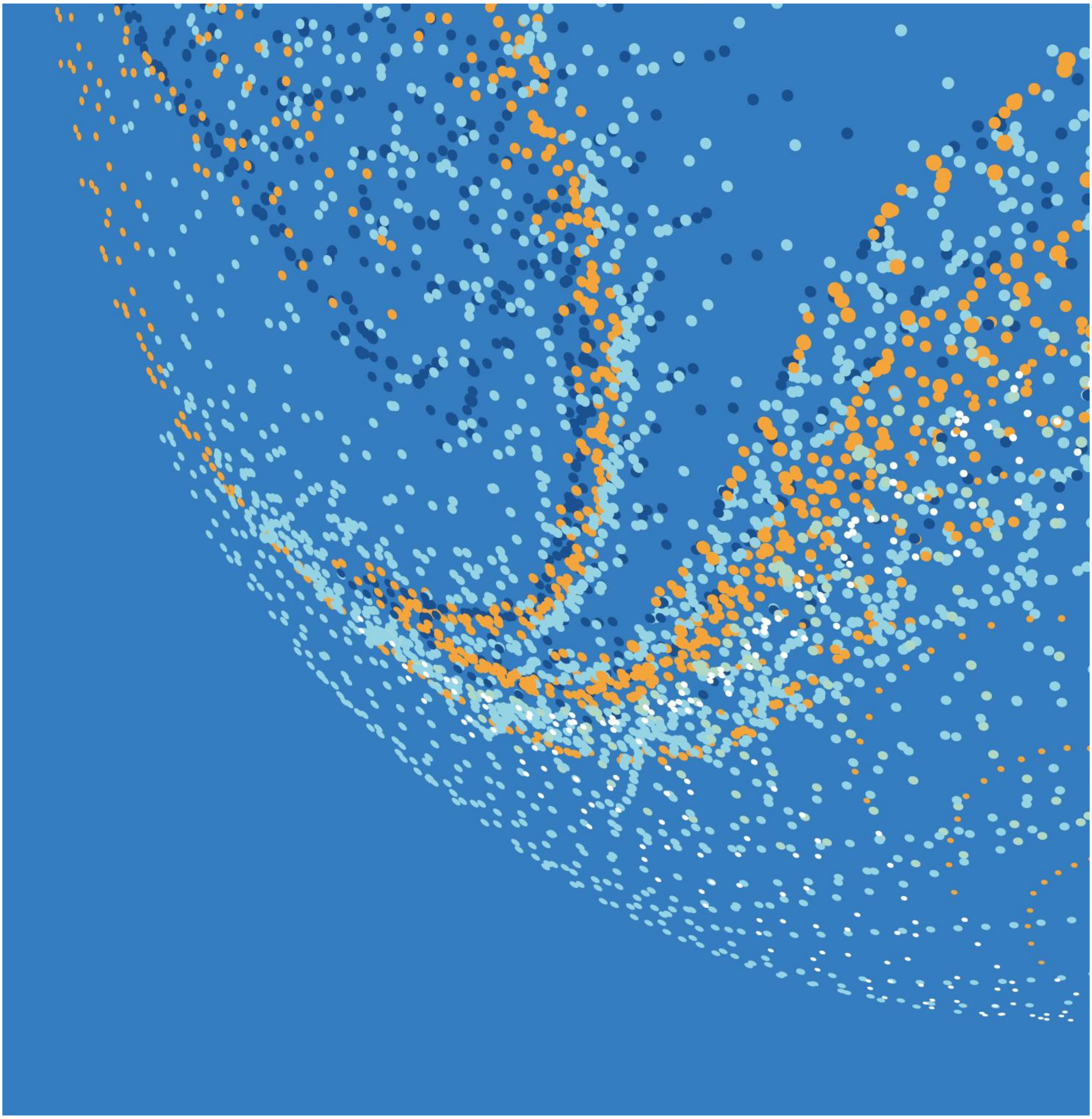
WILH. WILHELMSEN HOLDING ASA

Fourth quarter report 2018



Highlights for the quarter

- 12% reduction in EBITDA
  - Improved EBITDA in maritime services, lifting EBITDA margin to 14%
  - Reduced EBITDA in supply services, with contribution from logistics services related to NATO exercise not offsetting a seasonal fall in offshore activities

- Reduced share of profit from associates
  - Improved operating profit in Wallenius Wilhelmsen ASA offset by increased financial cost and a net fair value loss for the year related to the EUKOR put/call option

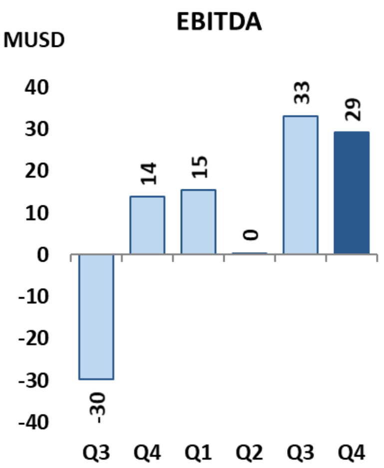
- Net loss from change in financial assets value
  - USD 48 million impairment loss in Survitec Group investment value
  - USD 6 million reduction in Hyundai Glovis share value
  - USD 7 million reduction in value of Qube Holdings and other financial assets

