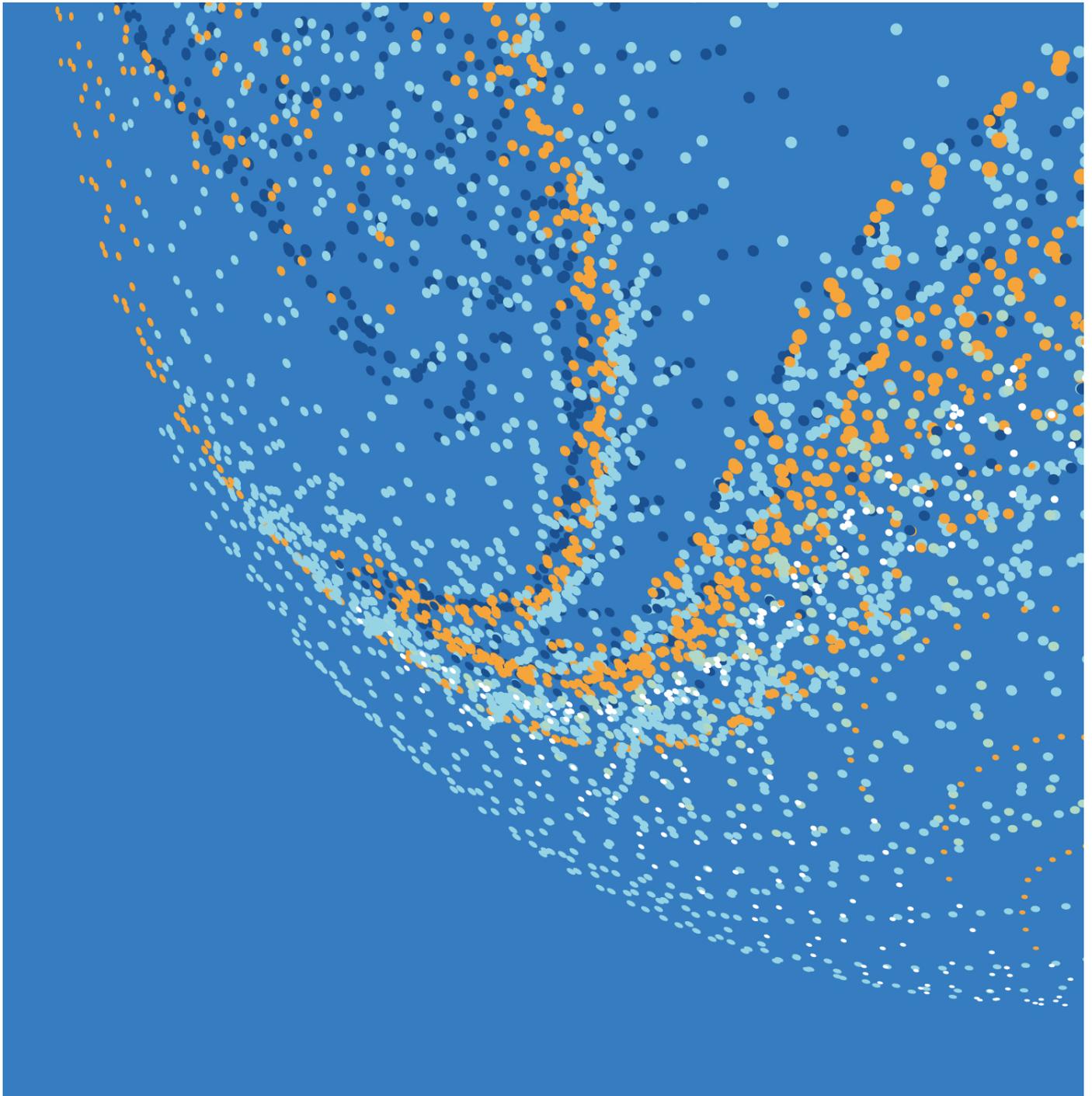


WILH. WILHELMSSEN HOLDING ASA

Second quarter and half-year report 2018



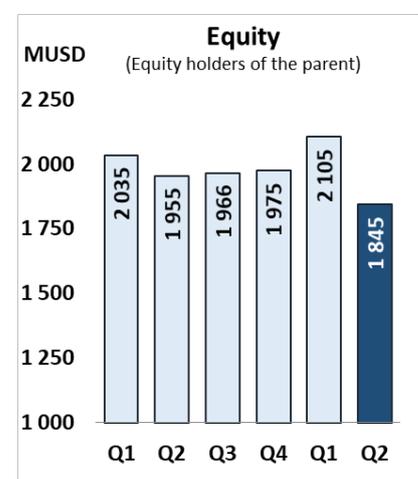
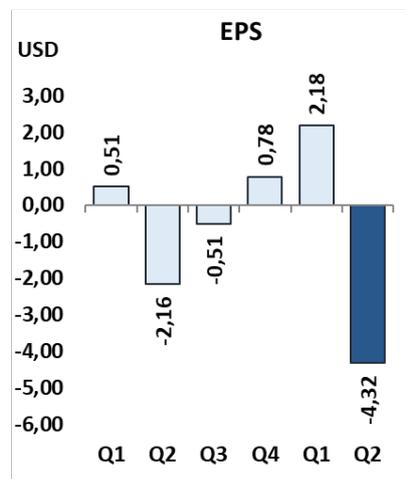
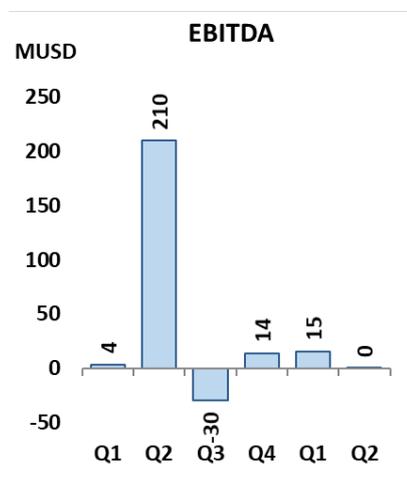
Highlights for the quarter

