example was the creation of Shippersys AB, a joint venture with our partner Wallenius Lines and the weather company StormGeo. The new company's purpose is to develop software solutions that optimize voyages with the help of advanced decision support tools and thereby contribute to more fuel efficient operations. We see opportunities to make this game-changing solution commercially available to the global merchant fleet.

Another initiative was a company-wide Energy Efficiency Competition was conducted in Wallenius Wilhelmsen Logistics for the second year running. Its goal is to reduce fuel consumption, which is a vessel's largest operating cost component. Many good initiatives were submitted, including several that are already implemented through the Ship Energy Efficiency Management Plan (SEEMP) that is onboard all WWASA vessels.

WWASA is also working actively to influence the development of environmental legislation aimed at fair, predictable and practicable rules and regulations for a sustainable shipping industry. Our efforts to limit emissions to air and discharges to sea are based on international regulations such as

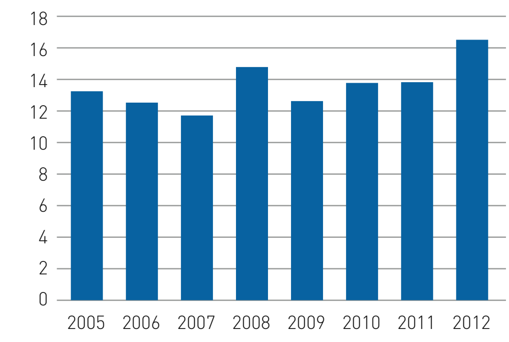
Total CO_2 emissions

(THOUSAND TONNES)



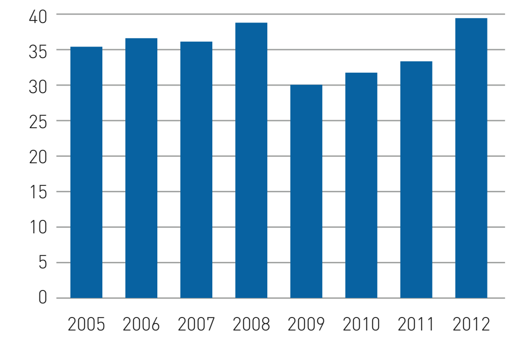
Total SO_x emissions

(THOUSAND TONNES)

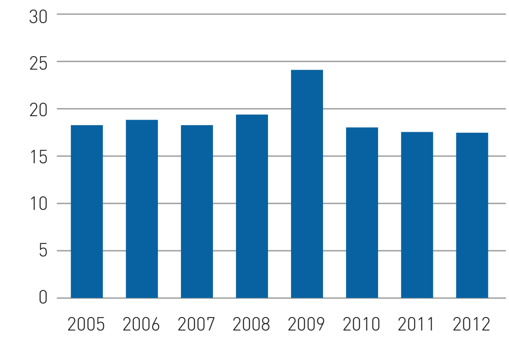


Total NO_x emissions

(THOUSAND TONNES)



g fuel/tonne nm



MV Tysla:

The Mark V vessel MV Tysla was the largest vessel delivered to Wilh. Wilhelmsen ASA in 2012.

IMO's MARPOL 73/78 convention and a number of special national requirements like the Emission Control Areas(ECA) that impose stricter emission limits.

The single largest environmental investment in 2012 was the start of a project to install a 14 metre high multi-stream exhaust gas cleaning system, a so-called scrubber, on the ro-ro vessel MV Tarago. When commissioned, it will be the largest of its type in the world. The scrubber is a pilot unit supplied by Wärtsilä Moss AS and represents a big step towards solutions that can help the industry comply more efficiently with increasingly stringent environmental regulations. It is based on the Krystallon Exhaust Gas Cleaning System (EGCS) that removes sulphur and particulates from the exhaust gases from the vessel's main and auxiliary engines. The system will clean an almost unprecedented amount of exhaust gas: the main engine alone produces around 180 000 kg per hour. When in operation the scrubbing unit will weigh close to 45 tonnes. The installation on the Tarago is scheduled for March 2013 at Sembawang Shipyard in Singapore. The project is headed by WWASA's technical department.

Emissions generated by our vessels are monitored on a continual basis. This account covers the 35 vessels owned and controlled by WWASA and operated by Wallenius Wilhelmsen Logistics and EUKOR Car Carriers.

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

Total SOx and NOx emissions were slightly higher in 2012 than in 2011 due to increased number of vessels in the fleet but emissions per transported unit decreased. Average sulphur content in fuel consumed on board our vessels in 2012 was 1.8%, which is far below the legislative limit of 3.5% set by the International Maritime Organisation (IMO).

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

For more information and further details regarding the various environmental initiatives in Wilh. Wilhelmsen ASA, please see the WWASA Annual Report 2012 and the section Environment in particular.

Staying at the forefront of regulations

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

REGULATIONS IN THE PIPELINE

Global Greenhouse Gas regulations and regulatory price of CO2

In January 2013, all vessels are required by the International Maritime Organisation (IMO) to have a vessel specific Ship Energy Efficiency Management Plan (SEEMP) onboard. This plan is intended to be used for continuous improvement of energy efficiency measures. Also in 2013, IMO has implemented the Energy Efficiency Design Index (EEDI), ensuring more energy efficient vessels being built, i.e. it only applies to new builds. IMO has also been discussing a market-based mechanism for CO2 emissions from shipping. Concurrently, the EU is developing a proposal to include maritime transport emissions in the EU's green house gas (GHG) reduction commitments. It is also anticipated that the EU will adopt a MRV (measurement, reporting and verification) requirement in the short-medium term to help better quantify the scale and distribution of GHG emissions from the European fleet.

