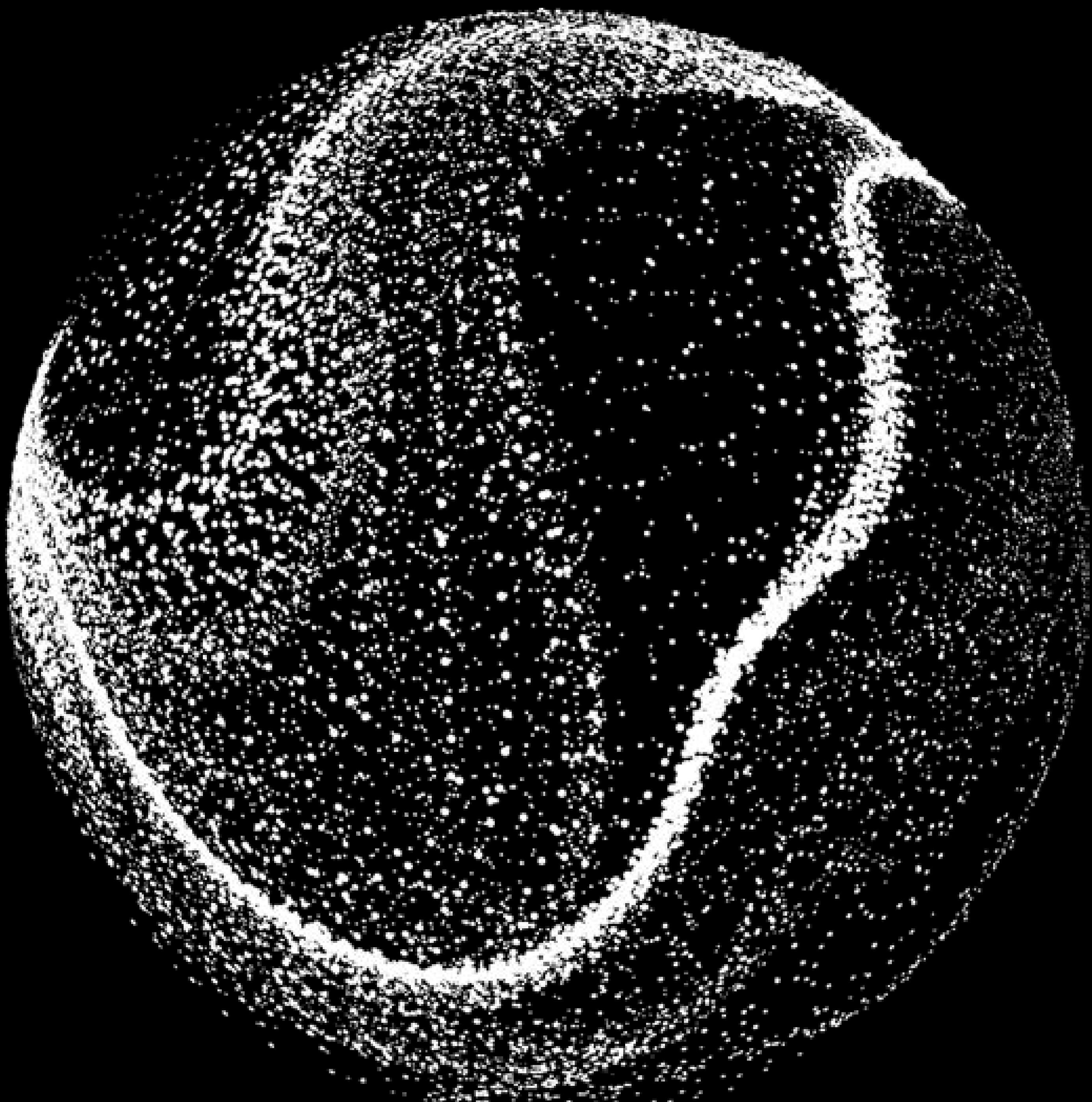
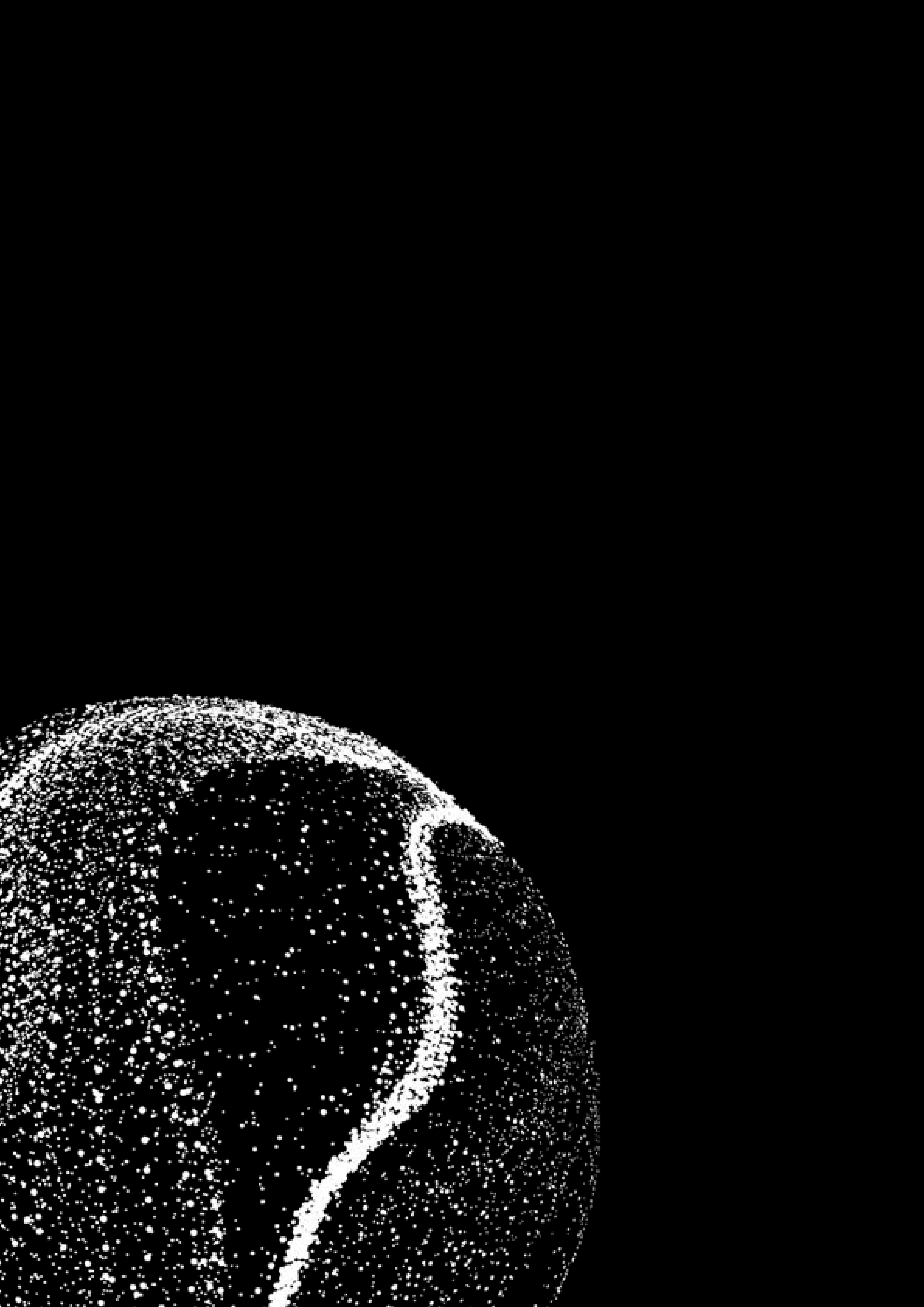
Wilhelmsen

Enable. Enhance. Simplify.

Annual report 2017





Sustainability report 2017

With big internal changes and many exciting sustainability initiatives happening around the world, never before have we seen so many great opportunities to shape the maritime industry.

I am pleased with our achievements in 2017, and our direction going forwards. We are committed to address all aspects of our business and footprint and I am confident that we will continue to do the right things the right way.

Thomas Wilhelmsen, group CEO

Significant changes since last report

In April 2017, the Wallenius Wilhelmsen Logistics ASA (WWL ASA) merger was completed and listed on the Oslo stock exchange. Wilhelmsen holds a 37.8% shareholding in the new entity with a seat on the board and a representative in the nomination committee. Because of this change, the shipping and logistics activities resulting from WWL ASA operations are no longer included in the boundary of our reporting. Further information on WWL ASA sustainability can be found on walleniuswilhelmsen.com.

Materiality matrix

Importance to external stakeholders			
HIGH			• Business ethics and anti-corruption • Working conditions, labour standards, health and safety • Emissions to air, sea and soil • Employee competence and development
	• Local communities • Diversity and inclusion	• Sustainable supplier management • Labour relations • Tax transparency • Ship recycling	• Energy use • Innovation
LOW		• Waste • Lobbying	

LOW — Importance to us — HIGH

Highlights 2017

TAKE 5 program implemented in Ships Agency

Implemented digital trainee program

Three start-ups utilised the Maritime Innovation Lab

300 NEW

Ship Management screened more than 300 new suppliers

0.49

Vessel LTIF rate within target not to exceed 0.55

5 168
9 460

14 628 employees
5 168 onshore
9 460 seafarers

OHSAS

Ship Service achieved global certification according to the OHSAS 18001 standard

99%

99% of employees assigned for competition law training completed the course

36% 1%

Females represent 36% of the onshore population, and 1% of the seafarer population

72 points
Up 3 points

Employee engagement score was a high 72 points, up three since the last survey in 2015

Targets for 2018

LTIF

Vessel LTIF rate not to exceed 0.50

85%

85% employees complete performance review

-1%

Ship Management to reduce fuel consumption in the managed fleet by 1% compared with the established baseline every year

Wilhelmsen Chemicals will install new factory heating systems to reduce the environmental impact

File binding corporate rules (BCR) application with data protection authorities and ensure follow up of identified loopholes

Conduct a new materiality assessment

Sustainability work in 2017

The Wilhelmsen group consists of a diverse portfolio of maritime related companies operating on six continents. We have the world's largest maritime network with 262 offices in 69 countries on call 24/7, and deliver products and services to more than 50% of the merchant fleet. To enable sustainable global trade, we are committed to deliver safe and sustainable solutions to the maritime industry. We continuously work to improve our environmental footprint, our efforts on compliance, to increase our employees' health and safety, and contribute to the communities in which we operate. In 2017, we revised our sustainability policy and requirements. The requirements are to be implemented in our strategies and business goals, advocated when representing Wilhelmsen on boards and used as requirements in mergers and acquisitions, and investment decisions. In 2018, we will continue to build internal competence and robust reporting systems based on this policy.

Environment

As a global company with thousands of people spread across the world, we have an opportunity to continuously work towards reducing our environmental footprint and set a healthy standard in the maritime industry. In 2017, we saw a shift from our environmental focus on vessels to our primary operations, which are the maritime service industry. With this shift, we have started the work to map and build a system to better understand our global footprint in our locations around the world. We are no longer reporting on emissions from previously owned ships, but rather reporting on the environmental footprint of where we have people delivering our products and services across the globe.

Governance

We have clear policies on ethics and anti-corruption. We do not tolerate any form of corruption, and we expect all employees to live up to the high ethical standards we lay down in our governing documents and Code of Conduct. Business standards work is ongoing and constant, and our various stakeholders depend on us being a transparent and compliant partner. In 2017, we worked on our new personal data protection policy which will be rolled out in 2018, we conducted competition law training, and conducted business standard audits to name a few initiatives.

Employees

We are 14 628 employees of 82 nationalities, with Norway, Malaysia and India representing the top three populations in size onshore. Females represent 36% of the onshore population, 1% of the seafarer population, and 17% of senior management positions. In 2017, our employee engagement survey score was up three points, to a high 72, in a period of significant organisational changes, and 92% of our employees responded. For both on vessel and onshore operations, the lost time injury frequency rate and total recordable frequency rate were within target. Regrettably, there was one work related fatality on board a vessel during cargo operations.

find more on wilhelmsen.com/sustainability2017

Securing a position to win the future

A swift look in the mirror
I had an ambition for 2017. Personally and as a group, I wanted us to engage in potentially game-changing technologies and business models, and ensure we actively addressed how we can create future value for our customers.

How did we do? Our knowledge of modern technologies and how they can be applied in our industry has absolutely increased. We have also been engaged in new types of dialogues with business partners on how we can cooperate to create future solutions. Some of these have materialised. Others will be public in 2018 and the years to come.

Our toolbox has expanded and we have seen how we can develop new solutions fast and in closer cooperation with our customers. I have also witnessed that we have gone from talking about 3D printing, sensors, drones and artificial intelligence to piloting these technologies live around the world. In addition, and to be able to foster this innovative and agile culture, we have continued to invest in building tomorrow's leaders.

Honestly, I'm quite amazed by what we have delivered in 2017, not least since we also have gone through radical changes. Most of our companies have had challenges in their markets and seen a need to restructure and right size. In addition, with the merger that led to Wallenius Wilhelmsen Logistics being a separately listed entity, we don't own any vessels for the first time in 156 years. Combined, substantial, but necessary changes to ensure we are fit for future growth.

What next?
Our existing offers and business models will continue to be challenged by multiple factors, including rapid technology development, changing customer- and supplier behaviour, new competitors and a changing workforce. This creates a vast number of opportunities, which we will capture by being agile, innovative and by disrupting ourselves. We will acquire companies and competencies to bolster our existing businesses, but also to support our need to develop new solutions and business models, which will deliver value in the years to come.

Our strategic ambition is to develop a balanced group of companies across shipping, maritime services, logistics operations and infrastructure. We will create profitable and sustainable operations through active ownership and develop businesses that grow at or above the market. To be successful, we will continue to take advantage of our network and competence, brand, and culture, and retain, attract and develop the people necessary to take us into the future.

Taking action on ocean sustainability
90% of goods are carried by ships. Living off the ocean, we are committed to ensuring the oceans are managed in a healthy and sustainable way for future generations. We are inspired by our responsibility to contribute to the UN sustainable development goals set for 2030. In 2018, we have already launched two new initiatives supporting these ambitions – one related to wind, the other to autonomous vessels. And we expect new innovations to merge in 2018 and the years to come.

My promise
I have 14 627 colleagues in the wide Wilhelmsen group*. We are inspired by a drive to shape the maritime industry. We will make this happen by ensuring our customers succeed and continue to stay at the forefront. Through powerful curiosity and imagination, we will explore new ways of creating value and be inspired to change our business models and solutions.

Why? Simply because it is more fun to be in in the forefront of developing the maritime industry, than to be someone who adopts what everyone else is already doing.

*See note 6 on page 58 for definition.

"It is more fun and satisfying to be in the forefront of developing the maritime industry, than to be someone who just adopts what everyone else is doing."

Thomas Wilhelmsen, group CEO

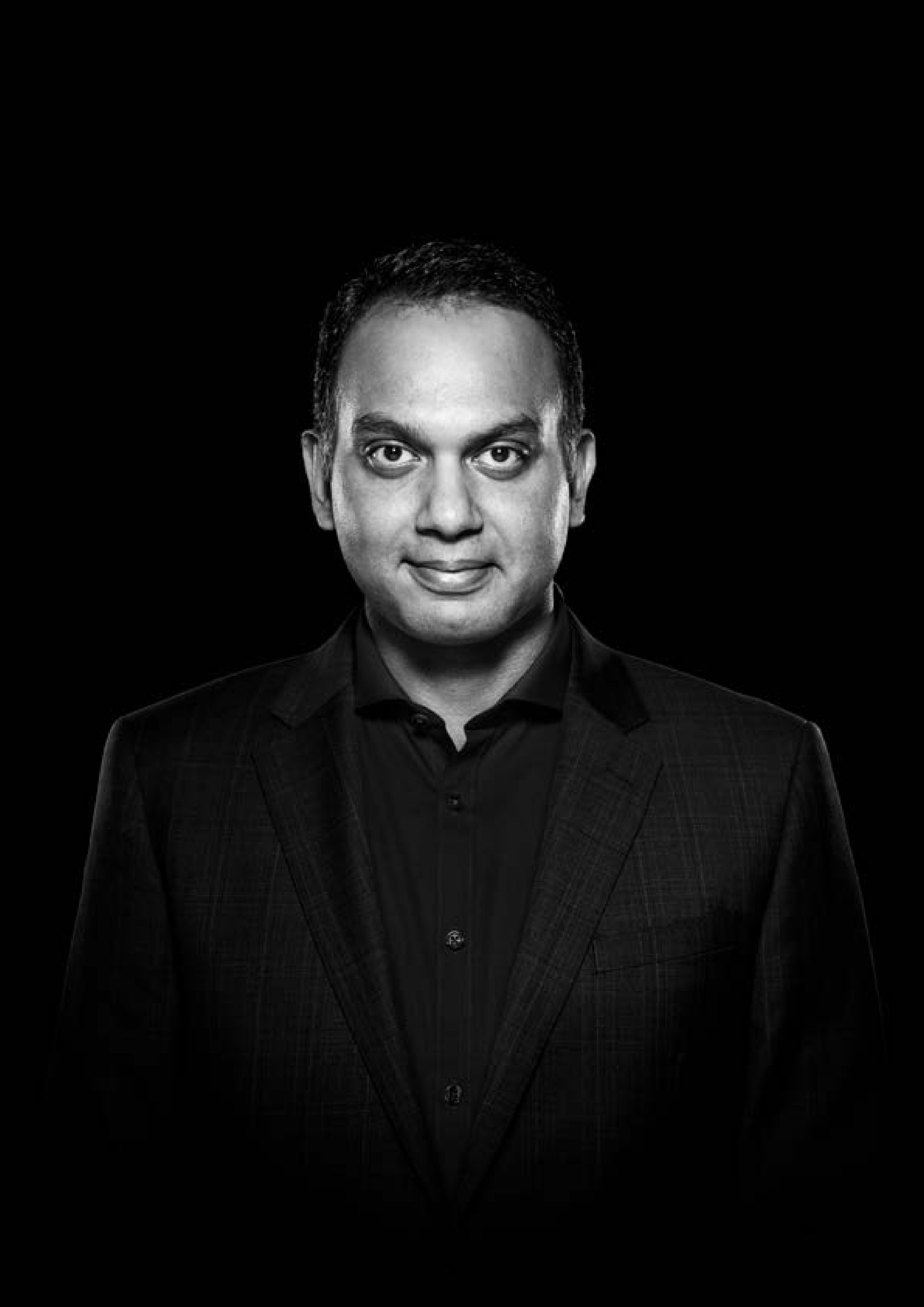
Drones

Jessica Chen

Business coordinator
Wilhelmsen Ships Service, Ships Agency

If you could reduce cost, reduce safety risk, reduce negative environment impact and increase efficiency, would you be interested? What if you could work dramatically faster, still interested? With drones in a maritime environment, we can give our customers clear benefits on cargo hold inspections, deliveries and more services to come. The best part is that the technology we use is only getting better. Jessica Chen is part of the team working on our drone projects. By adopting a well-known concept of drones, but putting them into a challenging maritime environment, Wilhelmsen is shaping the maritime industry.

Content



Bots

Sachin Gupta
Business manager oil
Wilhelmsen Ships Service, Marine Products

Imagine a customer journey that means immediate response to your product queries and constant access to our product catalogues. Imagine having everything you need at your fingertips, while the people behind the products and services you need can focus even more on giving you the best customer experience. At Wilhelmsen, we are developing BOTS to serve your needs, because we are simplifying your business. Sachin is part of the team working on our BOT technology. Interacting with Wilhelmsen is only getting easier.

Key figures

Consolidated accounts

		2017	2016	2015	2014	2013
INCOME STATEMENT						
Total income *	USD mill	793	930	3 173	3 693	3 683
Operating profit before amortisation and impairment (EBITDA)*	USD mill	198	116	398	566	542
Operating profit *	USD mill	176	94	165	381	363
Profit before tax *	USD mill	253	151	48	273	374
Net profit *	USD mill	(2)	251	57	292	340
Net profit after non-controlling interests *	USD mill	(64)	201	54	241	260
BALANCE SHEET						
Non current assets	USD mill	2 637	3 781	3 566	3 687	3 728
Current assets	USD mill	651	914	1 120	1 152	1 218
Equity	USD mill	2 188	2 492	2 206	2 329	2 286
Interest-bearing debt	USD mill	601	1 533	1 660	1 693	1 851
Total assets	USD mill	3 288	4 695	4 686	4 839	4 946
KEY FINANCIAL FIGURES						
Cash flow from operation [(1)]	USD mill	139	420	258	241	243
Liquid funds at 31 December [(2)]	USD mill	268	580	638	688	734
Liquidy ratio [(3)]		1.4	1.9	1.7	2.1	1.7
Equity ratio [(4)]	%	67%	53%	47%	48%	46%
YIELD						
Return on equity [(5)]	%	0%	11%	2%	13%	16%
KEY FIGURES PER SHARE						
Earnings per share [(6)]	USD	(1.38)	4.34	1.16	5.20	5.59
Operating profit before amortisation and impairment (EBITDA) per share [(7)*]	USD	4.26	2.51	8.55	12.18	11.66
Average number of shares outstanding	Thousand	46 404	46 404	46 404	46 404	46 404
Dividend per share	NOK	5.00	5.00	5.00	5.00	5.50

Definition

(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 after tax divided by average equity
(6) Profit for the period after non-controlling interests, divided by average number of shares
Earnings per share taking into consideration the number of shares reduced for own shares
(7) Operating profit for the period adjusted for depreciation and impairments of assets, divided by average number of shares outstanding

* Figures for 2016 are restated with Wilh. Wilhelmsen ASA reported as discontinued operation.
Figures for 2015, 2014 and 2013 are according to the proportinate method.

Highlights for 2017

Wallenius Wilhelmsen Logistics ASA merger completed, creating one of the largest listed shipping and logistics companies globally

Continued development of group service offering, including digital solutions, bolt-on acquisitions and infrastructure investments

67%

Book equity ratio increased to 67%

Paid dividend of NOK 5.00 per share

Signed agreement to buy Drew Marine, subject to regulatory approval

Wallenius Wilhelmsen Logistics ASA share price was up 75% during the year

Ships service delivers products and solutions to more than 50% of the merchant fleet

75 000

75 000 port calls handled by ships service port agents per year

Increased ownership in NorSea Group from 40% to 74.1%

Ship management serves approximately 390 vessels globally, 35% on full technical management

9 460

Ship management employs approximately 9 460 seafarers

Ships service has around 210 000 product deliveries per year. A delivery every three minutes 24/7/365

Positive development in Wilhelmsen (WWI) share price

1 000 000

1 000 000 tonnes of equipment handled for offshore installations by NorSea Group

Boiler water

Rune Nygaard
Business manager water
Wilhelmsen Ships Service, Marine Products

The boiler is one of a vessel's key components, but if not properly maintained can become its most volatile piece of equipment. Today, boiler water maintenance is performed onboard by overstretched crews that have more and more tasks to take care of. Our solution combines automatic dosing capability with real time data feedback and analysis both on board and onshore, thereby reducing this burden. Currently installed on eight test vessels, this is just the beginning. As our dosing and monitoring units can include other water streams on the vessel, we can deliver asset protection in multiple places with a standardized solution that is communicated and viewable via a single cloud platform.

Directors' report for 2017

Wilh. Wilhelmsen Holding ASA

Main development and strategic direction
The Wilh. Wilhelmsen Holding group (Wilhelmsen or group) is an industrial holding company within the maritime and logistics industry. The group activities are carried out through fully and partly owned entities, most of which are among the market leaders within their segments. Wilhelmsen's ambition is to develop companies within maritime services, shipping, logistics or infrastructure to grow at or above the market through active ownership.

In 2017, Wilhelmsen completed several structural changes of the group initiated the previous year. This has created significant shareholder value, a more transparent governance and corporate structure, and laid the foundation for better services and product offerings to customers.

On 4 April, the merger of Wilh. Wilhelmsen ASA and Wallroll AB was formally completed, and the following day, Wallenius Wilhelmsen Logistics ASA started trading on the Oslo Stock Exchange. Wilhelmsen owns 160 million shares in Wallenius Wilhelmsen Logistics ASA, representing an ownership share of 37.8%.

The creation of Wallenius Wilhelmsen Logistics ASA opens up for a more effective management, operational and financial structure. Significant synergies have already been achieved, and together with increased share liquidity and a positive market sentiment amongst others, this has contributed to a significant uplift in shareholder value.

On 26 September, Wilhelmsen secured majority control in NorSea Group. Ownership was increased to 74.1 % by the end of the year, with further increases taking place early 2018.

NorSea Group has since 2015 cooperated with WilNor Governmental Services (owned 51% by Wilhelmsen and 49% by NorSea Group) on providing services to the armed forces. Early 2018, NorSea Group and Wilhelmsen Ship Management secured a five year agreement with TenneT, establishing the two as leading suppliers to the offshore-wind industry.

Maritime services activities started the year with a new, slimmer platform, following previous year sale of non-core activities. During the year, new digital product offerings and bolt-on acquisitions laid the foundation for future growth. On 1 April, Wilhelmsen acquired Kemetyl's sales and marketing activities for consumer products in Norway, and on 27 April, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine. The latter is subject to regulatory approval, with approval process still ongoing.

The corporate transactions and changes in the financial structure of the group had a strong bearing also on the financial accounts. This applies to both the income statement and the balance sheet. Under its review of group performance, the board balances the focus on operational performance and measures effecting the net asset value of group companies and investments.

In 2017, development in underlying results for the group companies were mixed. For both maritime services and supply services, operating margin adjusted for one-offs were at a level below long-term average. While main markets remained challenging, the general sentiment improved during the second half of the year. For investment activities, underlying results improved supported by a general uptick in world economy and trade.

Market value of investments increased significantly during the year, supported by an uplift in Wallenius Wilhelmsen Logistics ASA share price and a general positive development in world equity markets. The reported results for the year included significant non-recurring items. Change in measurement of Treasure ASA's shares in Hyundai Glovis resulted in a USD 195 million accounting gain, while change of measurement of NorSea Group resulted in a USD 40 million accounting loss. The Wallenius Wilhelmsen Logistics ASA merger implied a reclassification of the previous shareholding in Wilh. Wilhelmsen ASA as discontinued operations. This had a USD 239 million negative effect on reported net result. In addition, Wallenius Wilhelmsen Logistics ASA's accounts for 2017 included significant merger related cost, which impacted Wilhelmsen's net result through reduced share of profit from associates.

Total assets for the group were down in 2017, following the reclassification of Wilh. Wilhelmsen ASA as discontinued operations. With its large capital base and investments, Wilh. Wilhelmsen ASA has historically represented more than half the group's total assets.

The structural changes had a positive effect on the ratio and capital base. At the end of the year, the group equity ratio was 67%, up from 53% one year earlier. Total equity to holders of the parent was stable. Liquid assets totalled USD 268 million by end of 2017, increasing to USD 1 069 million if including available-for-sale financial assets. The debt repayment profile for the group remains of a long-term nature.

The WWI/WWIB share price developed positively during the year, following a strong rebound starting early 2016. Total return (including dividends reinvested on ex-dates) was 27.5% for the WWI share and 28.8% for the WWIB share, both substantially above the 19.1% increase in the Oslo Stock Exchange Benchmark index (source Oslo Stock Exchange Annual statistics).

A total dividend of NOK 5.00 per share was paid in 2017. A first dividend of NOK 3.50 was paid 11 May, followed by a second dividend of NOK 1.50 paid 23 November. This represented a dividend yield of 2.5% based on the average WWI/WWIB share price by the end of 2016.

In 2017, Wilhelmsen created a new visual identity, covering all fully owned entities.

The board believes sound corporate governance is the foundation for profitable growth and a healthy company culture. Good governance contributes to reduced risk and create value over time for shareholders and other stakeholders. The board further acknowledges that sustainability is a vital prerequisite for Wilhelmsen being a profitable and responsible player in the industry and society.

In 2017, anti-corruption, competition law, fraud and theft as well as whistleblowing received particular attention. Substantial efforts were put into combating cyber risk, were appropriate risk reduction methods and tools were implemented. In addition, the group has started the adoption to the new EU General Data Protection Regulation that will come into force in May 2018.

Dividend NOK 5 per share

Financial results

Income statement

In 2017, Wilhelmsen changed the reporting sequence in the income statement. Share of profit from joint ventures and associates has been moved from operating activities to be part of investing and financial activities. This has an impact on reported total income, EBITDA and operating profit, but has no impact on reported net result.

Total income for Wilhelmsen was USD 793 million in the year 2017, a reduction of 15% from the previous year. The income reflected reduced operating revenue within maritime services, a material gain from change in measurement of assets, and income from the new supply service segment in the fourth quarter.

Group EBITDA came in at USD 198 million for the year, up 70%. A USD 155 million net accounting gain in 2017 from change in measurement of assets was the main driver behind the increase, while 2016 results included USD 44 million in net sales gain and related transaction and restructuring costs. Excluding these non-recurring items, EBITDA was down 41% for the year.

For maritime services, a continued weak shipping and offshore market and reduced activities following previous year sale of business units had a negative impact on EBITDA. The year also includes significant corporate cost, mainly related to M&A activities.

The new supply services segment contributed with a positive EBITDA, following consolidation of NorSea Group from end of third quarter.