- Stable income and improved underlying EBITDA in maritime services
 - Reported EBITDA impacted by USD 27 million termination and legal costs related to the Drew transaction
- Strong uplift in EBITDA and share of profits from associates in supply services, supported by seasonality and property sales gains
- Negative contribution from holding and investments activities
 - Improved net profit in Wallenius Wilhelmsen, supported by volume growth
 - Reduced value of the investment in Hyundai Glovis; withdrawal of proposed restructuring of Hyundai Motor Group
 - Increase in value of other investments adjusted for reduction in Qube shareholding
- Net loss for the quarter due to reduced financial assets value (non-cash effect) and non-recurring cost
- Paid NOK 3.50 dividend per share

Post quarter events

- On 21 July, Wilhelmsen decided to abandon the acquisition of the technical solutions business from Drew Marine following US District Court ruling

Key figures



Financial performance

USD mill - unless otherwise indicated	Q2'18	Q1'18	Q-on-Q Change	Q2'17	Y-o-Y Change	01.01- 30.06.18	01.01- 30.06.17	Y-o-Y Change
Total income	222	211	5 %	344	-36 %	433	484	-11 %
- of which operating revenue	219	210	4 %	146	50 %	429	285	50 %
- of which gain/(loss) on sale of assets	3	1	166 %	198	-98 %	4	199	-98 %
EBITDA	0	15	-97 %	210	-100 %	16	214	-93 %
Operating profit/EBIT	-9	5	neg.	206	neg.	-4	206	neg.
Share of profits from associates	11	6	77 %	-4	neg.	17	-4	neg.
Change in fair value financial assets	-241	124				-117		
Other financial income/(expenses)	-30	11		23	neg.	-18	31	
Tax income/(expenses)	3	-5		-7	neg.	-1	-10	
Profit/(loss) from continued operations	-266	142	neg.	218	neg.	-123	222	neg.
Discontinued operations				-264			-239	
Profit/(loss) for the period	-266	142	neg.	-47	neg.	-123	-16	neg.
Profit/(loss) to owners of the parent	-201	101	neg.	-100	neg.	-99	-77	neg.
EPS (USD)	-4,32	2,18	neg.	-2,16	neg.	-2,14	-1,65	neg.
Other comprehensive income	-41	31		53	neg.	-10	74	
Total comprehensive income	-307	174	neg.	6	neg.	-133	58	neg.
Total comprehensive income owners of parent	-239	130	neg.	-72	neg.	-110	-16	neg.
Total assets	3 136	3 478	-10 %	2 760	14 %	3 136	2 760	14 %
Equity parent	1 845	2 105	-12 %	1 955	-6 %	1 845	1 955	-6 %
Total equity	2 027	2 361	-14 %	2 129	-5 %	2 027	2 129	-5 %
Equity ratio	65 %	68 %	-3 %	77 %	-12 %	65 %	77 %	-12 %

Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (referred to as Wilhelmsen or group) was USD 222 million in the second quarter of 2018. This was a 5% increase from the previous quarter, mainly due to higher operating revenue within supply services.

EBITDA was nil for the quarter, including USD 27 million termination fee and legal cost related to the later abandoned Drew acquisition. Underlying EBITDA improved for both maritime services and supply services.

Share of profit from associates was USD 11 million, reflecting improved net result in Wallenius Wilhelmsen and NorSea Group associates.

Change in fair value of financial assets was negative with USD 241 million for the quarter, with reduced value of investment in Hyundai Glovis well offsetting a net increase for other investments.

Other financial items were a net expense of USD 30 million for the quarter, of which half are currency related items within maritime services.

Other comprehensive income for the quarter was a loss of USD 41 million, mainly currency translation differences related to non-USD assets.

Total comprehensive income, including net profit and other comprehensive income, attributable to owners of the parent was a loss of USD 239 million in the second quarter.

Balance sheet

Total assets were down 10% in the second quarter, mainly due to reduced value of financial assets. In addition to lower asset prices, a stronger USD had a negative effect on

value of both financial and other assets, when converting value of non-USD assets into USD.

A loss for the period and dividend payments reduced equity attributable to owners of the parent with 12% in the second quarter. As of 30 June 2018, the group equity ratio was 65%.

Cash, liquidity and debt

USD mill	Cash	Interest bearing debt
Maritime services	112	201
Supply services	9	353
Holding and investments	54	55
Elimination	0	-18
Wilhelmsen group	175	591

Cash and cash equivalents was USD 175 million by the end of the second quarter, up USD 4 million from the previous quarter.

Interest bearing debt was USD 591 million by the end of the quarter. The USD 30 million reduction for the quarter was due to currency effect on non-USD debt and reduced drawdown on supply services and holding facilities.

During the quarter, NorSea Group completed a refinancing of majority of its interest-bearing debt.

Result for the half year

Result for the half year reflected a net loss from fair value of financial assets and cost related to the abandoned Drew acquisition. Contribution from maritime services was some down, while the supply services segment and share of profit in Wallenius Wilhelmsen contributed positively.

Total comprehensive income to owners of the parent was a loss of USD 110 million in the first half.

Segment information

Maritime services

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

USD mill - unless otherwise indicated	Q2'18	Q1'18	Q-on-Q Change	Q2'17	Y-o-Y Change	01.01- 30.06.18	01.01- 30.06.17	Y-o-Y Change
Total income	148	151	-2 %	147	1 %	299	287	4 %
- Ships service	138	140	-2 %	134	3 %	278	263	6 %
- Ship management	10	10	-3 %	11	-10 %	21	23	-9 %
- Other/eliminations	0	0		1		0	2	
EBITDA	-9	13	neg.	17	neg.	3	26	-87 %
- EBITDA margin (%)	-6 %	9 %		12 %		1 %	9 %	
Operating profit/EBIT	-13	9	neg.	13	neg.	-5	19	neg.
- EBIT margin (%)	-9 %	6 %		9 %		-2 %	7 %	
Share of profits from associates	1	1	16 %	1	41 %	2	2	
Change in fair value financial assets	-5	3				-2		
Other financial income/(expenses)	-19	1		1		-18	6	
Tax income/(expense)	4	-3		-4		1	-7	
Profit/(loss)	-33	11	neg.	11	neg.	-22	21	neg.
- Profit margin (%)	-22 %	7 %		8 %		-7 %	7 %	
- Non controlling interest	1	0		0		1	0	
Profit/(loss) to owners of the parent	-34	11	neg.	11	neg.	-23	20	neg.