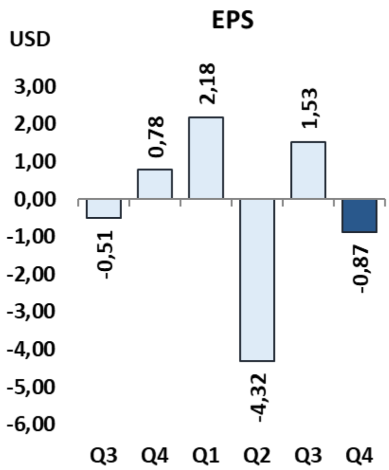
- Net loss of USD 40 million (USD 0.87 per share) for the quarter

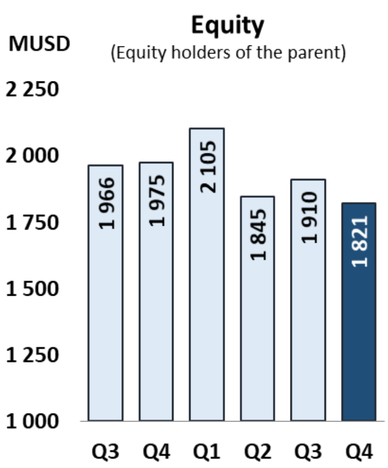
Post quarter events

- Board proposes that the annual general meeting approves first dividend of NOK 2.50 per share and authorises the board to declare second dividend of up to NOK 2.50 per share

Key figures







Financial performance

USD mill - unless otherwise indicated	Q4'18	Q3'18	Q-on-Q Change	Q4'17	Y-o-Y Change	01.01-31.12.18	01.01-31.12.17	Y-o-Y Change
Total income	**224**	**214**	*5 %*	**205**	*9 %*	**871**	**793**	*10 %*
- of which operating revenue	*225*	*213*	*5 %*	*204*	*10 %*	*867*	*632*	*37 %*
- of which gain/(loss) on sale of assets	*-1*	*1*	*neg.*	*1*	*neg.*	*4*	*161*	*-97 %*
EBITDA	**29**	**33**	*-12 %*	**14**	*112 %*	**78**	**198**	*-60 %*
Operating profit/EBIT	**16**	**24**	*-34 %*	**4**	*322 %*	**36**	**176**	*-80 %*
Share of profits from associates	**3**	**16**	*-80 %*	**37**	*-92 %*	**36**	**55**	*-34 %*
Change in fair value financial assets	**-61**	**62**				**-116**		
Other financial income/(expenses)	**-17**	**-6**		**1**	*neg.*	**-41**	**22**	
Tax income/(expenses)	**18**	**-6**		**-4**	*neg.*	**12**	**-16**	
Profit/(loss) from continued operations	**-41**	**90**	*neg.*	**37**	*neg.*	**-74**	**236**	*neg.*
Discontinued operations				**0**			**-239**	
Profit/(loss) for the period	**-41**	**90**	*neg.*	**37**	*neg.*	**-74**	**-2**	*neg.*
Profit/(loss) to owners of the parent	**-40**	**71**	*neg.*	**36**	*neg.*	**-69**	**-64**	*neg.*
EPS (USD)	**-0,87**	**1,53**	*neg.*	**0,78**	*neg.*	**-1,48**	**-1,38**	*neg.*
Other comprehensive income	**-42**	**-2**		**-22**	*neg.*	**-53**	**77**	
Total comprehensive income	**-83**	**88**	*neg.*	**16**	*neg.*	**-128**	**75**	*neg.*
Total comprehensive income owners of parent	**-78**	**68**	*neg.*	**16**	*neg.*	**-119**	**19**	*neg.*
Total assets	**3 079**	**3 199**	*-4 %*	**3 288**	*-6 %*	**3 079**	**3 288**	*-6 %*
Equity parent	**1 821**	**1 910**	*-5 %*	**1 975**	*-8 %*	**1 821**	**1 975**	*-8 %*
Total equity	**2 017**	**2 112**	*-4 %*	**2 188**	*-8 %*	**2 017**	**2 188**	*-8 %*
Equity ratio	**65 %**	**66 %**	*-1 %*	**67 %**	*-1 %*	**65 %**	**67 %**	*-1 %*

Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (referred to as Wilhelmsen or group) was USD 224 million in the fourth quarter of 2018. This was a 5% increase from the previous quarter, reflecting a temporary high activity level within the supply services business segment.

EBITDA was USD 29 million for the quarter, down 12% from the previous quarter. Maritime services had a positive development in EBITDA, while contribution from supply services was down.

Share of profits from associates was USD 3 million, of which USD 1 million related to Wallenius Wilhelmsen ASA.

Change in fair value of financial assets was negative with USD 61 million for the quarter, mainly due to an impairment loss related to the investment in Survitec. Value was also down for other investments.

Other financial items were a net expense of USD 17 million, of which most related to maritime services.

Other comprehensive income for the quarter was a loss of USD 42 million, primarily related to currency translation differences on non-USD assets.

Total comprehensive income, including net profit and other comprehensive income, attributable to owners of the parent was a loss of USD 78 million in the fourth quarter.

Balance sheet

Total assets were down 4% in the fourth quarter, mainly due to reduced value of financial assets.

A net loss for the period also reduced equity attributable to owners of the parent with 5%, to USD 1 821 million. As of 31 December 2018, the group equity ratio was 65%.