EBITDA for the holding and investments segment was also positive for the year, with accounting gain from change in measurement of Treasure ASA's investment in Hyundai Glovis offsetting net corporate cost.

Share of profit from joint ventures and associates was USD 55 million for the year, down 33%. A strong second half for Wallenius Wilhelmsen Logistics ASA made a positive contribution, while second quarter merger and restructuring cost dragged down.

Other financials was a net income of USD 22 million in 2017, lifted by a net currency gain and gain from sale of available-for-sale financial assets. Investment management and interest income contributed positively with a total of USD 10 million while interest expenses were USD 14 million.

Tax was included with an expense of USD 16 million.

Discontinued operation related to previous ownership in Wilh. Wilhelmsen ASA was included with a loss of USD 239 million in 2017. This mainly reflected difference between carrying value of net assets and market value at time of the Wallenius Wilhelmsen merger. This compares with a USD 113 million gain in 2016, following a restatement of Wilh. Wilhelmsen ASA. See note 3, discontinued operations, for more information.

Net profit after tax and non-controlling interests was a loss of USD 64 million in 2017 compared with a USD 201 million gain in 2016.

Comprehensive income
Other comprehensive income for the year was a gain of USD 77 million, compared with a gain of USD 65 million in the previous year. This mainly reflected currency translation differences on non-USD assets and liabilities when converting into USD. Part of the translation differences was accounting effect from reclassification of Wilh. Wilhelmsen ASA as discontinued operations.

Total comprehensive income for 2017 was USD 75 million, of which a profit of USD 14 million was attributable to owners of the parent. The corresponding figures for 2016 was USD 315 million and USD 264 million respectively.

Cash flow, liquidity and debt
The group had a net decrease in cash and cash equivalents of USD 130 million for the year, compared with a decrease of USD 16 million in the previous year.

Cash flow from operating activities was USD 139 million, down from USD 420 million in 2016. The reduced cash flow was mainly a result of reclassification of Wilh. Wilhelmsen ASA as discontinued operation. Cash flow from maritime services activities was down on the back of reduced operation, while the new supply services segment contributed positively.

Cash flow from investing activities was negative with USD 156 million, compared with negative USD 136 million in 2016. The group made net investments in fixed assets and subsidiaries of USD 41 million 2017, while reclassification of Wilh. Wilhelmsen ASA as discontinued operations had a USD 121 million negative effect.

Cash flow from financing activities was negative with USD 114 million, evenly spread between dividend to shareholders, ordinary interest payments for group companies and net debt repayment.

Cash and cash equivalents were USD 167 million by end of the year, down from USD 296 million one year earlier.

The parent company 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 investment portfolio amounted to USD 101 million at the end of 2017. One year earlier, the group investment portfolio was USD 285 million, of which USD 83 million were in the parent company and the balance were in Wilh. Wilhelmsen ASA.

Available-for-sale financial assets totalled USD 801 million by the end of the year, up from USD 209 million at the end of 2016. The largest investments were the ~12% shareholding in Hyundai Glovis (held through Treasure ASA), the ~4% shareholding in Qube and the ~20% shareholding in Survitec.

Liquid assets (USD million)	2017	2016
Cash and cash equivalent	167	296
Current financial investments	101	285
Available-for-sale financial assets	801	209
Total	**1 069**	**790**

The main group companies fund their investments and operations on a standalone basis, with no recourse to the parent company. The primary funding source is the commercial bank loan market.

As of 31 December 2017, the group's total interest-bearing debt was USD 601 million, compared with USD 1 533 million by end 2016.

Interest bearing debt (USD million)	2017	2016
Maritime services	196	179
Supply services	369	
Holding and investments	54	34
Wilh. Wilhelmsen ASA		1 320
Eliminations	(18)	
Total	**601**	**1 533**

Going concern assumption

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

Maritime services

The maritime services segment includes ships service, ship management and other maritime services activities.

Total income for maritime services was USD 580 million in 2017, down 37% when compared with the previous year. The reduction was due to loss of operating revenue from entities sold in 2016.

EBITDA for the year was USD 51 million compared with USD 126 million in 2016. While 2017 included substantial corporate cost mainly related to ongoing M&A activities, the previous year includes a substantial sales gain. When adjusting for the above items, EBITDA was down 9% from 2016.

The maritime services operating margin was 6.2% in 2017, which was below both historic average and the long-term target. The margin reflected a still weak maritime service market, while a relatively strong USD continued to lift the margin. When adjusting for M&A and other corporate cost, the operating margin was 10.3%.

Financial items for maritime services amounted to an income of USD 6 million compared with an expense of USD 28 million in 2016. 2017 financial items were positively impacted by a USD 12 million net gain on currency and financial instruments and a USD 3 million revaluation gain related to available-for-sale financial assets.

Tax expense was USD 15 million in 2017, the same as previous year. A high level of non-deductible expenses primarily related to M&A activities had a bearing on tax expense for the year.

Net profit after tax and non-controlling interests was USD 29 million in 2017 compared with USD 64 million in the previous year.

Ships service

Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency. Ships service is fully owned by Wilhelmsen.

Total income from ships service was USD 534 million in 2017. This was a 12% reduction from the previous year, mainly due to loss of revenue from activities sold in 2016. Sale of marine products was stable, while sale of non-marine products increased supported by an acquisition.

EBITDA and operating margin were relatively stable when adjusting for effect of 2016 sale of safety activities.

On 1 April, Wilhelmsen Chemicals took over Kemetyl's sales and marketing activities for consumer products in Norway.

On 27 April 2017, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine, subject regulatory approval. The approval process is still ongoing.

Ship management

Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types. Ship management is fully owned by Wilhelmsen.

Total income for ship management was USD 45 million in 2017, a reduction of 4%.

Average number of vessels on full technical management was stable during the year. By the end of the year, ship management served approximately 390 ships worldwide, of which 35% were on full technical management and

Maritime services

- Wilhelmsen Ships Service
- Wilhelmsen Ship Management
- Wilhelmsen Insurance Services
- Survitec Group (owned ~20%)

Supply services

- NorSea Group (owned ~74.6%)
- WilNor Governmental Services

10% were on layup management. The remaining contracts were related to crewing services.

EBITDA was down for the year, reflecting reduced operating income and margin.

Early 2018, ship management announced relocation of its global head office from Kuala Lumpur, Malaysia, to Singapore.

Survitec Group
Survitec Group holds market-leading positions worldwide in marine, offshore, defence and aerospace survival technology. The company is majority owned by Onex Corporation, a private equity firm. Wilhelmsen owns ~20% of the company, which is reported as an available-for-sale financial asset.

The investment in Survitec, denominated in GBP, was valued at USD 83 million by the end of 2017. This is up from USD 79 million one year earlier. A revaluation has been made of the investment, with a net USD 3 million gain reported as financial income. This gain mainly relates to currency effect from converting the investment from GBP to USD.

Wilhelmsen Insurance Services
Wilhelmsen Insurance Services provides marine and non-marine insurance solutions for internal and external clients. Insurance services is fully owned by Wilhelmsen.

Total income for insurance services was USD 2 million in 2017, a 3% reduction from the previous year due to currency. EBITDA was down for the year.

In May, Wilhelmsen Insurance Services was appointed sole broker to handle marine, land-based and company related insurances on behalf of Wallenius Wilhelmsen Logistics ASA following a tendering process.

Technical services activities
The technical services activities were sold in 2016. The business area had no activity in 2017, while total income and EBITDA for 2016 reflected operation until completion of the sale and a sales gain.

Supply services
The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities. This is a new segment in the Wilhelmsen group accounts and reporting, and follows the increased ownership and consolidation of NorSea Group from 26 September 2017.
Total income from supply services was USD 57 million in 2017. This included income in NorSea Group for the fourth quarter, and full year income from operating activities transferred from holding and investments segment to the new supply services segment.

EBITDA came in at USD 9 million, while share of profit from associates was USD 1 million.

Reduced financial expenses and a tax income had a positive impact on the results.

Net profit after non-controlling interests was USD 3 million.

NorSea Group AS
NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~74,6% of the company (40% ownership until 26 September and ~74,1% as per 31 December 2017). NorSea Group is fully consolidated in Wilhelmsen's accounts from end of third quarter 2017.

Total income for NorSea Group, including sales gain but excluding share of profits from associates and joint ventures, was NOK 1,85 billion in 2017. This was a 15% reduction from the previous year. The reduction followed reduced income from supply base activities in Norway and Denmark, and a 2016 net sales gain. Activity level in Barents Sea increased.

EBITDA was down, following the reduction in operating income.

Share of profit from associates and joint ventures was also down, with 2016 contribution increased by a material net sales gain. Development in net financial income/expenses and tax were positive.

Wilhelmsen's share of net profit in NorSea Group for the period up to 26 September was USD 5 million in 2017, down from USD 12 million for the full year 2016. From 26 September 2017, NorSea Group was fully consolidated in Wilhelmsen's accounts.

On 26 September, Wilhelmsen increased ownership in NorSea Group from 40% to ~72%. Total consideration was USD 70 million. Ownership was increased to ~74.1 % by the end of 2017, and has early 2018 been further increased to ~74.6%.

WilNor Governmental Services
WilNor Governmental Services provides military logistics services in Norway and internationally. Wilhelmsen ownes 51% of the

company directly, with the remaining 49% owned through NorSea Group.

Total income for WilNor Governmental Services was USD 5 million in 2017. This was 47% down from previous year, which included services related to a NATO exercise. EBITDA was stable.

Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen Logistics ASA and Treasure ASA, financial investments, and other holding and investments activities. The investments in NorSea Group was reported as part of the segment up until 26 September 2017.

Total income for the holding and investments segment was USD 171 million in 2017, compared with USD 29 million in 2016. The increase was due to a USD 195 million accounting gain from change in measurement of Treasure ASA's ownership in Hyundai Glovis from associates to available-for-sale financial asset, partly reduced by a USD 40 million accounting loss due to fair valuing the equity investment when NorSea Group was reclassified from associate to subsidiary.

EBITDA was USD 138 million in 2017, compared with a loss of USD 10 million in the previous year. The increase followed development in total income.

Share of profit from associates was USD 49 million, compared with USD 77 million one year earlier. While contribution from Wallenius Wilhelmsen Logistics ASA was the main source of income in 2017, share of net result in Treasure ASA's holding in Hyundai Glovis was the main contributor in 2016.

Net financials was an income of USD 16 million, up from USD 4 million in 2016. The increase was mainly due to gain from sale of available-for-sale financial assets.

Net profit/(loss) after tax and non-controlling interests was a net profit of USD 150 million compared with a profit of USD 56 million in the previous year.

Wallenius Wilhelmsen Logistics ASA

Wallenius Wilhelmsen Logistics ASA is a global provider of shipping and logistics services towards car and ro-ro customers, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~37,8% of the company, which is reported as an associate in Wilhelmsen group's accounts, with share of net result reported as share of profit from associates

In 2016, Wilhelmsen and Wallenius Lines AB signed an agreement leading to a new ownership structure for their jointly owned investments in Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Roll on Roll off Carrier.

On 4 April 2017, the merger of Wilh. Wilhelmsen ASA and Wallroll AB was formally completed. The following day, Wallenius Wilhelmsen Logistics ASA started trading on the Oslo Stock Exchange under the new ticker, WWL. Following the merger, Wallenius Wilhelmsen Logistics ASA is reported as an associate in the Wilhelmsen accounts.

As part of the agreement, Wallenius Lines AB sold on 20 April part of its newly acquired shares in the company. Following the share sale, both Wilhelmsen and Wallenius Lines AB owns 160 million shares in Wallenius Wilhelmsen Logistics ASA, representing an ownership share of approximately 37.8% each.

Total income for Wallenius Wilhelmsen Logistics ASA was USD 3 800 million for the year 2017, when including pro forma figures for the period up to the merger. This was an increase of 6% compared with the corresponding pro forma total income for 2016.

Pro forma EBITDA ended at USD 614 million for 2017, up 4% from the previous year. However, 2017 included negative non-recurring items related to a merger accounting loss and organisational restructuring costs. EBITDA adjusted for these items was USD 706 million, an underlying improvement of 19% compared to 2016. The improvement was primarily driven by an increase in ocean volumes, improved cargo mix, realisation of synergies, and improved results for the land-based segment.

Pro forma net result for the full year of 2017 was USD 154 million. Wilhelmsen's share of net result for the period from 4 April was USD 44 million.

The Wallenius Wilhelmsen Logistics ASA (previous Wilh. Wilhelmsen ASA) share price was up 75% during the year, closing at NOK 59.25. Measured in USD, the share price was up 84%. As of 31 December 2017, the market value of Wilhelmsen's investment was USD 1 155 million, while the book value of the shareholding was USD 831 million.

Wallenius Wilhelmsen Logistics ASA did not pay any dividends in 2017.

Holding and investments

- Wallenius Wilhelmsen Logistics ASA (owned ~37.8%)
- Treasure ASA (owned ~72.7%)
- Qube Holdings Limited (owned ~4.0%)
- Financial investment portfolio

Treasure ASA

Treasure ASA owns 12.04% of the shares in Hyundai Glovis Co Ltd., a global transportation and logistics provider based in Seoul, Korea. Wilhelmsen owns ~72.7% of Treasure ASA, which is listed on the Oslo Stock Exchange. Hyundai Glovis is from 4 April 2017 reported as an available-for-sale financial asset in Wilhelmsen's accounts.

Treasure ASA's fundamental objective is to generate significant total shareholder returns from investments within the maritime and logistics industries. The company can generate shareholder returns by growth in the market value of its shares, through dividends or other distributions to shareholders. Whereas the primary focus is on managing the shareholding in Hyundai Glovis, the financial capabilities of the group are strong.

The value of Treasure ASA's investment in Hyundai Glovis was USD 575 million by the end of 2017. This was a decrease of USD 5 million for the year. The ~72.7% investment value attributable to owners of Wilhelmsen was USD 418 million, a decrease of USD 3 million for the year.

The Treasure ASA share price was down 14% for the year, closing at NOK 14.40. Measured in USD, the share price was down 9%. This represented a discount of 33% compared with net asset value of the company. As of 31 December 2017, the market value of Wilhelmsen's shareholding in Treasure ASA was USD 281 million.

In 2017, Treasure ASA paid total dividend of NOK 0.95 per share. Total cash proceeds to Wilhelmsen was USD 18 million.

Qube Holdings Limited

Qube Holdings is an Australian based diversified logistics and infrastructure company, and is listed on the Australian Securities Exchange. Wilhelmsen owns ~4.0% of the company, which is reported as available-for-sale financial asset.

Early 2017, Qube received formal approval to develop the 243 hectare Moorebank Logistics Park in Sydney. This will become the largest intermodal freight precinct in Australia when fully developed. As part funding of the project, Wilhelmsen participating in the subsequent Qube equity raising. Following a later sell down, the group held 65 million shares in Qube by the end of 2017. The value of Wilhelmsen's investment in Qube was USD 132 million by the end of the year, up from USD 123 million one year earlier.

In 2017, Qube paid dividend of AUD 0.055 per share. Total proceeds to Wilhelmsen of USD 3 million were reported as financial income.

Financial investment portfolio

The financial investment portfolio includes investments in equities, bonds and other financial assets available-for-sale and managed as part of an investment portfolio.

The financial investment portfolio held by the holding company was USD 101 million by the end of the year, compared with USD 83 million one year earlier. The portfolio primarily included Nordic equities and investment-grade bonds. Net income from investment management was an income of USD 6 million in 2017, up from USD 2 million in 2016.

Risk review

The Wilhelmsen group consists of operating companies and investments exposed to the global economy and world merchandised trade.

From an operating perspective, maritime services and its exposure mainly towards the global merchant fleet is the most significant activity. Exposure to the offshore industry has increased following a larger shareholding in NorSea Group.

From an investment perspective, Wallenius Wilhelmsen Logistics ASA is the largest exposure, supported by a strong value appreciation during the year. Through its capital intensity and cyclical nature, shipping has historically represented a relatively high degree of volatility and financial risk. Treasure ASA, and indirectly its shareholding in Hyundai Glovis, also remains a significant investment.

The restructuring of Wilh. Wilhelmsen ASA, completed in 2017, has had a positive effect on the group's risk. While the new shareholding in Wallenius Wilhelmsen Logistics ASA remains the largest investment of the group, an integrated business model and a larger shareholder base reduce the Wilhelmsen ownership risk.

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. The group has put in place a risk monitor process based on identification of risks for each business unit, with a consolidated report presented to the board on a quarterly basis for review and necessary actions.

Market risk
Demand for the group's service offerings are, to various degree, correlated with the general global economic activity and in particular trade in commodities and manufactured goods. Projections for 2018 provided by the International Monetary Fund and other institutions indicates that global economic activity continues to firm up. Risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term.

Maritime services' exposure is to the general shipping market, which remains weak. While the overall market improved during second half of 2017, differences in sentiment between different market segments remains. Wilhelmsen's exposure to the newbuilding market has been substantially reduced, following sale of business units in 2016.

Supply services' exposure is mainly to the North Sea offshore sector. This sector has seen a downturn during the last few years, but market sentiment has recently been improving.

Wallenius Wilhelmsen Logistics ASA is primarily exposed to the automotive and high and heavy logistics markets. Global automotive sales continues to grow broadly in line with global GDP. High and heavy markets have seen several years of declining volumes, but market sentiment is now improving.

Of main investments, Hyundai Glovis (owned through Treasure ASA) remains exposed to Korea, the Hyundai group and in particular Hyundai and Kia car volumes. Qube Holdings has a similar exposure to the Australian and New Zealand economies, and in particular export of commodities and merchandised imports.

Operational risk
The various operating entities of the group are exposed to and manage risk specific to the markets in which they operate. The general risk picture broadly remains unchanged from previous years.

Through its global reach and broad product spectre, maritime services operations are exposed to a wide range of operational risk factors. These are, however, 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.

Supply services operations will have a similar risk exposure as maritime services, though mainly related to the offshore industry and the northern European region.

The group has established a range of measure in order to avoid and, potentially, mitigate the consequences of operational risk incidents.

Financial risk
Wilhelmsen remains exposed to a wide range of financial risk, either on a general basis or related to specific group companies. In the currency markets, the USD weakened against a range of currencies during 2017. Many commodity prices moved in the opposite direction, with oil price touching USD 70 per barrel towards the end of the year. Most equity markets followed a steady upward trend in 2017, but have since experienced increased volatility. Interest rates remains at historic low levels in most markets, but with an upward trend lead by the US.

The group's exposure to and management of financial risk are further described in Note 17 of the 2017 group accounts. This includes foreign exchange rate risk, interest rate risk, investment portfolio risk, credit risk and liquidity risk.

All group companies were in compliance with their loan covenant requirements in 2017.

Two Wallenius Wilhelmsen Logistics ASA subsidiaries have been part of anti-trust investigations in several jurisdictions since 2012. This process is now drawing towards an end with outstanding jurisdictions likely to reach their conclusion in 2018. Wallenius Wilhelmsen Logistics ASA's provision at year end was USD 440 million.

The group has substantial investments exposed to external market pricing, including shares in Wallenius Wilhelmsen Logistics ASA, Treasure ASA (with underlying exposure to shares in Hyundai Glovis) and Qube. While majority of investments are of a long-term industrial nature, any fluctuations in values

Employee turnover Turnover rate 4.32%

will have impact on the net asset value and solidity of the group and may affect profitability. During 2017, the Wallenius Wilhelmsen Logistics ASA share price appreciated strongly, while the share price of Treasure ASA was down. Value in USD was also impacted by currency movements against NOK, AUD, GBP and, indirectly, KRW.

Health, working environment and safety

Working environment and occupational health

By living the company values (empowerment, stewardship, customer centred, teaming and collaboration, learning and innovation), Wilhelmsen focuses on developing an engaging and safe working environment at sea and onshore. The group conducts its business with respect for human rights and labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum wage and salary, working conditions and freedom of association. Employees and external stakeholders are encouraged to report on non-compliant behaviour through the group's global whistleblowing system.

A healthy working environment leads to more efficient, sustainable and profitable business. The group's governing elements and policies describe the requirements for ensuring this.

Five metrics related to health and safety are measured on a quarterly basis, including sickness absence, occupational disease, lost time injury frequency, total recordable case frequency, and safety observations.

Exposure hours

In 2017, there were around 38.8 million exposure hours (work hours) in the group. Vessel based operations accounted for 78% of total exposure hours and onshore operations accounted for 22%.

Sickness absence rate

The sickness absence rate for onshore operations was 1.56%, in line with base year 2015 result of 1.67%.

The group has implemented a variety of initiatives to maintain a healthy work environment, for example focusing on monitoring and reporting absence cases, health and wellness awareness events, annual health checks, employee assistance programme, adapted working hours, social activities, employee engagement surveys and opportunities for personal development. In 2016, reporting of occupational disease cases was introduced. The 2017 result of 0.07 is in line with the 2016 base year result of 0.29.

Turnover

The turnover rate for employees in the parent company and subsidiaries was 4.32 % in 2017, decreasing from 8.45% in 2016. The turnover rate varies from segment to segment. As an example, the turnover rate is higher in the warehouse environment than in the office environment.

Lost time injuries and total recordable cases

Regrettably, there was an incident in 2017 that lead to one work related fatality on board a vessel during cargo operations. This further emphasized the need to continuously improve measures that secure a safe work environment and a robust safety culture in the group.

A number of safety campaigns aimed at creating safer and healthier working conditions on board the vessels were conducted during the year with focus on analysing results and measuring the effectiveness of the action taken.

There was a positive improvement in lost-time injuries and total recordable cases. The lost-time injury frequency rate was 0.49, within the target not to exceed 0.55. The total recordable case frequency rate was 2.27 within the target not to exceed 2.8.

For onshore operations, there was also a reduction in overall injuries. The lost-time injury frequency rate was 0.20 and within target not to exceed 0.5. The total recordable case frequency rate result of 0.34 was within target not to exceed 1.5.

In 2017, ships service implemented a new organisational structure and re-allocated persons and responsibilities in health, safety and environment closer to the operations. Ships service also achieved global certification according to the OHSAS 18001 standard and introduced a new risk management process called TAKE5.

The awareness, identification, monitoring and reporting of cases in all locations will continue to be a key focus area into 2018.

All reported incidents were investigated to avoid similar incidents in the future, improve necessary training and awareness measures.

Near miss incidents and safety observations

For vessel based and onshore operations, there continued to be room for improvement in near miss incident and safety observation reporting.

All reported near misses were investigated to avoid similar incidents in the future, improve necessary training and awareness measures, and improve control measures.

Safety observation reporting on vessel operations decreased in 2017 with 8 064 cases reported compared to 9 580 in 2016. Reporting and utilization of analytics to identify key potential improvement areas continues to be in focus. Safety observation reporting onshore improved in 2017 with a total of 224 versus 185 in 2016. Manual observation reporting will continue to impact the completeness of reporting on this metric.

Working committee and executive committee
The management cooperates closely with employees through several bodies, including the joint working committee and the executive committee for industrial democracy in foreign trade shipping. The bodies give valuable input to solve company related issues in a constructive way.

The joint working committee discusses issues related to health, work environment and safety. The executive committee for industrial democracy in foreign trade shipping consider drafts of the accounts and budget, as well as matters of major financial significance for the company or of special importance for the workforce. In 2017, both committees held official meetings according to plan.

Organisation and people development
Workforce
The group's head office is located in Norway, and the group has 262 offices in 69 countries within its controlled structure.

The group employs approximately 5 168 onshore employees and 9 460 seafarers. In addition, WWL ASA has approximately 7 500 employees.

Equal opportunities
Wilhelmsen has a clear policy stating that males and females have the right to equal opportunities. Harassment and discrimination based on race, gender or similar grounds, or other behaviour that may be perceived as threatening or degrading, is not acceptable. The industry's unequal recruitment base makes it difficult to achieve an equal mix of gender in the company.

Females represent 36% of the land-based population, and 1% of the seafarer population.

Two of the five directors on the board of directors of Wilhelmsen are female, and one of the five members of the company's global management team.

Driving performance
Wilhelmsen strives to create a performance culture where engaged employees deliver desired results and are rewarded accordingly. Employee performance is measured through annual engagement surveys, performance appraisals and annual activity plans.

The performance appraisal is a formal dialogue between manager and employee. In 2017, 87% of the population completed the performance appraisal, above our target of 80%.

In the fourth quarter of 2017, Wilhelmsen conducted an employee engagement survey to measure the group's ability to provide an engaging and safe work environment where employees are motivated to work and achieve their full potential.

The survey results were positive in a period of significant organisational changes. The overall engagement score was 72 points, up three since the last survey in 2015. There also was an all-time high survey completion rate of 92%.

Compensation and benefits
The purpose of Wilhelmsen's compensation and benefit framework is to drive performance and to attract and retain the right employees. These are considered to be people with the right experience and knowledge deemed necessary to achieve the company's strategic ambitions. The framework takes local regulations and competition into account, as well as the responsibility and complexity of the position.

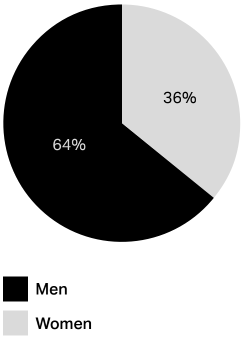
The bonus scheme is one of several instruments focusing attention on driving performance. Bonus is paid if set bonus targets are reached. Compensation to executives is described in the notes 6 and 2 to the group and parent accounts respectively. Wilhelmsen also issues a declaration on the determination of employee benefits for senior executives, note 16 to the parent company accounts.

Investing in competence
"Learning and innovation" is one of the group's core values, and Wilhelmsen pays particular attention to competence and knowledge development. A learning organisation with motivated employees contributes to efficient operations and has a positive impact on revenue and earnings.

Vessel LTIF result 0.49
Onshore LTIF result 0.20

Gender mix

(onshore population in wholly owned subsidiaries)



Personal development plans are integrated in the performance appraisal and review process. In 2017, 3 766 classroom internal training sessions were conducted and 13 593 e-learning sessions were completed. The average hours of training recorded per employee was eight hours.

Developing leaders for the future
The world is becoming more complex. To meet challenging and changing environments, Wilhelmsen is dependent on highly qualified leaders.

In 2017, Wilhelmsen introduced a new programme for developing a pool of potential leaders ready to take on the future. 24 candidates, nine women and 15 men, representing 11 different nationalities from around the world, participated in the four module program held in Oslo, Singapore and Dubai. In addition to leadership training, the candidates focused on design thinking and innovation.

Digital trainees
To increase the digital competence in the group and challenge existing mind-sets in the organisation, Wilhelmsen recruited four digital trainees (one female and three male) in 2017. The trainees are assigned to digital projects in the group companies over an 18-month period.

Maritime trainees
As part of an ongoing commitment to developing maritime competence, ship management recruited two maritime trainees (one female and one male) in 2016 to embark on an 18-month maritime trainee programme. The trainees completed their programme in 2017 and the company will recruit two more trainees in 2018 to continue building this competence in the industry.

Corporate governance
The board believes sound corporate governance is a foundation for profitable growth and that it provides a healthy company culture. Good governance contributes to reducing risk and creating long-term value for shareholders and other stakeholder.

Wilhelmsen observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies Act and the Norwegian Accounting Act. The board's corporate governance report for 2017 can be found on page 118 and on www.wilhelmsen.com. It is the board's view that the company has an appropriate governance structure and that it is managed in a satisfactory way. The corporate governance report is to be reviewed by the annual general meeting on 26 April 2018.

Sustainability
Wilhelmsen assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting. The company has a sustainability policy that includes human rights, labour standards and a commitment to promote greater environmental responsibility.

Sustainability governance
The board acknowledges that sustainability is a vital prerequisite for Wilhelmsen to be a profitable and responsible player in the industry and society at large. With an aim to increase transparency, the board therefore issues a sustainability report following the guidelines set forward in the Global Reporting Initiative (GRI) standards. The report describes how Wilhelmsen combines long-term profitability with emphasis on ethical business conduct, sustainable solutions and with respect for human beings, the environment and society.

Materiality assessment
In 2016, the company conducted an extensive materiality assessment supported by DNVGL to ensure attention is on material aspects of the group's business. The assessment concluded that the following topics are of most importance:
- Business ethics and anti-corruption
- Working conditions, labour standards, health and safety
- Emissions to air, sea and soil
- Employee competence and development
- Sustainable supplier management

The summary of the status on each aspect is available in the sustainability section of the 2017 Annual Report. The full report, which will be reviewed by the annual general meeting on 26 April 2018, is available on www.wilhelmsen.com.

Significant changes to sustainability reporting boundary in 2017
In 2017, there was a change to the Wilhelmsen group ownership structure affecting the reporting boundary for 2017.

In April, the previously reported Wallenius Wilhelmsen Logistics ASA (WWL) merger was completed. As a result of this change, the shipping and logistics activities resulting from WWL's operations are no longer included in the boundary of the Wilhelmsen group reporting. Further information on WWL's sustainability progress can be found on walleniuswilhelmsen.com.