Result for the quarter

Total income from maritime services was USD 148 million in the second quarter. This was broadly in line with the previous quarter when adjusting for seasonality.

EBITDA was a loss of USD 9 million for the quarter. The quarter included non-recurring cost of USD 27 million related to Drew, of which USD 7 million was legal cost and USD 20 million was a provision for termination fee. Adjusting for non-recurring cost, EBITDA was USD 18 million, up 36% from the first quarter.

Financial items were a net expense of USD 23 million, with change in fair value of Survitec Group and net currency items being the main factors.

The quarter ended with a net loss after non-controlling interests of USD 34 million.

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 for ships service was down 2% from the first quarter. When compared with the corresponding period last year, income was up 3%. Sale of marine products continued its upward trend. Income from ships agency services was up also up for the quarter, while sale of non-marine chemicals was down due to seasonality.

A more favourable product mix lifted operating profit when compared with a weak first quarter.

In June, Airbus and Wilhelmsen officially signed an MOU to develop an Unmanned Air System for maritime deliveries. Test-project will begin in Singapore in the third quarter.

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 down 3% from the first quarter, and down 10% when compared with the corresponding period last year. This followed a reduction in fleet under management and reduced lay-up activities.

Operating profit was also down for the quarter, following reduced income and ramp up cost related to the TenneT offshore wind contract.

In June, a new Wilhelmsen Ship Management office was opened in Southampton, UK, with 11 vessels on management.

Other maritime services activities

This includes Wilhelmsen Insurance Services (fully owned Wilhelmsen), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as financial assets.

The quarter included a USD 5 million loss from change in fair value of the Survitec investment, mainly currency related.

Post quarter event

On 21 July, the United States' District Court for the District of Columbia announced that it will grant the US Federal Trade Commission motion for an injunction to block the planned acquisition by Wilhelmsen of the technical solutions business from Drew Marine. Consequently, Wilhelmsen and Drew have agreed to abandon the transaction.

Segment information

Supply services

The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities. (New segment from 26 September 2017, with activities previously reported under the holding and investments segment)

USD mill - unless otherwise indicated	Q2'18	Q1'18	Q-on-Q Change	Q2'17	Y-o-Y Change	01.01- 30.06.18	01.01- 30.06.17	Y-o-Y Change
Total income	73	59	23 %			132		
- NorSea Group	70	56	24 %			126		
- Other/eliminations	3	3	0 %			7		
EBITDA	14	6	125 %			20		
- EBITDA margin (%)	19 %	11 %				15 %		
Operating profit/EBIT	9	1	>500%			9		
- EBIT margin (%)	12 %	1 %				7 %		
Share of profit from associates	4	1	174 %			5		
Other financial income/(expense)	-4	-4				-8		
Tax income/(expense)	-1	-1				-2		
Profit/(loss)	8	-3	neg.			5		
- Profit margin (%)	11 %	-5 %				4 %		
- Non controlling interest	3	-1				2		
Profit/(loss) to owners of the parent	5	-2	neg.			4		

Result for the quarter

Total income from supply services was USD 73 million in the second quarter, up 23% from the previous quarter. The increase followed higher income in NorSea Group.

EBITDA came in at USD 14 million for the quarter, while share of profit from associates was USD 4 million. Both improved from the first quarter, supported by seasonality and sales gains. Other financial items were stable, with a net expense of USD 4 million.

Net profit after minority interests was USD 5 million for the quarter.

NorSea Group

NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~75,2% of NorSea Group (40% ownership until 26 September and ~74,2% as per 31 December 2017). NorSea Group is fully consolidated in the Wilhelmsen's accounts from end of the third quarter 2017.

Total income for NorSea Group was USD 70 million in the second quarter, up 24% from the first quarter. Income from supply base services increased, reflecting a traditionally stronger summer season. Income from infrastructure and facilities was also up, lifted by a property sales gain.

Operating profit increased, benefitting from the seasonal upswing in activities, a sales gain, and improved performance for non-Norwegian activities. Seasonality and a sales gain also lifted share of profit from associates. In total, property sales gains had a USD 3 million impact on the net result for the quarter.

Other supply services activities

This includes WilNor Governmental Services (owned 51% directly and 49% through NorSea Group) and certain minor supply services activities.

Income for WilNor Governmental Services, mainly reported on a pass-through basis, was stable for the quarter.

Segment information

Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen ASA and Treasure ASA, financial assets, and other holding and investments activities.

USD mill - unless otherwise indicated	Q2'18	Q1'18	Q-on-Q Change	Q2'17	Y-o-Y Change	01.01- 30.06.18	01.01- 30.06.17	Y-o-Y Change
Total income	3	3	2 %	200	-99 %	6	205	-97 %
- Operating revenue	3	3	2 %	5	-44 %	6	10	-46 %
- Gain on sale of assets	0	0		195		0	195	
EBITDA	-4	-4		193		-8	187	
Operating profit/EBIT	-4	-4		192		-8	187	
Share of profit from associates	6	4	55 %	-5	neg.	10	-6	neg.
- Wallenius Wilhelmsen ASA	6	4	55 %	-9	neg.	10	-9	neg.
- Other/eliminations	0	0		4		0	3	
Change in fair value financial assets	-236	121				-115		
- Hyundai Glovis	-250	144				-107		
- Qube Holdings/other financial assets	15	-23				-8		
Other financial income/(expenses)	-7	14	neg.	22	neg.	7	25	-71 %
- Investment management (Holding)	-3	-1		1		-4	1	
- Hyundai Glovis	0	12		0		12	0	
- Qube Holdings/other financial assets	0	1		8		1	10	
- Other financial income/(expense)	-4	1		14		-3	14	
Tax income/(expense)	0	0		-3		0	-4	
Profit/(loss) for the period	-241	134		206		-106	202	
- Non controlling interest	-68	42		53		-26	53	
Profit/(loss) to owners of the parent	-172	92		153		-80	149	

Result for the quarter

The holding and investments segment reported a net loss of USD 172 million in the second quarter, following a strong fall in the value of the investment in Hyundai Glovis. A net profit in Wallenius Wilhelmsen ASA and a gain from the investment in Qube Holdings had a positive impact.

Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen ASA is a global provider of ocean and land-based 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 associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen ASA was USD 1 044 million in the second quarter, up 8% from the previous quarter and up 7% when compared with the corresponding period last year. Ocean income was supported by strong underlying volume development and increased fuel compensation. Seasonality contributed positively when compared with the previous quarter, while contracted reductions in Hyundai Motor Group volumes negatively impacted development when compared with last year. For land-based operations, income were positively impacted by the Melbourne terminal being fully operational and the acquisition of Keen Transport.

Reported EBITDA was USD 156 million in the second quarter, up 24% from a weak first quarter but down when compared with corresponding period last year. Rate reductions, reduced Hyundai Motor Group volumes, increased bunker cost and trade imbalances continued to outweigh positive volume development and realised synergies. At the end of the second quarter about USD 110

million of the USD 120 million synergy target was confirmed.

Wilhelmsen's share of profit in Wallenius Wilhelmsen ASA was USD 6 million in the second quarter.

Post quarter, Wallenius Wilhelmsen ASA announced an aquisition of 70% of the shares in Syngin Technologies.

Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~72.7% of Treasure ASA. Hyundai Glovis is from 4 April 2017 reported as financial assets in the Wilhelmsen's accounts.

Change in fair market value of the shareholding in Hyundai Glovis was negative with USD 250 million for the quarter. The market value at the end of the second quarter was USD 469 million.

In May, a proposed restructuring plan for the Hyundai Motor Group was withdrawn due to possible lack of support amongst certain shareholders. Subsequent to the withdrawal of the restructuring plan, the Hyundai Glovis share price decreased significantly.

Financial investments

Financial investments include cash and cash equivalents, current financial investments and other financial assets held by the parent and fully owned subsidiaries.

Change in fair market value of the shareholdings in Qube Holdings and other financial assets was a gain of USD 15 million for the quarter. The market value at the end of the second quarter was USD 101 million. During the quarter, Wilhelmsen sold 15 million shares in Qube, with a net cash

proceed of USD 27 million. Following the sale, Wilhelmsen owns 50 million shares in Qube.

The current financial investment portfolio held by Wilhelmsen was USD 91 million by the end of the second quarter. The portfolio primarily included listed equities and investment-grade bonds. Net income from investment management was a loss of USD 2 million in the second quarter.

Risk update

The Wilhelmsen group consists of operating companies and investments exposed to the global economy and world merchandised trade. The main risks as considered by the board at that time are described in the annual report for 2017. While risk in general remains as described in the annual report, certain individual risk factors have been impacted by events which have taken place after completion of the annual report. Main events and impacts are described below.

Global growth remains strong, but tension has increased related to trade agreements and imbalances. New import tariffs have been introduced or threatened to be introduced by certain countries. The future potential impact of these actions on Wilhelmsen remains uncertain.

Outlook

Maritime services

Focus on improving the operating margin, strengthening profitability and growing the business will remain. A strategic review will be made related to future growth alternatives, following agreement to terminate the planned Drew acquisition.

Supply services

The positive effect from the restructuring process within NorSea Group lifted the supply services segment operating profit in the second quarter, with further effects expected when fully implemented.

Holding and investments

Wallenius Wilhelmsen maintains a balanced view on prospects.

Other holding and investments activities

Holding/other activities includes general holding activities.

Underlying income and EBITDA was at normal levels for the quarter.

The planned USD 400 million acquisition of the technical solutions business from Drew Marine has been abandoned, following a negative ruling by the US Court. The decision will not have any direct consequences for Wilhelmsen apart from the USD 20 million termination fee, but will impact the strategic development of Ships services.

The share prices of the two largest investments exposed to market prices, Wallenius Wilhelmsen ASA and Treasure ASA, have fallen. While the change in market prices for these investments are not affecting the consolidated accounts, it reduces the value adjusted equity of Wilhelmsen.

Potential changes in Hyundai Glovis shareholding structure and business remains uncertain, following withdrawal of the proposed Hyundai Motor Group restructuring plan.

Wilhelmsen group

After a weak start of the year, the underlying trend has been more optimistic for all three business segments. The positive development is expected to continue into the third quarter.

A more negative sentiment towards global trade, and potential introduction of further tariffs and restrictions, create uncertainties on a medium-term basis.

Lysaker, 9 August 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

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

Income statement - financial report

USD mill	Note	Q2 2018	Q2 2017	YTD 2018	YTD 2017	Full year 2017
Operating revenue		219	146	429	285	632
Other income						
Gain/(loss) on sale of assets	2	3	198	4	199	161
Total income		222	344	433	484	793
Operating expenses						
Cost of goods and change in inventory		(64)	(42)	(131)	(87)	(194)
Employee benefits		(82)	(57)	(165)	(117)	(252)
Other expenses		(76)	(35)	(122)	(67)	(150)
Operating profit before depreciation and amortisation		0	210	16	214	198
Depreciation and impairments	3	(10)	(4)	(20)	(8)	(22)
Operating profit		(9)	206	(4)	206	176
Share of profits from joint ventures and associates	4	11	(4)	17	(4)	55
Change in fair value financial assets	9	(241)		(117)		
Other financial income/(expenses)	7	(30)	23	(18)	31	22
Profit before tax		(269)	225	(122)	233	253
Tax income/(expense)		3	(7)	(1)	(10)	(16)
Profit from continued operations		(266)	218	(123)	222	236
Discontinued operations						
Net profit/(loss) from discontinued operations (net after tax)	6		(264)		(239)	(239)
Profit for the period		(266)	(47)	(123)	(16)	(2)
Attributable to: non-controlling interests continued operations		(65)	53	(24)	53	55
non-controlling interests discontinued operations					7	7
owners of the parent		(201)	(100)	(99)	(77)	(64)
Basic earnings per share (USD)	8	(4,32)	(2,16)	(2,14)	(1,65)	(1,38)