WWASA's position: *Reducing fuel consumed pr unit transported by WASA's owned vessels is the most efficient contribution to reduce CO2 emissions, and the company works to influence IMO to form new regulations aiming at obtaining a level playing field for the shipping industry. The SEEMP, now onboard all our vessels, will be the key to implement and follow-up of initiatives to obtain more energy efficient operations.*

Ballast Water Management Convention

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

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

THE HONG KONG CONVENTION

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

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

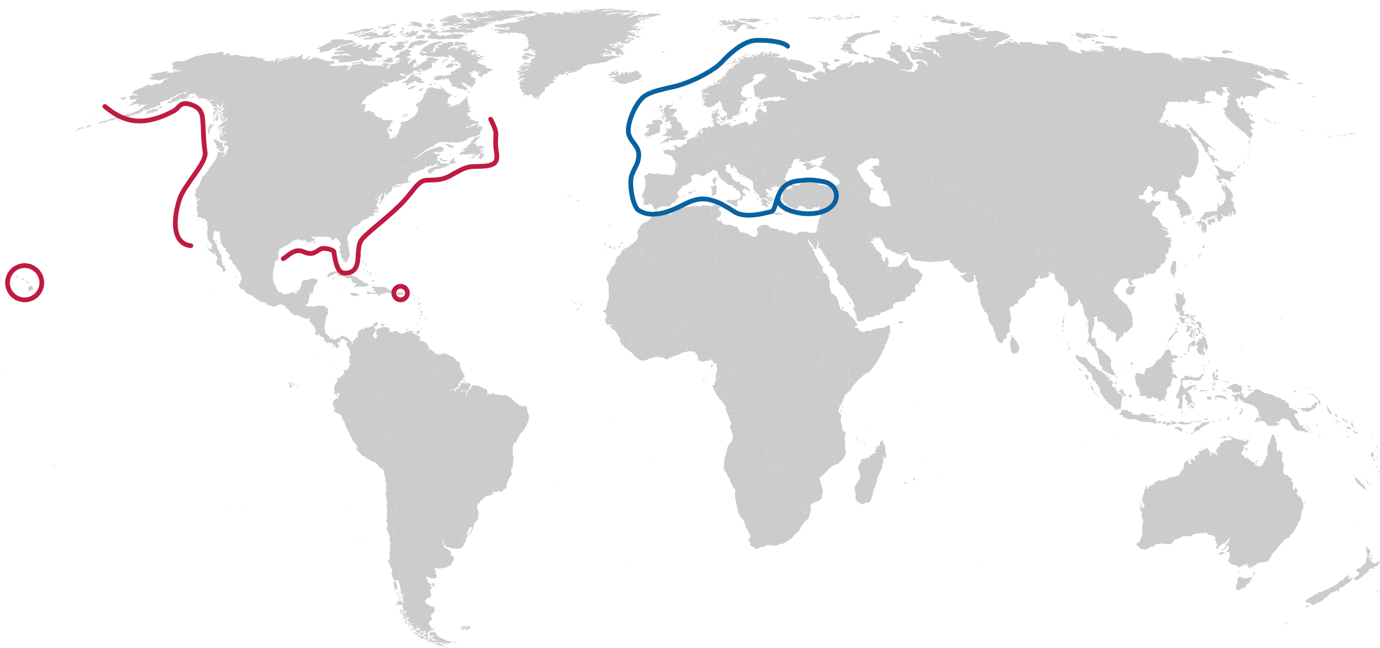
EMISSION CONTROL AREAS (ECA)

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

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

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

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



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

ECA NOx Limits
2011-01-01: Tier II
2016-01-01: Tier III

In addition to the above ECAs under MARPOL, there are also other environmental regulations that apply:

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

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

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

* subject to feasibility review in 2018

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

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

WILHELMSEN MARITIME SERVICES:

Going green makes sense

Through our maritime services segment, the Wilh. Wilhelmsen group has a unique position to contribute to making the industry green, through offering environmentally sound products and solutions to the whole merchant fleet. The company's key advantage is its unparalleled global network with the capability to serve customers in more than 2 200 ports in 125 countries.

Shipping is the cleanest form of transport. While much progress has been made to reduce its impact on the environment, there is still a lot of potential for further improvement. Wilhelmsen Maritime Services believe that environmental thinking makes good business sense and that by working together with our customers we can make a difference.

To have meaning, environmental focus has to be permanent – like a state of mind. Sustainability is therefore a principle for all our business operations. Our commitment is derived from this: deliver environmentally sustainable solutions to world shipping and contribute to reducing the overall environmental footprint of our industry. This commitment is right up there on our list of priorities together with financial objectives and corporate social responsibility.

ENABLING A GREENER FUTURE

The less energy a ship consumes the less fuel it will burn and the less it will pollute the environment. It will also cost less to operate. Our technical solutions team has so far commissioned energy management systems on 40 vessels with an accumulated energy savings of 75 MkWh (million kilowatt-hours), equivalent to 35 000 tonnes fuel oil annually resulting in an emissions reduction of 112 000 tonnes of CO2 per year. It's all about controlling engine room ventilation based on actual demand to get optimum operation. Versions for engine room ventilation on merchant vessels as well as for cargo hold ventilation on ro-ro vessels will be launched in 2013.

An efficient method of reducing local air pollution while the vessel is in port is to use so called "cold Ironing", i.e. a solution where the ship closes down its diesel generators and instead hooks up to the shore based power grid. "Cold Ironing" is increasingly accepted in the maritime industry, and our technical solutions team has in 2012 installed such systems on a number of container vessels.

Nitrogen oxides are toxic gases, harmful to human health, causing asthma and other respiratory diseases. It is a big problem in many coastal areas. In 2012, Yarwil, our joint venture with Yara, enough of our NOxCare product around the world to remove NOx emissions by far more than the Norwegian NOx fund's total target for 2012.

Traditional ship recycling has been the subject of much concern worldwide. Our ship management team's new Green Ship Recycling service made an important breakthrough when it was audited by Det Norske Veritas (DNV) under their standards for sustainable business. It means that the recycling shipyard can meet DNV's standards and international requirements for the safe and environmentally sound recycling of ships. In 2012, our ship management team entered into an agreement with ClassNK Consulting Service, Japan, to form a consulting service to provide ship owners with the Ship Recycling Facility Plan services, a document which recycling facilities must establish comply with the Hong Kong Convention. The objective of the partnership is to introduce safe and environmentally sound ship recycling facilities.. The first Statement of Compliance (SOC) in the world was issued by ClassNK to Jiangmen Zhongxin Shipbreaking & Steel Co.) in China in 2012.