Cash, liquidity and debt

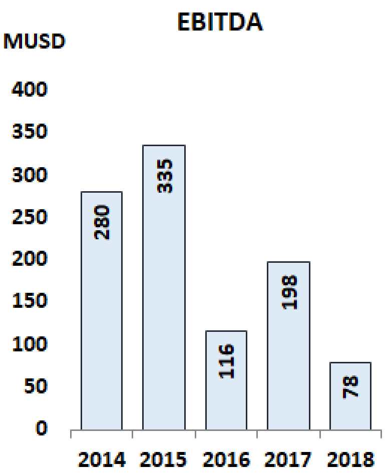
USD mill	Cash	Total interest bearing debt	Net interest bearing debt
Maritime services	110	197	87
Supply services	13	330	318
Holding and investments	19	23	4
Elimination	0	-17	-17
Wilhelmsen group	**141**	**533**	**392**

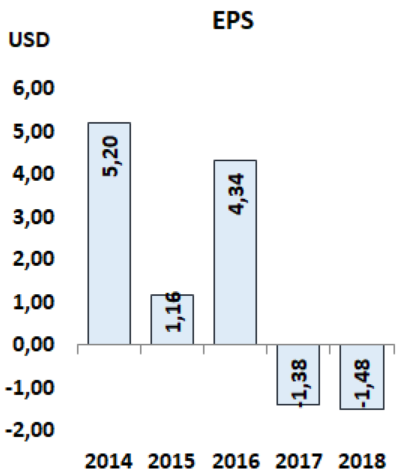
Cash and cash equivalents were USD 141 million at the end of the fourth quarter. This was down USD 34 million from the previous quarter, mainly due to reduced cash in the holding and investment segment.

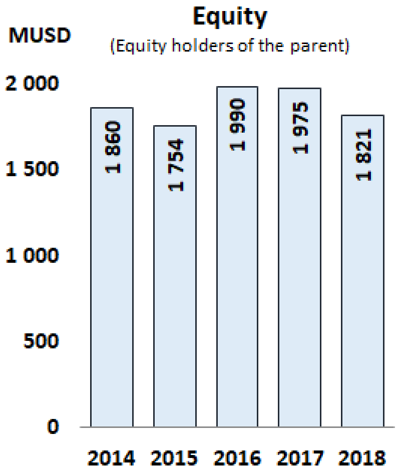
Total interest-bearing debt was USD 533 million by the end of the quarter, a reduction of USD 50 million from the previous quarter. The main reason was reduced debt within the holding and investment segment.

During the quarter, Wilhelmsen paid dividend of USD 11 million (NOK 2.00 per share).

Full year 2018







Preliminary result for the year

2018 was the first full year with the present corporate structure. The accounting effect from changes in the group financial reporting, which took place in 2017, will need to be adjusted for when assessing year-over-year development. This includes full consolidation of NorSea Group in the new supply services segment, reclassification of Wilh. Wilhelmsen ASA prior to the Wallenius Wilhelmsen ASA merger as discontinued operation, and reclassification of Hyundai Glovis as financial investment.

Total income for Wilhelmsen was USD 871 million in 2018, an increase of 10% from the previous year. The increase was due to full year consolidation of NorSea Group, which was only partly offset by previous year net reclassification gain. Income for the maritime services segment was stable.

Group EBITDA came in at USD 78 million for the year, down 60%. Adjusting for non-recurring items, EBITDA was up, mainly due to full year consolidation of NorSea Group.

Year 2018 - Mill. USD	EBITDA	EBIT
Reported	**78**	**36**
1H'18 M&A cost related to Drew	-27	-27
Total material non-recurring items	**-27**	**-27**
Adjusted	**105**	**63**

Year 2017 - Mill. USD	EBITDA	EBIT
Reported	**198**	**176**
Q2'17 Reclassification of Hyundai Glovis	195	195
Q3'17 Reclassification NorSea Group	-40	-40
Year 2017 M&A cost related to Drew	-14	-14
Total material non-recurring items	**141**	**141**
Adjusted	**57**	**35**

Maritime services EBITDA was USD 42 million in 2018. When adjusting for M&A expenses related to the abandoned Drew acquisition, EBITDA was up 6% for the year. A weak first quarter was followed by a gradual improvement in underlying performance. This was supported by increased sale of marine products, new vessels on management, and positive effects from ongoing improvement initiatives.

The new supply services segment contributed with EBITDA of USD 51 million for the year. An increase in Norwegian offshore activities and a business restructuring had a positive effect on results, as well as logistics services for the NATO exercise Trident Juncture which took place during the second half of the year.

The holding and investments segment had a negative EBITDA of USD 14 million, mainly related to net corporate cost. This was an improvement from previous year when adjusting for last year net reclassification gain.

Share of profit from associates was USD 36 million for the year, of which Wallenius Wilhelmsen ASA contributed with USD 23 million. For Wallenius Wilhelmsen ASA, realised synergies and a positive development in underlying volumes were offset by reduced contractual volumes, higher bunker cost and lower rates.

Change in fair value financial assets was negative with USD 116 million for the year. The loss followed a USD 61 million impairment of the Survitec investment and a USD 53 million reduction in the market value of the investment in Hyundai Glovis.

Other financials were a net expense of USD 41 million in 2018. Interest and dividend income contributed positively, but was more than offset by interest expenses and a net loss on current financial investments, financial instruments and currencies.