Comprehensive income - financial report

USD mill	Q2 2018	Q2 2017	YTD 2018	YTD 2017	Full year 2017
Profit for the period	(266)	(47)	(123)	(16)	(2)
Items that may be reclassified to income statement					
Cash flow hedges (net after tax)	0		2		
Revaluation mark to market value available for sale financial assets		47		53	3
Comprehensive income from associates		(1)		(1)	(1)
Currency translation differences	(41)	(67)	(12)	(53)	47
Currency translation differences recycled to income statement as part of loss of sale of assets					28
Comprehensive income discontinued operations		(2)		(1)	(1)
Items that will not be reclassified to income statement					
Currency translation differences investments		76		76	
Other comprehensive income, net of tax	(41)	53	(10)	74	77
Total comprehensive income for the period	(307)	6	(133)	58	75
Total comprehensive income attributable to:					
Owners of the parent continued operations	(239)	192	(110)	223	251
Owners of the parent discontinued operations		(264)		(239)	(239)
Non-controlling interests	(67)	78	(23)	74	64
Total comprehensive income for the period	(307)	6	(133)	58	75

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

Balance sheet - financial report

USD mill	Note	30.06.2018	30.06.2017	31.12.2017
Deferred tax asset	5	26	17	18
Goodwill and other intangible assets	3	171	162	171
Vessels, property and other tangible assets	3	574	181	590
Investments in joint ventures and associates	4	1 018	883	1 019
Financial assets to fair value	9	650	845	801
Other non current assets		23	48	37
Total non current assets		2 460	2 135	2 637
Inventory		77	73	81
Current financial investments		91	91	101
Other current assets		333	226	302
Cash and cash equivalents		175	235	167
Total current assets		676	625	651
Total assets		3 136	2 760	3 288
Paid-in capital	8	122	122	122
Retained earnings	8/10	1 724	1 833	1 853
Attributable to equity holders of the parent		1 845	1 955	1 975
Non-controlling interests		182	173	212
Total equity		2 027	2 129	2 188
Pension liabilities		23	24	23
Deferred tax	5	9	14	6
Non-current interest-bearing debt	11	489	234	493
Other non-current liabilities		113	100	112
Total non current liabilities		635	372	634
Current income tax		4	5	11
Public duties payable		9	5	7
Current interest-bearing debt	11	102		108
Other current liabilities		359	249	341
Total current liabilities		474	260	466
Total equity and liabilities		3 136	2 760	3 288

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

Cash flow statement - financial report

USD mill		Q2	Q2	YTD	YTD	Full year
	Note	2018	2017*	2018	2017*	2017*
Cash flow from operating activities						
Profit before tax		(269)	(40)	(122)	(7)	14
Share of profit from joint ventures and associates		(11)	5	(17)	(10)	(69)
Change in fair value financial assets	9	242	(23)	117	(21)	
Other financial (income)/expenses		29	(10)	18	(12)	(6)
Financial derivatives unrealised						(8)
Depreciation/impairment	3	10	4	20	28	42
Loss/ (gain) on sale of fixed assets	3	(5)	(0)	(4)	(9)	(11)
(Gain)/loss from sale of subsidiaries, joint ventures and associates	6		(52)		(52)	107
Change in net pension asset/liability		2	2	0	1	(5)
Change in inventory		0	(11)	4	(12)	(21)
Change in other working capital		(29)	26	(28)	14	38
Tax paid (company income tax, withholding tax)		(2)	(5)	(5)	(7)	(11)
Net cash provided by operating activities		(34)	(104)	(17)	(86)	70
Cash flow from investing activities						
Dividend received from joint ventures and associates		16	14	18	15	18
Proceeds from sale of fixed assets	3	14		14	54	63
Investments in fixed assets	3	(10)	(8)	(18)	(12)	(29)
Net proceeds from sale of subsidiaries		7	14	7	14	14
Cash discontinued operations	6					(121)
Investments in subsidiaries, joint ventures and associates		(0)	(21)	(1)	(21)	(89)
Loan repayments received from joint ventures and associates		17		17		
Proceeds from sale of financial investments		53	16	62	101	111
Current financial investments		(14)	(4)	(21)	(43)	(58)
Interest received		3	1	3	1	5
Net cash flow from investing activities		86	10	81	108	(87)
Cash flow from financing activities						
Proceeds from issue of debt		62	30	72	30	230
Repayment of debt		(77)		(86)	(64)	(271)
Interest paid including interest derivatives		(8)	(9)	(15)	(33)	(37)
Cash from financial derivatives			3		7	
Dividend to shareholders/purchase of own shares		(26)	(23)	(26)	(23)	(36)
Net cash flow from financing activities		(48)	1	(54)	(83)	(114)
Net increase in cash and cash equivalents ¹		4	(93)	9	(61)	(130)
Cash and cash equivalents at the beg. of the period ¹		171	328	166	296	296
Cash and cash equivalents at the end of the period ¹		175	235	175	235	167

* 2017 including discontinued operations

The net cash flow from discontinued operations are:

Net cash provided by operating activities from discontinued operations	6				7	7
Net cash provided by investing activities from discontinued operations					107	107
Net cash provided by financing activities from discontinued operations					(74)	(74)

Cash and cash equivalents related to discontinued operations (at the end of the period) at 31.03.2017

					121	121
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¹ Excluding restricted cash.

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

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

Statement of changes in equity - financial report

Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31.12.2017	122	1 853	1 975	212	2 188
Profit for the period		(99)	(99)	(24)	(123)
Other comprehensive income		(10)	(10)	1	(10)
Change in non-controlling interests				(2)	(2)
Paid dividends to shareholders		(20)	(20)	(5)	(26)
Balance 30.06.2018	122	1 723	1 845	182	2 027
Balance at 31.12.2016	122	1 868	1 990	502	2 492
Profit for the period included discontinued operations		(76)	(76)	60	(16)
Other comprehensive income		61	61	13	74
Outgoing non-controlling interests				(398)	(398)
Paid dividends to shareholders		(19)	(19)	(4)	(23)
Balance 30.06.2017	122	1 834	1 955	173	2 129

Statement of changes in equity - Full year 2017

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31.12.2016	122	1 868	1 990	502	2 492
Profit for the period		(64)	(64)	62	(2)
Other comprehensive income		77	77	(1)	77
Incoming non-controlling interests				53	53
Change in non-controlling interests				3	4
Outgoing non-controlling interests				(398)	(398)
Paid dividends to shareholders		(28)	(28)	(8)	(36)
Balance 31.12.2017	122	1 853	1 975	212	2 188

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

Notes - financial report

Note 1 - Accounting principles

General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2017 for Wilh. Wilhelmsen Holding ASA group (WWI), which has been prepared in accordance with IFRS's endorsed by the EU.

Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for WWI for the year end 31 December 2017.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments impairment of assets and hedge accounting. The adoption of IFRS 9 Financial instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

The group has only one type of financial asset that is subject to IFRS 9's new expected credit loss model:

- Trade receivables for sale of services

The group was required to revise its impairment methodology under IFRS 9 for the class of asset. The impact of the change in impairment on the group's level is immaterial and no adjustments have been done at the retained earnings.

Classification investments and other financial assets.

1 January 2018, the group classify its financial assets in the following measurement category:

- Financial assets at fair value through income statement.

Changes in the fair value of financial assets at fair value through income statement are recognized at income statement as "Changes in fair value financial assets", see note 9.

The group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in no material changes.

Roundings

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

Note 2 - Significant acquisitions and disposals

2018

Second quarter

No material disposal or acquisition.

First quarter

No material disposal or acquisition.

2017

Fourth quarter

No material disposal or acquisition has been made, except increased the ownership in NorSea Group with 2.11% through acquisition of shares from NorSea Group's management.

Third quarter

Per 26.09.2017 the group increased its ownership in NorSea to 72% from previously held 40%. Total consideration for the additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The investment was financed through existing liquidity and funding reserves.

The remeasurement loss upon consolidation of the former NorSea Group was USD 40 mill.

NorSea Group and WilNor Governmental Service will be presented in a new segment "Supply Services" from 30.09.2017.

Second quarter

The merger between Wall Roll AB (part of Wallenius Rederiarna AB) and Wilh. Wilhelmsen ASA was completed in beginning of April. After the completion the group own 37.8% of Wallenius Wilhelmsen ASA. The investment is treated as an

associate company (equity method). The merger effect was an accounting loss of USD 264 mill and presented as discontinued operations. The initial investment cost was stock price 4 April 2017 NOK 42.50 per share.

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

The presentation of the investment in Hyundai Glovis Ltd was changed from an associate to financial assets to fair value. The change in accounting principle give an accounting gain of USD 195 mill. The accounting principle of the investment is in line with Treasure ASA presentation.

First quarter

No material disposal or acquisition.

The presentation of segment WWASA is reclassified to discontinued operations.

Notes - financial report

Note 3 - Tangible and intangible assets

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
2018					
Cost 1.1	36	575	269	243	1 123
Acquisition		8	8	3	19
Reclass/disposal		(18)	(29)	(10)	(57)
Currency translation differences		(3)	(3)		(5)
Cost 30.06	36	563	245	236	1 080
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation		(10)	(6)	(4)	(20)
Reclass/disposal		1		10	43
Currency translation differences		2	1		2
Accumulated depreciation and impairment losses 30.06	(18)	(161)	(92)	(65)	(336)
Carrying amounts 30.06	19	402	153	171	744
2017					
Cost 1.1	2 457	90	189	208	2 944
Acquisition		1	11	22	33
Reclass/disposal	(2 457)		(6)	(6)	(2 470)
Currency translation differences		5	8	5	19
Cost 30.06	0	95	202	229	526
Accumulated depreciation and impairment losses 1.1	(579)	(38)	(72)	(63)	(752)
Depreciation/amortisation		(1)	(3)	(3)	(8)
Depreciation discontinued operations	(20)				(20)
Reclass/disposal	599		3		602
Currency translation differences		(2)	(2)	(1)	(5)
Accumulated depreciation and impairment losses 30.06	0	(42)	(75)	(68)	(184)
Carrying amounts 30.06	0	53	127	162	342
2017 Full year					
Cost 1.1	2 457	90	189	208	2 944
Acquisition		4	21	3	29
Business combination	38	479	57	30	604
Reclass/disposal	(2 458)	13	(10)	(8)	(2 462)
Currency translation differences	(1)	(11)	12	10	9
Cost 31.12	36	575	269	243	1 123
Accumulated depreciation and impairment losses 1.1	(579)	(38)	(72)	(63)	(752)
Depreciation/amortisation		(6)	(9)	(6)	(22)
Depreciation discontinued operations	(20)				(20)
Business combination	(17)	(100)	(37)	(1)	(156)
Reclass/disposal	599	(15)	6	1	592
Currency translation differences	1	1	(3)	(2)	(4)
Accumulated depreciation and impairment losses 31.12	(17)	(159)	(114)	(71)	(362)
Carrying amounts 31.12	19	416	155	171	761

Notes - financial report

Note 4 - Investment in associates

The restructuring of the group has changed the presentation of investment in associates. The net profit from associates has been moved from operating activities to be a part of investing and financial activities in the group.

As a consequence of the merger between Wilh. Wilhelmsen ASA and Wall Roll AB, the investment in Wallenius Wilhelmsen ASA (previously named Wallenius Wilhelmsen Logistics ASA) is classified as associate.

In addition the investment in Hyundai Glovis has been changed from associate to a financial assets at fair value at the same time as the merger between Wilh. Wilhelmsen ASA and Wall Roll AB.

Per 26.09.2017 the group increased the ownership in NorSea Group to 72% changing the presentation of NorSea from investment in associate to investment in subsidiary. Per Q2 2018 the ownership has increased to 75.15% through acquisition of shares from NorSea Group's management.

Material joint ventures and associates at the end June 2018 are:

USD mill

	Ownership	30.06.2018 Booked value
Holding and Investments segment:		
Wallenius Wilhelmsen ASA	37.8%	839
Dolittle AS	50 %	1
Maritime service segment:		
Associates	20 - 50%	12
Supply services segment:		
<i>Joint venture</i>		
Cost Center Base	50 %	104
Vikan Næringspark Invest AS	50 %	16
Other	50 %	
<i>Associates</i>		
Risavika Havn AS	42.8%	30
Risavika Eiendom AS	42 %	9
Hammerfest Næringsinvest AS	32 %	2
Other	33 - 49%	6
Total investment in joint ventures and associates		1 017

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Share of profit from joint ventures and associates				
Wallenius Wilhelmsen ASA	6	(9)	10	(9)
Joint ventures and associates in Supply Services	4	4	5	3
Associates in Maritime Services	1	3	2	2
Share of profit from joint ventures and associates	11	(4)	17	(4)

Notes - financial report

Note 5 - Tax

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.