Focus areas and achievements in 2017
In 2017, the following areas received particular attention:
- Anti-corruption, competition law, fraud and theft as well as whistleblowing
- Cyber security
- EU General Data Protection Regulation (GDPR)
- Health and safety culture
- Talent management

The company's achievements included:
- Appropriate risk reduction methods and tools implemented for cyber security.
- Started adoption to the new EU General Data Protection Regulation (GDPR) that comes into force in May 2018.
- Ships service achieved OHSAS 18001 certification
- 87% completed performance appraisals
- 92% participation rate in employee engagement survey and three-point increase in employee engagement score.
- 24 leadership potentials identified and trained

For further details on the progress on the focus areas, please view the full report on wilhelmsen.com.

Ambitions for 2018
A new materiality assessment will be conducted in 2018 to continue to prioritise, refine and streamline the group's sustainability work and reporting. The assessment will also reflect the recent structural changes in the group.

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

In 2018, Wilhelmsen will continue to improve guidelines and standards as well as data quality and reporting routines to follow up on issues defined as material for the group's sustainability ambitions.

Further, Wilhelmsen's emphasis on zero tolerance for facilitation payments and corruption will continue.

Stakeholder engagement
In 2017, Wilhelmsen was engaged in dialogues with governments, investors, non-governmental organisations and other stakeholders discussing topics related to the group or industry at large. The main questions were related to financial and environmental issues, but there were also forums specifically addressing sustainability at large. Wilhelmsen or companies within the Wilhelmsen group are engaged in, amongst others, the International Maritime Organisation, BIMCO, Transparency International, TRACE, the Norwegian Shipowners' Association and the Maritime Anti-Corruption Network.

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	**262 982**
To equity	30 813
Proposed dividend	162 413
Interim dividend paid	69 756
Total allocations	**262 982**

Wilhelmsen has a tradition of paying dividend twice a year. The board is proposing a NOK 3.50 dividend per share payable during the second quarter of 2018, representing a total payment of NOK 162.4 million. The board also proposes that the annual general meeting gives the board authority to approve further dividend of up to NOK 2.50 per share for a period limited in time up to the annual general meeting in 2019, but no longer than to 30 June 2019.

The board is granted an authorisation to, on behalf of the company, acquire up to 10% of the company's own issued shares. The authorisation is valid until the annual general meeting in 2018, but no longer than to 30 June 2018.

Prospects

Group business drivers
Wilhelmsen is a global provider of maritime related services, transportation and logistics solutions. The prospects for the group and its business segments are, to various degree, correlated with general development in world economy and trade.

The board of Wilh. Wilhelmsen Holding ASA

From left:
Carl Erik Steen
Irene Waage Basili
Diderik Schnitler (chair)
Cathrine Løvenskiold Wilhelmsen
Odd Rune Austgulen

Projections for 2018 provided by the International Monetary Fund and other institutions indicates that global economic activity continues to firm up. Risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term.

Outlook for maritime services
Increased global growth and low newbuilding activity support a gradually recovery in the general shipping market. While momentum is positive, a volatile start of 2018 is a reminder that uncertainty persists.

Following sale of business activities in 2016, Wilhelmsen has focused on building leading positions within marine products, ships agency and ship management globally. This will continue, with outcome of the Drew Marine transaction transaction, see note 24 in the group accounts. A more streamlined business organisation will support a more cost efficient operation. On this, the full potential has not yet been achieved. Focus on improvement in the operating margin, strengthening the profitability and growing the business will remain.

The ~20% ownership stake in Survitec Group is not expected to generate any revenue or cash contribution in the short to medium term, but has substantial long term value upside.

Outlook for supply services
NorSea Group, where Wilhelmsen has a ~74,6% shareholding, is exposed to the Norwegian and Danish oil and gas industry. Oil prices has continued to recover from lows experienced early 2016. This support an uplift in activity level, though from a low level. Income from supply base real estate properties will continue to be an important contributor, while activity within offshore wind is expected to gradually increase.

For governmental services, a significant increase in income is expected in 2018 in connection with the NATO exercise Trident Juncture.

Outlook for other activities
Wallenius Wilhelmsen Logistics ASA, where Wilhelmsen has a ~37.8% shareholding, has a balanced view on prospects. Positive volume development and synergies will positively effect the results. However, reduced volumes and rates from Hyundai Motor Group will weight down.

Treasure ASA, where Wilhelmsen has a ~72.7% shareholding, remains sensitive to development of Hyundai Glovis and, indirectly, Hyundai Motor Group and Kia Motor Group. Treasure ASA expects the value of the company's main asset to fluctuate in line with the general equity indexes of the Korean Stock Exchange.

Qube, where Wilhelmsen has a ~4.0% equity stake, remains exposed to the general Australian economy and trade. Long-term value creation is also sensitive to successful development of Qube's logistics infrastructure. Outlook for the Australian economy remains positive.

Outlook for the Wilhelmsen group

In 2017, the group successfully completed several structural changes creating value for shareholders. Markets are challenging, but Wilhelmsen continues to hold leading positions in main business segments. Through the structural changes, group is positioned for future growth.

The board believes the underlying sentiments for the group's businesses are positive, and expects the group to take advantage of the optimistic outlook and generate organic growth.

Further, the board will continue its focus on operational excellence, improving cash flow and further strengthening financial robustness. By doing so, the board expects the group to be able to capitalise on emerging opportunities.

Combining organic growth and development through mergers and acquisitions with the group's network, competence, brand, and culture, and by retaining, attracting and developing the people necessary to take the group into the future, the board is confident that the group will be a key shaper in the maritime industry going forward.

Lysaker, 22 March 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Odd Rune Austgulen

Carl Erik Steen

Irene Waage Basili

Cathrine Løvenskiold Wilhelmsen

Thomas Wilhelmsen
group CEO

3D-printing

Nakul Malhotra
Vice president technical solutions and marketing
Wilhelmsen Ships Service, Marine Products

In 2017, ordering a spare part to your vessel could take up to a few weeks to arrive. In 2018, the same spare part could be in your hands in a matter of hours. 3D-printing allows you to basically have access to a micro factory in your next port. By adopting a well-known technology and putting it to the test of serving the maritime industry, Wilhelmsen is enabling its customers to be more efficient. Nakul is part of the team working in our 3D-printing initiative. The old slogan of Wilhelmsen was "Speed and Service", we might bring that back in play.

Income statement Wilh. Wilhelmsen Holding group

USD mill	Note	2017	2016
Operating revenue	1/20	**632**	**867**
Other income			
Gain/(loss) on sale of assets	1/19	161	62
Total income		**793**	**930**
Operating expenses			
Cost of goods and change in inventory	13	(194)	(377)
Employee benefits	6	(252)	(279)
Other expenses	1/20	(150)	(157)
Depreciation	7	(22)	(23)
Total operating expenses		**(617)**	**(836)**
Operating profit		**176**	**94**
Share of profits from joint ventures and associates	4	55	82
Financial income	1	36	11
Financial expenses	1	(14)	(35)
Financial income/(expenses)		**77**	**58**
Profit before tax		**253**	**151**
Tax income/(expenses)	8	(16)	(14)
Profit from continued operations		**236**	**138**
Discontinued operations	3		
Net profit/(loss) from discontinued operations (net after tax)		(239)	113
Profit/(loss) for the period		**(2)**	**251**
Of which:			
Profit attributable to non-controlling interests continued operations		55	19
Profit attributable to non-controlling interests discontinued operations		7	31
Profit/(loss) attributable to owners of the parent		(64)	201
Basic / diluted earnings per share (USD)	9	(1.38)	4.34

Comprehensive income Wilh. Wilhelmsen Holding group

USD mill	Note	2017	2016
Profit/(loss) for the year		(2)	251
Items that may be reclassified to the income statement			
Revaluation mark to market value available-for-sale financial assets	12	3	8
Comprehensive income from associates		(1)	
Currency translation differences	19	47	46
Currency translation differences recycled to income statement as part of loss of sale of assets		28	
Comprehensive income discontinued operations		(1)	10
Items that will not be reclassified to the income statement			
Remeasurement postemployment benefits, net of tax	10		
Other comprehensive income, net of tax		**77**	**65**
Total comprehensive income for the year		**75**	**315**
Total comprehensive income attributable to:			
Owners of the parent continued operations		253	172
Owners of the parent discontinued operations		(239)	91
Non-controlling interests		62	52
Total comprehensive income for the year		**75**	**315**

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Balance sheet Wilh. Wilhelmsen Holding group

USD mill	Note	31.12.2017	31.12.2016
ASSETS			
Non current assets			
Deferred tax asset	8	18	75
Goodwill and other intangible assets	7	171	145
Vessel, property and other tangible assets	7	590	2 047
Investments in joint ventures and associates	4	1 019	1 259
Available-for-sale financial assets	12/17	801	209
Other non current assets	11	37	47
Total non current assets		**2 637**	**3 781**
Current assets			
Inventories	13	81	65
Current financial investments	14/17	101	285
Other current assets	11/15	302	268
Cash and cash equivalents	15	167	296
Total current assets		**651**	**914**
Total assets		**3 288**	**4 695**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		122	122
Retained earnings and other reserves		1 853	1 868
Attributable to equity holders of the parent		**1 975**	**1 990**
Non-controlling interests		212	502
Total equity		**2 188**	**2 492**
Non current liabilities			
Pension liabilities	10	23	63
Deferred tax	8	6	12
Non current interest-bearing debt	16/17	493	1 418
Other non current liabilities	11	112	233
Total non current liabilities		**634**	**1 727**
Current liabilities			
Current income tax	8	11	15
Public duties payable		7	7
Current interest-bearing debt	16/17	108	115
Other current liabilities	11	341	340
Total current liabilities		**466**	**477**
Total equity and liabilities		**3 288**	**4 695**

Lysaker, 22 March 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Odd Rune Austgulen

Carl Erik Steen

Irene Waage Basili

Cathrine Løvenskiold Wilhelmsen

Thomas Wilhelmsen
group CEO

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Cash flow statement Wilh. Wilhelmsen Holding group

USD mill	Note	2017	2016
Cash flow from operating activities			
Profit before tax (included discontinued operations and before non-controlling interests)		14	286
Financial (income)/expenses	1	(6)	66
Financial derivatives unrealised	1	(8)	(25)
Depreciation/impairment	7	42	104
Loss/(gain) on sale of fixed assets	1	(11)	(3)
Gain from sale of subsidiaries, joint ventures and associates	3/4	107	(56)
Change in net pension asset/liability		(5)	(4)
Change in inventory		(21)	19
Change in working capital		38	44
Tax paid (company income tax, withholding tax)		(11)	(11)
Net cash provided by operating activities		**139**	**420**
Cash flow from investing activities			
Share of (profit)/loss from joint ventures and associates	4	(69)	(187)
Dividend received from joint ventures and associates	4	18	72
Proceeds from sale of fixed assets		63	44
Investments in tangible and intangible assets	7	(29)	(205)
Net proceeds from sale of subsidiaries		14	107
Cash discontinued operations	3	(121)	
Investments in subsidiaries	19	(89)	
Loans granted to joint ventures and associates			(7)
Proceeds from sale of financial investments		111	168
Current financial investments		(58)	(131)
Interest received	1	5	4
Net cash flow from investing activities		**(156)**	**(136)**
Cash flow from financing activities			
Net proceeds from issue of debt after debt expenses	16	230	291
Repayment of debt	16	(271)	(432)
Interest paid including interest derivatives	1	(37)	(84)
Realised financial derivatives	1		(45)
Dividend to shareholders		(36)	(30)
Net cash flow from financing activities		**(114)**	**(299)**
Net increase in cash and cash equivalents		(130)	(16)
Cash and cash equivalents at the beginning of the period		296	312
Cash and cash equivalents at 31.12		**167**	**296**

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

Notes 1 to 24 on the next pages are an integral part of these consolidated financial statements.

Equity Wilh. Wilhelmsen Holding group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD mill	Share capital	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance 31.12.2016	122		1 868	1 990	502	2 492
Comprehensive income for the period:						
Profit/(loss) for the period			(64)	(64)	62	(2)
Other comprehensive income*			77	77	(1)	77
Incoming non controlling interests					56	56
Outgoing non-controlling interests					(398)	(398)
Total comprehensive income for the period	**0**	**0**	**11**	**11**	**(278)**	**(267)**
Transactions with owners:						
Dividends			(28)	(28)	(8)	(36)
Balance 31.12.2017	**122**	**0**	**1 853**	**1 975**	**212**	**2 188**

USD mill	Share capital	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance 31.12.2015	122		1 632	1 754	452	2 206
Comprehensive income for the period:						
Profit for the period			201	201	49	251
Other comprehensive income*			62	62	2	65
Total comprehensive income for the period	**0**	**0**	**264**	**264**	**52**	**315**
Transactions with owners:						
Dividends			(28)	(28)	(2)	(30)
Balance 31.12.2016	**122**	**0**	**1 868**	**1 990**	**502**	**2 492**

*Other comprehensive income in statement of equity is not restated in discontinued and continued operations.

Own shares represented 0.22% of the share capital in nominal value at 31 December 2017 (analogous for 31 December 2016).

Dividend for fiscal year 2016 was NOK 5.00 per share, where NOK 3.50 per share was paid in May 2017 and NOK 1.50 per share was paid in November 2017.

Dividend for fiscal year 2015 was NOK 5.00 per share, where NOK 3.00 per share was paid in May 2016 and NOK 2.00 per share was paid in November 2016.

The proposed dividend for fiscal year 2017 is NOK 3.50 per share, payable in the second quarter of 2018.

A decision on this proposal will be taken by the annual general meeting on 26 April 2018. The proposed dividend is not accrued in the year-end balance sheet. The dividend will have effect on retained earnings in second quarter of 2018.

Notes 1 to 24 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 2017 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

On 4 April 2017, the subsidiary WWASA was merged with Wall Roll AB. After the merger the group own 37.8% of WWL ASA. The profit in WWASA previous periods is presented as discontinued operations, see note 3 i the group accounts. The assets and liabilities from WWASA segment are included in the group balance sheet at 31.12.2016.

The annual accounts for the group and the parent company were adopted by the board of directors on 22 March 2018.

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

BASIC POLICIES
The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union. The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS approved by Ministry of Finance 3 November 2014. The parent company has elected to apply the exception from IFRS for dividends and group contributions. Otherwise, the explanations of the accounting policy 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.

Entities in Maritime Services and Holding and Investments are measured using currency of primary economic location in which the entity operates. The exceptions are investments activity in Malta, where AUD is the functional currency and the parent company Wilhelmsen Maritime Services (WMS AS) has USD.

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 non-controlling 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.

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 under the circumstances. The actual result may 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 in the section on critical accounting estimates and assumptions.

The accounting policies outlined have been applied consistently for all the periods presented in the accounts.

Standards, amendments and interpretations
Apart from the new disclosure requirement for financial liabilities in IAS 7, there has been no significant changes in standards or amendments with effect for the group from 1 January 2017 or later.

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

- IFRS 9, The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group has assessed the impact of IFRS 9 and has concluded that no material financial effect is expected from the implementation of the standard. See note 12 regarding the accounting of Available-for-sale assets under the new standard.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group has assessed the potential impact of IFRS 15 on the groups revenue streams. Summarized the group is not expecting any material changes to the current recognition of revenue arising from the implementation of IFRS 15. Expected date of adoption by the group is 1 January 2018.
- IFRS 16, 'Leases', issued in January 2016 and effective from 1 January 2019 covers the recognition of leases and related disclosure in the financial statements, and will replace IAS 17 Leases. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with IAS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for leases currently

Accounting policies
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defined as operating leases under IAS 17. While this definition is similar to that of IAS 17, it would have required further evaluation of each contract to determine whether all lease contracts in the group currently not defined as financial lease, would qualify as leases under new standard. Expected date of adoption by the group is 1 January 2019. The group has evaluated the impact of IFRS 16. The current material lease contracts are related to land and properties. At effective date 01.01.2019 IFRS 16 is expected to have material effect on the balance sheet.

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.

CHANGE OF PRESENTATION
Share of profit from joint ventures and associates
As part of the restructuring of the group, the share of profit from joint ventures and associates has been moved from operating activities to be a part of investing and financial activities in the groups income statement for 2017. The presentation as part of investing and financial activities is considered to better reflect the group's operations going forward. On 4 April 2017 the previously held subsidiary WW ASA was merged with Wall Roll AB creating WWL ASA. The merger resulted in consolidation of material joint ventures in WWL ASA, previously being reported based on the groups choice of presenting share of profit as part of operations.

SHARES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARENT COMPANY)
Shares in subsidiaries, joint ventures and associates are presented according to the cost method. Group relief received is included in dividends from subsidiaries. Group contributions and dividends from subsidiaries are recognised in the year for which they are 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 recoverable amount 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.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Business combination
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair value of the asset transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any assets or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis either at fair value or at non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred,
- amount of any non-controlling interests in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit and loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gain or loss arising from such remeasurement are recognised in profit and loss.

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

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

Significant influence generally accompanies investments where the group or the parent company has 20-50% of the voting rights. The group's investments in joint ventures and associates are accounted for by the equity method. Such investments are recognised at the date of acquisition at 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 investing and financial 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.

Non-controlling interests
The group treats transactions with non-controlling interests as transactions with equity owners of the group.

For purchases from non-controlling 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 non-controlling interests are also recorded in equity.

Discontinued operations
A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area or operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a

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subsidiary acquired exclusively with a view to resale. The result of discontinued operations is presented separately in the statement of profit and loss.

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 Group Management Team, consisting of the group chief executive officer (group CEO) and four executive managers.

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.

See note 11 and 20 to the group accounts for transactions with joint ventures and associates, and note 6 and 14 to the parent company accounts.

See note 6 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
Individual companies' transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial income or expense. Changes in the currency position related to qualified cash flow hedging derivatives, qualifying net investment hedges, gains and losses are recognised in comprehensive income.

Translations
In the consolidated financial statements, the assets and liabilities of non USD functional currency subsidiaries, joint ventures and associates, including the related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flow of non USD functional currency subsidiaries, joint ventures and associates are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Exchange adjustments arising when the opening net assets and the net income for the year retained by non USD operation are translated into USD are recognised in other comprehensive income. On disposals of a non USD functional currency subsidiary, joint ventures or associates, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

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

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.

Supply Services
Recognition of revenue is recorded when it is earned, i.e. when the main risk and control has been transferred to the customer. This will normally be when the goods are delivered to the customer. Revenue is recognised at the transaction value on the time of the transaction.

Revenue from sale of services is recognised when it is earned, i.e. when demand for payment rises. Revenue is recognised with the transaction value at the time of the transaction.

INVENTORIES
Inventories of purchased goods and work in progress are valued at cost in accordance with the weighted average 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.

CASH-SETTLED PAYMENTS TRANSACTIONS
Cash–settled payments / bonus plans
For cash-settled payments, a liability equal to the portion services received is recognised at the current fair value determined at each balance sheet date.

See note 6 to the group accounts and note 2 and 16 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.

The carrying value of tangible assets equals the historical cost less accumulated depreciation and any impairment charges.

The group's borrowing costs are recognised in the income statement when they arise. Borrowing costs are capitalised to the extent that they are directly related to the acquisition of the asset.

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

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.

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 non-controlling 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.

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

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

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

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 a discount rate according to a weighted average cost of capital ("WACC") reflecting the company's required rate of return. The WACC is calculated based on the company's long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

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 1% 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 and equipment where the group carries substantially all the risks and rewards of ownership are classified as financial leases.

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

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

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

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

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

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

Short term investments
This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short term price gains. Short term investments are measured 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 traded 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 acknowledged valuation techniques.

Available-for-sale financial assets are included in non current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

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

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

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

Derivatives which do qualify for hedge accounting
The group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

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Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

At the date of the hedging transaction, the group documents the relationship between hedging instruments and hedged items, as well as the objective of its risk management and the strategy underlying the various hedge transactions. The group also documents the extent to which the applied derivatives are effective in smoothing 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 17 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 methodology, 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 investment 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 as net financial income/(expenses).

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

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.

PENSION OBLIGATIONS
Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. These schemes are generally funded through payments to insurance companies or pension funds on the basis of periodic actuarial calculations. The group and the parent company have both defined contribution and defined benefit plans up to 31 December 2017.

The group has “Ekstrapensjon”, a contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees’ related to salaries exceeding 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

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

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

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

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement.

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

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

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash in hand, deposits held at call with banks and other liquid investments with maturities of three months or less. Bank overdrafts are presented 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

Accounting policies
Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

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 goodwill

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

The main risks are:
- Growth
- Net profit
- Cash flow

Assets that are subject to amortisation or depreciation are reviewed 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. 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.

See note 7 in the group accounts for additional information.

Note 1 Combined items, income statement

USD mill	Note	2017	2016
OPERATING REVENUE			
Ships service revenue		525	586
Technical solutions revenue			223
Ship management and crewing revenue		43	43
Other revenue		63	15
Total operating revenue	20	**632**	**867**
GAIN ON SALE OF ASSETS			
Gain on sale of assets		6	3
Gain on sale of subsidiaries	19		59
Disposal of associate (step up loss)	19	(40)	
Gain from change in measurement of Hyundai Glovis	12	195	
Total gain on sale of assets		**161**	**62**
OTHER EXPENSES			
Loss on sale of assets		(1)	(1)
Office expenses		(39)	(37)
Communication and IT expenses		(30)	(34)
External services		(35)	(34)
Travel and meeting expenses		(8)	(12)
Marketing expenses		(4)	(5)
Other operating expenses		(32)	(35)
Total other expenses	20	**(150)**	**(157)**
FINANCIAL INCOME AND EXPENSES			
Financial items			
Investment management		5	2
Interest income		5	3
Other financial items		12	6
Net financial items		**22**	**11**
Financial – interest expenses			
Interest expenses		(14)	(14)
Net financial – interest expenses		**(14)**	**(14)**
Financial currency			
Net currency gain/(loss) – non financial currency		7	(14)
Net currency gain/(loss) – financial currency		(2)	
Derivatives for hedging of cash flow risk – realised			(6)
Derivatives for hedging of cash flow risk – unrealised		9	
Net financial currency		**14**	**(21)**
Financial income/(expenses)		**22**	**(24)**
Spesification of financial income and expenses			
Net financial items		22	11
Net financial currency		14	
Financial income		**36**	**11**
Net financial – interest expenses		(14)	(14)
Net financial currency			(21)
Financial expenses		**(14)**	**(35)**

See note 17 on financial risk and the section of the accounting policies concerning financial derivatives.

Note 2 Segment reporting

SEGMENTS
The chief operating decision-maker monitors the business by combining entities with similar operational characteristics such as product services, market and underlying asset base, into operating segments.

The Maritime Services segment offers marine products, ship agency services and logistics to the merchant fleet and ship management including manning for all major vessel types through a worldwide network.

The Supply Services segment is mainly related to the operation of supply bases for the oil industry in Norway, as well as real estate development and operation of properties both on and off the supply bases. In addition to the activity in Norway, the segment offers its services in both Denmark and in the UK. The international activity consists of both operation of supply bases, maintenance of rigs and handling of logistics related to international pipeline projects and windmill parks.

The Holding and Investments segment includes the parent company, Wilh. Wilhelmsen Holding ASA, Treasure ASA group, Wilh. Wilhelmsen Holding Invest AS group and other internal focused activities (WilService AS, Wilhelmsen Accounting Services 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. The groups investment in WWL ASA is presented as part of Holding and Investments as an investment in associates.

Discontinued operations (previously WWASA group) covers shipping and logistics activities in the group. The shipping activity is engaged in ocean transport of cars, roll-on roll-off cargo and project cargo. Its main customers are global car manufacturers and manufacturers of agriculture and other high and heavy equipment. The customer's cargo is carried in a worldwide transport network. This was the group's most capital-intensive activity.

The logistics activity has basically 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.

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

The segment income statement are measured in the same way as in the financial statements.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2017 is as follows:

USD mill	Maritime Services		Supply Services		Holding and Investments		Eliminations/ discontinued operations*		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
INCOME STATEMENT										
Operating revenue	574	862	57		16	29	(14)	(23)	632	867
Gain on disposals of assets	6	62			155				161	62
Total income	**580**	**924**	**57**	**0**	**171**	**29**	**(14)**	**(23)**	**793**	**930**
Cost of goods and change in inventory	(182)	(376)	(10)		(1)	(1)			(194)	(377)
Employee benefits	(214)	(263)	(20)		(19)	(17)		1	(252)	(279)
Other expenses	(133)	(158)	(18)		(13)	(21)	14	22	(150)	(157)
Depreciation and impairments	(15)	(22)	(6)						(22)	(23)
Total operating expenses	**(544)**	**(820)**	**(54)**	**0**	**(34)**	**(39)**	**14**	**23**	**(617)**	**(836)**
Operating profit/(loss)	**36**	**104**	**2**	**0**	**138**	**(10)**	**(0)**	**(0)**	**176**	**94**
Share of profit from associates	4	4	1		49	77			55	82
Net financial income / expenses	6	(28)	(1)		16	4			22	(24)
Profit/(loss) before tax	**46**	**80**	**3**	**0**	**204**	**72**	**(0)**	**(0)**	**253**	**151**
Tax income/(expense)	(15)	(15)	1		(2)	2			(16)	(14)
Profit/(loss)	**30**	**65**	**4**	**0**	**202**	**73**	**(0)**	**0**	**236**	**138**
Result of discontinued operations							(239)	113	(239)	113
Non-controlling interests	1	1	1		52	18	7	31	62	49
Profit/(loss) to the owners of parent	**29**	**64**	**3**	**0**	**150**	**56**	**(246)**	**82**	**(64)**	**201**

*Discontinued operations, see note 3.

Cont. note 2 Segment reporting

The amounts provided to the chief operating decision-maker with respect to total assets, liabilities and equity are measured in the same way as in the financial statements.

USD mill	WWASA group (discontinued operations)*		Maritme Services		Supply Services		Holding and Investments		Eliminations		Total	
	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17	31.12.16
BALANCE SHEET												
Assets												
Deferred tax asset		55	11	15	4		2	5			18	75
Intangible assets		6	163	138	8						171	145
Tangible assets		1 879	187	166	401		2	2			590	2 047
Investments in joint ventures and associates		768	12	13	176		832	479			1 019	1 259
Investments in available-for-sale financial assets			83	79			718	130			801	209
Other non current assets		1	29	29	5		22	17	(19)		37	47
Current financial investments		202					101	83			101	285
Other current assets		22	320	307	62		38	7	(37)	(2)	383	333
Cash and cash equivalents		81	144	161	8		15	54			167	296
Total assets		**3 013**	**949**	**908**	**664**	**0**	**1 730**	**776**	**(56)**	**(2)**	**3 288**	**4 695**
Equity and liabilities												
Equity majority		1 044	329	330	150		1 497	616			1 975	1 990
Equity non controlling interests		391	(1)	(1)	55		158	112			212	502
Deferred tax			6	12							6	12
Interest-bearing debt		1 320	196	179	369		54	34	(18)		601	1 533
Other non current liabilities		169	109	120	18		9	7	(1)		135	296
Other current liabilities		89	310	267	71		14	7	(37)	(2)	358	362
Total equity and liabilities		**3 013**	**949**	**908**	**664**	**0**	**1 730**	**776**	**(56)**	**(2)**	**3 288**	**4 695**
Investments in tangible assets			21	50	4						26	50

*Discontinued operations, see note 3.

Cont. note 2 Segment reporting

The amounts provided to the chief operating decision-maker with respect to cash flows are measured in a manner consistent with that of the balance sheet.

USD mill	Maritime Services		Supply Services		Holding and Investments	
	2017	2016	2017	2016	2017	2016
CASH FLOW						
Profit/(loss) before tax	46	80	3		204	71
Net financial (income)/expenses	(6)	25	1		(16)	(4)
Depreciation/impairment	15	22	6			
Change in working capital	(10)	28	6		9	(9)
Net gain from sale of associate	(3)	(62)			(155)	
Net cash provided by operating activities	**42**	**94**	**15**		**41**	**58**
Share of (profit)/loss from joint ventures and associates	(4)	(4)	(1)		(49)	(77)
Dividend received from joint ventures and associates	5	7			13	13
Net sale/(investments) in fixed assets	(15)	(25)	(5)			(1)
Net sale/(investments) in entities and segments	(21)	107			(54)	(8)
Net investments in financial investments	1	2	3			(3)
Net cash flow from investing activities	**(34)**	**86**	**(4)**		**(90)**	**(76)**
Net change of debt	20	(128)	(6)		19	(2)
Net change in other financial items	(12)	(13)	(4)		(2)	(2)
Net dividend from other segments/ to shareholders	(34)	(59)			(7)	53
Net cash flow from financing activities	**(25)**	**(200)**	**(10)**		**10**	**49**
Net increase in cash and cash equivalents	**(17)**	**(20)**	**2**		**(39)**	**31**
Cash and cash equivalents at the beginning of the period	161	181	6		54	22
Cash and cash equivalents at the end of period	**144**	**161**	**7**		**15**	**54**

GEOGRAPHICAL AREAS

USD mill	Europe		Americas		Asia & Africa		Oceania		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total income	429	455	63	86	271	359	30	30			793	930
Total assets*	2 914	1 455	36	70	287	292	51	50		2 828	3 288	4 695
Investment in tangible assets*	16	33	1	2	9	14		1		149	26	199

*In 2016, 2 506 million of total assets and 149 millon of investments in tangible assets were related to discontiued operations. See note 3.

Russia is defined as Europe.

Total income
Area income is based on the geographical location of the company and includes sales gains.