Tax was included with an income of USD 12 million, mainly related to maritime services.

Net profit after tax and minority interests was a loss of USD 69 million in 2018 compared with a USD 64 million loss in 2017. Other comprehensive income was also negative, resulting in a total comprehensive income to owners of the parents of minus USD 119 million for the year 2018.

Wilhelmsen

Segment information

Maritime services

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

USD mill - unless otherwise indicated	Q4'18	Q3'18	Q-on-Q Change	Q4'17	Y-o-Y Change	01.01-31.12.18	01.01-31.12.17	Y-o-Y Change
Total income	**141**	**142**	*0 %*	**150**	*-6 %*	**582**	**580**	*0 %*
- Ships service	*131*	*131*	*0 %*	*139*	*-6 %*	*540*	*534*	*1 %*
- Ship management	*11*	*10*	*6 %*	*11*	*-4 %*	*41*	*45*	*-8 %*
- Other/eliminations	*0*	*0*		*0*		*0*	*1*	
EBITDA	**20**	**19**	**6 %**	**10**	**97 %**	**42**	**51**	**-18 %**
- EBITDA margin (%)	*14 %*	*13 %*		*7 %*		*7 %*	*9 %*	
Operating profit/EBIT	**16**	**15**	**7 %**	**6**	**>100%**	**26**	**36**	**-28 %**
- EBIT margin (%)	*11 %*	*10 %*		*4 %*		*4 %*	*6 %*	
Share of profits from associates	0	1	*-66 %*	1	*-47 %*	4	4	*2 %*
Change in fair value financial assets	-48	-10				-61		
Other financial income/(expenses)	-12	-7		1		-37	6	
Tax income/(expense)	17	-4		-6		13	-15	
Profit/(loss)	**-27**	**-5**	**neg.**	**2**	**neg.**	**-55**	**30**	**neg.**
- Profit margin (%)	*-19 %*	*-4 %*		*1 %*		*-9 %*	*5 %*	
- Non controlling interest	*0*	*0*		*0*		*2*	*1*	
Profit/(loss) to owners of the parent	**-28**	**-6**	**neg.**	**1**	**neg.**	**-56**	**29**	**neg.**

Result for the quarter

Total income from maritime services was USD 141 million in the fourth quarter. This was in line with the third quarter, but a 6% reduction when compared with the corresponding period last year.

EBITDA was USD 20 million for the quarter. This was up 6% from the previous quarter, and up 10% from the corresponding period last year when adjusting for previous year non-recurring cost related to the abandoned Drew acquisition.

Total financial items were a net expense of USD 60 million, mainly due to a negative change in fair value of Survitec Group and a net loss from financial instruments. Tax was an income of USD 17 million for the quarter, following a positive adjustment in deferred tax assets.

The quarter ended with a net loss after non-controlling interests of USD 28 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 stable when compared with the third quarter. A seasonal increase in non-marine chemicals compensated for lower marine product sales. When compared with the corresponding period last year, income was down 6% following reduced sales in all business divisions.

EBITDA was stable for the 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 up 6% from the third quarter. The increase followed a steady inflow of new vessels on management during the second half. When compared with the corresponding period last year, income was down 4%.

EBITDA was stable for the quarter.

Other maritime services activities

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

The quarter included a USD 48 million impairment of the Survitec investment. The reduction in fair value follows lower than expected results in 2018 and related downward adjustments in future earnings estimates. By the end of the quarter, the investment in Survitec Group was included with a net asset value of USD 27 million in the Wilhelmsen group accounts.

Wilhelmsen Insurance Services had a steady performance in line with the last three quarters, and with total income and EBITDA above the corresponding period last year.

Wilhelmsen

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	Q4'18	Q3'18	Q-on-Q Change	Q4'17	Y-o-Y Change	01.01-31.12.18	01.01-31.12.17	Y-o-Y Change
Total income	**82**	**71**	*15 %*	**57**	*44 %*	**285**	**57**	
- NorSea Group	*79*	*70*	*13 %*	*52*	*53 %*	*275*	*52*	
- Other/eliminations	*3*	*1*	*>100%*	*5*	*-46 %*	*11*	*5*	
EBITDA	**13**	**18**	**-27 %**	**9**	**51 %**	**51**	**9**	
- EBITDA margin (%)	*16 %*	*25 %*		*15 %*		*18 %*	*15 %*	
Operating profit/EBIT	**4**	**12**	**-69 %**	**2**	**60 %**	**25**	**2**	
- EBIT margin (%)	*5 %*	*17 %*		*4 %*		*9 %*	*4 %*	
Share of profit from associates	1	2	*-42 %*	1	*1 %*	9	1	
Other financial income/(expense)	-3	-4		-1		-15	-1	
Tax income/(expense)	0	-2		1		-4	1	
Profit/(loss)	**1**	**9**	**-86 %**	**4**	**-69 %**	**15**	**4**	
- Profit margin (%)	*1 %*	*13 %*		*7 %*		*5 %*	*7 %*	
- Non controlling interest	*0*	*2*		*1*		*4*	*1*	
Profit/(loss) to owners of the parent	**1**	**7**	**-88 %**	**3**	**-72 %**	**11**	**3**	

Result for the quarter

Total income from supply services was USD 82 million in the fourth quarter. This was 15% up from the previous quarter and an increase of 44% when compared with the corresponding period last year.