Note 6 - Discontinued operations WWASA segment

On 4 April 2017 the subsidiary Wilh. Wilhelmsen ASA was merged with Wall Roll AB. After the merger the group own 37.8% of the Wallenius Wilhelmsen ASA (renamed in 2018). The profit in Wilh. Wilhelmsen ASA previous periods is presented as discontinued operations in WWH. The assets and liabilities from WWASA segment are included in the group balance sheet at 31.03.2017.

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 owned 160 000 000 shares in Wilh. Wilhelmsen ASA. Number of shares in Wallenius Wilhelmsen ASA remains unchanged after the merger.

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

Note 7 - Other financial income/(expenses)

	Q2 2018	Q2 2017	YTD 2018	YTD 2017	Full year 2017
Investment management	(2)	6	(6)	10	5
Interest income	3	1	3	1	5
Other financial income	0	8	15	10	12
Interest expenses	(12)	(3)	(18)	(17)	(14)
Net financial currency	(19)	12	(12)	26	14
Other financial income/(expenses)	(30)	23	(18)	31	22

Notes - financial report

Note 8 - Shares

The share capital is as follow with a nominal value of NOK 20:

A - shares	34 537 092
B - shares	11 866 732
Total shares	46 403 824

The annual general meeting on 26 April 2018 approved the proposed liquidation of 100 000 own class A shares, denominated NOK 20 per share.

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

The share capital is reduced from NOK 930 076 480 by NOK 2 000 000 to NOK 928 076 480.

Earnings per share is calculated based on 46 403 824 shares for 2018, and each quarter in 2017.

Note 9 - Financial assets to fair value

USD mill	31.12.2017
Available-for-sale financial assets	
At 1 January	209
Acquisition	12
Sale during the year	(11)
Change of accounting principle Hyundai Glovis	573
Currency translation adjustment	18
Total available-for-sale financial assets	801

Financial assets to fair value are held in subsidiaries with different functional currencies and thereby creating translation adjustment.

Effective from 1 January 2018 the financial assets to fair value are measured at fair value through the income statement in accordance with IFRS 9.

Accumulated unrealised gain at 31.12.2017 will not be recycled through income statement.

30.06.2018

Fair value 1 January 2018	801
Acquisition	1
Sale during the year	(27)
Currency translation adjustment through other comprehensive income	(8)
Change in fair value through income statement	(117)
Fair value 30 June 2018	650

Note 10 - Paid dividend

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.

The proposed dividend for fiscal year 2017 in 2018 of NOK 3.50 per share, was approved by the annual general meeting on 26 April 2018, and was paid to the shareholders in May 2018.

Notes - financial report

Note 11 - Interest-bearing debt

USD mill	30.06.2018	30.06.2017	31.12.2017
Non current interest-bearing debt	489	234	493
Current interest-bearing debt	102		108
Total interest-bearing debt	591	234	601
Cash and cash equivalents	175	235	167
Current financial investments	91	91	101
Net interest-bearing debt	326	(92)	333

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of

companies. The group was in compliance with these covenants at 30 June 2018 (analogous for 30 June 2017).

Specification of interest-bearing debt

USD mill	30.06.2018	30.06.2017	31.12.2017
Interest-bearing debt			
Bankloan	591	234	601
Total interest-bearing debt	591	234	601

Repayment schedule for interest-bearing debt

Due in 1 year	102	0	108
Due in 2 year	24	34	25
Due in 3 year	24	200	22
Due in 4 year	20	0	22
Due in 5 year and later	421	0	425
Total interest-bearing debt	591	234	601

Notes - financial report

Note 12 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
2018				
Financial assets at fair value				
Equities	47			47
Bonds	44			44
Financial derivatives		1		1
Financial assets at fair value	557		92	650
Total financial assets 30.06	648	1	92	742
Financial liabilities at fair value				
Financial derivatives		12		12
Total financial liabilities 30.06	0	12	0	12
2017				
Financial assets at fair value				
Equities	48			48
Bonds	42			42
Financial derivatives				0
Financial assets at fair value	751		94	845
Total financial assets 30.06	841	0	94	935
Financial liabilities at fair value				
Financial derivatives				0
Total financial liabilities 30.06	0	0	0	0

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used 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 fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial derivatives.

The fair values, except for bond debt, are based on cash flows discounted using a

rate based on market rates including margins and are within level 2 of the fair value hierarchy. The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

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

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of June 2018 are liquid investment grade bonds (analogous for 2017).

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

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

Notes - financial report

Note 13 - Segment reporting: Income statement per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Quarter										
Operating revenue	147	144	71		3	5	(2)	(3)	219	146
Gain on sale of assets	1	3	2			195			3	198
Total income	148	147	73	0	3	200	(2)	(3)	222	344
Operating expenses										
Cost of goods and change in inventory	(48)	(42)	(15)		(0)				(64)	(42)
Employee benefits	(55)	(53)	(24)		(4)	(4)			(82)	(57)
Other expenses	(54)	(34)	(20)		(3)	(4)	2	3	(76)	(35)
Operating profit before depreciation and amortisation	(9)	17	14	0	(4)	193	(0)		0	210
Depreciation and impairments	(4)	(4)	(5)		(0)				(10)	(4)
Operating profit	(13)	13	9	0	(4)	192	(0)	0	(9)	206
Share of profit from associates	1	1	4		6	(5)			11	(4)
Changes in fair value financial assets	(5)				(236)				(241)	
Other financial income/(expenses)	(19)		(4)		(7)	22			(30)	23
Profit/(loss) before tax	(37)	15	9	0	(241)	209	(0)	0	(269)	225
Tax income/(expense)	4	(4)	(1)		(0)	(3)			3	(7)
Profit/(loss)	(33)	11	8	0	(241)	206	(0)	0	(266)	218
Result of discontinued operations								(264)		(264)
Non-controlling interests	1	0	3		(68)	53			(65)	53
Profit/(loss) to the owners of parent	(34)	11	5	0	(172)	153	(0)	(264)	(201)	(100)