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

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

Note 3 Discontinued operations

On 4. April 2017, the subsidiary WWASA was merged with Wall Roll AB. After the merger the group own 37.8% of the WWL ASA. The profit in WWASA previous periods is presented as discontinued operations in WWH. The assets and liabilities from WWASA segment are included in the group balance sheet at 31.12.2016. Financial information (income statement and net assets) relating to the discontinued operations for each period to the date of disposal is set out below.

Prior to the merger, WWH held 160 000 000 shares in WWASA (renamed to WWL ASA). Number of shares remains unchanged after the merger.

The financial performance and cash flow information presented are for the Q1 2017 and the year ended 31 December 2016.

USD mill	Q1 2017	2016
Operating revenue	59	257
Other income		
Share of profits from associates	14	106
Gain/(loss) on sale of assets	9	
Total income	**82**	**363**
Operating expenses		
Vessel expenses	(15)	(61)
Employee benefits	(11)	(51)
Other expenses	(3)	(18)
Depreciation and impairments	(20)	(81)
Total operating expenses	**(49)**	**(212)**
Operating profit	**33**	**151**
Financial income/(expenses)	(8)	(17)
Profit before tax	25	134
Tax income/(expense)	1	(22)
Profit from discontinued operations	**26**	**113**
Non controlling interests	7	31
Changes in fair value cash flow hedge		12
Exchange differences on translation of discontinued operations	2	(2)
Remeasurement pension liabilities, net of tax		1
Other comprehensive income from discontinued operations	**1**	**10**
Cash flow from discontinued operations		
Net cash flow from operating activities	7	211
Net cash flow from investing activities	107	(95)
Net cash flow from financing activities	(74)	(143)
Net increase in cash generated by the discontinued operations	**40**	**(27)**

	2017
Details of the merger between WWASA and Wall Roll AB	
Cash received	14
Shares in WWL ASA (market value)	789
Total disposals consideration	804
Carrying amount of net assets disposal	1 062
Currency translation differences in WWASA group	(5)
Accounting loss (discontinued operations) majority (Q2 2017)	**(264)**
Net profit before non-controlling interests Q1 2017	26
Profit/(loss) from discontinued operations	**(239)**

Cont. note 3 Discontinued operations

The carry amounts of assets and liabilities at the date of the merger 4 April 2017 were:

USD mill	04.04.2017
Deferred tax asset	56
Intangible assets	6
Tangible assets	1 822
Investments in joint ventures and associates	775
Other non current assets	1
Current financial investments	150
Other current assets	16
Cash and cash equivalents	121
Total assets	**2 946**
Deferred tax	
Interest-bearing debt	1 267
Other non current liabilities	164
Other current liabilities	55
Non controlling interests	398
Liabilities and non-controlling interests	**1 884**
Net assets for controlling shareholders	**1 062**

Assets and liabilities of disposed group
The following assets and liabilities are related to the discontinued operations at 31 December 2016:

USD mill	31.12.2016
Assets and liabilities related to discontinued operations	
Deferred tax asset	55
Intangible assets	6
Tangible assets	1 879
Investments in joint ventures and associates	768
Other non current assets	1
Current financial investments	202
Other current assets	22
Cash and cash equivalents	81
Total assets	**3 013**
Interest-bearing debt	1 320
Other non current liabilities	169
Other current liabilities	89
Total liabilities	**1 578**

Note 4 Investments in associates

	Business office/country	2017 Voting share/Ownership	2016 Voting share/Ownership
Holding and Investments			
Wallenius Wilhelmsen Logistics ASA	Lysaker, Norway	37.8%	37.8%
Wilhelmsen Ferd Offshore AS	Oslo, Norway	50.0%	50.0%
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.0%	12.0%
Maritime Services – companies with significant shares of profits			
Almoayed Wilhelmsen Ltd	Bahrain	50.0%	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%
Diana Wilhelmsen Management Limited	Cyprus	50.0%	50.0%
Barwil Arabia Shipping Agencies SAE	Egypt	35.0%	35.0%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.0%	50.0%
Barwil Georgia Ltd.	Georgia	50.0%	50.0%
Barklav (Hong Kong) Ltd	Hong Kong	50.0%	50.0%
BWW LPG Limited	Hong Kong	49.0%	49.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partner WLL	Kuwait	49.0%	49.0%
Wilhelmsen Ships Service Lebanon S.A.L.	Lebanon	49.0%	49.0%
BWW LPG Sdn. Bhd.	Malayisia	49.0%	49.0%
Wilhelmsen Ships Service (Private) Limited	Pakistan	50.0%	50.0%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	49.0%	49.0%
Wilhelmsen-Smith Bell (Subic) Inc.	Philippines	50.0%	50.0%
Wilhelmsen-Smith Bell Manning, Inc.	Philippines	50.0%	50.0%
Perez Torres – Portugal Lda	Portugal	50.0%	50.0%
Wilhelmsen Hyopwoon Ships Services Ltd	Republic of Korea	50.0%	50.0%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.0%	20.0%
Barklav S.R.L.	Romania	50.0%	50.0%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.0%	50.0%
Nagliyat Al Saudia Company Ltd	Saudi Arabia	50.0%	50.0%
Krew-Barwil (Pty) Ltd	South Africa	49.0%	49.0%
Wilhelmsen Meridian Navigation Ltd, Sri Lanka	Sri Lanka	40.0%	40.0%
Baasher Barwil Agencies Ltd	Sudan	50.0%	50.0%
Triangle Shipping Agencies LLC	United Arab Emirates	50.0%	50.0%
Wilhelmsen Ships Service LLC	United Arab Emirates	43.0%	43.0%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	50.0%	50.0%
Barwil Dubai LLC	United Arab Emirates	50.0%	50.0%
Denholm Wilhelmsen Ltd	United Kingdom	40.0%	40.0%
Wilhelmsen Sunnytrans Co Ltd	Vietnam	50.0%	50.0%
Supply Services – companies with significant shares of profits			
Bring Polarbase AS	Hammerfest, Norway	41.0%	41.0%
Hammerfest Næringsinvest AS	Hammerfest, Norway	32.3%	32.3%
Strandparken Holding AS	Hammerfest, Norway	33.1%	33.1%
Risavika Havnering 14 AS	Stavanger, Norway	33.3%	33.3%
Eldøyane Næringspark AS	Stord, Noway	37.9%	37.9%
Risavika Havn AS	Tananger, Norway	42.8%	42.8%
Risavika Eiendom AS	Tananger, Norway	42.0%	42.0%
Smart Management AS	Tananger, Norway	40.0%	40.0%

*The investment in NorSea Group AS is collateral. See note 16.

An overview of actual equity holdings can be found in the presentation of company structure on page 132.

With effect from 1 April 2017, the group changed the classification for Hyundai Glovis from Investment in associate to Available-for-sale financial assets. See note 12.

On 4 April 2017, the subsidiary WWASA was merged with Wall Roll AB creating WWL ASA. After the merger the group own 37.8% of WWL ASA. See note 3 for further information.

WWL ASA is an operating company within both shipping segment and logistics segment. The company provides global transportation services for the automotive, agricultural, mining and construction equipment industries and its services consist of supply chain management, ocean transportation, terminal services, inland distribution and technical services. WWL ASA is the contracting party in customer contracts with industrial manufacturers for cars, agricultural machinery etc.

With effect from 26 September 2017, the group increased its shareholding in NorSea Group from 40% to 72%. Following the transaction, the group further acquired a minor portion of management controlled shares of 2.11% bringing the total shareholding to 74.11%. See note 19 for further information.

Cont. note 4 Investments in associates

USD mill	2017	2016
Share of profit from associates		
Hyundai Glovis Co Ltd		65
NorSea Group AS	5	12
WWL ASA	44	
Other associates Maritime Services	4	4
Share of profit from associates	**54**	**82**
Book value of material associates		
Hyundai Glovis Co Ltd		390
NorSea Group AS		88
WWL ASA	831	
Specification of share of equity and profit/loss:		
Share of equity 01.01	491	428
Share of profit for the year	54	82
Merger WWL ASA	790	
Business combination NorSea Group	(100)	
Associates in Supply Services	60	
Transfer to Available-for-sale Hyundai Glovis	(378)	
Dividend	(18)	(20)
Other comprehensive income	1	2
Share of equity 31.12	**900**	**491**

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

Set out below are the summarised financial information for, based on 100%, for WWL ASA group, which, in the opinion of the directors, is the material associates to the group.

Hyundai Glovis figures presented from 01.01.2017–31.03.2017 in accordance with transfer to Available-for-sale with effect from 01.04.17.

NorSea Group figures presented from 01.01.17 to 26.09.2017 in accordance with increased ownership effective from this date with figures for associates in NorSea Group included in "Other" with from 27.09.2017 to 31.12.2017.

Associates not considered to be material is defined under "other" (based on 100%).

Hyundai Glovis is presented a quarter in arrears and figures correspond to periods consolidated into the Holding and Investments segment.

USD mill	WWL ASA		Hyundai Glovis Co Ltd.		NorSea Group AS		Other	
	2017	2016	2017*	2016*	2017	2016	2017	2016
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME								
Total income	2 992		3 454	13 056	166	286	91	93
Operating expenses	(2 739)		(3 288)	(12 402)	(143)	(242)	(78)	(84)
Net operating profit	**253**		**167**	**654**	**23**	**45**	**13**	**9**
Finance income & expenses	(105)		7	(33)				
Other financial expenses	1		89	126	(9)	(11)		2
Profit before tax	**148**		**262**	**748**	**14**	**33**	**12**	**11**
Tax	(3)		(48)	(206)		(3)	(2)	(1)
Profit/(loss) after minority interest	**134**		**214**	**542**	**14**	**31**	**10**	**9**
Other comprehensive income	(3)		(39)			2		
Total comprehensive (expense)/income	**132**		**175**	**542**	**14**	**32**	**10**	**9**
WWH share of dividend from associates			12	12	2	2	5	7

*Corresponding to Hyundai Glovis' accounting period respectively 01.10.2016 through 31.12.2016 and 01.10.2015 through 30.09.2016.

Cont. note 4 Investments in associates

USD mill	WWL ASA		Hyundai Glovis Co Ltd.		NorSea Group AS		Other	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016**	31.12.2017	31.12.2016	31.12.2017	31.12.2016
SUMMARISED BALANCE SHEET								
Non current assets	6 272			3 300		572	186	13
Other current assets	690			2 622		97	56	41
Cash and cash equivalents	797			514		20	79	36
Total assets	**7 759**		**0**	**6 436**	**0**	**689**	**321**	**90**
Non current financial liabilities	3 103			808		358	72	
Other non current liabilities	389			632		2	6	5
Current financial liabilities	661			370		25	6	
Other current liabilities	810			1 765		84	108	60
Total liabilities	**4 963**		**0**	**3 574**	**0**	**469**	**193**	**65**
Net assets	**2 796**		**0**	**2 862**	**0**	**221**	**128**	**25**

The information above reflects the 100% amount presented in the financial statements of the associates, adjusted for differences in accounting policies between the group and the associates.
**Corresponding to Hyundai Glovis' accounting period ending respectively 30.09.2016.

USD mill	WWL ASA		Hyundai Glovis Co Ltd.		NorSea Group AS		Other	
	31.12.2017	31.12.2016	31.03.2017	31.12.2016	26.09.2017	31.12.2016	31.12.2017	31.12.2016
RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION								
Net asset 01.01			**2 862**	**2 654**	**221**	**189**	**25**	**32**
Increased capital	2 664						105	
Profit for the period	134		214	542	14	31	12	9
Other comprehensive income***	(3)		(39)					
Currency translation differences				(236)		5	(2)	(1)
Dividend			(98)				(11)	(16)
Transfer to Available-for-sale/business combination			(2 939)	(98)	(235)	(4)		
Net assets 31.12	**2 796**		**0**	**2 862**	**0**	**221**	**129**	**25**
WWH share	1 057			343		88	69	13
Goodwill				18				
Currency				29				
Fair value adjustment vessel and goodwill	(226)							
Carrying value 31.12	**831**		**0**	**390**	**0**	**88**	**69**	**13**

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

Reconciliations of the group's income statement and balance sheet

USD mill	2017	2016
Share of profit/(loss) from joint ventures	1	106
Share of profit from associates	54	82
Share of profit/(loss) from joint ventures and associates	**55**	**187**
Share of equity from joint ventures	119	768
Share of equity from associates	900	491
Share of equity from joint ventures and associates	**1 019**	**1 259**

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

Note 4 Investments in joint ventures

	Business office, country	2017 Voting share/ownership	2016
NorSea Group			
Coast Center Base AS (CCB)	Fjell, Norway	50.0%	50.0%
KS Coast Center Base (CCB)	Fjell, Norway	50.0%	50.0%
Vikan Næringspark AS	Kristiansund, Norway	50.0%	50.0%
SørSea AS	Tananger, Norway	50.0%	50.0%
Polar Lift AS	Hammerfest, Norway	50.0%	50.0%

Coast Center Base AS is a joint venture between NorSea Group and Bernh. Larsen Holding AS and was established in 1998. It delivers services related to logistics, quay, project and maintenance to the oil & gas industry in addition to maritime industry.

KS Coast Center Base AS is a joint venture between NorSea Group and Bernh. Larsen Holding AS and was established in 1973. It is mainly a property company owning infrastructure rented out to Coast Center Base AS.

Vikan Næringspark AS is a joint venture between NorSea Group and Kristiansund Baseselskap AS. It owns property that is rented out to Vestbase AS, a subsidiary of NorSea Group, in Kristiansund.

SørSea AS is a joint venture between NorSea Group and Røsi AS/Stangeland Gruppen AS. It owns land in Risavika in Norway.

Polar Lift AS is a joint venture between NorSea Group and Havator AS. It rents out cranes and other equipment and is located in Hammerfest in Norway.

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

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

Cont. note 4 Investments in joint ventures

USD mill	2017	2016*
Summarised financial information – according to the group's ownership		
Share of total income	21	
Share of operating expenses	(17)	
Share of depreciation	(1)	
Share of net financial items	(1)	
Share of tax expense		
Share of profit/(loss) for the year	**1**	
Share of equity (equity method)		
Book value	69	
Excess value (goodwill)	50	

USD mill	2017	2016*
Joint ventures' assets, equity and liabilities (group's share of investments)		
Share of non current assets	169	
Share of cash and cash equivalents	19	
Share of current assets	13	
Total share of assets	**201**	
Share of equity 26.09	70	
Share of profit/(loss) for the period	1	
Currency translation differences	(2)	
Share of equity 31.12	**69**	
Share of non current financial liabilities	104	
Share of other non current liabilities	3	
Share of current financial liabilities		
Share of other current liabilities	25	
Total share of liabilities	**132**	
Total share of equity and liabilities	**201**	

*Discontinued operations.

Set out below are the summarised financial information, based on 100%, for Cost Center Base AS (CCB), which, in the opinion of the directors, is a material joint venture to the group.

Joint venture not considered to be material, is defined under "other" (based on 100%).

USD mill	CCB		Other	
	2017	2016	2017	2016
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Total income	38		4	
Operating expenses	(33)		(1)	
Depreciation / amortisation	(2)		(1)	
Net operating profit/(loss)	**4**		**2**	
Financial income/(expenses)	(2)		(1)	
Profit/(loss) before tax	**2**		**1**	
Tax income/(expense)				
Profit/(loss) after minority interest	**2**		**0**	
Other comprehensive income				
Total comprehensive income	**2**		**0**	
WWH share of dividend from joint ventures				

Cont. note 4 Investments in joint ventures

USD mill	CCB		Other	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
SUMMARISED BALANCE SHEET				
Non current assets	200		138	
Other current assets	37			
Cash and cash equivalents	22		4	
Total assets	**260**		**142**	
Non current financial liabilities	119		89	
Other non current liabilities	3		3	
Current financial liabilities				
Other current liabilities	45		5	
Total liabilities	**167**		**97**	
Net assets	**93**		**45**	

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

USD mill	CCB		Other	
	2017	2016	2017	2016
RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION				
Opening net asset 26.09	**93**		**46**	
Profit for the period	2			
Other comprehensive income				
– Currency translation differences	(3)		(1)	
Closing net assets 31.12	**93**		**45**	
WWH share	47		22	
Goodwill	56		(5)	
Carrying value 31.12	**102**		**17**	

Cont. note 4 Investments in joint ventures

Discontinued joint ventures

USD mill	EUKOR Car Carriers Inc		Other	
	2017	2016	2017	2016
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Total income		1 381		2 311
Operating expenses		(1 168)		(2 023)
Depreciation / amortisation		(105)		(49)
Net operating profit/(loss)		**108**		**238**
Financial income/(expenses)		(43)		(5)
Profit/(loss) before tax		**65**		**234**
Tax income/(expense)		(2)		(33)
Profit/(loss) after minority interest		**63**		**193**
Other comprehensive income		30		(3)
Total comprehensive income		**93**		**190**
WWH share of dividend from joint ventures		40		12

USD mill	EUKOR Car Carriers Inc		Other	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
SUMMARISED BALANCE SHEET				
Non current assets		2 704		787
Other current assets		136		387
Cash and cash equivalents		189		211
Total assets		**3 029**		**1 385**
Non current financial liabilities		1 290		303
Other non current liabilities		5		231
Current financial liabilities		167		53
Other current liabilities		238		344
Total liabilities		**1 700**		**931**
Net assets		1 329		454

USD mill	EUKOR Car Carriers Inc		Other	
	2017	2016	2017	2016
RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION				
Opening net asset 01.01		**1 336**		**289**
Profit/(loss) for the period		63		193
Other comprehensive income				
– Cash flow hedges, net of tax		29		
– Remeasurement postemployment benefits, net of tax		1		(2)
– Dividend to shareholder		(100)		(1)
– Reclassification				(24)
Closing net assets 31.12		**1 329**		**454**
WWH share		532		221
Goodwill		11		6
Carrying value 31.12		**542**		**226**

Note 5 Principal subsidiaries

	Business office/country	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)
Maritime Services				
Wilhelmsen Maritime Services AS	Lysaker, Norway	Maritime products and services	100%	100%
Wilhelmsen Ships Service AS	Lysaker, Norway	Maritime products and services		100%
Wilhelmsen Ship Management Ltd	Hong Kong	Ship management		100%
Supply Services				
NorSea Group AS	Tananger, Norway	Supply Services		74.11%
Holding and Investments				
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	Investment	100%	100%
Treasure ASA	Lysaker, Norway	Investment	72.73%	72.73%
Wilh. Wilhelmsen Holding Invest Malta Ltd	Valletta, Malta	Investment		100%

The group's principal subsidiaries at 31 December 2017 are set out above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Note 6 Employee benefits

USD mill	Note	2017	2016
Pay		193	193
Payroll tax		26	36
Pension cost	10	10	14
Other remuneration		22	36
Total employee benefits		**252**	**279**

	2017**	2016*
Number of employees:		
Group companies in Norway	1 053	497
Group companies abroad	4 115	4 087
Seagoing personnel Ship Management	9 460	9 176
Total employees	**14 628**	**13 760**
Average number of employees	14 194	15 117

*Including discontinued operations.
**Including Supply Services.

REMUNERATION OF SENIOR EXECUTIVES

USD thousand	Pay	Bonus	Pension premium	*Other remuneration	Total	Total in NOK thousand
2017						
Group CEO	575	841	215	205	1 837	15 186
Group CFO	398	329	46	51	825	6 818
President and CEO Wilhelmsen Maritime Services AS**	204	395	153	53	805	6 656
President Wilhelmsen Ships Service	360	39	102	23	524	4 333
President Wilhelmsen Ship Management	252	49	35	54	390	3 228
CEO NorSea Group	257	63	9	21	350	2 896
2016						
Group CEO	552	92	189	182	1 016	8 529
Group CFO until April 2016	203	60	7	27	297	2 493
Group CFO from April 2016	254		33	32	319	2 677
President and CEO Wilh. Wilhelmsen ASA	405	181	498	412	1 495	12 559
President and CEO Wilhelmsen Maritime Services AS	389	29	410	381	1 207	10 140

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.
**Until 30.06.2017.

Cont. note 6 Employee benefits

Remuneration of the board of directors

USD thousand	2017	2016
Diderik Schnitler (chair)	79	77*
Helen Juell	45	45
Odd Rune Austgulen	45	45
Carl E. Steen	45	45
Irene Waage Basili	45	0
Cathrine Løvenskiold Wilhelmsen	0	0
Bettina Banoun	0	45

*2016 excluded board of directors fee and consulting agreement from discontinued operations, totalled USD 63 thousand.

The board's remuneration for fiscal year 2017 will be approved by the general meeting 26 April 2018.
Remuneration of the nomination committee, for both Wilh. Wilhelmsen Holding ASA and Treasure ASA, totalled USD 21 thousand for 2017 (2016: USD 20 thousand for Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA).

Senior executives
Thomas Wilhelmsen – group CEO
Christian Berg – group CFO
Dag Schjerven – president and CEO Wilhelmsen Maritime Services AS until end June 2017
Bjoerge Grimholt – president Wilhelmsen Ships Service
Carl Schou – president Wilhelmsen Ship Management
John Stangeland – CEO NorSea Group

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

LONG-TERM INCENTIVE SCHEME
The long-term incentive scheme (LTI) was introduced in 2015. Participants are members of the group management team and the presidents for Wilhelmsen Ships Service and Wilhelmsen Ship Management. For the group CEO, maximum annual payment is 100% of base salary. For the remaining participants, the maximum annual payment is 6–9 months of base salary.

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

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

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

Per 31 December 2017, a provision has been made equivalent to 34% of maximum annual payment, covering provisions for 2017 related to the LTI programme expiring on 31 December 2018. The provision has been calculated based on value adjusted equity per 31 December 2017, risk free return and standard deviation of historic annual value creation. No provision has been made for the LTI programme expiring on 31 December 2020.

EXPENSED AUDIT FEE

USD mill	2017	2016
Statutory audit	2.2	2.3
Other assurance services	0.3	0.1
Tax advisory fee	0.5	1.9
Other assistance	0.3	0.9
Total expensed audit fee	**3.3**	**5.3**

The fees above cover the group expenses to all external auditors and tax advisors.

Note 7 Property, vessels and other tangible assets

USD mill	Property	Vessels	Other tangible assets	Total tangible assets
TANGIBLE ASSETS				
2017				
Cost price 1.1	90	2 457	189	2 736
Acquisition	4		21	26
Business combination	479	38	57	574
Discontinued operations		(2 404)	(2)	(2 405)
Reclass/disposal	13	(54)	(8)	(49)
Currency translation differences	(11)	(1)	12	(1)
Cost price 31.12	**575**	**36**	**269**	**880**
Accumulated depreciation and impairment losses 1.1	(38)	(579)	(72)	(689)
Depreciation/amortisation	(6)		(9)	(16)
Depreciation discontinued operations		(20)		(20)
Business combination	(100)	(17)	(37)	(155)
Discontinued operations		582	1	584
Reclass/disposal	(15)	17	5	7
Currency translation differences	1	1	(3)	(1)
Accumulated depreciation and impairment losses 31.12	**(159)**	**(17)**	**(114)**	**(290)**
Carrying amounts 31.12	**416**	**19**	**155**	**590**
2016*				
Cost price 1.1	92	2 439	215	2 746
Acquisition	1	11	49	61
Reclass/disposal	(3)	7	(72)	(67)
Currency translation differences			(4)	(4)
Cost price 31.12	**90**	**2 457**	**189**	**2 736**
Accumulated depreciation and impairment losses 1.1	(37)	(646)	(86)	(768)
Depreciation/amortisation	(3)	(81)	(11)	(95)
Reclass/disposal	1	148	24	173
Currency translation differences			1	1
Accumulated depreciation and impairment losses 31.12	**(38)**	**(579)**	**(72)**	**(689)**
Carrying amounts 31.12	**51**	**1 878**	**117**	**2 047**
Economic lifetime	10-50 years	30 years	3-10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	

*Including discontinued operations.

Cont. note 7 Goodwill and other intangible assets

USD mill	Goodwill	Other intangible assets	Software and licences	Total intangible assets
INTANGIBLE ASSETS				
2017				
Cost price 01.01	118		91	209
Acquisition			3	3
Business combination	14	16		30
Discontinued operations	(6)		(1)	(7)
Reclass/disposal			(1)	(1)
Currency translation differences	6		4	10
Cost price 31.12	**133**	**16**	**95**	**244**
Accumulated amortisation and impairment losses 01.01	(2)		(62)	(64)
Amortisation/impairment				
Amortisation/impairment discontinued operations				
Business combination		(7)		(7)
Discontinued operations			1	1
Reclass/disposal				
Currency translation differences			(2)	(2)
Accumulated amortisation and impairment losses 31.12	**(2)**	**(7)**	**(63)**	**(72)**
Carrying amounts 31.12	**131**	**9**	**32**	**171**
2016*				
Cost price 01.01	194	23	109	327
Acquisition	14		6	20
Reclass/disposal	(90)	(23)	(27)	(140)
Currency translation differences			2	2
Cost price 31.12	**118**	**0**	**91**	**209**
Accumulated amortisation and impairment losses 01.01	(52)	(6)	(64)	(122)
Amortisation/impairment			(9)	(9)
Disposals	49	6	11	66
Currency translation differences	1		(1)	
Accumulated amortisation and impairment losses 31.12	**(2)**	**0**	**(62)**	**(64)**
Carrying amounts 31.12	**116**	**0**	**28**	**145**

*Including discontinued operations.

Segment-level summary of the goodwill allocation:	2017	2016
Maritime Services	131	110
Discontinued operations		6
Total goodwill allocation	**131**	**116**

In 2017, the group increased its ownership in NorSea Group from 40% to 74.11%. The purchase did not generate goodwill.

In 2017, Wilhelmsen Chemical (Maritime Services segment) aquired Kemetyl Konsument AS. The excess value of USD 19 million (nominated in NOK) was split into intangible assets of USD 5 million and goodwill of USD 14 million.

In 2016, the group conducted no material aquisitions.

Cont. note 7 Goodwill and other intangible assets

Impairment testing of goodwill
In the Maritime Services segment, USD 131 million relate to business area Ships Service mainly to the acquisition of Unitor ASA and Kemetyl. The goodwill figures are originally calculated in NOK and USD (2016: NOK and USD).

In connection with the disposal of Safety activities in 2016, USD 22 million (including currency effect) was offset against the gain, representing approximately 20% of the original goodwill from the aquisition of Unitor ASA.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit which are Ships Service.

No impairment was conducted in 2017 (Analogous for 2016). During 2016, Callenberg was disposed of, and the goodwill originally in GBP from acquistion of IES Callenberg Ltd was offset against the loss.

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:

	2017	2016
USD/NOK	7.80	8.30
Discount rate	9.0%	9.0%
Growth rate	1-4%	1-5%
Increase in material cost	1-4%	3-3.5%
Increase in pay and other remuneration	1-4%	3-3.5%
Increase in other expenses	1-4%	1-3%

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.

Had the WACC been 0.5 percentage point higher, the estimated value would be reduced by USD 5 million for WSS net value. Had the WACC been 0.5 percentage point lower, the estimated value would be increased by USD 5 million for WSS.

Had the multiple, enterprise value / EBITDA been 1 point lower, the estimated value would be reduced by USD 45 million for WSS net value. Had the multiple, enterprise value / EBITDA been 1 point higher, the estimated value would be increased by USD 45 million for WSS.

Note 8 Tax

Ordinary taxation
The ordinary rate of corporation tax in Norway is 24% of net profit for 2017 (2016: 25%). 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. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised in each country and for Norwegian entities the group has applied a rate of 23% (2016: 24%).

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.

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.

USD mill	2017	2016
Allocation of tax income/(expense) for the year		
Payable tax in Norway	(4)	(2)
Payable tax foreign	(16)	(8)
Change in deferred tax	4	(3)
Total tax income/(expense)	**(16)**	**(14)**

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 24%

	2017	2016
Profit before tax	253	151
24% tax (2016: 25%)	**61**	**38**
Tax effect from:		
Permanent differences	16	1
Non-taxable income	(50)	(8)
Share of profits from joint ventures and associates	(17)	(16)
Change in difference tax rate and currency translation	5	1
Withholding tax and payable tax previous year	2	1
Calculated tax (income)/expense for the group	**16**	**14**
Effective tax rate for the group	6.4%	9.5%

Cont. note 8 Tax

USD mill	2017	2016
Net deferred tax assets/(liabilities) at 01.01	63	72
Decrease due to discontinued operations	(55)	
Increase due to business combinations	2	
Currency translation differences	(2)	3
Tax charged to equity / acquisition		5
Income statement charge	4	(16)
Net deferred tax assets at 31.12	**12**	**63**
Deferred tax assets in balance sheet	18	75
Deferred tax liabilities in balance sheet	(6)	(12)
Net deferred tax assets at 31.12	**12**	**63**

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 31.12.2016*	**(52)**	**(15)**	**(2)**	**(71)**
Through income statement	(1)		3	3
Discontinued operations	37	15	(2)	50
Business combination			(2)	(2)
Deferred tax liabilities at 31.12.2017	**(16)**	**0**	**(1)**	**(19)**
At 31.12.2015	**(54)**	**(19)**	**(19)**	**(93)**
Through income statement	(4)	12	(3)	6
Currency translations	4	4	7	14
Deferred tax liabilities at 31.12.2016*	**(52)**	**(15)**	**(2)**	**(71)**

*Including tax liabilities related to discontinued operations of USD 50 mill.

