

Press release



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Big increase in operating income for Wilh. Wilhelmsen

(Lysaker, 7 May 2008) High cargo volumes and strong demand for maritime services produced a significant increase in the Wilh. Wilhelmsen (WW) group's operating income for the first quarter of 2008.

All WW's business segments – shipping, logistics and maritime services – contributed positively to a healthy revenue growth during the quarter. Operating income for the quarter totalled USD 819.4 million, up from USD 611.8 million in the same period of last year.

“We are satisfied with a 34% increase in operating revenue and an increase of 12% in net operating profit for this quarter. This is mainly driven by high cargo volumes, bunker adjustment factors (BAFs) in contracts and increased sales of maritime services,” says group CEO Ingar Skaug.

The WW group achieved a net operating profit of USD 59.9 million for the first quarter, compared with USD 53.3 million in 2007.

“Maritime services and logistics reported significant growth in operating revenue, but net operating profit from shipping was hurt to some extent by rising operating costs,” says Skaug. “Bunker costs in EUKOR increased during the first quarter of 2008 compared with the first quarter of 2007, totalling for us some USD 26 million. A compensation for a portion of these costs will be received in the second quarter of 2008 according to the bunker adjustment agreement between EUKOR and Hyundai/Kia.”

Profit before tax and minority interests for the WW group came to USD 4.5 million in the first quarter of 2008, compared with USD 41.9 million in 2007, while profit after tax and minorities was USD 1.6 million as against USD 35.9 million.

The decline reflected a rise in net financial expenses from USD 11.4 million in the first quarter of last year to USD 55.5 million. However, 67% of the financial expenses are unrealised. Main items are unrealised losses on interest-rate hedge programmes, unrealised currency-related losses and losses on financial investments.

“Based on the encouraging results delivered in the first quarter, we expect this year's operating profit to be higher than in 2007,” says Skaug. “Volumes are strong for the future, which will have a positive effect for both shipping and logistics.”

“Our expectations for maritime services, which delivered its best-ever quarter in nominal terms, are very positive and backed by increases in the merchant fleet and the strong newbuilding and retrofit markets.”

Wilh. Wilhelmsen (WW) is a global maritime industrial group. Together with its partners, WW controls close to 160 vessels operating in a global network of trades and ranks as the world's largest operator in the roll-on roll-off cargo segment. Its ocean transport activities are supported by a variety of advanced shore-based logistics services, offering customers seamless door-to-door supply chain solutions. The group also occupies a leading position in the global maritime service industry through an unparalleled worldwide network, delivering services to more than 200 shipyards and some 20 000 vessels each year. The group's wholly owned subsidiaries employ about 14 000 people in more than 70 countries. For further details, see www.wilhelmsen.com.

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