USD mill	Maritime Services			Supply Services			Holding & Investments			Eliminations /discontinued operations			WWH group total		
	YTD 2018	YTD 2017	Full year 2017	YTD 2018	YTD 2017	Full year 2017	YTD 2018	YTD 2017	Full year 2017	YTD 2018	YTD 2017	Full year 2017	YTD 2018	YTD 2017	Full year 2017
YTD															
Operating revenue	297	284	574	130		57	6	10	16	(3)	(8)	(14)	429	285	632
Gain on sale of assets	2	4	6	2				195	155				4	199	161
Total income	299	287	580	132	0	57	6	205	171	(3)	(8)	(14)	433	484	793
Operating expenses															
Cost of goods and change in inventory	(103)	(86)	(182)	(27)		(10)	(1)		(1)				0	(131)	(87)
Employee benefits	(110)	(107)	(214)	(47)		(20)	(7)	(10)	(19)	0			0	(165)	(117)
Other expenses	(81)	(68)	(133)	(38)		(18)	(6)	(8)	(13)	3	8	14	(122)	(67)	(150)
Operating profit before depreciation and amortisation	3	26	51	20	0	9	(8)	187	138	(0)	(0)	(0)	16	214	198
Depreciation and impairments	(8)	(7)	(15)	(11)		(6)	(0)	(0)	(0)				(0)	(20)	(8)
Operating profit	(5)	19	36	9	0	2	(8)	187	138	(0)	(0)	(0)	(4)	206	176
Share of profit from associates	2	2	4	5		1	10	(6)	49				17	(4)	55
Change in fair value financial assets	(2)						(115)						(117)		
Other finance income/(expenses)	(18)	6	6	(8)		(1)	7	25	16				(18)	31	22
Profit/(loss) before tax	(23)	27	46	7	0	3	(106)	206	204	(0)	0	(0)	(122)	233	253
Tax income/(expense)	1	(7)	(15)	(2)		1	0	(4)	(2)				(1)	(10)	(16)
Profit/(loss)	(22)	21	30	5	0	4	(106)	202	202	(0)	0	(0)	(123)	222	236
Result of discontinued operations											(239)	(239)	(239)	(239)	
Non-controlling interests	1	1	1	2		1	(26)	52	52		7	7	(24)	60	62
Profit/(loss) to the owners of parent	(23)	20	29	4	0	3	(80)	149	150	(0)	(246)	(246)	(99)	(77)	(64)

Notes - financial report
Cont note 13 - Segment reporting: Balance sheet per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
	30.06 2018	30.06 2017	30.06 2018	30.06 2017	30.06 2018	30.06 2017	30.06 2018	30.06 2017	30.06 2018	30.06 2017
Year to date										
Assets										
Deferred tax asset	19	17	3		5				26	17
Intangible assets	161	161	10		0	1			171	162
Tangible assets	183	178	388		2	2			574	181
Investments in joint ventures and associates	12	12	166		840	871			1 018	883
Other non current assets	93	112	7		593	781	(21)		672	893
Current financial investments					91	91			91	91
Other current assets	331	296	80		8	35	(9)	(31)	410	300
Cash and cash equivalents	112	146	9		54	88			175	235
Total assets	911	922	662		1 592	1 868	(29)	(31)	3 136	2 760
Equity and liabilities										
Equity majority	300	312	156		1 389	1 643			1 845	1 955
Equity non controlling interest	-	-	54		129	175			182	173
Deferred tax	9	14							9	14
Interest-bearing debt	201	200	353		55	35	(18)		591	234
Other non current liabilities	111	115	18		10	8	(2)		137	123
Other current liabilities	289	283	81		10	8	(9)	(31)	372	260
Total equity and liabilities	911	922	662	0	1 592	1 868	(29)	(31)	3 136	2 760

Notes - financial report

Cont note 13 - Segment reporting: Cash flow per segment

USD mill Quarter	Maritime Services		Supply Services		Holding & Investments	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Profit before tax	(37)	15	9		(241)	(156)
Change in fair value financial assets	5				236	
Share of profit from joint ventures and associates	(1)	(1)	(4)		(6)	5
Other financial (income)/expenses	19	(1)	4		6	(22)
Depreciation/impairment	4	4	5		0	
Change in working capital	(9)	(9)	(12)		0	2
Net (gain)/loss from sale of subsidiaries and fixed assets	(1)	(1)	(2)			171
Net cash provided by operating activities	(20)	7	0		(4)	0
Dividend received from joint ventures and associates	2	2	14			12
Net sale/(investments) in fixed assets	(2)	(6)	(1)			
Net sale/(investments) in entities and segments	17	(21)	7		(3)	14
Current financial investments	2				39	12
Net changes in other investments	0					
Net cash flow from investing activities	19	(24)	20		36	37
Net change of debt	5	30	(11)		(6)	
Net change in other financial items	(4)	(2)	(4)		(1)	
Net dividend from other segments/ to shareholders	(32)	(31)	(6)		12	9
Net cash flow from financing activities	(30)	(3)	(21)		4	9
Net increase in cash and cash equivalents	(31)	(19)	(0)		36	46
Cash and cash equivalents at the beg. of the period	143	166	10		18	42
Cash and cash equivalents at the end of period	112	146	9		54	88

Note 14 - 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%. Following the transaction, Wilhelmsen acquired a small portion of management controlled shares, 2.11%. During Q1 and Q2 2018, the group acquiree additional portion of shares from management. The total ownership is 75.15% at end of June 2018.

Reported net profit from NorSea Group as an associate up to consolidation 26 September 2017 are:

	2017	Q1	Q2	Q3	YTD
Net profit from NorSea Group as an associate a part of segment Holding & Investments	USD mill	2	1	1	5
Loss upon consolidation of the former NorSea Group				(40)	(40)

Notes - financial report

Note 15 - Related party transactions

WWH delivers services to the Wallenius Wilhelmsen group. These include primarily human resources, tax and treasury up to 30.06.2017, and in-house services such as canteen, post, switchboard, accounting and rent of office facilities.

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

In addition Maritime Services have several transactions with associates. The contracts governing such transactions are based on commercial market terms.

Note 16 - 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 17 - Events occurring after the balance sheet date

On 21 July, the group agreed to abandon the acquisition of the technical solutions business from Drew Marine following US District Court ruling.

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

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2018 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Lysaker, 9 August 2018
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitter
Chair
sign

Carl Erik Steen
sign

Irene Waage Basili
sign

Trond Ødegård Westlie
sign

Cathrine Løvenskiold Wilhelmsen
sign

Thomas Wilhelmsen
Group CEO
sign

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