Cont. note 8 Tax

USD mill	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 31.12.2016**	**60**	**2**	**68**	**134**
Through income statement	7	(4)	(3)	
Discontinued operations	(57)	1	(51)	(106)
Business combination	3	1	1	4
Currency translations	(1)		(1)	(2)
Deferred tax assets at 31.12.2017	**14**	**(1)**	**14**	**31**
At 31.12.2015	**90**	**(7)**	**79**	**165**
Through income statement	(24)	14	(18)	(28)
Charged directly to equity	(2)		4	3
Currency translations	(3)	(5)	3	(6)
Deferred tax assets at 31.12.2016**	**60**	**2**	**68**	**134**

**Including tax assets related to discontinued operations of USD 106 mill.

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 Maritime Services 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 9 Earnings per shares

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

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

Earnings per share is calculated based on 46 403 824 shares for 2016 and 2017.

Note 10 Pension

The group's defined contribution pension schemes for Norwegian employees are with financial institutions providing solutions based on investment funds.

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

In addition, the group has agreements on early retirement. These obligations are mainly financed from operations.

The group has obligations towards some employees in the group's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

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

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

In a few countries without deep markets in such bonds, the market rates on government bonds are used.

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

	Funded		Unfunded	
Number of people covered by pension schemes at 31.12*	2017	2016	2017	2016
In employment	23	4	4	3
On retirement (inclusive disability pensions)	139	12	27	699
Total number of people covered by pension schemes	**162**	**16**	**31**	**702**

*2016 both funded and unfunded consists of 2 in employment related to discontinued operations and 687 on retirement related to discontinued operations.

	Expenses		Commitments	
Financial assumptions for the pension calculations:	2017	2016	31.12.2017	31.12.2016
Discount rate	2.40%	2.50%	2.30%	2.30%
Anticipated pay regulation	2.25%	2.25%	2.00%	2.00%
Anticipated increase in National Insurance base amount (G)	2.25%	2.25%	2.00%	2.00%
Anticipated regulation of pensions	0.40%	0.60%	0.10%	0.10%

Cont. note 10 Pension

USD mill	2017			2016*		
Pension expenses	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost		1	1		1	1
Termination gain defined benefit plan	(4)		(4)			
Cost of defined contribution plan	13		13	14		14
Net pension expenses	**10**	**1**	**10**	**14**	**1**	**14**

*Excluding discontinued operations

USD mill	2017	2016
Remeasurements – Other comprehensive income		
Total remeasurements included in OCI	**(0)**	**0**

USD mill	2017	2016
Pension obligations		
Defined benefit obligation at end of prior year	71	73
Decrease due to discontinued operations	(43)	
Increase due to business combination	19	
Effect of changes in foreign exchange rates	2	
Service cost	1	2
Termination gain defined benefit plan	(4)	
Interest expense	1	2
Benefit payments from plan	(1)	
Benefit payments from employer		(3)
Remeasurements – change in assumptions		(2)
Pension obligations 31.12	**45**	**71**
Fair value of plan assets		
Fair value of plan assets at end of prior year	7	6
Decrease due to discontinued operations	(3)	
Increase due to business combination	16	
Effect of changes in foreign exchange rates	1	
Interest income		1
Employer contributions	1	1
Benefit payments from plan	(1)	
Gross pension assets 31.12	**22**	**7**

Cont. note 10 Pension

USD mill	2017			2016**		
Total pension obligations	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost	**1**	**2**	**3**	**1**	**2**	**3**
Total pension obligation	25	19	45	11	60	71
Fair value of plan assets	22		22	7		7
Net liability (asset)	**3**	**19**	**22**	**4**	**60**	**63**

Premium payments in 2018 are expected to be USD 0.5 million (2017: USD 5.0 million).
Payments from operations are estimated at USD 1.0 million (2017: USD 4.1 million).

USD mill **Historical developments**	31.12.2017	31.12.2016**	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Gross pension obligations, including payroll tax	(45)	(71)	(73)	(109)	(213)	(206)
Gross pension assets	22	7	6	17	105	107
Net recorded pension obligations	**(23)**	**(63)**	**(67)**	**(92)**	**(108)**	**(99)**

**Net liability at 31.12.2016 and years before includes discontinued operations.

Note 11 Combined items, balance sheet

USD mill	Note	2017	2016
OTHER NON CURRENT ASSETS*			
Non current share investments	17	3	
Related party non current assets	17/20		17
Other non current assets**	17	34	29
Total other non current assets		**37**	**47**
OTHER CURRENT ASSETS*			
Account receivables	20	217	163
Financial derivatives	17	2	10
Restricted cash	15	1	1
Other current assets	17	81	94
Total other current assets		**302**	**268**
OTHER NON CURRENT LIABILITIES*			
Financial derivatives	17		128
Other non current liabilities***		112	105
Total other non current liabilities		**112**	**233**
OTHER CURRENT LIABILITIES*			
Account payables	20	206	164
Financial derivatives	17	13	35
Other current liabilities		122	140
Total other current liabilities		**341**	**340**

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

**As part of the settlement of the sale of Callenberg group, Maritime Services agreed a vendor note and an earn out of USD 16.5 million and USD 6 million, respectively. The vendor note and the earn out is accounted for as long term receivable. See note 19.

***Maritime Services has 609 623 (2016: 586 000) cylinders booked as other tangible asset in the balance sheet, see note 7. The cylinders are valued at USD 107 million (2016: USD 95 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 (2016: USD 97 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 11 Combined items, balance sheet

ACCOUNT RECEIVABLES

At 31 December 2017, USD 15 million (2016: USD 17 million) in account receivables had fallen due but not been subject to impairment. These receivables are 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	2017	2016
Aging of account receivables past due but not impaired		
Up to 90 days	9	8
90-180 days	6	9
Over 180 days		
Movements in group provision for impairment of account receivables are as follows		
Balance at 01.01	8	6
Net provision for receivables impairment	(2)	2
Balance 31.12	**6**	**8**
Account receivables per segment		
Maritime Services	170	159
Supply services	47	
Discontinued operations		4
Total account receivables	**217**	**163**

See note 17 on credit risk.

ACCOUNT PAYABLES

At 31 December 2017, USD 17 million (2016: USD 10 million) in account payables had fallen due. These payables refer to a number of separate suppliers and are related to general business. The group expects to settle outstanding payables. Payables fallen due have the following age composition:

USD mill	2017	2016
Account payables per segment		
Maritime Services	183	161
Supply services	22	
Holding and Investments	1	1
Discontinued operations		2
Total account payables	**206**	**164**

See note 17 on credit risk.

Note 12 Available-for-sale assets

USD mill	2017	2016
Available-for-sale financial assets		
At 01.01	209	122
Acquistion	12	91
Sale during the year	(11)	(7)
Transfer from equity method measurement – Hyundai Glovis	573	
Mark to market valuation		4
Currency translation adjustment	18	(2)
Total available-for-sale financial assets	**801**	**209**

Available-for-sale financial assets		
Qube Holdings Limited	132	123
Kaplan Equity Limited (KEL)	11	6
Survitec UK Ltd.	83	79
Hyundai Glovis	575	
Total Available-for-sale financial assets	**801**	**209**

Qube Holdings Limited is a diversified Australian based logistics and infrastructure company providing logistics services for clients in both import and export cargo supply chains. Qube is listed on the Australian Securities Exchange (ASX). As per 31 December 2017, Wilhelmsen held 65 million shares in Qube (approximately 4% of total), of which 35 million were mortgaged. See note 16.

Survitec group holds market-leading positions worldwide in marine, offshore, defence and aerospace survival technology. The company is majority owned by Onex Corporation, a private equity firm. Changes in fair value of the investment in Survitec has been recognised through the income statement.

Hyundai Glovis Co., Ltd., is a global Korean based general logistics and distribution company, providing business service such as logistics, marine transportation, KD, used cars and trading. Glovis is listed on the Korean Stock Exchange. As per 31 December 2017, Treasure ASA held 4.5 million shares in Glovis (12.04% of total). Treasure ASA is listed on the Oslo Stock Exchange. As per 31 December 2017, Wilh. Wilhelmsen Holding ASA owned 72.7% of Treasure ASA. The change in measurement of the shares in Hyundai Glovis from equity method to available-for-sale financial asset is due to loss of significant influance following the discontinued operation related to previous ownership in Wilh. Wilhelmsen ASA.

Available-for-sale financial assets are held in subsidiaries with different reporting currency and thereby creating translation adjustments.

Effective from 01.01.2018 all available-for-sale assets held 31.12.2017 will be measured at fair value throuh the income statement in accordance with IFRS 9. Related fair value gains of USD 2.8 mill will have to be transferred from the available-for-sale financial assets reserve to retained earnings on 1 January 2018.

Note 13 Inventories

USD mill	2017	2016
Inventories		
Raw materials	8	6
Goods/projects in process	1	1
Finished goods/products for onward sale	72	56
Luboil		3
Total inventories	**81**	**65**
Obsolescence allowance, deducted above	2	2

Note 14 Current financial investments

USD mill	2017	2016
Market value current financial investments		
Equities	53	100
Bonds	48	185
Total current financial investments	**101**	**285**

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

The net unrealised gain/(loss) at 31.12	15	2

The parent company's portfolio of financial investments USD 101 million is held as collateral within a securities' finance facility. See note 16.

Note 15 Cash, restricted bank deposits and undrawn credit facilities

USD mill	2017	2016
Payroll tax withholding account	1	1

Companies that do not have payroll tax withholding account use bank guarantees. As per 31.12.2017 total guarantees amounted to USD 6.8 million (2016: USD 3.1 million).

Undrawn credit facilities	600	374

Undrawn credit facilities are key part of the liquidity reserve, amounting to USD 600 million at 31 December 2017 (2016: USD 374 million – adjusted for discontinued operations).

Cash and cash equivalents		
Banks	167	278
Deposit banks 3 months		17
Total cash and cash equivalents	**167**	**296**

Note 16 Interest-bearing debt

USD mill	Note	2017	2016
Interest-bearing debt			
Bank loan		601	213
Interest-bearing debt discontinued operations			1 320
Total interest-bearing debt	17	**601**	**1 533**
Book value of collateral, mortgaged and leased assets:			
Available-for-sale-financial assets, current financial investments	14	171	144
Investment in NorSea Group AS		112	98
Assets NorSea Group AS		693	
Discontinued operations (vessels)			1 814
Total book value of collateral, mortgaged and leased assets		**976**	**2 056**

The bank debt which partly finances the investment in NorSea Group AS utilizes the investment itself together with financial assets available-for-sale as collateral. The parent company's portfolio of financial investments is held as collateral within a securities' finance facility.

Repayment schedule for interest-bearing debt			
Due in year 1		108	
Due in year 2		25	34
Due in year 3		22	180
Due in year 4		22	
Due in year 5 and later		425	
Interest-bearing debt discontinued operations			1 320
Total interest-bearing debt	17	**601**	**1 533**

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.

Loan agreements entered into by the group contain financial covenants relating to liquidity, leverage and value-adjusted equity. The group was in compliance with all covenants at 31 December 2017.

Cont. note 16 Interest-bearing debt

USD mill	Note	2017	2016
The group net interest-bearing debt			
Non current interest-bearing debt		493	213
Current interest-bearing debt		108	
Interest-bearing debt discontinued operations			1 320
Total interest-bearing debt		**601**	**1 533**
Cash and cash equivalents		167	215
Current financial investments	14	101	83
Cash and cash equivalents and current financial investments discontinued operations			283
Net interest-bearing debt		**333**	**953**
Net interest-bearing debt in joint ventures			
Non current interest-bearing debt	4	104	
Interest-bearing debt discontinued operations			761
Total interest-bearing debt in joint ventures		**104**	**761**
Cash and cash equivalents	4	19	
Cash and cash equivalents discontinued operations			181
Net interest-bearing debt in joint ventures		**85**	**580**

USD mill	2017	2016
Guarantee commitments		
Guarantees for group companies	70	72
Discontinued operations		1 132
Total	**70**	**1 204**
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	196	180
NOK	372	34
DKK	33	
Discontinued operations		1 320
Total	**601**	**1 533**

See otherwise note 17 for information on financial derivatives (currency hedges) relating to interest-bearing debt.

Cont. note 16 Interest-bearing debt

USD mill	Note	2017	2016
Net debt			
Cash and cash equivalents		167	215
Liquid investments*		101	83
Borrowings – repayable within one year		(108)	
Borrowings – repayable after one year		(493)	(213)
Discontinued operations			(1 037)
Net debt		**(333)**	**(953)**
Cash and cash equivalents and liquid investments		268	297
Gross debt – fixed interest rates			
Gross debt – variable interest rates		(601)	(213)
Discontinued operations			(1 037)
Net debt		**(333)**	**(953)**

*Liquid investments comprise current investments that are traded in an acive market, being the group's financial assets held at fair value through the income statement.

	Other assets		Liabilites from financing activities				
USD mill	Cash/ bank overdrafts	Liquid invest-ments	Finance leases due within 1 year	Finance leases due after 1 year	Borrow. due within 1 year	Borrow. due after 1 year	Total
Net debt 01.01.2017	**497**	**83**			**(115)**	**(1 418)**	**(953)**
Decrease by discontinued operations	(121)				112	1 155	1 146
Increase by business combination NorSea Group	5			(11)		(341)	(347)
Reclass			(2)	2	(106)	106	
Cash flows	(215)	18			3	16	(178)
Foreign exchange adjustments						(1)	(1)
Net debt 31.12.2017	**167**	**101**	**(2)**	**(9)**	**(106)**	**(483)**	**(333)**

Note 17 Financial risk

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

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

MARKET RISK

The group has established hedging strategies to mitigate risks on material exposures 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 with the exception of the Supply Services segment, where derivatives are recognised in other comprehensive income.

Associates hedge their own exposures. The group records the effects of realised and unrealised changes in financial derivatives held in these entities in accordance with the equity method under "share of profit from joint ventures and associates". The material joint ventures and associates are Coast Center Base in Supply Services segment and WWL ASA group in Holding and Investments segment.

Foreign exchange rate risk

The group is exposed to currency risk on revenues and costs in non-functional currencies, mainly USD (transaction risk) and balance sheet items denominated in currencies other than non-functional currencies, mainly USD (translation risk). The group's largest individual foreign exchange exposure is NOK against USD. Other currency exposures include EUR, SGD and KRW.

Transaction risk hedging (cash flow)

The group's operating segments are responsible for hedging their own material transaction risk. Within Maritime Services, USDNOK and EURUSD exposures are subject to a systematic 3-year rolling hedge program. Hedge programs utilize a portfolio of currency options and currency forwards. Remaining exposures are non-material and not hedged.

Translation risk hedging (balance sheet)

The group's policy for mitigating translation risk is to match the denomination currency of assets and liabilities to as large extent as possible.

FX sensitivites (translation risk)

The group monitors the net exposure and calculate sensitivities on a regular basis, based on average market volatility per currency cross. Sensitivities showing a potential accounting effect below USD 5 million on group level are considered non-material.

	Note	2017	2016
Through income statement			
Net currency gain/(loss) – Operating currency		7	(14)
Net currency gain/(loss) – Financial currency		(2)	
Currency derivatives – realised			(6)
Currency derivatives – unrealised		9	
Net financial currency	1	**14**	**(21)**
Through other comprehensive income			
Currency translation differences through other comprehensive income		47	51
Total net currency effect		**61**	**30**

Cont. note 17 Financial risk

For Maritime Services, Supply Services and Holding and Investments, the material translation risk are booked to other comprehensive income due to the functional currency for the majority of the entities being different from the reporting currency USD.

The group's segments perform sensitivity analyses on the unhedged 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	6.97	7.44	8.60	9.46	10.32
Income statement effect (post tax)	**16**	**8**	**0**	**(6)**	**(13)**
EUR/USD spot rate	1.08	1.14	1.20	1.26	1.32
Income statement effect (post tax)	**(3)**	**(1)**	**0**	**2**	**4**

(Tax rate used is 24% that equals the Norwegian tax rate)

Interest rate risk
The group's strategy is to hedge material parts of the interest-bearing debt against rising interest rates. The group's segments have their own policies on hedging of interest rate risk, hence hedge ratios will fluctuate as the capital intensity varies.

Wthin Holding and Investments and Maritime Services respectively, no interest rate hedging is implemented due to low net interest-bearing debt (NIBD), whereas Supply Services has hedged about 50% of its NIBD as of 31 December 2017.

USD mill	2017	2016
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1	25	100
Due in year 2	13	150
Due in year 3	25	230
Due in year 4		50
Due in year 5 and later*	81	230
Total interest rate hedges	**144**	**760**

*Per 31.12.2016, 760 million was related to discontinued operations

The Supply Services segment has entered swaption contracts with a notional value of about USD 16 million, with expiry date in 2022.

Depending on interest rate levels on the expiry date, exercising the swaptions by the counterparties will extend the maturity of expiring swaps until 2032, but will not increase the notional value of the existing swap portfolio.

The average remaining term of the existing total debt portfolio is approximately 5 years. The hedges in place for a portion of the debt has an average remaining term of approximately 6 years.

Cont. note 17 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 are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the mix of debt with attached fixed or floating interest rates – in combination with financial derivatives on interest rates (plain vanilla interest rates swaps and swaptions) – are exposed to changes in the level and curvature of interest rates.

The group use 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 market value of interest rate derivatives are recognised as a financial item through the income statement (or for Supply Services against "Other comprehensive income"). Outstanding debt is booked at the respective outstanding nominal value.

Sensitivities resulting in a potential accounting effect below USD 5 million on group level are considered non-material. On 31 December 2017, the group has no material exposure subject to interest rate risk.

	2017		2016	
USD mill	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives				
Maritime Services				
Supply Services		11		
Holding and Investments				
Total interest rate derivatives	**0**	**11**	**0**	**0**
Currency derivatives				
Maritime Services	2	1	1	9
Supply Services				
Holding and Investments		1	1	1
Total currency derivatives	**2**	**1**	**2**	**10**
Total market value of financial derivatives	**2**	**13**	**2**	**10**

Book value equals market value.

Cont. note 17 Financial risk

Equity market risk
The group holds several assets listed on equity markets as well as a defined portfolio of financial assets for a proportion of the group's short-term liquidity.

Below table summarizes the equity market sensitivity towards the market value of listed equities:

USD mill					
Change in equity prices					
Change in market value	(20%)	(10%)	0%	10%	20%
Income statement effect	**(91)**	**(46)**	**0**	**46**	**91**

(Tax rate used is 24% that equals the Norwegian tax rate)

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. The risk 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.

Within the Maritime Services and Supply Services, the global customer base provides a certain level of diversification with respect to credit risk on receivables. The segment monitors and manages its credit risk on a regular basis. Reference is made to note 11.

Given the negative market sentiment in several shipping and offshore segments, 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.

Bank deposits and financial derivatives
The group maintains cash management operations and trades financial derivatives with a selection of financially solid banks (as determined by their official credit ratings), limiting the corresponding credit risk.

Other credit exposures
The disposal of Technical Services and Callenberg in 2016 generated a settlement consideration including subordinated debt certificates, vendor note and earn-out note with credit exposure towards the buyers of these entities. On 31 December 2017 these credit risks are considered non-material and supportive of the accounting value in the general ledger.

No material loans or receivables were past due or impaired at 31 December 2017 (analogous for 2016).

Guarantees
The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within Maritime Services and Supply Services. See note 16 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	2017	2016
Exposure to credit risk			
Financial derivatives	11	2	10
Account receivables	11	217	163
Financial investments	14	48	185
Other non current assets	11	37	47
Other current assets	11	81	94
Cash and bank deposits	15	167	296
Total exposure to credit risk		**552**	**793**

Cont. note 17 Financial risk

LIQUIDITY RISK
The group's approach to managing liquidity is to secure sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

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

At 31 December 2017, the group had excess of USD 268 million (2016: USD 297 million) in liquid assets, in addition to USD 600 million (2016: USD 374 million) in undrawn credit facilities. Figures for 2016 have been adjusted for discontinued operations.

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 2017				
Mortgages	43	25	43	229
Finance lease liabilities	11			
Bank loan	54			196
Financial derivatives	13			
Total undiscounted cash flow financial liabilities	**121**	**25**	**43**	**425**
Current liabilities (excluding next year's instalment on interest-bearing debt)	274			
Total gross undiscounted cash flows financial liabilities 31.12.2017	**395**	**25**	**43**	**425**

Undiscounted cash flows financial liabilities 2016				
Mortgages	156	229	365	348
Finance lease liabilities	13	13	39	185
Bonds	5	87	105	13
Bank loan		34	179	
Financial derivatives	66	57	42	2
Total undiscounted cash flow financial liabilities	**240**	**421**	**731**	**548**
Current liabilities (excluding next year's instalment on interest-bearing debt)	331			
Total gross undiscounted cash flows financial liabilities 31.12.2016	**571**	**421**	**731**	**548**

Cont. note 17 Financial risk

COVENANTS
The group's bank and lease financing 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
- NIBD / EBITDA or equivalent Debt-Service Coverage-Ratios
- Loan-to-Value (Real Estate, Financial Assets)

The group was in compliance with all loan covenants at 31 December 2017.

CAPITAL RISK MANAGEMENT
The group's overall policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future business development. The board of directors monitors various return metrics, where Return on Equity and dividend levels are predominant.

The group seeks to maintain a balance between the potential higher returns stemming from higher levels of financial gearing and the advantages of a strong balance sheet. The financial strategy and setting of thresholds for capital structure, return requirements and risk (and corresponding metrics) will be revised by the board of directors during 2018, following the significant structural changes taking place in 2017.

FAIR VALUE ESTIMATION
The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) is based on third party quotes. These quotes use observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) 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 net 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. Options are typically valued by applying the Black-Scholes model

- 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 net 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. Options are typically valued by applying the Black-Scholes model.

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

USD mill	Note	Fair value	Book value
Interest-bearing debt			
Mortgages		340	340
Finance lease liabilities		11	11
Bank loan		254	250
Total interest-bearing debt 31.12.2017	16	**605**	**601**
Mortgages		882	886
Finance lease liabilities		238	239
Bonds		193	196
Bank loan		213	213
Total interest-bearing debt 31.12.2016	16	**1 525**	**1 533**

Cont. note 17 Financial risk

The fair value is based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair value hierarchy.

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Equities	52		1	52
Bonds	48			48
Financial derivatives		2		2
Available-for-sale financial assets	707		93	801
Total financial assets 31.12.2017	**807**	**2**	**94**	**904**
Financial liabilities at fair value				
Financial derivatives		13		13
Total financial liabilities 31.12.2017	**0**	**13**	**0**	**13**
Financial assets at fair value				
Equities	100			100
Bonds	185			185
Financial derivatives		10		10
Available-for-sale financial assets	123		86	209
Total financial assets 31.12.2016	**408**	**10**	**86**	**504**
Financial liabilities at fair value				
Financial derivatives		163		163
Total financial liabilities 31.12.2016	**0**	**163**	**0**	**163**

USD mill	2017	2016
Changes in level 3 instruments		
Opening balance 01.01	86	
Acquisition	4	80
Transfer to level 3		6
Gain and loss recognised through other comprehensive income	1	
Gain and loss recognised through income statement	3	
Closing balance 31.12	**94**	**86**

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

The quoted market price used for financial assets held by the group is the current close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2017 are liquid investment grade bonds and listed equities (analogous for 2016).

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

If one or more of the significant inputs are not based on observable market data, the derivatives are in level 3.

Cont. note 17 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	11	23	3		15	40
Available-for-sale financial assets	12			801		801
Current financial investments	14		101			101
Current financial derivatives	11		2			2
Other current assets	11	298			1	300
Cash and cash equivalent	15	167				167
Assets at 31.12.2017		**488**	**106**	**801**	**16**	**1 410**

	Note			Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities						
Non current interest-bearing debt	16				493	493
Current interest bearing liabilities	16				108	108
Non current financial derivatives	11					
Current financial derivatives	11			13		13
Other non current liabilities	11			112		112
Other current liabilities	11				328	328
Liabilities 31.12.2017				**125**	**929**	**1 054**

	Note	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets						
Other non current assets	11	40			7	47
Available-for-sale financial assets	12			209		209
Current financial investments	14		285			285
Current financial derviatives	11		10			10
Other current assets	11	256			1	258
Cash and cash equivalent	15	296				296
Assets at 31.12.2016		**592**	**295**	**209**	**8**	**1 104**

	Note			Liabilites at fair value through the income statement	Other financial liabilites at amortised cost	Total
Liabilities						
Non current interest-bearing debt	16				1 418	1 418
Current interest bearing liabilities	16				115	115
Non current financial derivatives	11			128		128
Current financial derivatives	11			35		35
Other non current liabilities	11			105		105
Other current liabilities	11				305	305
Liabilities 31.12.2016				**268**	**1 838**	**2 106**

Note 18 Operating lease commitments

The business combination increasing the ownership in NorSea Group (see note 19) included lease agreements for variuos properties on operating leases. The rental agreements are subject to varying lifespan with the longest agreement ending on 1 July 2064.

In addition the group has:
Sale and 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.

Lease agreement for the office building (including storage and parking) Strandveien 12. The lease run over 10 years from 1 June 2006, with an option to extend for additional 5 years. The option to extend was exercised in 2016, with the new 5 years the lease agreement runs until 2021.

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

USD mill	2017	2016*
Due in year 1	22	29
Due in year 2	22	29
Due in year 3	23	29
Due in year 4	22	29
Due in year 5 and later	124	44
Nominal amount of operating lease commitments	**214**	**159**

*Per 31.12.2016, 111 million was related to discontinued operations.

In connection to the daily operation the group has additional lease agreements for office rental, office equipment and other fixed assets.
The additional lease agreements are not material for the group.

Note 19 Business combinations

With effect from 26 September 2017, the group increased its shareholding in NorSea Group from 40% to approximately 72%. Eidesvik Eiendomsinvest AS and Simon Møkster Eiendom AS will hold approximately 12% each, while management in NorSea Group controls the remaining 4%. In the end of the year, Wilhelmsen additionally acquired a small portion of management controlled shares, 2.11%, bringing the total Wilhelmsen shareholding to 74.11%.

Total consideration for the Wilhelmsen's additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The acquistion from management increased the total consideration with USD 4 million.

The investment is financed through existing liquidity and funding reserves. The group originally acquired 35.4% of the shares in NorSea Group in July 2012, and increased to 40% ownership in April 2014. In addition, the group has USD 18 million in shareholder loans to NorSea Group.

The acquistion balance from NorSea Group is consolidated at the end of September 2017 and a part of the segment "Supply Services". With effect from the fourth quarter 2017, NorSea Group will be reported as a subsidiary in the group accounts. Total income, cost and balance sheet items of NorSea Group will then be consolidated on a 100% basis, with non-controlling interests deducted on a net basis.

NorSea Group has previously been reported as associate in the group accounts. Accounting loss of the disposal of associate is USD 40 million, mainly due to change in NOK/USD from 2012 to 2017.

The purchase price allocation is preliminary due to final valuation of fair value of assets.

Details of net assets acquired and goodwill are as follows:

USD mill	
Cash	74
Option fair value*	2
Non-controlling interests	56
Fair value of previously held equity interest	80
Total purchase consideration	**211**
Fair value of net identifiable assets acquired (see below)	211
Goodwill	**0**

*The option is related to remaining part of the shares, currently held by non controlling interests.

The preliminary purchase price allocation are as follows:

USD mill	Fair value
Intangible assets	10
Property, fixtures and vessels	417
Other long-term assets/ associate and joint arrangements	185
Other current assets	67
Cash and cash equivalents	5
Non current interest-bearing debt	(352)
Other non-current liabilities	(4)
Other current liabilities	(118)
Net identifiable assets acquired	**211**

Summary of acquisition
The group recognises non-controlling interests in an acquired entity at fair value This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in NorSea Group, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets.

Cont. note 19 Business combinations

Revenue and profit contribution
The acquired business contributed revenues of USD 53 million and net profit before non-controlling interests of USD 3.9 million to the group for the period from 26 September to 31 December 2017.

If the acquisition had occurred on 1 January 2017, consolidated pro-forma revenue and profit before non-controlling interests for the period from 1 January to 26 September 2017 would have been USD 186 million and USD 12 million respectively.

Purchase consideration – cash outflow

Cash consideration September 2017	74
Less balance acquired	
– Cash	5
– Net	5
Net outflow of cash => investing activities	**(69)**

Acquisition-related costs
Acquisition-related costs of USD 1 million that were not directly attributable to the issue of shares are included in other expenses in income statement and in operating cash flows in the statement of cash flows.

Reported net profit from NorSea Group as an associate in 2016 and up to conolidation 26 September 2017 are:

USD mill	26.09.2017	31.12.2016
Net profit from NorSea Group as an associate a part of segment Holding and Investments	5	12
Loss upon consolidation of the former NorSea Group	(40)	

Kemetyl Konsument Norge AS
On 1 April 2017 the group acquired Kemetyl Konsument Norge AS. The investment cost was approximately USD 20 mill.

There were no material acquisitions in the group in 2016.

SIGNIFICANT DISPOSALS

Demerger Treasure ASA
Treasure ASA and the subsidiary Den Norske Amerikalinje AS, was demerged from WWASA and the company was listed at 8 June 2016. Treasure ASA hold 12.04% ownership in the listed company Hyundai Glovis. Treasure ASA group is a part of Holding and Investment segment.