Our ship management branch has also entered into another agreement with ClassNK to develop "Inventory of Hazardous Materials" list (IHM) for ship owners. The list will be used as a basis for preparing the Ship Recycling Plan, which the recycling yard or facility must develop and have certified prior to recycling a vessel. Under the Hong Kong Convention, an updated Inventory of Hazardous Material will be mandatory for vessel operation and prior to recycling.

Ships use large amounts of chemicals for cleaning, maintenance, water treatment and fuel treatment. Our ships services team leads the industry in innovating environmentally acceptable marine chemicals. One such example is Gamazyme, a successful range of bioactive chemical products.

Yarwil:

Yarwil, our joint-venture with Yara International, has developed NOxCare, a competitive solution for removing NOx. With this system, more than 95% of the nitrogen oxide emissions from a vessel's exhaust is removed. By using a catalyst and adding urea and water, dangerous NOx emissions are transformed into harmless nitrogen and water.

Gamazyme products are used to clean galley, accommodation and bathroom areas and to treat grey and black water systems in a natural and environmentally safe way. New and improved formulations act even faster and more effectively to provide a quicker solution to well-known problems such as bad odours, blocked pipes and unhygienic conditions for both crew members and passengers. There are now also Gamazyme products that reduce the formation of toxic hydrogen sulphide (H2S) gases in food waste systems that improve safety onboard. The Gamazyme range is under constant development and we expect to see further developments in 2013 and the years to come. All chemical production takes place at our own factory near Tønsberg, Norway. The facility is highly automated and can produce 100 million litres per year. Production is certified under both ISO 9001 and ISO 14001.

Our commitment to the environment has also resulted in products like tin free solder, TIG welding electrodes without the radioactive element Thorium, as well as an extensive programme to phase out the HCFC gas R-22 and replace it with environmentally acceptable gases like HFC R-417A.

INNOVATIVE SOLUTIONS FOR THE MARITIME INDUSTRY

During 2012, we initiated several environmental actions, including several in collaboration with external partners. We hold a board position in the Norwegian Forum for Environmental Technology, which organises leading Norwegian companies from the energy, maritime and power consuming sectors in Norway. Trade unions are also represented. The vision is to develop a cluster for environmental technology oriented companies that can create the basis for a global environmental industry.

Regulatory initiatives

Wilhelmsen Maritime Services is an active contributor to the various IMO committees and sub-committees in collaboration with the Norwegian Maritime Authority and other nations' delegations. Our role is to bring our view as ship operators/ship service providers to the process of developing IMO maritime legislation. We believe this contribution will improve the environmental footprint and future of international ship operation.

Large business potential

WMS' combination of engineering and global network capabilities makes it possible to develop and deliver environmental solutions for our customers. This business has large potential to yield a good return on investment to the shareholders. This will be achieved by offering the best available technologies in the market; helping our customers to stay environmentally compliant and contributing to reduce their vessel operating costs.

We have stumbled a couple of times along the way, for example the withdrawal of the Unitor Ballast Water Treatment System from the market in April 2012 due to operational deficiencies. We were concerned that the system would not deliver the needed effects to our customers. It was a tough but necessary decision that taught us a lot about major technology projects. Our commitment to developing green solutions remains solid, however.

Our green commitment is a good fit with our vision of shaping the maritime industry. Being the shaper means to take into account customer demands, international regulations and future technology. Through profitability and innovation we are committed to address the environmental challenges of the maritime industry. Going green makes a lot of sense to Wilhelmsen Maritime Services and the Wilh. Wilhelmsen group.

During 2012 we initiated or participated in three larger development projects:

Scrubber for removal of sulphur and soot

Wilhelmsen Maritime Services is involved in a joint project with the Norwegian company Maritime Protection in Kristiansand to develop a scrubber that will remove sulphur and soot from main and auxiliary engines. Extensive tests for a land-based test installation are well underway, with positive results. A full-scale test installation on a vessel is planned for 2014. The project objective is to offer a commercially tested version of the scrubber in 2015 when new legislation on sulphur limits is expected to create a significant demand for scrubbers.

Catalyst for removal of NOx

Yarwil, WMS joint-venture with Yara International, has developed a competitive solution for removing NOx called NOxCare. With this system, more than 95% of the nitrogen oxide emissions from a vessel's exhaust are removed. By using a catalyst and adding urea and water, dangerous NOx emissions are transformed into harmless nitrogen and water. More than 150 systems have been delivered to vessels so far. Yarwil is currently developing a version than can also work in large two-stroke marine engines.

Bunker tanks for storage of LNG

Together with prominent technological companies like DNV, Marintek, Liquiline and NLI, WMS and its affiliated companies TI Marine Contracting and Wilhelmsen Marine Consultants is working to develop new, competitive bunker tanks for storing liquefied natural gas (LNG). The tanks are made of stainless steel and operate at low pressure, making them well suited for floating storage, production and transport. Tank insulation is provided by TI Marine Contracting.

Daisy Wanderley ▶

Customer service manager Latin America
Wilhelmsen Ships Service

In 2006, Daisy Wanderley had a key role in establishing the customer service centre in Rio de Janeiro. Now she is in charge of customer service for the entire Latin America.

"A customer service manager is responsible for satisfying the customers' needs and to be proactive on their demands. I have a team of 15 people located in Latin America which is the point of contact for our customers on a daily basis. When working in customer service, you are expected to know everything about the products. My contribution to the WW group's success is to constantly focus on training and increasing my team's knowledge to make sure we are meeting the customers' needs," says Daisy.

Corporate structure

The Wilh. Wilhelmsen group's head office is located in Norway. The group has offices in 380 locations in 73 countries.

Wilhelmsen Ships Service is servicing life rafts within the Life Raft Exchange program at 48 life rafts service stations in 29 countries.