EBITDA came in at USD 13 million, down 27% from the third quarter, but up 51% from the corresponding period last year.

Net profit after minority interests was USD 1 million for the quarter. Share of profit from associates and other financial income/(expenses) were at normal levels, but an impairment loss in NorSea Group had a negative impact on the profit.

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 79 million in the fourth quarter, up 13% from the third quarter and up 53% from the corresponding period last year. Income from operating activities was lifted by services for the NATO exercise Trident Juncture, offsetting a seasonal slowdown within offshore. Income from infrastructure and facilities was at a stable level.

Operating profit was down for the quarter, partly due to a USD 4 million impairment loss on an investment.

Other supply services activities

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

In connection with the NATO exercise, Trident Juncture 2018, WilNor Governmental Services has purchased goods and services on behalf of the Norwegian defence authorities equal to USD 129 million, of which USD 78 million was in the fourth quarter. This has been accounted for on a net basis in the income statement.

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	Q4'18	Q3'18	Q-on-Q Change	Q4'17	Y-o-Y Change	01.01-31.12.18	01.01-31.12.17	Y-o-Y Change
Total income	**3**	**3**	*1 %*	**1**	*>200%*	**11**	**171**	*-94 %*
- Operating revenue	*3*	*3*	*2 %*	*0*	*>2500%*	*11*	*16*	*-32 %*
- Gain on sale of assets	*0*	*0*		*0*		*0*	*155*	
EBITDA	**-3**	**-3**		**-5**		**-14**	**138**	
Operating profit/EBIT	**-4**	**-3**		**-5**		**-15**	**138**	
Share of profit from associates	**1**	**12**	**-90 %**	**34**	**-96 %**	**23**	**49**	**-54 %**
- Wallenius Wilhelmsen ASA	*1*	*12*	*-88 %*	*34*	*-96 %*	*23*	*44*	*-47 %*
- Other/eliminations	*0*	*0*		*0*		*0*	*5*	
Change in fair value financial assets	**-13**	**72**				**-56**		
- Hyundai Glovis	*-6*	*60*				*-53*		
- Qube Holdings/other financial assets	*-7*	*12*				*-3*		
Other financial income/(expenses)	**-1**	**4**	**neg.**	**1**	**neg.**	**10**	**16**	**-39 %**
- Investment management (Holding)	*-4*	*1*		*0*		*-6*	*5*	
- Hyundai Glovis	*0*	*0*		*0*		*12*	*0*	
- Qube Holdings/other financial assets	*1*	*2*		*1*		*5*	*12*	
- Other financial income/(expense)	*2*	*1*		*0*		*-1*	*0*	
Tax income/(expense)	**2**	**1**		**1**		**3**	**-2**	
Profit/(loss) for the period	**-15**	**86**		**32**		**-35**	**202**	
- Non controlling interest	*-2*	*16*		*0*		*-12*	*52*	
Profit/(loss) to owners of the parent	**-13**	**70**		**32**		**-23**	**150**	

Result for the quarter

The holding and investments segment reported a net loss of USD 13 million in the fourth quarter. The negative result followed a fair value loss from the investments in Hyundai Glovis and Qube Holdings, and a net loss on current financial investments. The USD 1 million share of profit in Wallenius Wilhelmsen ASA reflected a positive development in EBITDA, which was more than offset by increased financial cost and accumulated negative effect from changes in fair value of a put/call option.

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 Oslo Børs. Wilhelmsen owns ~37,8% of the company, which is reported as associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen ASA was USD 1 022 million in the fourth quarter, a 1% redcution from both the previous quarter and the corresponding period last year. Ocean volumes were marginally up from the third quarter, but below last year levels due to reduced contracted auto volumes. The high and heavy share was down from the previous quarter, but remained above last year level. For land-based operations, income continued up from last year, following the Keen Transport and Syngin acquisitions and full operations at the Melbourne terminal.

Reported EBITDA was USD 168 million in the fourth quarter, up 10% from the third quarter, but down 6% when compared with the corresponding period last year. Increased fuel cost compensation from customers and realised gains from a new performance improvement program lifted EBITDA from the previous quarter. When compared with the previous year, reduced Hyundai Motor Group volumes and lower rates continued to outweight positive volume and cargo mix development and realised synergies.

Wallenius Wilhelmsen ASA reported a net profit of USD 45 million for the quarter.

Wilhelmsen's share of profit in Wallenius Wilhelmsen ASA was USD 1 million in the fourth quarter. The share of profit included the accumulated effect from changes in fair value of the EUKOR put/call option in Wallenius Wilhelmsen ASA. Excluding adjustments related to previous periods, Wilhelmsen's share of profit from Wallenius Wilhelmsen ASA would have been USD 20 million in the fourth quarter.

Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on Oslo Børs. Wilhelmsen owns ~72,7% of Treasure ASA (~73,2% when adjusting for shares owned by 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 6 million for the quarter. The market value at the end of the fourth quarter was USD 523 million.

During the quarter, Treasure ASA bought 1.45 million own shares in the market, reducing net outstanding shares to 218.55 million. Wilhelmsen maintained a holding of 160 million shares in Treasure ASA.

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 loss of USD 7 million for the quarter. The market value at the end of the fourth quarter was USD 100 million.