Merger WWASA
On 4 April 2017, the subsidiary Wilh. Wilhelmsen ASA (WWASA) was merged with Wall Roll AB. After the merger the group own 37.8% of the Wallenius Wilhelmsen Logistics ASA. The profit in WWASA previous periods is presented as discontinued operations in WWH, see note 3.

Sale of Callenberg group
On 11 August 2016, Wilhelmsen Maritime Services agreed the sale of Callenberg Technology group to Trident Maritime Systems. The transaction was finalised on 3 October 2016. WMS received a net sale price of approximately USD 65 million, of which USD 10 mill received in dividend before closing, USD 32 million was in cash at closing, and a seller-financing package of USD 23 million consisting of a vendor note of USD 16.5 million and an earn out of USD 6 million. The net loss was USD 15 million.

Sale of Wilhelmsen safety activities
On 23 June 2016, Wilhelmsen Maritime Service agreed the transfer of all of its safety activities (100% of shares in Wilhelmsen Technical Solution AS and safety division in Wilhelmsen Ships Service group) to Survitec group Ltd. The sale was completed on 30 November 2016 resulting in WMS holding a 20% stake in Survitec UK through shares and shareholder loans value of USD 79 million. In addition to the shares and loans, WMS received USD 108 million in cash at closing. The net gain was USD 71 million.

The recycling of net urealised currency loss of USD 42 million (Callenberg group and Wilhelmsen Safety activities) was included in the gain and presented as part of the other comprehensive income in 2016.

The total revenue in 2016 for Callenberg group and Wilhelmsen safety activity were approximately USD 315 million.

Note 20 Related party transaction

The ultimate owner of the group is Tallyman AS, which controls about 60% of voting shares of the group. The beneficial owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS.

Remuneration to Mr Wilhelm Wilhelmsen for 2017 totalled USD 323 thousand (2016: USD 315 thousand) whereof USD 93 thousand (2016: USD 89 thousand) was consulting fee, USD 8 thousand (2016: USD 8 thousand) in nomination committee for Wilh. Wilhelmsen Holding ASA and Treasure ASA and USD 221 thousand (2016: USD 218 thousand) in ordinary paid pension and other remuneration.

See note 6 regarding fees to board of directors, and note 2 and note 9 in the parent company regarding ownership.

The group has undertaken several agreements and transactions with related parties in WWL ASA group, Maritime Services, Supply Services and Holding and Investments segment in 2017 and 2016. All transactions are in the market terms.

The services are:

- Ship management including crewing, technical and management services
- 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.

Material related parties in the group are:	Business office, country	Ownership
Wallenius Wilhelmsen Logistics ASA	Lysaker, Norway	37.80%
Coast Center Base AS	Fjell, Norway	50.00%
Risavika Havn AS	Tanager, Norway	42.82%

WWL ASA is a result of the merger between WWASA and Wall Roll AB on 4 April 2017. The company brings together the jointly owned shipping activities and relevant assets of Wilh. Wilhelmsen ASA and Wallenius Lines. It unites their ownership of the shipping and logistics businesses of EUKOR Car Carriers, WWL ASA and American RoRo Carriers.

Cost Center Base AS and Risavika Havn AS in the Supply Services segment delivers IT project, administration and handling services and the transactions are based on market terms.

USD mill	Note	2017	2016
OPERATING REVENUE FROM RELATED PARTY			
Sale of goods and services to joint ventures and associates from:			
WWL ASA group		1	
Maritime Services		7	10
Supply Services		1	
Holding and Investments			2
Operating revenue from related party		**9**	**12**
OPERATING EXPENSES FROM RELATED PARTY			
Purchase of goods and services from joint ventures and associates to:			
Maritime Services			1
Supply Services		7	
Operating expenses to related party		**7**	**1**
ACCOUNT RECEIVABLES FROM RELATED PARTY			
Maritime Services		19	3
Discontinued operations			3
Account receivables from related party		**19**	**6**
ACCOUNT PAYABLES TO RELATED PARTY			
Maritime Services		5	
Supply Services		7	
Discontinued operations			1
Account payables to related party		**11**	**1**
NON CURRENT ASSETS TO RELATED PARTY			
Holding and Investments			17
Non current assets to related party		**0**	**17**

Note 21 Operating lease revenue

Per 31.12.2017 the group has no vessels chartered out as the previously controlled fleet is part of discontiued operations.

Note 22 Subsidiaries with material non-controlling interests

	Business office/country	2017 Voting/control share
NorSea Group AS	Tananger, Norway	74.11%
Treasure ASA	Lysaker, Norway	72.73%

Set out below is the summarised financial information for the subsidiary that has non-controlling interests (NCI) material to the group. The amounts disclosed are 100% and before inter-company eliminations.

USD mill	NorSea Group AS 2017	Treasure ASA 2017
Summarised balance sheet		
Non current assets	594	576
Current assets	66	2
Total assets	**660**	**578**
Non current liabilities	333	
Current liabilities	123	
Total liabilities	**456**	**0**
Net assets	**204**	**578**
Summarised income statement/OCI		
Total income	53	12
Profit/(loss) for the year	1	(128)
Other comprehensive income		134
Total comprehensive income	**1**	**6**
Profit allocated to NCIs		2
Dividends paid to NCIs		7
Summarised cash flows		
Net cash flow provided by/(used in) operating activities	15	11
Net cash flow provided by/(used in) investing activities	(4)	
Net cash flow provided by/(used in) financing activities	(10)	(25)
Net increase/(decrease) in cash and cash equivalents	**2**	**(14)**

USD mill	2017
Total allocation to NCIs	
Profit for the period to material NCIs	2
Profit to discontiued operations NCI	7
Profit to NCI in Treasure ASA related to change of investment from equity asset to Available-for-sale	53
Profit for the period to NCIs	**62**

Note 23 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.

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 24 Events after the balance sheet date

In 2017, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine, subject to regulatory approval. 23 February 2018, the United States' Federal Trade Commission (FTC) announced that they will file a complaint opposing the Wilhelmsen group's planned acquisition. This is standard procedure in cases where the FTC considers that a proposed transaction will substantially lessen competition. Wilhelmsen disagrees with the FTC's evaluation and will continue to work towards a positive outcome.

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

Smart ropes

Veronika Aspelund
Product marketing manager
Wilhelmsen Ships Service, Marine Products

Ropes as a concept is older than the wheel, it's even older than beer. Still, more than 30 000 years after the first record of the rope, never has anyone attempted to smarten up the ropes. Until now. What if your mooring ropes could communicate with you, what if you knew how your ropes felt? Instead of banging on your ropes with a hammer, with the inaccuracy and not to mention risk that includes, the ropes would talk to a software system and let you know exactly their current state. Veronika is part of the team creating smart ropes at Wilhelmsen. After thousands of years, it is fair to say that we are shaping the maritime industry and even the concept of ropes.

Income statement Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2017	2016
Operating income	1	**66 971**	**89 389**
Operating expenses			
Employee benefits	2	(130 537)	(110 208)
Operating expenses	1	(65 533)	(46 826)
Depreciation	3	(2 190)	(1 961)
Total operating expenses		**(198 260)**	**(158 995)**
Operating profit/(loss)		**(131 289)**	**(69 606)**
Financial income/(expenses)			
Net financial income	1	397 395	540 561
Net financial expenses	1	(10 147)	(41 166)
Financial income/(expenses)		**387 248**	**499 395**
Profit before tax		**255 960**	**429 788**
Tax income/(expense)	4	7 023	(23 184)
Profit for the year		**262 982**	**406 604**
Transfers and allocations			
To equity	9	30 813	151 383
Proposed dividend	9	162 413	162 413
Interim dividend paid	9	69 756	92 808
Total transfers and allocations		**262 982**	**406 604**

Comprehensive income Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2017	2016
Profit for the year		262 982	406 604
Items that will not be reclassified to the income statement			
Remeasurement postemployment benefits, net of tax	9/10	1 156	(1 667)
Total comprehensive income		**264 138**	**404 937**

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

Balance sheet Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	31.12.2017	31.12.2016
ASSETS			
Non current assets			
Deferred tax asset	4	2 653	1 488
Intangible assets	3	3 764	4 066
Tangible assets	3	11 693	12 671
Investments in subsidiaries	5	4 872 004	4 365 977
Other non current assets	6	7 613	8 613
Total non current assets		**4 897 727**	**4 392 815**
Current assets			
Current financial investments	7/8	824 661	711 518
Trade and other receivables	6	16 171	17 824
Other current assets	6/8/13	265 206	523 887
Cash and cash equivalents	8	78 624	274 244
Total current assets		**1 184 663**	**1 527 473**
Total assets		**6 082 390**	**5 920 289**
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	9	930 076	930 076
Own shares	9	(2 000)	(2 000)
Retained earnings	9	4 692 238	4 660 268
Total equity		**5 620 314**	**5 588 344**
Non current liabilities			
Pension liabilities	10	44 948	47 744
Other non current liabilities	6	42 671	43 922
Total non current liabilities		**87 619**	**91 666**
Current liabilities			
Public duties payable		7 105	8 125
Trade and other payables	6	10 017	5 411
Other current liabilities	6/11/13	357 334	226 743
Total current liabilities		**374 456**	**240 279**
Total equity and liabilities		**6 082 390**	**5 920 289**

Lysaker, 22 March 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
chair

Odd Rune Austgulen

Carl Erik Steen

Irene Waage Basili

Cathrine Løvenskiold Wilhelmsen

Thomas Wilhelmsen
group CEO

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

Cash flow statement Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2017	2016
Cash flow from operating activities			
Profit before tax		255 960	429 788
Financial (income)/expenses		(402 710)	(475 295)
Depreciation	3	2 190	1 961
Gain on sale of fixed assets	3	(233)	(1 108)
Change in net pension liability		(3 587)	753
Change in other current assets		1 996	(4 311)
Change in working capital		1 137	(39)
Net cash provided by operating activities		**(145 247)**	**(48 250)**
Cash flow from investing activities			
Proceeds from sale of fixed assets		1 132	1 630
Investments in fixed assets	3	(1 871)	(3 484)
Investments in subsidiaries		(506 027)	(5 000)
Loan repayments received from subsidiaries		3 500	
Loans granted to subsidiaries		(2 500)	(4 050)
Proceeds from sale of financial investments		265 255	207 796
Current financial investments		(336 166)	(208 694)
Group Contribution		477 000	500 000
Dividend received		12 769	12 746
Paid witholding tax on dividend portfolio management		(2 005)	(454)
Interest received	1	1 573	1 752
Cash from financial derivatives		119 657	
Net cash flow from investing activities		**32 316**	**2 243**
Cash flow from financing activities			
Proceeds from issue of debt	11	150 000	
Repayment of debt			(100 000)
Interest paid		(520)	(628)
Dividend to shareholders	9	(232 169)	(232 019)
Net cash flow from financing activities		**(82 689)**	**167 353**
Net increase in cash and cash equivalents		**(195 620)**	**121 348**
Cash and cash equivalents, at the beginning of the period		274 244	152 896
Cash and cash equivalents at 31.12		**78 624**	**274 244**

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

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

Note 1 Combined items, income statement

NOK thousand	Note	2017	2016
OPERATING INCOME			
Other income		3 976	1 314
Income from group companies	14	62 762	86 967
Gain on sale of assets		233	1 108
Total operating income		**66 971**	**89 389**
OTHER OPERATING EXPENSES			
Expenses to group companies	14	(23 044)	(20 420)
Communication and IT expenses		(4 382)	(4 788)
External services	2	(11 769)	(3 433)
Travel and meeting expenses		(6 354)	(4 843)
Marketing expenses		(6 141)	(1 918)
Other administration expenses		(13 842)	(11 424)
Total other operating expenses		**(65 533)**	**(46 826)**
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Investment management	7	21 840	38 808
Interest income	14	1 573	1 752
Dividend/group contribution from subsidiaries	14	227 000	500 000
Other financial income		119 657	
Net currency gain		27 326	
Net financial income		**397 395**	**540 561**
Financial expenses			
Interest expenses		(8 271)	(6 320)
Other financial items		(1 876)	(1 532)
Net currency loss			(33 314)
Net financial expenses		**(10 147)**	**(41 166)**
Net financial income		**387 248**	**499 395**

Note 2 Employee benefits

NOK thousand	2017	2016
Pay	99 156	77 384
Payroll tax	14 107	12 431
Pension cost	9 025	10 740
Other remuneration	8 250	9 652
Total employee benefits	**130 537**	**110 208**
Average number of employees	45	52

REMUNERATION OF SENIOR EXECUTIVES

NOK thousand	Pay	Bonus	Pension premium	*Other remuneration	Total
2017					
Group CEO	4 753	6 957	1 779	1 696	15 186
Group CFO	3 293	2 717	383	425	6 818
2016					
Group CEO	4 640	773	1 585	1 532	8 529
Group CFO until April 2016	1 707	506	55	225	2 493
Group CFO from April 2016	2 134		273	270	2 677

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

Board of directors
Remuneration of the five directors totalled NOK 2 150 for 2017 (2016: NOK 2 150). The board's remuneration for the fiscal year 2017 will be approved by the general assembly 26 April 2018.

Remuneration of the nomination committee totalled NOK 85 for 2017 (2016: NOK 85).

Senior executives
Thomas Wilhelmsen – group CEO
Christian Berg – group CFO

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 is following the company pension policy for salary below and above 12G (defined contribution plan). His retirement age is 65.

Loans and guarantees employees
There were no loan or guarantees to employees per 31.12.2017.

Cont. note 2 Employee benefits

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN HOLDING ASA AT 31 DECEMBER 2017

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%
Odd Rune Austgulen	136	40 000	40 136	0.09%	0.00%
Carl E. Steen	8 000		8 000	0.02%	0.02%
Irene Waage Basili				0.00%	0.00%
Cathrine Løvenskiold Wilhelmsen				0.00%	0.00%
Senior executives					
Thomas Wilhelmsen – group CEO	22 100	750	22 850	0.05%	0.06%
Christian Berg – group CFO	105		105	0.00%	0.00%
Nomination committee					
Wilhelm Wilhelmsen*	97 384	21 000	118 384	0.25%	0.28%
Gunnar Fredrik Selvaag				0.00%	0.00%
Jan Gunnar Hartvig				0.00%	0.00%

*For an overview of the total shares controlled by the Family Wilhelm Wilhelmsen, see note 14.

OPTION PROGRAM FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

Long-term incentive scheme

The long-term incentive scheme (LTI) was introduced in 2015. Participants are members of the group management team and the presidents for Wilhelmsen Ships Service and Wilhelmsen Ship Management. For the group CEO, maximum annual payment is 100% of base salary. For the remaining participants, the maximum annual payment is 6-9 months of base salary.

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

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

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

Per 31 December 2017, a provision has been made equivalent to 34% of maximum annual payment, covering provisions for 2017 related to the LTI programme expiring on 31 December 2018. The provision has been calculated based on value adjusted equity per 31 December 2017, risk free return and standard deviation of historic annual value creation. No provision has been made for the LTI programme expiring on 31 December 2020.

EXPENSED AUDIT FEE (excluding VAT)

NOK thousand	2017	2016
Statutory audit	540	482
Other service fees	708	
Total expensed audit fee	**1 248**	**482**

Note 3 Intangible and tangible assets

NOK thousand	Intangible assets	Buildings	Other tangible assets	Total
2017				
Cost 01.01	5 309	10 582	9 842	25 733
Additions	871		1 000	1 871
Disposals			(2 027)	(2 027)
Cost 31.12	**6 180**	**10 582**	**8 815**	**25 577**
Accumulated depreciation 01.01	(1 242)	(2 174)	(5 579)	(8 995)
Depreciation/amortisation	(1 173)	(423)	(594)	(2 190)
Disposals			1 066	1 066
Accumulated depreciation 31.12	**(2 415)**	**(2 597)**	**(5 107)**	**(10 119)**
Carrying amounts 31.12	**3 764**	**7 985**	**3 708**	**15 458**
2016				
Cost 01.01	2 156	10 582	12 688	25 426
Additions	3 153		330	3 484
Disposals			(3 177)	(3 177)
Cost 31.12	**5 309**	**10 582**	**9 842**	**25 733**
Accumulated depreciation 01.01	(626)	(1 751)	(7 311)	(9 688)
Depreciation/amortisation	(616)	(423)	(922)	(1 961)
Disposals			2 654	2 654
Accumulated depreciation 31.12	**(1 242)**	**(2 174)**	**(5 579)**	**(8 995)**
Carrying amounts 31.12	**4 066**	**8 408**	**4 263**	**16 737**
Useful life	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	2017	2016
Allocation of tax income		
Payable tax/withholding tax	(2 005)	(454)
Change in deferred tax	9 028	(22 730)
Total tax income/(expense)	7 023	(23 184)
Basis for tax computation		
Profit before tax	255 960	429 788
24% tax	61 430	103 149
Tax effect from		
Permanent differences	(62 830)	(80 361)
Withholding tax	2 005	454
Change in different tax rate	284	
Adjustment group contribution	(7 913)	(58)
Current year calculated tax	**(7 023)**	**23 184**
Effective tax rate	(2.7%)	5.4%
Deferred tax asset/(liability)		
Tax effect of temporary differences		
Fixtures	643	634
Current assets and liabilities	(6 221)	(2 039)
Non current liabilities and provisions for liabilities	8 230	2 557
Tax losses carried forward		335
Deferred tax asset/(liability)	**2 653**	**1 488**
Deferred tax asset/(liability) 01.01	1 488	16 163
Charge to equity (tax of OCI)	(365)	556
Change of deferred tax through income statement	9 028	(22 730)
Tax effect of group contribution	(7 500)	7 500
Deferred tax asset/(liability) 31.12	**2 653**	**1 488**

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	2017 Book value	2016 Book value
Wilh. Wilhelmsen ASA*	Lysaker, Norway	73%		1 130 964
Wallenius Wilhelmsen Logistics ASA*	Lysaker, Norway	38%	1 130 964	
Treasure ASA	Lysaker, Norway	73%	1 043 967	1 043 967
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	1 264 440	1 264 440
Wilh. Wilhelmsen (Hong Kong) Ltd**	Hong Kong	100%		900
WilService AS	Lysaker, Norway	100%	17 550	17 550
Wilh. Wilhelmsen Holding Invest AS***	Lysaker, Norway	100%	1 405 014	898 095
Wilhelmsen Accounting Services AS	Lysaker, Norway	100%	3 622	3 622
WilNor Governmental Services AS	Lysaker, Norway	51%	6 439	6 439
Wilhelmsen GRC Sdn Bhd****	Kuala Lumpur, Malaysia	100%	8	
Total investments in subsidiaries			**4 872 004**	**4 365 977**

*Wallenius Wilhelmsen Logistics ASA is a result of the merger between Wilh. Wilhelmsen ASA and Wall Roll AB on 4th April 2017.
After the merger the the company own 37.8% of the WWL ASA.
**Liquidated in 2017.
***Increased investment through cash contribution of NOK 500 000 000 and through group contribution of NOK 6 918 498.
****Established in 2017.

Note 6 Combined items, balance sheet

NOK thousand	Note	2017	2016
OTHER NON CURRENT ASSETS			
Non current loan group companies (subsidiary and associates)	13/14	7 613	8 613
Total other non current assets		**7 613**	**8 613**
Of which non current debitors falling due for payment later than one year:			
Loans to subsidiary and associates	13/14	7 613	8 613
Total other non current assets due after one year		**7 613**	**8 613**
OTHER CURRENT ASSETS			
Group Contribution	14	250 000	500 000
Other current assets	13	15 206	23 887
Total other current assets		**265 206**	**523 887**
OTHER NON CURRENT LIABILITIES			
Allocation of commitment		42 671	43 922
Total other non current liabilities		**42 671**	**43 922**

Allocation of commitment relates to a sale leaseback contract for house rental, including both deferred revenue and provision for loss contract. Net change of NOK 910 thousand (current and non current liability) has been reversed through income statment in 2017.
Per 31 December 2017 NOK 3 275 thousand was reclassed to short term liability (2016: NOK 2 935 thousand).

OTHER CURRENT LIABILITIES			
Next year's instalment on interest-bearing debt	11/13	150 000	
Proposed dividend	9	162 413	162 413
Other current liabilities	13	44 920	64 329
Total other current liabilities		**357 334**	**226 743**

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 13.

Note 7 Current financial investments

NOK thousand	2017	2016
Market value asset management portfolio		
Equities	430 114	356 120
Bonds	394 183	357 845
Other financial derivatives	(5 961)	(2 446)
Total current financial investments	**818 336**	**711 518**

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

The net unrealised gain at 31.12	123 915	112 780

The portfolio of financial investments is held as collateral within a securities' finance facility. See note 11.

Note 8 Restricted bank deposits and undrawn committed drawing rights

NOK thousand	2017	2016
Restricted bank deposits		
Payroll tax withholding account	3 781	4 828

NOK thousand	2017	2016
Undrawn committed drawing rights		
Undrawn committed drawing rights for 31 December	1 019 630	1 060 420

NOK thousand	2017	2016
Cash and cash equivalents		
Banks	78 624	124 244
Deposit banks 3 months		150 000
Total Cash and cash equivalents	**78 624**	**274 244**

Note 9 Equity

NOK thousand	Share capital	Own shares	Retained earnings	Total
Current year's change in equity				
Equity 31.12.2016	930 076	(2 000)	4 660 268	5 588 344
Interim dividend paid			(69 756)	(69 756)
Proposed dividend			(162 413)	(162 413)
Profit for the year			262 982	262 982
Comprehensive income for the year			1 156	1 156
Equity 31.12.2017	**930 076**	**(2 000)**	**4 692 238**	**5 620 314**

NOK thousand	Share capital	Own shares	Retained earnings	Total
2016 change in equity				
Equity 31.12.2015	930 076	(2 000)	4 510 551	5 438 628
Interim dividend paid			(92 808)	(92 808)
Proposed dividend			(162 413)	(162 413)
Profit for the year			406 604	406 604
Comprehensive income for the year			(1 667)	(1 667)
Equity 31.12.2016	**930 076**	**(2 000)**	**4 660 268**	**5 588 344**

At 31 December 2017 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 2017 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 2017 is NOK 3.50 per share, payable in the second quarter 2018. A decision on this proposal will be taken by the annual general meeting on 26 April 2018.

Dividend for fiscal year 2016 was NOK 5.00 per share, where NOK 3.50 per share was paid in May 2017 and NOK 1.50 per share was paid in November 2017.

Dividend for fiscal year 2015 was NOK 5.00 per share, where NOK 3.00 per share was paid in May 2016 and NOK 2.00 per share was paid in November 2016.

Cont. note 9 Equity

The largest shareholders at 31 December 2017

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%
Folketrygdfondet	1 231 880	1 058 832	2 290 712	4.93%	3.56%
VPF Nordea Norge Verdi	247 695	1 484 612	1 732 307	3.73%	0.72%
Pareto Aksje Norge	874 161	583 789	1 457 950	3.14%	2.52%
Citibank, NA	494 167	494 973	989 140	2.13%	1.43%
J. P. Morgan Bank Luxembourg S.A.	638 658		638 658	1.37%	1.84%
UBS Switzerland AG	607 657	5 700	613 357	1.32%	1.75%
Stiftelsen Tom Wilhelmsen	370 400	236 000	606 400	1.30%	1.07%
Nordea Nordic Small Cap Fund	126 875	415 630	542 505	1.17%	0.37%
Skagen Vekst	512 647		512 647	1.10%	1.48%
J. P. Morgan Chase Bank, N.A., London	351 022	125 000	476 022	1.02%	1.01%
State Street Bank and Trust Comp.	430 084		430 084	0.92%	1.24%
Forsvarets Personellservice	375 400		375 400	0.81%	1.08%
Pareto AS	270 000	101 000	371 000	0.80%	0.78%
MP Pensjon PK	79 965	276 636	356 601	0.77%	0.23%
Deutsche Bank International Ltd.	248 597	100 000	348 597	0.75%	0.72%
Oslo Pensjonsforsikring AS PM		345 086	345 086	0.74%	0.00%
Nordnet Bank AB	126 443	214 197	340 640	0.73%	0.37%
VPF Nordea Kapital	119 230	194 222	313 452	0.67%	0.34%
Eika Norge		287 325	287 325	0.62%	0.00%
Other	6 747 481	3 662 686	10 410 167	22.39%	19.48%
Total number of shares	**34 637 092**	**11 866 732**	**46 503 824**	**100.00%**	**100.00%**

Shares on foreigners hands
At 31. December 2017 – 5 200 373 (15.01%) A shares and 2 448 814 (20.64%) B shares.
Corresponding figures at 31. December 2016 – 4 906 128 (14.16%) A shares and 2 233 706 (18.82%) B shares.

Note 10 Pension

Description of the pension scheme
The company's defined contribution pension schemes for Norwegian employees are with financial institute, similar solutions with different investment funds.

The company has "Ekstrapensjon", a contribution plan for all Norwegian employees with salaries exceeding12 times the Norwegian National Insurance base amount (G). The contribution plan replaced the company obligations, mainly financed from operation.

In addition the company has agreements on early retirement. This 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 includes payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

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

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

	Funded		Unfunded	
Number of people covered by pension schemes at 31.12	2017	2016	2017	2016
In employment	1	2		
On retirement (inclusive disability pensions)	2	1	4	5
Total number of people covered by pension schemes	**3**	**3**	**4**	**5**

	Expenses		Commitments	
Financial assumptions for the pension calculations:	2017	2016	31.12.2017	31.12.2016
Discount rate	2.40%	2.50%	2.30%	2.30%
Anticipated pay regulation	2.25%	2.25%	2.00%	2.00%
Anticipated increase in National Insurance base amount (G)	2.25%	2.25%	2.00%	2.00%
Anticipated regulation of pensions	0.40%	0.60%	0.10%	0.10%

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

Actuarial assumptions: all calculations are calculated on the basis of the K2013 mortality tariff. The disability tariff is based on the KU table.

Cont. note 10 Pension

NOK thousand	2017 Funded	2017 Unfunded	2017 Total	2016 Funded	2016 Unfunded	2016 Total
Pension expenses						
Service cost	2 440	52	2 492	3 748	52	3 800
Net interest cost	162	774	936	204	791	995
Cost of defined contribution plan	5 597		5 597	5 945		5 945
Net pension expenses	**8 199**	**826**	**9 025**	**9 897**	**843**	**10 740**

Remeasurements – Other comprehensive income	2017	2016
Effect of changes in financial assumptions		27
Effect of experience adjustments	(171)	3 061
(Return) on plan assets (excluding interest income)	(1 350)	(866)
Gross remeasurement (gain) loss included in OCI	**(1 521)**	**2 222**
Tax effect	(365)	556
Remeasurement (gain) loss recognised in OCI – net of tax	**(1 156)**	**1 667**

NOK thousand	2017	2016
Pension obligations		
Defined benefit obligation at end of prior year	91 344	85 572
Service cost	2 492	3 800
Interest expense	1 988	2 002
Benefit payments from plan	(3 955)	(3 118)
Effect of experience adjustments	(171)	3 088
Pension obligations 31.12	**91 698**	**91 344**
Fair value of plan assets		
Fair value of plan assets at end of prior year	43 600	37 470
Interest income	1 052	1 007
Employer contributions	3 274	5 281
Benefit payments from plan	(2 526)	(1 024)
Administrative expenses paid from plan assets	(597)	(473)
Return on plan assets (excluding interest income)	1 947	1 339
Gross pension assets 31.12	**46 750**	**43 600**

Cont. note 10 Pension

NOK thousand	2017			2016		
Specification of funded and unfunded obligation	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost	**2 440**	**52**	**2 492**	**3 748**	**52**	**3 800**
Defined benefit obligation	54 187	37 511	91 698	53 286	38 058	91 344
Fair value of plan assets	46 750		46 750	43 600		43 600
Net liability (asset)	**7 437**	**37 511**	**44 948**	**9 686**	**38 058**	**47 744**

Premium payments in 2018 are expected to be NOK 4.9 million (2017: NOK 4.7 million). Payments from operations are estimated at NOK 2.3 million (2017: NOK 2.4 million)

NOK thousand	31.12.2017	31.12.2016
Historical developments		
Gross pension obligations, including payroll tax	91 698	91 344
Gross pension assets	46 750	43 600
Net recorded pension obligations	**44 948**	**47 744**

Note 11 Interest-bearing debt

NOK thousand	2017	2016
Interest-bearing debt		
Bank loan	150 000	
Total interest-bearing debt	**150 000**	**0**
Repayment schedule for interest-bearing debt		
Due in year 1	150 000	
Total interest-bearing debt	**150 000**	**0**
Held as collateral within a securities' finance facility		
The portfolio of financial investments	824 297	711 518

The parent company had in addition undrawn revolving facilities at 31 December 2017. 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 2017 (analougue for 31 December 2016).

FINANCIAL RISK
See note 13 to the parent accounts and note 17 to the group accounts for further information on financial risk, and note 16 to the group accounts concerning the fair value of interest-bearing debt.

Note 12 Operating lease commitments

The company has a sale and 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.

The company also has a lease agreement for the office building (including storage and parking) Strandveien 12. The lease run over 10 years from 1 June 2006, with an option to extend for additional 5 years. In 2016 the lease agreement was extended with 5 years and runs until 2021.