Jason Myers ▶
Life raft supervisor
Wilhelmsen Ships Service

Clayton Rainer ▶
Life raft technician
Wilhemsen Ships Service

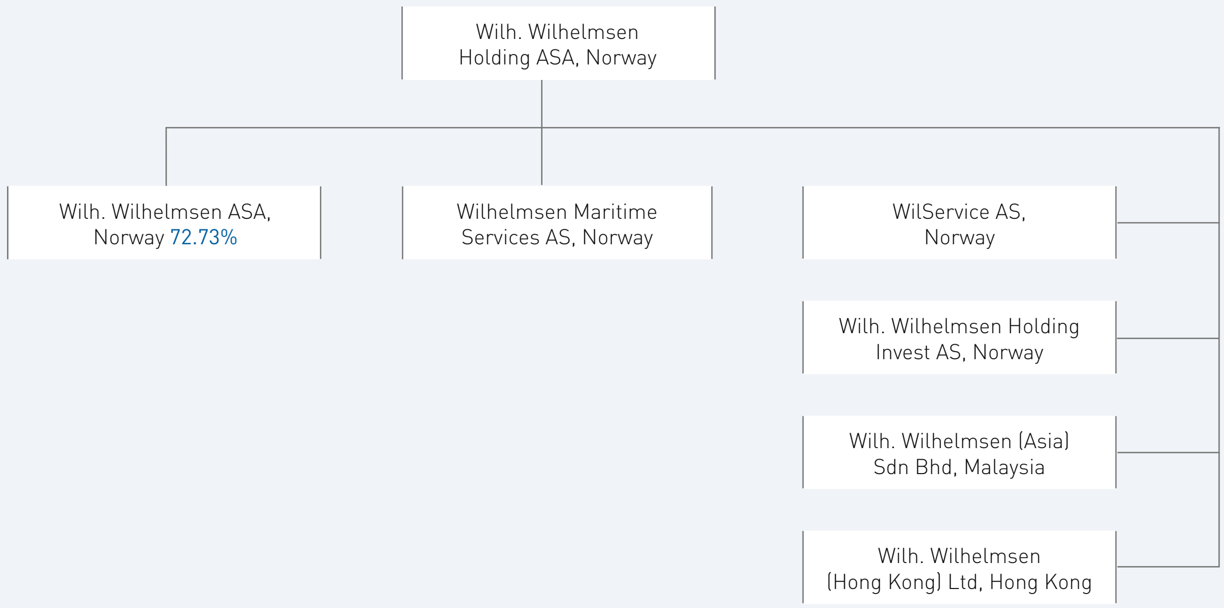
Jason Myers and Clayton Rainer are part of a team of four in Houston that are responsible for servicing life rafts in Wilhelmsen Ships Services' life raft exchange program.

"It is very important that the life saving appliances onboard are in good working condition. We make sure that every item is tested, repaired or replaced before the life raft is returned to the customer. On average we service ten life rafts of various sizes every day. It is a big responsibility. Our contribution to the WW group's success is that we certify life rafts which the customers can rely on," says Jason and Clayton.