The current financial investment portfolio held by Wilhelmsen was USD 88 million by the end of the fourth quarter. The portfolio primarily included listed equities and investment-grade bonds. Net income from investment management was a loss of USD 4 million for the quarter.

Other holding and investments activities

Holding/other activities includes general holding activities and certain non-financial investments, including Dolittle AS (50% owned), Massterly AS (50%) and Raa Labs AS (50%).

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

The digital start-up Raa Labs was launched in November, with Wilhelmsen as a 50% owner.

Outlook

Maritime services

Focus on improving the operating margin, strengthening profitability and growing the business will remain. Continued performance improvement initiatives are expected to have a positive impact on operating margin.

Supply services

Logistics services related to a NATO exercise did partly offset a seasonal reduction in offshore activities towards the end of 2018. While a gradual uplift in offshore activities is expected to continue into 2019, the first quarter will be impacted by an expected reduction in activity level during the winter season.

Holding and investments

Wallenius Wilhelmsen ASA maintains a balanced view on the prospects for the company. However, there is increased uncertainty around the volume outlook given weaker auto sales in certain markets towards the end of 2018. A new two-year performance improvement programme is expected to support profitability.

Since the beginning of 2019, the market value of the group's investments has increased.

Wilhelmsen group

The board expects a stable development of underlying operating performance, but with normal seasonal variations.

Wilhelmsen's exposure towards global trade, and potential introduction of further tariffs and restrictions, continues to create uncertainties. Wilhelmsen retains its robustness to meet such eventualities.

Lysaker, 15 February 2019
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	Q4 2018	Q4 2017	YTD 2018	Full year 2017
Operating revenue		225	204	867	632
Other income					
Gain/(loss) on sale of assets	2	(1)	1	4	161
Total income		**224**	**205**	**871**	**793**
Operating expenses					
Cost of goods and change in inventory		(74)	(62)	(267)	(194)
Employee benefits		(77)	(77)	(320)	(252)
Other expenses		(44)	(53)	(206)	(150)
Operating profit before depreciation and amortisation		**29**	**14**	**78**	**198**
Depreciation and impairments	5	(13)	(10)	(42)	(22)
Operating profit		**16**	**4**	**36**	**176**
Share of profits from joint ventures and associates	6	3	37	36	55
Change in fair value financial assets	11	(61)		(116)	
Other financial income/(expenses)	9	(17)	1	(41)	22
Profit before tax		**(59)**	**41**	**(86)**	**253**
Tax income/(expense)		18	(4)	12	(16)
Profit from continued operations		**(41)**	**37**	**(75)**	**236**
Discontinued operations					
Net profit/(loss) from discontinued operations (net after tax)	8				(239)
Profit for the period		**(41)**	**37**	**(75)**	**(2)**
Attributable to: non-controlling interests continued operations		(1)	1	(6)	55
non-controlling interests discontinued operations					7
owners of the parent		(40)	36	(69)	(64)
Basic earnings per share (USD)	10	(0,87)	0,78	(1,48)	(1,38)

Comprehensive income - financial report

USD mill	Q4 2018	Q4 2017	YTD 2018	Full year 2017
Profit for the period	**(41)**	**37**	**(75)**	**(2)**
Items that may be reclassified to income statement				
Cash flow hedges (net after tax)	(1)		2	
Revaluation mark to market value available for sale financial assets		(7)		3
Comprehensive income from associates		0		(1)
Currency translation differences	(41)	(15)	(57)	47
Currency translation differences recycled to income statement as part of loss of sale of assets				28
Comprehensive income discontinued operations				(1)
Items that will not be reclassified to income statement				
Remeasurement pension liabilities, net of tax	1		1	
Other comprehensive income, net of tax	**(42)**	**(22)**	**(53)**	**77**
Total comprehensive income for the period	**(83)**	**16**	**(128)**	**75**
Total comprehensive income attributable to:				
Owners of the parent continued operations	(78)	16	(119)	251
Owners of the parent discontinued operations				(239)
Non-controlling interests	(5)	1	(9)	64
Total comprehensive income for the period	**(83)**	**16**	**(128)**	**75**

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

Balance sheet - financial report

USD mill	Note	31.12.2018	31.12.2017
Deferred tax asset	7	54	18
Goodwill and other intangible assets	5	156	171
Vessels, property and other tangible assets	5	567	590
Investments in joint ventures and associates	6	1 018	1 019
Financial assets to fair value	11	650	801
Other non current assets		23	37
Total non current assets		**2 467**	**2 637**
Inventory		74	81
Current financial investments		88	101
Other current assets		311	287
Cash and cash equivalents		140	167
Total current assets		**612**	**636**
Total assets		**3 079**	**3 273**
Paid-in capital	10	122	122
Retained earnings	10/12	1 699	1 853
Attributable to equity holders of the parent		**1 821**	**1 975**
Non-controlling interests		196	212
Total equity		**2 017**	**2 188**
Pension liabilities		20	23
Deferred tax	7	12	6
Non-current interest-bearing debt	13	448	493
Other non-current liabilities		100	97
Total non current liabilities		**580**	**619**
Current income tax		13	11
Public duties payable		9	7
Current interest-bearing debt	13	85	108
Other current liabilities		375	341
Total current liabilities		**483**	**466**
Total equity and liabilities		**3 079**	**3 273**