NOK thousand	2017	2016
Due in year 1	51 365	50 770
Due in year 2	52 392	52 039
Due in year 3	53 440	53 340
Due in year 4	49 131	54 673
Due in year 5 and later	141 377	204 442
Total expense related to operating leasing commitments	**347 705**	**415 264**

Note 13 Financial risk

CREDIT RISK
Guarantees
The group's policy is that the parent company will not provide any financial guarantees.

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 solid banks.

LIQUIDITY RISK
The parent's approach to managing liquidity is to ensure sufficient liquidity to 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.

FAIR VALUE ESTIMATION
The fair value of financial instruments traded in an active market is based on quoted market prices on the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third party quotes. 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 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 yield curve, volatility 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
2017		
Interest-bearing debt		
Bank loan	150 000	150 000
Total interest-bearing debt 31.12	**150 000**	**150 000**
2016		
Interest-bearing debt		
Bank loan		
Total interest-bearing debt 31.12	**0**	**0**

The fair value of financial instruments traded in active markets is based on closing 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 price used for valuation of financial assets held by the group is the closing price. These instruments are included in level 1. Instruments included in level 1 at the end of 2017 and 2016 are investment grade bonds, equities and listed financial derivatives.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques use observable market data where 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 significant valuation inputs is not based on observable market data, the instruments are 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 2017				
– Bonds	394 183			394 183
– Equities	423 522		6 593	430 114
– Financial derivatives		1 828		1 828
Total assets 31.12	**817 705**	**1 828**	**6 593**	**826 125**
Financial liabilities fair value through income statement 2017				
– Financial derivatives	(270)	(7 519)		(7 789)
Total liabilities 31.12	**(270)**	**(7 519)**	**0**	**(7 789)**

Cont. note 13 Financial risk

NOK thousand	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through income statement 2016				
– Bonds	357 845			357 845
– Equities	356 120			356 120
– Financial derivatives		1 345		1 345
Total assets 31.12	**713 965**	**1 345**	**0**	**715 310**
Financial liabilities fair value through income statement 2016				
– Financial derivatives	(2 407)	(860)		(3 267)
Total liabilities 31.12	**(2 407)**	**(860)**	**0**	**(3 267)**

Financial instruments by category	Note	Loans and receivables	Assets at fair value through the income statement	Total
Assets				
Other non current assets	6	7 613		7 613
Current financial investments	7		824 297	824 297
Financial derivatives	6		1 828	1 828
Other current assets	6	279 549		279 549
Cash and cash equivalent		78 624		78 624
Assets at 31.12.2017		**365 786**	**826 125**	**1 191 911**

	Note	Other financial liabilities at amortised cost	Assets at fair value through the income statement	Total
Liabilities				
Financial derivatives	6		7 789	7 789
Current interest-bearing debt	6	150 000		150 000
Other current liabilities	6	209 562		209 562
Liabilities 31.12.2017		**359 562**	**7 789**	**367 351**

	Note	Loans and receivables	Assets at fair value through the income statement	Total
Assets				
Other non current assets	6	8 613		8 613
Current financial investments	7		711 518	711 518
Financial derivatives	6		6 700	6 700
Other current assets	6	535 011		535 011
Cash and cash equivalent		274 244		274 244
Assets at 31.12.2016		**817 867**	**718 219**	**1 536 086**

	Note	Other financial liabilities at amortised cost	Assets at fair value through the income statement	Total
Liabilities				
Financial derivatives	6		6 196	6 196
Current interest-bearing debt	6			
Other current liabilities	6	63 544		63 544
Liabilities 31.12.2016		**63 544**	**6 196**	**69 741**

See note 17 to the group financial statement for further information about the group risk factors.

Note 14 Related party transaction

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

Shares owned or controlled by related party of Wilh. Wilhelmsen Holding ASA at 31 December 2017

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

Wilhelm Wilhelmsen has in 2017 received remuneration of NOK 768 thousand (2016: NOK 750 thousand) in consulting fee, NOK 70 thousand (2016: NOK 70 thousand) in nomination committee for Wilh. Wilhelmsen Holding ASA and Treasure ASA (2016 for Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA) and NOK 1 830 thousand (2016: NOK 1 829 thousand) in ordinary paid pension and other remunerations.

WWH ASA delivers services to other group companies in Holding and Investment, WWL ASA group and Maritime Services, 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. Wilhelmsen Accounting Services delivers accounting services and Maritime Services 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	2017	2016
OPERATING REVENUE FROM GROUP COMPANIES			
Discontinued operations			4 221
WWL ASA group		4 130	
Maritime Services		54 312	65 953
Holding and Investments		4 320	16 792
Operating revenue from group companies	1	**62 762**	**86 967**
OPERATING EXPENSES TO GROUP COMPANIES			
Maritime Services		(5 801)	(6 354)
Holding and Investments		(17 243)	(14 066)
Operating expenses to group companies	1	**(23 044)**	**(20 420)**
FINANCIAL INCOME FROM GROUP COMPANIES			
Maritime Services			500 000
Holding and Investments		227 279	298
Financial income from group companies	1	**227 279**	**500 298**
ACCOUNT RECEIVABLES AND ACCOUNT PAYABLES WITH GROUP COMPANIES			
Account receivables			
Discontinued operations			5 224
Maritime Services		264 346	510 869
Holding and Investments		922	1 173
Account receivables from group companies	6	**265 269**	**517 265**
Account payables			
Discontinued operations			(35)
Maritime Services		(1 455)	(190)
Holding and Investments		(1 012)	(30 254)
Account payables to group companies	6	**(2 467)**	**(30 479)**

Cont. note 14 Related party transaction

NOK thousand	Note	2017	2016
NON CURRENT LOAN TO GROUP COMPANIES			
Holding and Investments*		7 613	8 613
Non current loan to group companies	6	**7 613**	**8 613**

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

NOK thousand	Note	2017	2016
CURRENT LOAN TO GROUP COMPANIES			
Holding and Investments			1
Current loan to group companies	6	**0**	**1**

Note 15 Events after the balance sheet date

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

Note 16 Statement on the remuneration for senior executives

The statement on senior executives' remuneration has been prepared in accordance with the Norwegian Public Limited Companies Act, the Norwegian Accounting Act and the Norwegian Code of Practice and is adopted by the board of directors.

For the purpose of this statement, company employees referred to as senior executives are: Thomas Wilhelmsen (group CEO), Christian Berg (group CFO), Jan Eyvin Wang (senior vice president industrial investments), Erik Nyheim (senior vice president industrial investments), Benedicte Teigen Gude (senior vice president HR and communications), Bjørge Grimholt (president WSS), Carl Schou (president WSM), and John Stangeland (CEO of NorSea Group).

The following guidelines are applicable for 2018.

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.

The remuneration level shall reflect the complexity and responsibilities of each role and shall take into account the group's breadth of international operations. With the majority of the positions based in Norway, the board primarily looks to other Norwegian companies operating in an international environment to ensure that remuneration levels are competitive.

Remuneration shall be at a competitive level in the relevant labour market(s). It should be a tool for the board to retain and attract 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.

Fixed salary
The main element of the remuneration package shall be the annual base salary. This is normally evaluated once a year based on 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 car salary.

Short-term variable remuneration
As a key component of the total remuneration package, the annual variable pay scheme emphasises 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 agreed targets related to the long-term strategy). 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 incentive scheme running over a four-year period, based on positive development of the group's value adjusted equity. The scheme aims to increase alignment with the shareholders' interests and how senior executives executes strategy and develop value for the group and its shareholders.

For group CEO, maximum annual payment is 100% of base salary. For the remaining, the maximum payment is six to nine months of base salary. The CEO of NorSea Group is not part of the long-term scheme. For additional details, see note 6 page 59 or note 2 page 95.

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. Pension obligations related to salaries in excess of 12G and the option to take early retirement are insured in the case of group CEO and group CFO.

The presidents for Ships Service and Ship Management have a defined benefit plan for salary exceeding 12G financed through operations.

The remaining executives have a defined contribution plan for salary above 12G. For salary below 12G, they are all a part of the collective agreement.

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. After six months' notice period, possible income during the severance pay period will be deducted by up to 50%.

The other senior executives 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 6 of the group accounts concerning senior executives of the group.

Auditor's report

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

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wilh. Wilhelmsen Holding ASA. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and income statement, comprehensive income, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2017, and income statement, comprehensive income, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act.
- The accompanying financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

During 2017, Wilh. Wilhelmsen Holding ASA completed a discontinuing of the operations in the shipping and logistics segment and completed a material business combination reported in the supply services segment. These transactions was a focus area for our audit in 2017. A consequence of the transaction that discontinued the operations in the shipping and logistics segment was that the two Key Audit Matter's reported in our 2016 Audit Report related to anti-trust provisions and impairment considerations related to vessels no longer are relevant to Wilh. Wilhelmsen Holding ASA.

Key Audit Matter	How our audit addressed the Key Audit Matter
Discontinuing operations and business combinations	
We refer to note 3 Discontinued operations, note 4 Investments in associates and note 19 Business combinations. In April Wallenius Wilhelmsen Logistics ASA (WWL) merged with Wallroll AB. The transaction diluted Wilh. Wilhelmsen Holding ASA's ownership interest in WWL. The consequence for the financial statements was that the shipping and logistics segment described in note 3 no longer was consolidated, but accounted for as an investment in associates reported in the holding and investments segment. The carrying amount of discontinued net assets was USD 1,062 million. The transaction caused an accounting loss of USD 264 million reported as discontinued operations. In arriving at the total accounting loss, management were required to exercise judgment to identify the relevant elements in other comprehensive income, and Non-Controlling Interests (NCI). In September, Wilh. Wilhelmsen Holding ASA obtained control in NorSea Group AS (NSG), thereby increasing the ownership from 40 % to ca 74 %. As a result, Wilh.	We assessed managements' accounting policy against relevant IFRSs, in particular IFRS 3 – Business Combinations, IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures. Further, we obtained explanations from management as to how the specific requirements of the standards were met. We evaluated and challenged managements' assessment and conclusion to report the shipping and logistics segment, a major line of business, as discontinued operations. In addition, we assessed and discussed with management the identification of discontinued assets, liabilities including NCI and elements in Other Comprehensive Income, which determined the accounting loss identified. We found management's assessment to be appropriate. We discussed with management their assessment to account for the retained ownership interest in WWL as an associate and corroborated management documentation to information such as the shareholder agreement between Wilh. Wilhelmsen Holding ASA and Wallenius Lines AB. We found that we agreed with management's assessment that WWH have a significant influence through their ownership interest and presence at the Board of Directors. The fair value of the remaining investment in WWL of USD 790 million, was determined by reference to quoted market bid price at the close of business expressed in USD. In order to assess each of the assumptions in

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Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Wilhelmsen Holding ASA now owns a controlling interest in NSG. The consequence for the financial statements was that the investment is no longer presented using the equity method, but is fully consolidated.

Due to the size of the transactions, the complex accounting policy assessments made by management and the significant judgment required by management in determining the purchase price allocation (PPA) for the retained investment in WWL and business combination of NSG, this has been an area of focus for our audit.

managements' purchase price allocation, we discussed with management and challenged their assessments. In particular we discussed the identification of assets and liabilities, and the assumptions underpinning the fair value used in the PPA. In addition, we assessed the allocation of the purchase consideration, which contributed to determining the elimination adjustments to goodwill and vessels in the transaction.

We further discussed with and instructed the component auditor in WWL related to their procedures for certain key assumptions. This includes, procedures related to reasonableness of cash flows used by management, assumptions used to build the discount rate and the use of broker valuation certificates to support valuations of the vessels. We concluded that management's assumptions were reasonable.

The total purchase consideration for NSG was USD 211 million. To assess the assumptions in the purchase price allocations for the investment in NSG, we discussed with management and challenged their assessments. In particular, we focused on the valuation of property, vessel, investment in associates and joint ventures and the liabilities, debt and derivatives assumed. In addition, we assessed the allocation of purchase consideration and verified the mathematical accuracy of the model.

- We reviewed managements' budgets and forecasting and where possible compared these to current and historical data to corroborate the reasonableness of cash flows and normalized EBITDAs used by management. In addition, we verified the mathematical accuracy of the model. We found that the cash flows and normalized EBITDAs were reasonable.
- We used our internal valuation specialists and external market data to assess the assumptions used to build the yield and discount rate. We considered that the assessment made by management was within a reasonable range.

We evaluated the appropriateness of the related disclosures in note 3, 4 and 19 to the financial statements for the Group to the requirements of the applicable financial reporting framework, IFRS. We found that the disclosure appropriately explained the transactions.

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Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, the statements on Corporate Governance and Corporate Social Responsibility, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer for the Financial Statements

The Board of Directors and the Chief Executive Officer (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the parent company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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Auditor’s report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Auditor's report

Independent Auditor's Report - Wilh. Wilhelmsen Holding ASA

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the reports on Corporate Governance and Sustainability concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Oslo, 22 March 2018
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

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Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2017 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, 22 March 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler chair	Odd Rune Austgulen	Carl Erik Steen
Irene Waage Basili	Cathrine Løvenskiold Wilhelmsen	Thomas Wilhelmsen group CEO

Sustainability

Melanie Moore

Head of sustainability
Wilh. Wilhelmsen Holding, HR and Communications

The conditions for systematically addressing sustainability challenges are better now than before, where concepts can more rapidly become realities that make a real difference for bottom lines and society. That's a pretty exciting development and means we get to look at our value chain and impacts of our operations with a fresh set of eyes. Melanie is part of our sustainability team, overseeing our sustainability direction in the group and challenging our own ways to always improve. As an enabler of sustainable global trade, we have a responsibility and we stand by it.

Corporate governance

A summary of the corporate governance report for 2017

Corporate governance comply or explain overview			
Principle		Deviations	Reference in this report
1.	Implementation and reporting on corporate governance	None	On page 119
2.	The business	None	On page 119
3.	Equity and dividends	None	On page 119
4.	Equal treatment of shareholders and transactions with close associates	The company has two share classes. 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.	On page 120
5.	Freely negotiable shares	None	On page 121
6.	General meetings	The chair of the board also acts as chair of the general meeting as stated in the company's Articles of Association.	On page 121
7.	Nomination committee	The nomination committee is not described in the Articles of Association and the company has not developed a formal way for shareholders to submit proposals for candidates to the committee.	On page 122
8.	Corporate assembly and board of directors: composition and independence	Executive committee for industrial democracy in foreign trade shipping instead of corporate assembly. General meeting elects the board.	On page 122
9.	The work of the board of directors	The whole board acts as remuneration and audit committee. Without a corporate assembly, the board elects its own chair.	On page 126
10.	Risk management and internal control	None	On page 126
11.	Remuneration of the board of directors	None	On page 127
12.	Remuneration of the executive personnel	None	On page 127
13.	Information and communications	None	On page 127
14.	Take-overs	No policy developed. However, intention is described in the report.	On page 128
15.	Auditor	None	On page 128

Reducing risk and improving accountability

The board is responsible for ensuring that the company is directed and controlled in an appropriate and satisfactory manner according to existing laws and regulations.

This report is, amongst others, based on the requirements covered in the Norwegian Code of Practice for Corporate Governance.

For the board, a sound corporate governance model is important because it:
- reduces risk
- contributes to the greatest possible value creation over time in the best interests of the company's shareholders, employees and other stakeholders
- ensures fair treatment of all our stakeholders
- strengthens confidence in the company
- ensures easy access to timely, accurate and relevant information about the company's business
- strengthens the confidence in the company and increases the company's attractiveness.

The board assesses the company's corporate governance performance to be of high standard, and discussed and approved this report 22 March 2018. All the directors were present at the meeting.

Diderik Schnitler, Chair of the board
Lysaker 22 March 2018

The board's corporate governance report for 2017

1. Implementation and reporting on corporate governance

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

This report is based on the requirements covered in the Norwegian Code of Practice for Corporate Governance ("the code", dated 30 October 2014), the Public Limited Companies Act and the Norwegian Accounting Act, approved by the board and published as part of the company's annual report. The report is also available on the company's webpage.

Comply or explain principle

In addition to provisions and guidance that in part elaborate on company, accounting, stock exchange and securities legislations, as well as the Stock Exchange Rules (dated 1 October 2014), the code also covers areas not addressed by legislation. Build on a "comply or explain" principle, the code requires the company to justify deviations from its 15 provisions and to describe alternative solutions where and if applicable. A summary of Wilhelmsen's adherence to the code can be found on page 118 in this report.

Sustainable business model

A responsible business model is necessary to be sustainable. Acknowledging that the company's activities affect its surroundings, the company issues a sustainability report based on the requirements stated in the GRI (Global Reporting Initiative) standards. The report describes how Wilhelmsen combines long-term profitability with emphasis on ethical business conduct including respect for human rights, the natural environment and the societies in which the company operates. The report includes how the company addresses employee rights and working environment, human rights, health and safety issues, the environment, prevention of corruption and how the company contributes to communities in which it operates.

Governing elements

Employees and others working for and on behalf of the group should carry out their business in a sustainable, ethical and responsible manner and in accordance withcurrent legislation and the company's standards.

To ensure the right results are achieved the right way, the company has a set of governing elements including its vision "shaping the maritime industry", values, leadership expectations, and code of conduct. A sustainability policy is part of the group's policy framework. As the core of the company's governance framework, the governing elements guide the employees in making the right decisions and navigating safely in a dynamic global environment.

A summary of the governing elements is available electronically on the group's intranet, as written documentation, as e-learning and on the company's webpages. In 2017, anti-corruption, competition law, fraud and theft as well as whistleblowing received particular attention. Substantial efforts were put into combating cyber risk where appropriate risk reduction methods and tools were implemented. In addition, Wilhelmsen started adoption to the new EU General Data Protection Regulation (GDPR) that comes into force in May 2018 and the group will continue this work in 2018.

Deviations from the code: None

2. The business

Articles of Association

The company's business activities are specified in its Articles of Association. In brief, the company's 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 full articles of association are presented on the company's webpages.

Strategy

The company's main strategy is to create value by developing a diversified business portfolio. The company will leverage its market positions, global network and collective competence to continue to grow a sustainable and profitable business.

The present strategic direction of the company is outlined in the directors report on page 16.

For a further presentation of the business segments, see the company's webpages.

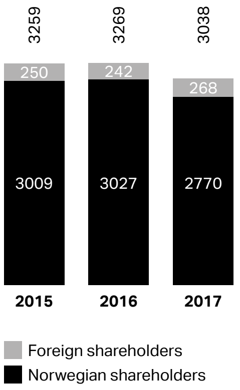
Deviations from the code: None

3. Equity and dividends

Equity

The parent company has a sound level of equity tailored to its objectives, strategy and risk profile. As of 31 December 2017, the

Number of shareholders



total equity amounted to NOK 5 620 million, corresponding to 92% of the total capital (parent account).

Dividend policy
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 value creation for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually.

Dividend paid in 2017
In 2017, the company paid NOK 5.00 in dividend per share, totalling approximately USD 28 million. The payable dividend was in line with the company's dividend policy and based on approved annual accounts.

Proposed dividend
The board has proposed that the annual general meeting (AGM), to be held 26 April 2018, approves an ordinary dividend for the fiscal year 2017 amounting to NOK 3.50 per share.

The board has further proposed that the AGM authorise the board to distribute additional dividend of up to NOK 2.50 per share for a period limited in time up to the next AGM, but not later than 30 June 2019.

Own shares
As of 31 December 2017, the company held 100 000 own shares. On behalf of Wilhelmsen, the board is authorised by the AGM to acquire up to 10% of the current share capital. The minutes from the AGM held 27 April 2017 describes the authorisation, expiring 30 June 2018, in more detail. The board has proposed to the AGM that the share capital be reduced from NOK 930 076 480 by NOK 200 000 to NOK 929 876 480 by liquidation of the 100 000 own A shares denominated NOK 20,– per share.

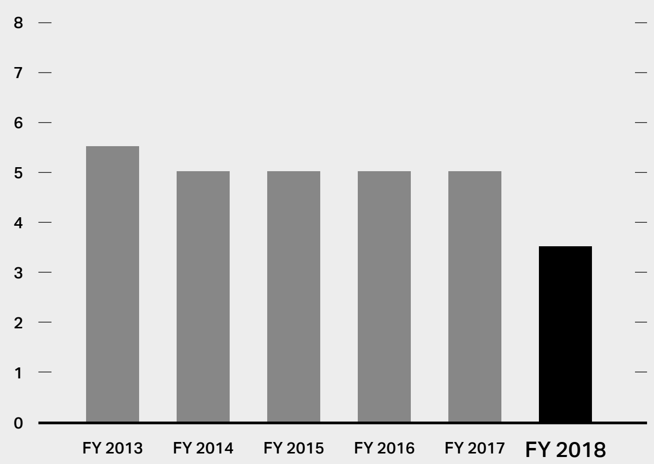
It is further proposed to the AGM that the board be granted a new authorization to acquire shares in the company with a nominal value of up to NOK 92 987 648, equivalent to 10% of the current share capital, valid until the company's annual general meeting in 2019, but no longer than until 30 June 2019.

Increase of the share capital
The AGM has not granted the board any mandate to increase the company's share capital.

Deviations from the code: None

Dividend payout 2013-2018 (NOK per share)

*2018 proposed payout pending AGM approval



4. Equal treatment of shareholders and transactions with close associates
Shareholders
As of 31 December 2017, the company had 3 038 registered shareholders, a reduction of 7% from one year earlier. The company had 268 foreign shareholders (domiciled abroad) and the remaining were Norwegian (domiciled in Norway). The Norwegian shareholders counted for 91% of the company's shareholder base and held 84% of the total number of shares as of 31 December 2017.

Two share classes
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 general meetings. 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.

Share capital
Where the board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions with close associates
Any transactions the company carries out

in its own shares are carried out through the stock exchange and at prevailing stock exchange prices. Any transactions taking place between a principal shareholder or close associates and the company will be conducted on arm's length terms. A similar principle will be used for certain transactions between companies with in the group.
In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency. Pursuant to the instructions issued by and for the board, directors are required to inform the board if they have interests and/or relations, directly or indirectly, with the Wilhelmsen group (including subsidiaries).

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

Deviations from the code: The code recommends only one share class. The company has two share classes. The B shares do not carry voting rights at general meetings. 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.

5. Freely negotiable shares
Listed on the Oslo Stock Exchange with the tickers "WWI" and "WWIB" for the A and B share respectively, both shares are freely negotiable. There are no restrictions on negotiability in the company's Articles of Associations.

Deviations from the code: None

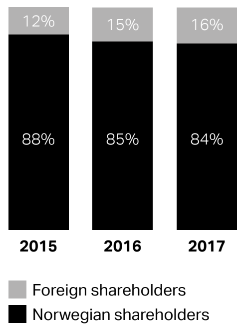
6.–9. Governing bodies
The company's governing bodies consist of the general meeting, the executive committee for industrial democracy, the board of directors, the group chief executive and the group management team.

General meeting
The general meetings deal with and decide on the following matters:
- 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.

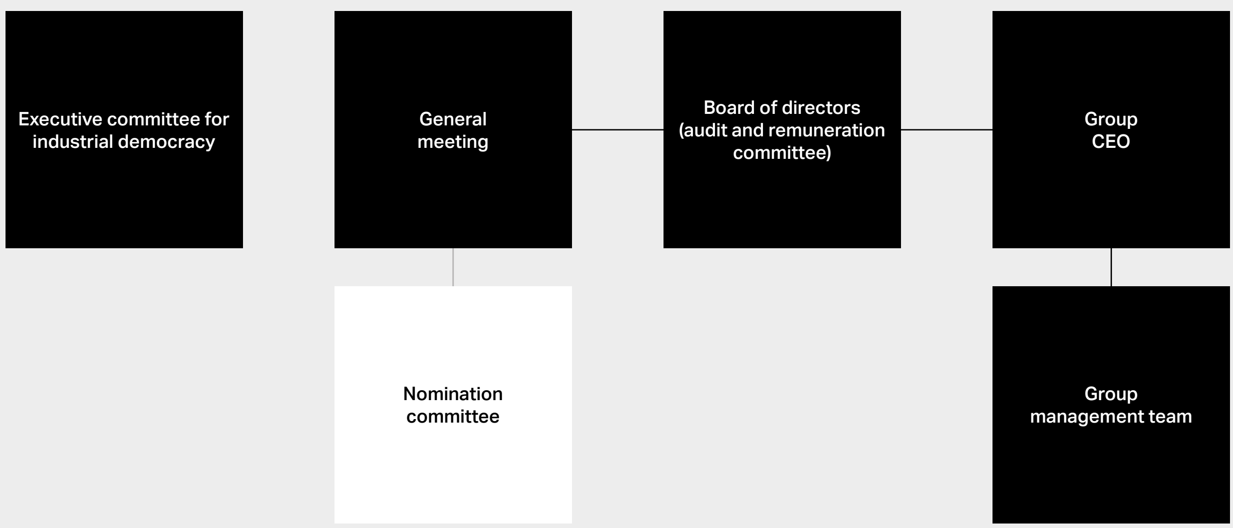
The annual general meeting is normally held April or early May.

Shareholders with known address are notified by mail no later than 21 days prior

% of shares owned by Norwegian and foreign shareholders



Governing bodies



to the meeting and all relevant documents are published on Wilhelmsen's website no later than 21 days prior to the meeting. Shareholders may, upon request, receive hard copies of the material.

Shareholders wishing to attend the general meeting must notify the company at least two working days before the meeting takes place. Shareholders may participate at the meeting without being present in person, and can vote in advance through electronic communication. Guidelines for voting are included in the notice to the meeting Last, but not least, the shareholders can appoint a proxy to vote for their shares. Shareholders with known address receives a proxy appointment form. The form is downloadable from the company's web pages.

The chair, auditor and representatives from the company are present at the general meeting, which is organised in a way that facilitates dialogue between shareholders and representatives from the company.

The chair opens and directs the general meeting, as described in the Articles of Association.

The minutes from the AGM are available on the company's website immediately after the meeting and may be inspected by shareholders at the company's office.

Nomination committee

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

The nomination committee currently consists of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig. Elected at the general meeting in April 2016 for a period of two years, the committee members are up for election in 2018.

The majority of the committee is independent of the board and executives in the company. Mr Wilhelmsen meets in the executive committee and acts as an advisor for the board. None of the committee members are executives in the company.

In 2017, the nomination committee held two meetings.

Board of directors – composition and independence

The company does not have a corporate assembly (see executive committee), and therefore the general meeting elects the board. The board comprises five directors, of which minimum two are women, elected for minimum two years at a time. Four of the directors are independent of the majority owner and the executive management. The board does not include executive personnel. However, the group CEO and group CFO are always present at the board meetings as is other executives depending on agenda and issues to be discussed.

Information on the background and experience of the directors is available on the company's web pages, which also lists the number of shares in the company held by each director.

All the board members have or are planning to attend a seminar hosted by the Oslo Stock Exchange. The objective of the course was to provide information on legislation, rules, regulations and best practice that are relevant for board members of listed companies.

Board member	Elected	Period	Elected to
Diderik Schnitler	April 2017	2 years	2019
Cathrine L. Wilhelmsen	April 2017	2 years	2019
Irene W. Basili	April 2016	2 years	2018
Carl Erik Steen	April 2017	2 years	2019
Odd Rune Austgulen	April 2016	2 years	2018

Board responsibility and work

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

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

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

The board establishes an annual plan for its work. In 2017, the company hosted nine board meeting, including one full day strategy meeting. Two of the directors had lawful excuse for non-appearance at two separate board meetings.

In addition to the board meetings, the board visits business related locations to ensure they have a solid understanding of the business, market and outlook for the maritime industry. The company keeps the board regularly updated on development in the group through a variety of communication channels, including a board portal containing timely and relevant information.

Audit committee
The whole board serves as the company's audit committee, as the board only comprises five members.

In 2017, the audit committee have had particular attention on anti-corruption, theft and fraud, whistleblowing and competition law and the roll-out of an awareness programmes related to these topics.

Remuneration committee
The board has not deemed it as relevant to have a separate remuneration committee, and therefore acts collectively as the remuneration committee. The board sets guidelines for remuneration for the executive personnel, including long- and short-term bonus schemes and pension plans. The also decide the general remuneration principles for other employees in the company.

Executive committee
An executive committee for industrial democracy in foreign trade shipping, chaired by the group CEO Thomas Wilhelmsen, ensures the interest of the employees. 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. The executive committee members were elected in 2014 for a three-year period.

Group management team
The group management structure was reshaped during the first half of 2017.
The group management team (GMT) in Wilhelmsen 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 organisational development
- group SVP industrial investments
- group SVP industrial investments

In January 2018, the corporate communications and human resources and organisational development roles will be merged into one role named group SVP HR and communications. This will bring the executive members reporting to the group CEO from five down to four in 2018.

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 board. An overview of the background and expertise of the GMT member is available on the company's website.

Group CEO
The board's instruction to the group CEO includes a statement of duties, responsibilities and delegated authorities. The group CEO has the overall responsibility 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.

The group CEO has a particular responsibility to ensure that the board receives accurate, relevant and timely information that is sufficient to allow it to carry out its duties. Group's operations, financial results, projections, financial status or other topics specified by the board, is regularly shared with the board between board meetings.

The group CEO has delegated the responsibility of the different professions and subsidiaries to other members of the GMT.