UNITOR liferaft
UNITOR

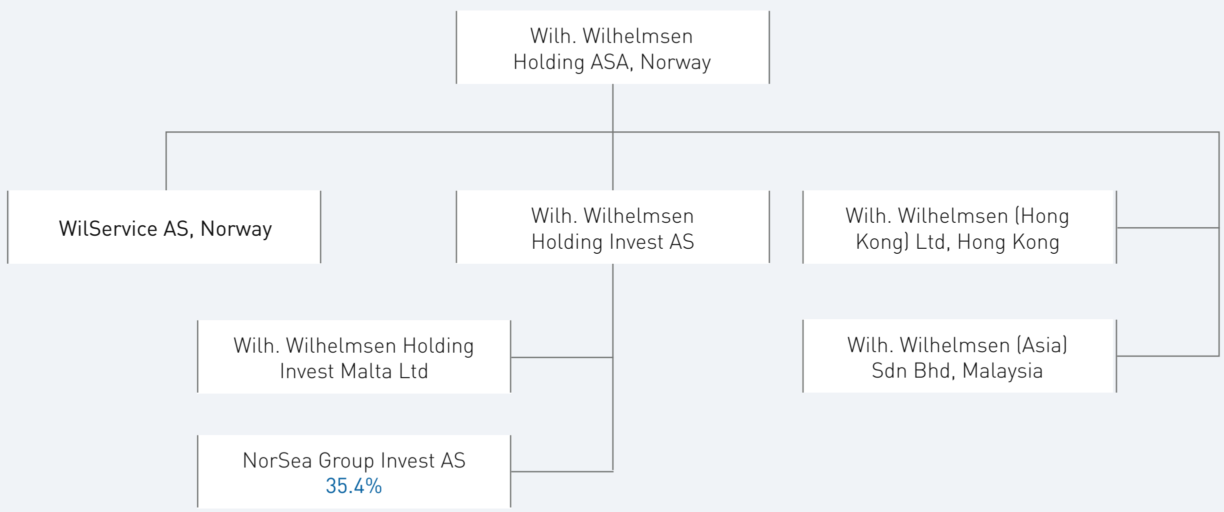
Corporate structure

WWH group main structure



Unless otherwise stated, the company is wholly-owned

Holding and Investments segment



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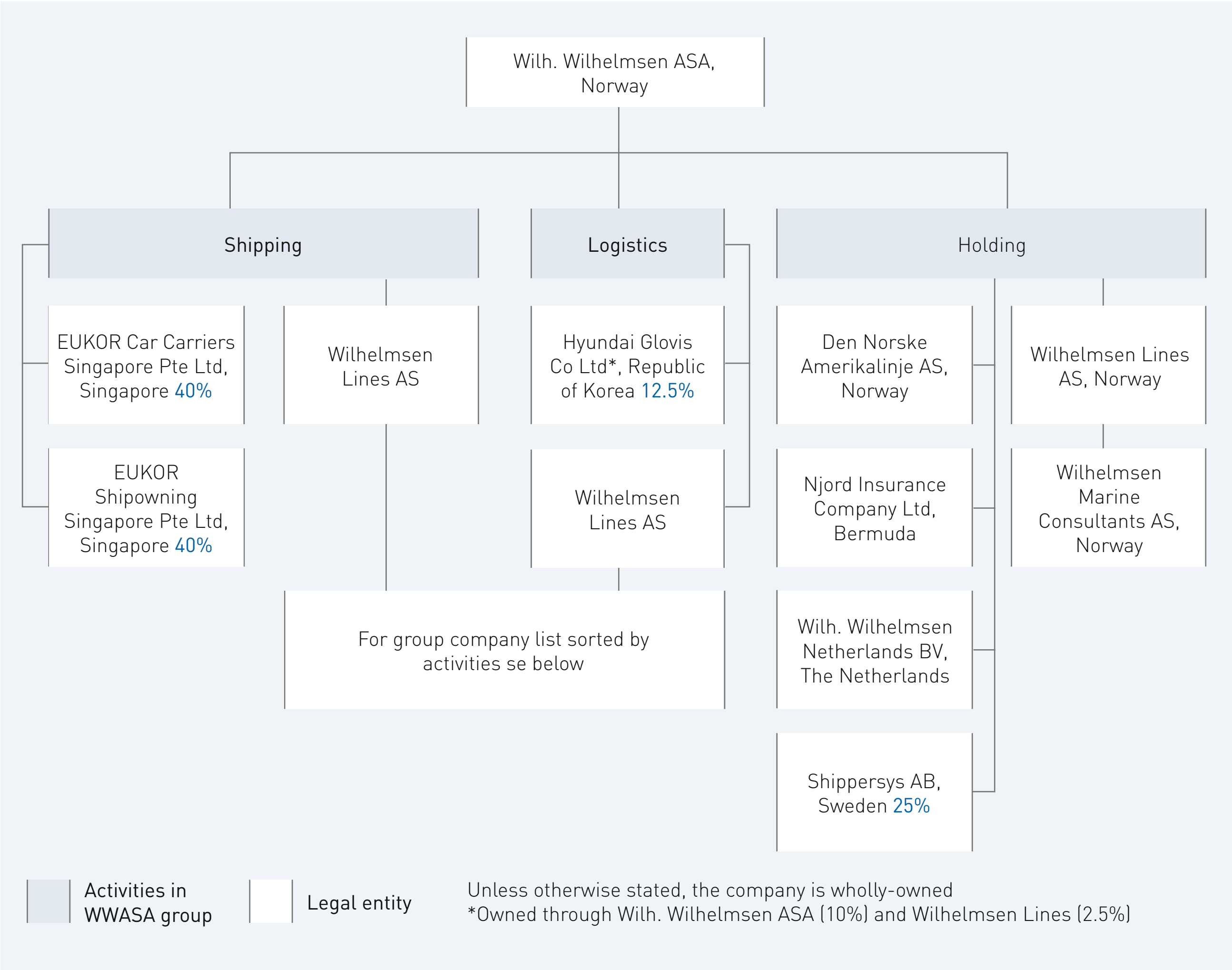
WWASA group segment



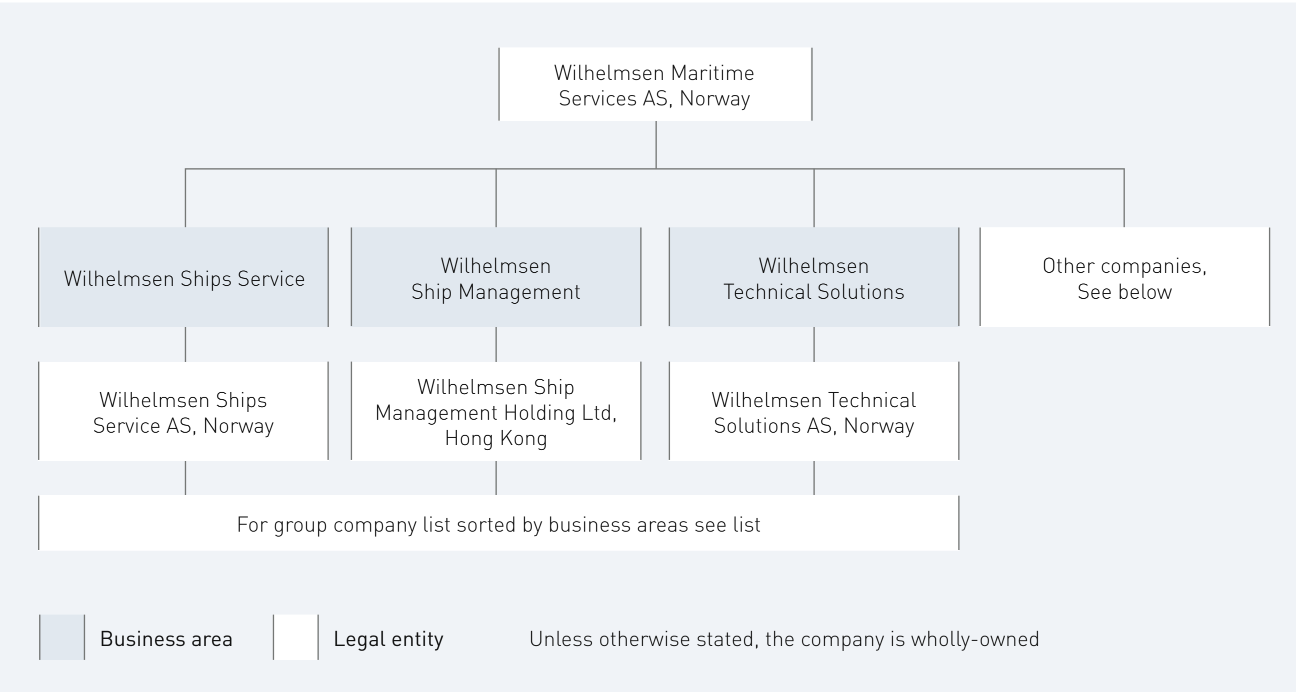
COMPANY NAME	COUNTRY	OWNER SHIP %
Wilhelmsen Lines AS (Shipping activities)		
Wilhelmsen Ships Holding Malta Ltd	Malta	100%
- Wallenius Wilhelmsen Logistics AS *	Norway	50%
- EUKOR Car Carriers Inc	Republic of Korea	40%
Hyundai Glovis Co Ltd *	Republic of Korea	2.5%
Wilhelmsen Shipping AS	Norway	100%
- Tellus Shipping AS	Norway	50%
Wilhelmsen Lines Shipowning AS	Norway	100%
- Norwegian Car Carriers ASA	Norway	6.5%
Wilhelmsen Lines Malta Ltd	Malta	100%
Wilhelmsen Lines Shipowning Malta Ltd	Malta	100%
Wilhelmsen Lines Car Carriers Ltd	United Kingdom	100%
Mark I Shipping Pte Ltd	Singapore	50%