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

Cash flow statement - financial report

USD mill	Note	Q4 2018	Q4 2017	YTD 2018	Full year 2017*
Cash flow from operating activities					
Profit before tax		(59)	42	(86)	14
Share of profit from joint ventures and associates		(3)	(37)	(36)	(69)
Change in fair value financial assets	11	61	2	116	(6)
Other financial (income)/expenses		17	6	41	(8)
Depreciation/impairment	5	13	10	42	42
Loss/ (gain) on sale of fixed assets	5	(0)	(1)	(4)	(11)
(Gain)/loss from sale of subsidiaries, joint ventures and associates	8	-	1	-	121
Change in net pension asset/liability		(1)	(5)	(1)	(5)
Change in inventory		2	(4)	7	(18)
Change in other working capital		23	23	(6)	22
Tax paid (company income tax, withholding tax)		(6)		(12)	(11)
Net cash provided by operating activities		**47**	**37**	**62**	**70**
Cash flow from investing activities					
Dividend received from joint ventures and associates		1	2	20	18
Proceeds from sale of fixed assets	5	0		14	63
Investments in fixed assets	5	(24)	(5)	(54)	(29)
Net proceeds from sale of subsidiaries		-		7	14
Cash discontinued operations		-			(121)
Investments in subsidiaries, joint ventures and associates		(0)		(1)	(89)
Loan repayments from joint ventures and associates/ sale of subsidiary		-	(1)	17	
Proceeds from sale of financial investments		5	7	71	111
Current financial investments		(6)	(9)	(38)	(58)
Interest received		1	4	4	5
Net cash flow from investing activities		**(23)**	**(3)**	**40**	**(87)**
Cash flow from financing activities					
Proceeds from issue of debt		18		153	230
Repayment of debt		(54)	(28)	(211)	(271)
Interest paid including interest derivatives		(7)	(1)	(29)	(37)
Cash from financial derivatives		-	(14)	-	
Dividend to shareholders/purchase of own shares		(14)	(9)	(40)	(36)
Net cash flow from financing activities		**(58)**	**(52)**	**(128)**	**(114)**
Net increase in cash and cash equivalents [1]		**(34)**	**(18)**	**(26)**	**(130)**
Cash and cash equivalents at the beg. of the period [1]		174	184	167	296
Cash and cash equivalents at the end of the period [1]		**140**	**167**	**140**	**167**

* 2017 including discontinued operations

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		(69)	(69)	(6)	(75)
Other comprehensive income		(50)	(50)	(3)	(53)
Change in non-controlling interests			-	(1)	(1)
Put option in associate (Note 6)		(5)	(5)		(5)
Paid dividends to shareholders		(31)	(31)	(6)	(37)
Balance 31.12.2018	**122**	**1 698**	**1 820**	**196**	**2 017**

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 included discontinued operations		(64)	(64)	62	(2)
Other comprehensive income		77	77	(1)	77
Incoming non controlling interests				52	52
Change in non-controlling interests				4	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.

The accounting policies implemented are consistent with those of the annual financial statements for the group for the year end 31 December 2017, with the exception of IFRS 9 and 15:
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 assets that are subject to IFRS 9's new expected credit loss model:
Trade receivables for sale of services. The group adopted the simplified expected credit loss model for its trade receivables with only minor effects. No assets held by the group were subject to reclassifications in IFRS 9. The impact of the change in impairment on the group is immaterial and no adjustments have been reflected in retained earnings.

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 classifiy 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 11.

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

Roundings

Note 2 - Significant acquisitions and disposals

2018
No material disposal or acquisition.

2017

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

Third quarter
Per 26.09.2017 the group increased it's 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 Govermental 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 acquistion.
The presentation of segment WWASA is reclassed to discontinued operations.

Wilhelmsen

Notes - financial report

Note 3 - Segment reporting: Income statement per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
Quarter	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
Operating revenue	143	149	81	57	3		(2)	(3)	225	204
Gain on sale of assets	(1)	1							(1)	1
Total income	**141**	**150**	**82**	**57**	**3**	**1**	**(2)**	**(3)**	**224**	**205**
Operating expenses										
Cost of goods and change in inventory	(49)	(51)	(25)	(10)					(74)	(62)
Employee benefits	(49)	(54)	(26)	(20)	(3)	(4)			(77)	(77)
Other expenses	(24)	(36)	(18)	(18)	(3)	(1)	2	3	(44)	(53)
Operating profit before depreciation and amortisation	**20**	**10**	**13**	**9**	**(3)**	**(5)**			**29**	**14**
Depreciation and impairments	(4)	(4)	(9)	(6)	(0)				(13)	(10)
Operating profit	**16**	**6**	**4**	**2**	**(4)**	**(5)**			**16**	**4**
Share of profit from associates	0	1	1	1	1	34			3	37
Changes in fair value financial assets	(48)				(13)				(61)	
Other financial income/(expenses)	(12)	1	(3)	(1)	(1)	1			(17)	1
Profit/(loss) before tax	**(44)**	**8**	**2**	**3**	**(17)**	**30**			**(59)**	**41**
Tax income/(expense)	17	(6)	(0)	1	2	1			18	(4)
Profit/(loss)	**(27)**	**2**	**1**	**4**	**(15)**	**32**			**(41)**	**37**
Non-controlling interests			0	1	(2)				(1)	
Profit/(loss) to the owners of parent	**(28)**	**1**	**1**	**3**	**(13)**	**32**			**(40)**	**36**