Group CFO
The group CFO heads finance and strategy for Wilh. Wilhelmsen Holding ASA and the consolidated Wilhelmsen group. The group CFO is responsible for providing group CEO and the 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 mangement team

From left:
Erik Nyheim
(senior vice president industrial investments)

Benedicte Teigen Gude
(senior vice president HR and communications)

Thomas Wilhelmsen
(group CEO)

Jan Eyvin Wang
(senior vice president industrial investments)

Christian Berg
(group CFO)

Governance of subsidiaries
The Wilhelmsen group consists of several legal entities (for a full overview, please see page 132). Each entity has its own board responsible for issues related to the specific entity.

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

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

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

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

10. Risk management and internal control

Board responsibility
The board is responsible for the company's internal control and risk management, and believes that the company's systems are sound and appropriate given the extent and nature of the company's activities. The system contributes to sound control characterised by integrity and ethical attitudes throughout the organisation. It is based on the company's governing elements including the guidelines for business standard and corporate social responsibility.

The board reviews the company's risk matrix at least four times a year and the internal control arrangements at least once a year, preferably together with the company's auditor.

About the system
Governing documents, code of conduct, policies (including sustainability) and policy descriptions, and procedures are documented and electronically available to the company's employees through the company's global integrated management system. Various internal control activities give management assurance that the internal control of financial systems is working adequately and according to segment management's expectations.

The company's internal control is a process designed to provide reasonable assurance of:
• Effective and efficient operations
• Sound risk management
• Reliable financial reporting
• Compliance with laws and regulations
• Necessary resources provided and used in cost efficient ways.

Internal control includes:
• Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per segment)
• Procedure for year-end financial statement and the 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

The group's finance and strategy division has the responsibility for updating internal control procedures on a group level, including:
• Wilhelmsen group financial mandate
• Wilhelmsen group accounting policies and guidelines
• Wilhelmsen (parent) accounting policies and guidelines
• Wilhelmsen group enterprise risk management policy and guidelines

The group financial strategy is approved by the board and covers all main elements related to financial management of the group, including:
• Responsibility
• Key ratios
• Equity and dividend

- Investor relation
- Financing and debt management
- Financial investment management
- Currency management
- Contingent liabilities
- Merger and acquisitions
- Accounting and financial reporting
- Internal control and risk management
- Reporting to WWH board

Main group companies have implemented similar governing documents approved by the respective boards and in line with the group strategy.

External reassurance
Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and board confidence that the group complies with external and internal rules and regulations.

The company's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and give reasonable assurance as to whether the consolidated financial statements are free from material misstatements and whether internal control over financial reporting were appropriate in the circumstances relevant to the audit. The audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting policies used and the reasonableness of accounting estimates made by management as well as evaluation of the overall financial statement presentation including the disclosures.

Whistleblowing
The group has a global whistleblowing system including procedures and channels for giving notice to the company about potential non-compliance, e.g. corruption, theft, fraud, sexual harassment or other breaches to the company's business standards. The whistleblowing channel is available for both internal and external parties. Strengthening transparency and safeguarding that the business standards are applied the way they are intended, the procedures also ensure that the group has a professional way of handling potential breaches to laws and regulations, self-imposed business standards or other serious irregularities. The procedures also include guidelines to safeguard the whistle-blower.

Deviations from the code: None

11. 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 company's businesses. No director holds share options in the company.

None of the directors performs assignments for the company other than serving on the board of the company or one or more of its subsidiaries, except for board member Diderik Schnitler's company, Løkta AS, which performed certain consultancy work for Wilh. Wilhelmsen ASA (WWASA) up to the end of the second quarter of 2017. Amongst others, Mr Schnitler represented WWASA on the joint WWASA/Wallenius steering committee governing the joint ventures Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Shipping and Logistics. The board had approved the assignment including remuneration.

An overview of the directors' remuneration is specified in note 6 to Wilhelmsen group accounts and note 2 to the parent company accounts, of which the latter includes an overview of shares in company held by the individual director.

Deviations from the code: None

12. Remuneration of executive personnel
Remuneration policy
An overview of Wilhelmsen's remuneration policy, employee benefits, including salary and other components of the chief executive's and group senior executives' remuneration packages, is detailed in note 6 to the group accounts and note 2 and 16 to the parent company accounts. The board's statement of executive personnel is also a separate appendix to the agenda for the annual general meeting, which approves the remuneration as part of the annual report.

Deviations from the code: None

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

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

Extensive information about the activities of the group is provided on the group's web pages. A separate section named "Investors relations" includes relevant information to shareholders, including reports and presentations, financial calendar, analysts, share information, corporate governance, IR contact and news and media. The company has a dedicated Investor relations team, and main point of contact is Mr Åge S Holm.

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

Silent period
Two weeks before the planned release of quarterly financial reports – the silent period – the company will not comment on matters related to the general financial results or expectations, and contact with external analysts, investors and journalists will be minimised. This is done to reduce the risk of information leakages and that the market has access to different information.

Deviations from the code: None

14. Takeovers
The board has not established a policy for its response to possible takeover bids. The board and management will seek to treat any takeover bids for the company's activities or shares in a professional way and in the best interest of the company's shareholders. If such circumstances arise, the board and the company's management will seek to treat all shareholders equally and take action to secure that shareholders receive sufficient and timely information to consider the offer.

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

15. Auditor
The company's auditor – Pricewaterhouse-Coopers AS (PwC) – attends board meetings as required and is always present when the annual accounts are approved.

To ensure the board has solid understanding of the accounts and any changes in the accounting principles, the auditor discuss changes in IFRS relevant for the group's accounting principles or other law requirements relevant for the company with the board. The auditor also runs through the main features of the audits carried out. There were no disagreements between the management and PwC during 2017.

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

In 2017, PwC has audited accounts, notes, the director's report and read through and commented on the board's report on corporate governance and the company's sustainability report.

The fee to external auditors, broken down by statutory work, other assurance services, tax services and other assistance, is specified in note 6 to the Wilhelmsen group accounts and note 2 to the parent company accounts.

For the financial year 2017, Thomas Fraurud has been the company's engagement partner from PwC.

Deviations from the code: None

Augmented reality

Cara Wong

Marketing Manager
Wilhelmsen Ships Service, Marine Products

Constantly working to enhance the total offer for our solutions on board the rigs and vessels we serve, Cara is part of the team driving the use of Augmented Reality and interactive 3D experiences. This makes it easier for customers on board and in the offices to quickly understand the application areas, product features and key usage information, increasing effectiveness and efficiency. We see a tremendous training potential here as well. This is just the start as we have an ambition to bring to life more solutions for more vessel types in the near future.

Autonomous ships

Haakon Lenz

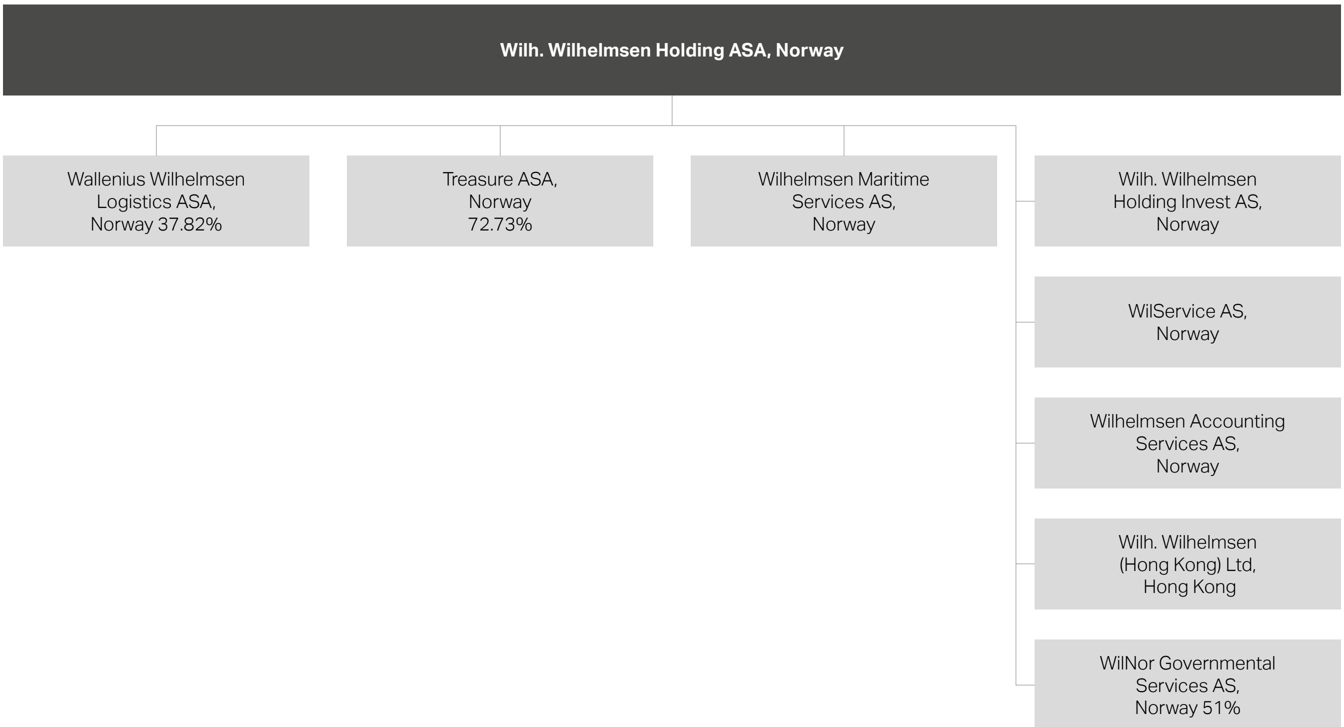
Regional vice president Americas and Europe
Wilhelmsen Ship Management, Management Team

What if we could remove trucks and big vehicles from the roads, what if we could lessen the strain on society by making roads safer, cleaner, and decrease wear and tear? By reducing costs dramatically for anyone wishing to transport their goods via shortsea logistics, we might have something interesting to offer. Vessels running on cleaner energy and being fully autonomous will create a perfect way to utilize waterways around the globe. Instead of having thousands of trucks driving around the bay, have a low emission autonomous vessel carry your goods straight across. It saves you time, money, risk, and the society at large will benefit simultaneously. Haakon works on the team creating the first ever company, building and operating fully autonomous vessels. Wilhelmsen is enabling sustainable global trade, even shaping the future of logistics by the sound of it.

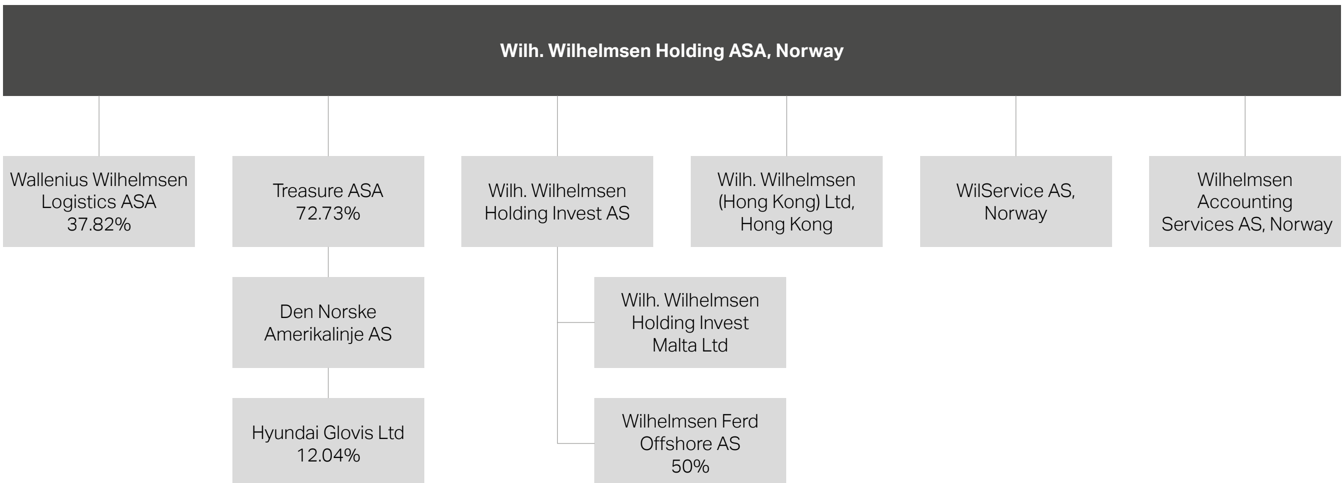
Corporate structure

As of 31 December 2017

Wilhelmsen group



Holding and investments segment



Unless otherwise stated, the company is wholly-owned.

Supply services segment

Wilh. Wilhelmsen Holding ASA, Norway

WilNor Governmental Services AS
51%

Wilh. Wilhelmsen Holding Invest AS

NorSea Group AS
74.11%

For group company list sorted by business areas see below list.

Supply services segment

Company name	Country	Business office	Share
Norsea Group AS			
Companies owned by NorSea Group AS			
NorSea Group Property AS	Norway	Tananger	100.00%
NorSea Group Operations AS	Norway	Tananger	100.00%
NorSea Group DENMARK A/S	Denmark	Esbjerg	100.00%
NorSea Group UK Ltd	Scotland	Aberdeen	100.00%
NorSea Group Australia PTY Ltd	Australia	Perth	100.00%
Wilnor Governmental Services AS	Norway	Lysaker	49.00%
Companies owned through subsidiaries			
Vestbase AS	Norway	Kristiansund	100.00%
Vestbase Eiendom AS	Norway	Kristiansund	100.00%
Omagata 124 AS	Norway	Kristiansund	100.00%
Averøy Eiendom AS	Norway	Kristiansund	100.00%
Orvikan Eiendom AS	Norway	Kristiansund	100.00%
Stordbase AS	Norway	Stord	100.00%
NorSea AS	Norway	Stavanger	100.00%
Maritime Logistic Services AS	Norway	Stavanger	100.00%
Viking Fighter AS	Norway	Tananger	100.00%
NorSea Eiendom Dusavik AS	Norway	Stavanger	100.00%
NorSea Eiendom Tananger AS	Norway	Tananger	100.00%
NorSea Tananger 107 AS	Norway	Tananger	100.00%
NorSea Ekofiskvegen AS	Norway	Tananger	100.00%
Tananger Eiendom AS	Norway	Tananger	100.00%
Nsg Wind A/S	Denmark	Esbjerg	100.00%
Nsg Digital As	Norway	Stavanger	100.00%
Øer Energy Ltd		UK	100.00%
Øer GMBH	Germany	Germany	100.00%

Cont. Supply services segment

Company name	Country	Business office	Share
Companies owned through subsidiaries			
Øer A/S	Denmark	Denmark	100.00%
Øer BV	Netherland	Netherland	100.00%
Polarbase Eiendom AS	Norway	Hammerfest	95.62%
Polarbase AS	Norway	Hammerfest	94.96%
Maritime Waste Management AS *	Norway	Kristiansund	75.00%
Norbase AS	Norway	Harstad	75.00%
Mid-Nor Yard Service AS ***	Norway	Kristiansund	75.00%
NSG Maritime AS	Norway	Stavanger	73.00%
Dusavik Utvikling AS *****	Norway	Stavanger	50.10%
Coast Center Base AS	Norway	Fjell	50.00%
Vikan Næringspark Invest AS	Norway	Kristiansund	50.00%
SørSea AS	Norway	Tananger	50.00%
Polarlift AS	Norway	Hammerfest	50.00%
Artic Base Supply AS	Greenland	Greenland	50.00%
KS Coast Center Base	Norway	Fjell	49.75%
Risavika Havn AS **	Norway	Tananger	42.82%
Risavika Eiendom AS	Norway	Tananger	42.00%
Bring Polarbase AS	Norway	Hammerfest	41.00%
Smart Management AS	Norway	Tananger	40.00%
Eldøyane Næringspark AS	Norway	Stord	37.91%
Risavika Havnering 14 AS	Norway	Stavanger	33.33%
Strandparken Holding AS ***	Norway	Hammerfest	33.07%
Hammerfest Næringsinvest AS	Norway	Hammerfest	32.26%

* NorSea Group Operations AS owns 50 % of Maritime Waste Management AS, remaining 50 % is owned by Coast Center Base AS. NorSea Group Operations AS owns 50 % of Coast Center Base AS. Total direct and indirect NorSea Group AS owns 75 % of Maritime Waste Management AS.

** NorSea Eiendom Tananger AS owns 34 % of Risavika Havn AS. NorSea Eiendom Tananger AS owns 42 % of Risavika Eiendom AS which owns 21 % of Risavika Havn AS. Total direct and indirect NorSea Group AS owns 42,82 % of Risavika Havn AS.

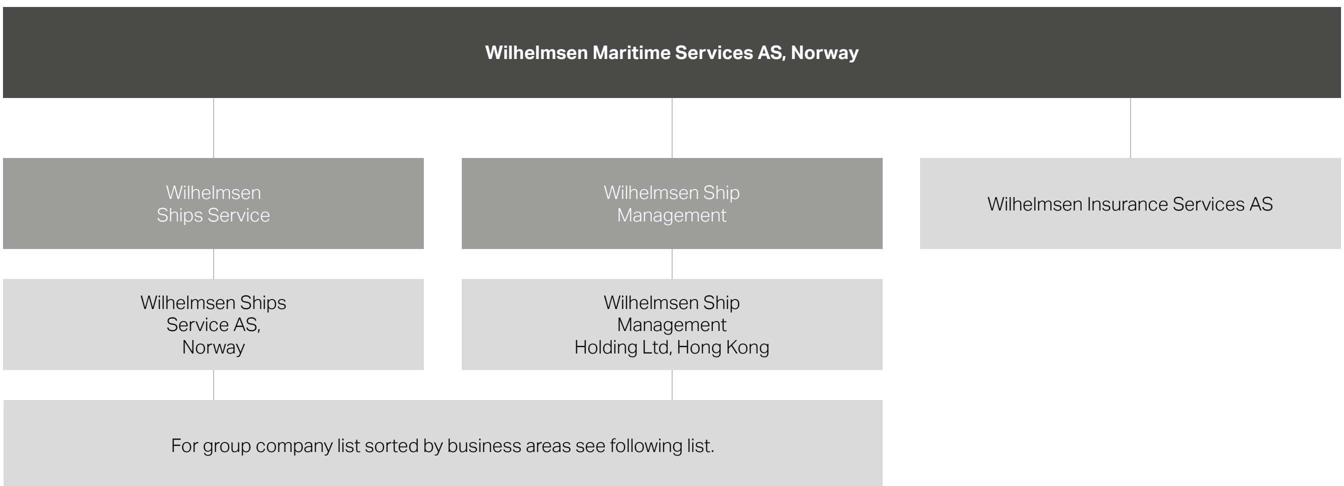
*** Polarbase Eiendom AS owns 25 % of Strandparken Holding AS. Polarbase Eiendom AS owns 32,26 % of Hammerfest Næringsinvest AS. Hammerfest Næringsinvest AS owns 25 % of Strandparken Holding AS. Total direct and indirect NorSea Group AS owns 33,07 % of Strandparken Holding AS."

**** Vestbase Eiendom AS owns 50 % of Mid-Nor Yard Services AS, remaining 50 % is owned by Coast Center Base AS. NorSea Group Operations owns 50% of Coast Center Base AS. Total direct and indirect NorSea Group AS owns 75 % of Mid-Nor Yard Services AS.

***** NSG own 40% of Dusavik Utvikling AS. K2 owns 60% of Dusavik Utvikling. NorSea Eiendom dusavik owns 16,83% of K2.

Investments in subsidiaries and associates are measured according to cost method in the financial statements.
In the consolidated accounts associated companies are measured according to the equity method.

Maritime services segment



Business area Legal entity

Unless otherwise stated, the company is wholly-owned.

Cont. Maritime services segment

Company name	Country	Ownership %
Wilhelmsen Maritime Services		
Wilhelmsen Insurance Services AS	Norway	100.00%
Wilhelmsen Ship Management		
Unicorn Shipping Services Ltd	Bangladesh	51.00%
Wilhelmsen Ship Management Serviços Marítimos do Brasil Ltda	Brazil	100.00%
Wilhelmsen Marine Personnel d.o.o.	Croatia	100.00%
BWW LPG Limited (formerly known as Aurora Wilhelmsen Management Limited)	Hong Kong	49.00%
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%
BWW LPG Sdn Bhd (formerly known as Aurora Wilhelmsen Management Limited)	Malaysia	49.00%
Wilhelmsen Ship Management Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ship Management Services Sdn Bhd	Malaysia	100.00%
WSM Offshore Services Sdn Bhd	Malaysia	100.00%
Diana Wilhelmsen Management Limited	Marshall Islands	50.00%
Unicorn Shipping Services Limited	Mauritius	51.00%
Barber Moss Ship Management AS	Norway	100.00%
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 Marine Personnel (Ukraine) Ltd	Ukraine	100.00%
Wilhelmsen Ship Management (USA) Inc	United States	100.00%
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%
Wilhelmsen Ships Service Pty Limited	Australia	100.00%
WLB Shipping Pty Ltd	Australia	100.00%
WWHI Property Australia Pty Ltd	Australia	100.00%
Almoayed Wilhelmsen Ltd	Bahrain	40.00% *
Wilhelmsen Ships Service NV	Belgium	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 Ships Service Agencia Maritima SA	Chile	100.00%
Wilhelmsen Ships Service (Chile) S.A.	Chile	100.00%
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 Cote d'Ivoire SARL	Cote d'Ivoire	100.00%
Wilhelmsen Ships Service Cyprus Ltd	Cyprus	100.00%
Wilhelmsen Ships Service A/S	Denmark	100.00%
Wilhelmsen Ships Service Ecuador SA	Ecuador	100.00%
Barwil Arabia Shipping Agencies SAE	Egypt	35.00%
Barwil Egytrans Shipping Agencies SAE	Egypt	49.00% *

Cont. Maritime services segment			
Company name	Country	Ownership %	
Wilhelmsen Ships Service			
Scan Arabia Shipping Agencies SAE	Egypt	49.00%	*
Wilhelmsen Ships Service Oy Ab	Finland	100.00%	
Auxiliaire Maritime SAS	France	100.00%	
Wilhelmsen Ships Service France SAS	France	100.00%	
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%	
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%	
Wilhelmsen Ships Service Limited	Hong Kong	100.00%	
Wilhelmsen Maritime Services Private Limited	India	100.00%	
Barwil For Maritime Services Co Ltd	Iraq	100.00%	
Iraqi-Norwegian Company For Marine Navigation and Maritime Services Ltd	Iraq	100.00%	
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%	
Wilhelmsen Ships Service Lebanon SAL	Lebanon	49.00%	
Wilhelmsen Freight & Logistics Sdn Bhd	Malaysia	100.00%	
Wilhelmsen IT Services Sdn Bhd	Malaysia	100.00%	
Wilhelmsen Ships Service Holdings Sdn Bhd	Malaysia	100.00%	
Wilhelmsen Ships Service Malaysia Sdn Bhd	Malaysia	100.00%	
Wilhelmsen Ships Service Trading Sdn Bhd	Malaysia	100.00%	
WSS Global Business Services 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 (Myanmar) Limited	Myanmar	100.00%	
Wilhelmsen Ships Service BV	Netherlands	100.00%	
Unitor Ships Service NV Netherland Anthilles	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%	
Kemetyl Norge Konsument AS	Norway	100.00%	
Wilhelmsen Chemicals AS	Norway	100.00%	
Wilhelmsen IT Services AS	Norway	100.00%	
Wilhelmsen Ships Service AS	Norway	100.00%	
Wilhelmsen Towell Co LLC	Oman	60.00%	
Wilhelmsen Ships Service (Private) Limited	Pakistan	49.00%	*
Barwil Agencies SA	Panama	100.00%	
Intertransport Air Logistics SA	Panama	100.00%	
Lowill SA	Panama	100.00%	
Scan Cargo Services SA	Panama	100.00%	
Transcanal Agency SA	Panama	100.00%	
Wilhelmsen Ships Service SA	Panama	100.00%	
Wilhelmsen Ships Service 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 z.o.o.	Poland	100.00%	
Argomar-Navegcao e Transportes SA	Portugal	100.00%	
Wilhelmsen Ships Service Portugal, S.A	Portugal	100.00%	

Cont. Maritime services segment

Company name	Country	Ownership %
Wilhelmsen Ships Service		
Perez Torres Portugal Lda	Portugal	50.00%
Wilhelmsen Ship Services Qatar Ltd	Qatar	0.00% *
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%
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%
Timm Slovakia s.r.o	Slovakia	100.00%
Barwil (South Africa) Pty Ltd	South Africa	100.00%
Krew-Barwil (Pty) Ltd	South Africa	49.00%
Wilhelmsen Ships Services (Pty) Ltd	South Africa	100.00%
Wilhelmsen Ships Services South Africa (Pty) Ltd	South Africa	70.00%
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%
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 (LLC)	United Arab Emirates	49.00% *
Denholm Wilhelmsen Ltd	United Kingdom	40.00%
Wilhelmsen Ships Service Limited	United Kingdom	100.00%
Wilhelmsen Ships Service Inc	United States	100.00%
Wilhelmsen Sunnytrans Co Ltd (formerly known as Barwil-Sunnytrans Co Ltd)	Vietnam	49.00% *
International Shipping Co Ltd	Yemen	0.00% *

* Additional profit share agreement

Learning

Emilie Maria Waagsaether

Learning manager
Wilh. Wilhelmsen Holding, HR and communications

It is a cliché to say it, but people are your most important asset. Nevertheless, that is no joke – it is what you do with your people that really defines if you take care of them. At Wilhelmsen we train our people to lift Wilhelmsen into the next generation of maritime companies, it is that simple.
To shape new mindsets and make sure we are fit for fight, teaching our people how to work at their very best and think bigger than the task at hand becomes our number one priority. We retain and attract people that are in it to make a difference. Emilie is part of our learning team, making sure that everyone from our highly valued trainees to the group CEO are fully equipped to shape the maritime industry.

wilhelmsen.com

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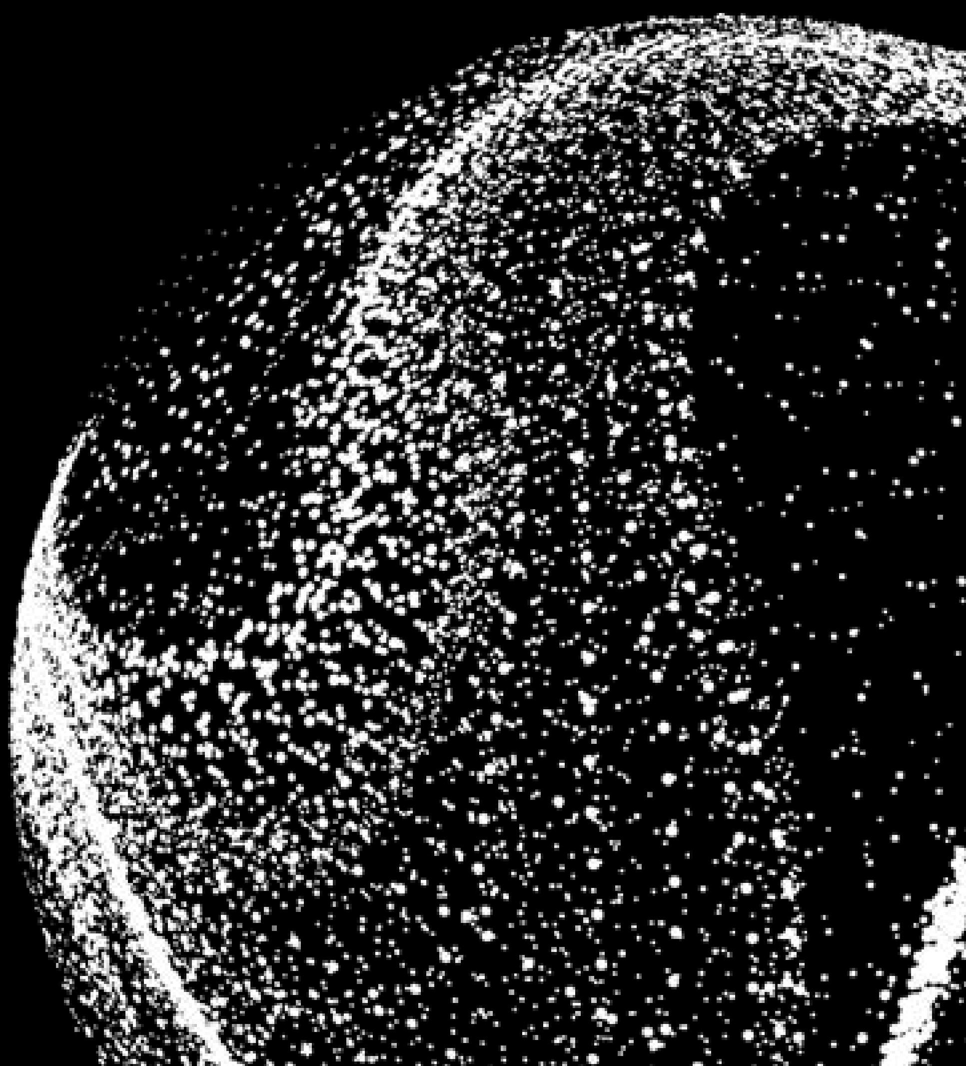

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