Cont. WWASA group segment

COMPANY NAME	COUNTRY	OWNER SHIP %
American Roll-on Roll-off Carrier Holdings Inc	USA	50%
- American Roll-on Roll-off Carrier LLC	USA	100%
Fidelio Inc	USA	50%
- Fidelio Limited Partnership	USA	2%
Wilhelmsen Ships Holding AS	Norway	100%
- Fidelio Limited Partnership	USA	49%
Wilhelmsen Lines AS (Logistics activities)		
American Logistics Network LLC	USA	50%
- AP Logistics LLC	USA	50%
American Shipping & Logistics Group Inc	USA	50%
- American Insurance Providers Inc	USA	100%
- American Auto Logistics Limited Partnership	USA	100%
- Transcar GmbH	Germany	100%

*The company are allocated both to WWASA group's shipping and logistics activities

WMS group segment



COMPANY NAME	COUNTRY	OWNERSHIP %
Other companies		
Wilhelmsen IT Services AS	Norway	100.00%
Wilhelmsen Insurance Services AS	Norway	100.00%
Wilhelmsen Marine Fuels AS (formerly known as Wilhelmsen Premier Marine Fuels AS)	Norway	100.00%
Wilhelmsen Marine Fuels Pte Ltd (formerly known as Wilhelmsen Premier Marine Fuel Pte Ltd)	Singapore	100.00%
Wilhelmsen Premier Marine Fuels (Pty) Ltd	Republic of South Africa	100.00%
Wilhelmsen Marine Fuels Limited	United Kingdom	100.00%
Yarwil AS	Norway	50.00%

Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
Wilhelmsen Ships Service		
Wilhelmsen Ships Service Algeria SPA	Algeria	49.00%*
Wilhelmsen Ships Service Argentina SA	Argentina	100.00%
New Wave Maritime Services Pty Ltd	Australia	100.00%
Wilh. Wilhelmsen Oceania Pty Ltd	Australia	50.00%*
Wilhelmsen Ships Service Pty Limited	Australia	100.00%
Wiltrading (Darwin) Pty Ltd	Australia	50.00%*
WLB Shipping Pty Ltd	Australia	100.00%
WWHI Property Australia Pty Ltd	Australia	100.00%
Almoayed Wilhelmsen Ltd	Bahrain	40.00%*
Wilhelmsen Ships Service Limited	Bangladesh	50.00%
Wilhelmsen Ships Service NV	Belgium	100.00%
Barwil Brasil Agencias Maritimas Ltda	Brazil	100.00%
Wilhelmsen Ships Service do Brasil Ltda	Brazil	100.00%
Wilhelmsen Ships Service Ltd	Bulgaria	100.00%
Wilhelmsen Ships Service Inc	Canada	100.00%
Wilhelmsen Ship Service Agencia Maritima SA	Chile	100.00%
Wilhelmsen Ships Service (Chile) S.A.	Chile	99.90%*
Wilhelmsen Huayang Ships Service (Beijing) Co Ltd	China	50.00%
Wilhelmsen Huayang Ships Service (Shanghai) Co Ltd	China	49.00%*
Wilhelmsen Ships Service Co., Ltd	China	100.00%
Wilhelmsen Ships Service Colombia SAS	Colombia	100.00%
Wilhelmsen Ships Service Cyprus Ltd	Cyprus	100.00%
Wilhelmsen Ships Service A/S	Denmark	100.00%
Wilhelmsen Ships Service Ecuador SA (formerly known as Barwil Ecuador SA)	Ecuador	100.00%
Barwil Arabia Shipping Agencies SAE	Egypt	24.50%
Barwil Egytrans Shipping Agencies SAE	Egypt	49.00%
Scan Arabia Shipping Agencies SAE	Egypt	49.00%*
Wilhelmsen Ships Service Oy Ab	Finland	100.00%
Auxiliaire Maritime SAS	France	100.00%
Unitor Trading France SAS	France	100.00%
Wilhelmsen Ships Service France SAS	France	100.00%
Barwil Batumi Ltd	Georgia	50.00%
Barwil Georgia Ltd	Georgia	50.00%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.00%
Barwil Agencies GmbH	Germany	100.00%
Wilhelmsen Ships Service GmbH	Germany	100.00%
Barwil Black Sea Shipping Ltd	Gibraltar	50.00%
Wilhelmsen Ships Service (Gibraltar) Limited	Gibraltar	100.00%
Wiltrans (Gilbraltar) Limited	Gibraltar	100.00%
Barwil Hellas Ltd	Greece	60.00%
Uniref SA	Greece	100.00%
Wilhelmsen Ships Service Hellas SA	Greece	100.00%
Unitor Ships Service (Hong Kong) Limited	Hong Kong	100.00%
Wilhelmsen Ships Service Limited	Hong Kong	100.00%
Wilhelmsen Maritime Services Private Limited	India	100.00%
Wilhelmsen Ships Service Private Limited	India	100.00%
Wiltrans Logistics & Shipping Company Private Limited	India	100.00%
WSS Business Services India Private Limited	India	100.00%
P.T. Tirta Samudera Caraka	Indonesia	0.00%*
P.T. Tirta Sarana Banjar	Indonesia	0.00%*
P.T. Tirta Sarana Borneo	Indonesia	0.00%*
P.T. Tirta Sarana Dermaga	Indonesia	0.00%*

Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
P.T. Tirta Sarana Jasatama	Indonesia	0.00%*
P.T. Tirta Wahana Transportama	Indonesia	0.00%*
Barwil For Maritime Services Co Ltd	Iraq	75.00%
Wilhelmsen Ships Service SpA	Italy	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd - Legal Branch	Japan	100.00%
Wilhelmsen Ships Service Co Ltd	Japan	100.00%
Wilhelmsen Ships Service Ltd	Kenya	100.00%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partners WLL	Kuwait	49.00%
Barwil-Andersson Agencies Ltd	Latvia	49.00%
Wilhelmsen Ships Service Lebanon SAL	Lebanon	49.00%
Barwil Westext Sdn Bhd	Malaysia	25.00%*
NBM Agencies Sdn Bhd	Malaysia	100.00%
Wilhelmsen Agencies Sdn Bhd	Malaysia	100.00%
Wilhelmsen Freight & Logistics Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Holdings Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malaysia Sdn Bhd	Malaysia	30.00%*
Wilhelmsen Ships Service Trading Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malta Limited	Malta	100.00%
Unitor de Mexico, SA de CV	Mexico	100.00%
Wilhelmsen Ships Service (Mozambique), Limitada	Mozambique	100.00%
Wilhelmsen Ships Service B.V.	Netherlands	100.00%
Eurokor Barging B.V.	Netherlands	50.00%
Unitor Ships Service NV Netherlands Antilles	Netherlands Antilles	100.00%
Wilh. Wilhelmsen (New Zealand) Limited	New Zealand	100.00%
Wilhelmsen Ships Service Limited	New Zealand	100.00%
Barwil Agencies AS	Norway	100.00%
Wilhelmsen Chemicals AS (formerly known as Unitor Chemicals AS)	Norway	100.00%
Wilhelmsen Ships Service AS	Norway	100.00%
Towell Barwil Co LLC	Oman	30.00%
Wilhelmsen Ships Service (Private) Limited	Pakistan	49.00%
Barwil Agencies SA	Pananma	100.00%
Intertransport Air Logistics SA	Pananma	100.00%
Lonemar SA	Pananma	100.00%
Lowill SA	Pananma	100.00%
Scan Cargo Services SA	Pananma	100.00%
Transcanal Agency SA	Pananma	100.00%
Wilhelmsen Ships Service SA	Pananma	100.00%
Wilhelmsen Ships Service Peru SA (formerly known as Barwil Peru SA)	Peru	100.00%
Wilhelmsen-Smith Bell (Subic) Inc	Philippines	50.00%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	40.00%*
Wilhelmsen Ships Service Philippines Inc	Philippines	100.00%
Wilhelmsen Ships Service Polska Sp zoo	Poland	100.00%
Argomar-Navegcao e Transportes SA	Portugal	100.00%
Barwil-Knudsen, Agente de Navagacao Lda	Portugal	100.00%
Unitor-Equipamentos Maritimos Lda	Portugal	100.00%
Wilhelmsen Ships Service Portugal, SA	Portugal	100.00%
Wilhelmsen Ship Services Qatar Ltd	Qatar	0.00%*
Barwil (South Africa) Pty Ltd	Republic of South Africa	100.00%
Krew-Barwil (Pty) Ltd	Republic of South Africa	49.00%
Wilhelmsen Ships Services (Pty) Ltd	Republic of South Africa	100.00%
Wilhelmsen Ships Services South Africa (Pty) Ltd	Republic of South Africa	70.00%
Wilhelmsen Hyopwoon Ships Service Ltd	Republic of Korea	50.00%
Wilhelmsen Ship Services Co Ltd	Republic of Korea	100.00%
Barwil Star Agencies SRL	Romania	100.00%

Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
Barwil Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ships Service OOO	Russia	100.00%
Barwil Agencies Ltd For Shipping	Saudi Arabia	70.00%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.00%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	0.00%*
Wilhelmsen Ships Service Senegal SUARL	Senegal	100.00%
Unitor Cylinder Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (S) Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service Canarias SA	Spain	100.00%
Wilhelmsen Ships Service Spain SAU	Spain	100.00%
Wilhelmsen Meridian Navigation Ltd	Sri Lanka	40.00%
Baasher Barwil Agencies Ltd	Sudan	50.00%
Alarbab For Shipping Co. Ltd	Sudan	0.00%*
Wilhelmsen Ships Service AB	Sweden	100.00%
National Company for Maritime Agencies Ltd	Syria Arab Republic	50.00%
Formosa Shipping Agencies Inc	Taiwan	100.00%
Wilhelmsen Ships Service Inc	Taiwan	100.00%
Wilhelmsen Ship Services Ltd	Tanzania	100.00%
Wilhelmsen Ships Service (Thailand) Ltd	Thailand	49.00%*
Wilhelmsen Denizcilik Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Lojistick Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Ships Service Ukraine Ltd	Ukraine	100.00%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	0.00%*
Barwil Dubai LLC	United Arab Emirates	49.00%*
Wilhelmsen Ship Services LLC	United Arab Emirates	42.50%*
Triangle Shipping Agencies LLC	United Arab Emirates	49.00%*
Wilhelmsen Ships Service AS (Dubai Branch)	United Arab Emirates	100.00%
Wilhelmsen Maritime Services JAFZA	United Arab Emirates	100.00%
Wilhelmsen Ships Service (L.L.C)	United Arab Emirates	49.00%*
Denholm Barwil Ltd.	United Kingdom	40.00%
Wilhelmsen Ships Service Limited	United Kingdom	100.00%
Knight Transport Ltd	USA	33.33%
Wilhelmsen Ships Service Inc	USA	100.00%
Barwil de Venezuela CA	Venezuela	50.00%
Barwil-Sunnytrans Ltd	Vietnam	49.00%
International Shipping Co Ltd	Yemen	0.00%*
Wilhelmsen Ship Management		
Unicorn Shipping Services Ltd.	Bangladesh	51.00%
Wilhelmsen Ship Management Serviços Marítimos do Brasil Ltda.	Brazil	100.00%
Wilhelmsen Ship Management d.o.o.	Croatia	100.00%
Barklav (Hong Kong) Limited	Hong Kong	50.00%
Wilhelmsen Marine Personnel (Hong Kong) Ltd	Hong Kong	100.00%
Wilhelmsen Ship Management Holding Limited	Hong Kong	100.00%
Wilhelmsen Ship Management Limited	Hong Kong	100.00%
WSM Global Services Limited	Hong Kong	100.00%
Wilhelmsen Ship Management (India) Private Limited	India	100.00%
Global Vessel Management Ltd	Liberia	33.33%
Wilhelmsen Ship Management Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ship Management Services Sdn Bhd	Malaysia	100.00%
Unicorn Shipping Services Limited	Mauritius	51.00%
Wilhelmsen Marine Personnel (Myanmar) Company Limited	Myanmar	100.00%
Barber Moss Ship Management AS	Norway	50.00%

Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
Golar Wilhelmsen Management AS	Norway	40.00%
Wilhelmsen Marine Personnel (Norway) AS	Norway	100.00%
Wilhelmsen Ship Management (Norway) AS	Norway	100.00%
OOPS (Panama) SA	Panama	100.00%
Wilhelmsen-Smith Bell Manning Inc	Philippines	25.00%*
Wilhelmsen Marine Personnel Sp z.o.o.	Poland	100.00%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.00%
Wilhelmsen Ship Management Korea Ltd	Republic of Korea	100.00%
Barklav SRL	Romania	50.00%
Wilhelmsen Marine Personnel Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ship Management Singapore Pte Ltd	Singapore	100.00%
Wilhelmsen Technical & Operational Solutions Pte Ltd	Singapore	100.00%
Crewing Agency "Barber Manning"	Ukraine	100.00%
Wilhelmsen Marine Personnel (Ukraine) Ltd	Ukraine	100.00%
Wilhelmsen Ship Management (USA) Inc	USA	100.00%

Wilhelmsen Technical Solutions

Wilhelmsen Technical Solutions do Brasil Ltda (formerly known as Wilhelmsen Marine Engineering do Brasil Ltda)	Brazil	100.00%
Novenco Trade (Shanghai) Co Ltd	China	100.00%
Ti China Co Ltd	China	100.00%
Wilhelmsen Technical Solutions Production Co Ltd	China	100.00%
Wilhelmsen Technical Solutions China Co. Ltd	China	100.00%
Novenco Fire Fighting A/S	Denmark	100.00%
Wilhelmsen Technical Solutions A/S	Denmark	100.00%
Wilhelmsen Technical Solutions Co. Ltd	Japan	100.00%
TI Marine Contracting AS	Norway	100.00%
Wilhelmsen Technical Solutions AS	Norway	100.00%
Wilhelmsen Technical Solutions Norway AS	Norway	100.00%
Wilhelmsen Technical Solutions Sp. z.o.o.	Poland	100.00%
TI Korea Co. Ltd	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Korea Co Ltd	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Pte Ltd	Singapore	100.00%
Wilhelmsen Technical Solutions Sweden AB	Sweden	100.00%
Wilhelmsen Technical Solutions AB (formerly known as Wilhelmsen Technical Solutions Holding AB)	Sweden	100.00%
European Manning Services Ltd	United Kingdom	100.00%
Ticon Insulation Limited	United Kingdom	100.00%
Wilhelmsen Technical Solutions, Inc	USA	100.00%
Wilhelmsen Ships Equipment Co Ltd - Hanoi Representative Office	Vietnam	100.00%

Varon Balderrama

Vessel manager
Wilhelmsen Ships Service

Varon Balderrama makes sure that every product and service ordered by the vessels are prepared and delivered on time. He sets his pride in treating the company as if it was his own and to take good care of the equipment provided.

"Working in ships agency is a 24/7/365 job. We are providing the same level of service to our customers on a global basis. In Houston alone we service between 65-80 vessels every month. Our team of vessels managers and boarding agents are handling the deliveries to these vessels. However, during hectic periods we all have to share the workload between us. My contribution to the WW group's success is to make sure that our customers get the best possible service and at the same time keep the expenses down," says Varon.

◀ Christian Nesset

Chief officer
Wilhelmsen Ship Management

Christian Nesset is one of our next generation seafarers. He began his career in WW as a deck cadet in 2008. Currently he is sailing as Chief Officer on our ro-ro vessels.

"A chief officer has many roles onboard a vessel. In addition to being next in command to the Master, I am in charge of the deck department and responsible for the entire cargo operation, the maintenance of the vessel's hull and accommodation as well as all life savings appliances onboard. I'm also the ships security officer and medic. My contribution to the WW group's success is to make sure that vessel and crew complies with the latest rules and regulations as well as security measures in accordance with the Port State Control," says Christian.

◀ Kareen Lorana

Jr. third officer
Wilhelmsen Ship Management

Kareen Lorana has always been fascinated by life at sea. She started her career as crewing assistant at the Wilhelmsen office in Manila. There she decided that she wanted to follow her dream and become a seafarer.

"I started as a deck cadet in 2010. In 2012, I received my license and was appointed jr. third officer. As junior third officer I'm preparing to become a third officer. The third officer is in charge of the general maintenance of lifeboats and fire fighting appliances, signalling equipment as well as various loading and unloading operations. To learn all about these duties, I go the watches together with the third officer. My contribution to the WW group's success is that I'm determined to learn new things every day from my skilled colleagues and to be a reliable crew member," says Kareen.

Designed by REDINK. Photos by Hans Fredrik Asbjørnsen

Wilh. Wilhelmsen Holding ASA
P O Box 33
NO-1324 Lysaker, NORWAY
Tel: +47 67 58 40 00
E-mail: ww@wilhelmsen.com
www.wilhelmsen.com

Org no 995 277 905 MVA

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