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
YTD	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017
Operating revenue	580	574	283	57	11	16	(7)	(14)	867	632
Gain on sale of assets	2	6	3			155			4	161
Total income	**582**	**580**	**285**	**57**	**11**	**171**	**(7)**	**(14)**	**871**	**793**
Operating expenses										
Cost of goods and change in inventory	(198)	(182)	(68)	(10)	(1)	(1)			(267)	(194)
Employee benefits	(212)	(214)	(96)	(20)	(13)	(19)			(320)	(252)
Other expenses	(130)	(133)	(71)	(18)	(12)	(13)	6	14	(206)	(150)
Operating profit before depreciation and amortisation	**42**	**51**	**51**	**9**	**(14)**	**138**	**(0)**	**(0)**	**78**	**198**
Depreciation and impairments	(16)	(15)	(26)	(6)					(42)	(22)
Operating profit	**26**	**36**	**25**	**2**	**(15)**	**138**	**(0)**	**(0)**	**36**	**176**
Share of profit from associates	4	4	9	1	23	49			36	55
Change in fair value financial assets	(61)				(56)				(116)	
Other finance income /(expenses)	(37)	6	(15)	(1)	10	16			(41)	22
Profit/(loss) before tax	**(68)**	**46**	**20**	**3**	**(38)**	**204**	**(0)**	**(0)**	**(86)**	**253**
Tax income/(expense)	13	(15)	(4)	1	3	(2)			12	(16)
Profit/(loss)	**(55)**	**30**	**15**	**4**	**(35)**	**202**	**(0)**	**(0)**	**(74)**	**236**
Result of discontinued operations								(239)		(239)
Non-controlling interests	2	1	4	1	(12)	52		7	(6)	62
Profit/(loss) to the owners of parent	**(56)**	**29**	**11**	**3**	**(23)**	**150**	**(0)**	**(246)**	**(69)**	**(64)**

Notes - financial report

Cont note 3 - Segment reporting: Balance sheet per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
Year to date	31.12 2018	31.12 2017	31.12 2018	31.12 2017	31.12 2018	31.12 2017	31.12 2018	31.12 2017	31.12 2018	31.12 2017
Assets										
Deferred tax asset	42	11	5	4	7	2			**54**	**18**
Intangible assets	149	163	6	8		0			**156**	**171**
Tangible assets	188	187	377	401	2	2			**567**	**590**
Investments in joint ventures and associates	11	12	159	176	848	832			**1 018**	**1 019**
Financial assets to fair value	27	83	0		623	718			**650**	**800**
Other non current assets	13	29	6	5	24	22	(20)	(19)	**23**	**37**
Current financial investments					88	101			**88**	**101**
Other current assets	294	305	107	62	14	38	(30)	(37)	**385**	**369**
Cash and cash equivalents	110	144	12	8	18	15			**140**	**167**
Total assets	**834**	**934**	**671**	**664**	**1 624**	**1 730**	**(50)**	**(56)**	**3 079**	**3 273**
Equity and liabilities										
Equity majority	237	329	152	150	1 431	1 497			**1 820**	**1 975**
Equity non controlling interest			54	55	144	158			**196**	**212**
Deferred tax	12	6							**12**	**6**
Interest-bearing debt	197	196	330	369	23	54	(17)	(18)	**533**	**601**
Other non current liabilities	97	94	18	18	9	9	(3)	(1)	**120**	**120**
Other current liabilities	292	310	117	71	17	14	(30)	(37)	**397**	**358**
Total equity and liabilities	**834**	**934**	**671**	**664**	**1 624**	**1 730**	**(50)**	**(56)**	**3 079**	**3 273**

Notes - financial report

Cont note 3 - Segment reporting: Cash flow per segment

USD mill	Maritime Services		Supply Services		Holding & Investments	
Quarter	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
Profit before tax	(44)	8	2	3	(17)	31
Change in fair value financial assets	48		-		13	
Share of profit from joint ventures and associates	(0)	(1)	(1)	(1)	(2)	(34)
Other financial (income)/expenses	14	(1)	3	1	1	(1)
Depreciation/impairment	4	4	9	6		
Change in working capital	11	(5)	(6)	6	7	(3)
Net (gain)/loss from sale of subsidiaries and fixed assets	(2)	(1)				
Net cash provided by operating activities	**32**	**4**	**7**	**14**	**3**	**(7)**
Dividend received from joint ventures and associates	0	2	0			
Net sale/(investments) in fixed assets	(8)	(5)	(13)	(5)		
Net sale/(investments) in entities and segments	1	(0)	(1)			(1)
Current financial investments	1			3	1	(2)
Net changes in other investments			1			
Net cash flow from investing activities	**(6)**	**(2)**	**(13)**	**(2)**	**1**	**(3)**
Net change of debt	(4)		9	(6)	(29)	
Net change in other financial items	(5)	(3)	(7)	(4)	(3)	(1)
Net dividend from other segments/ to shareholders	(15)	(1)	-		(4)	(13)
Net cash flow from financing activities	**(25)**	**(4)**	**2**	**(10)**	**(36)**	**(13)**
Net increase in cash and cash equivalents	**1**	**(2)**	**(4)**	**2**	**(32)**	**(23)**
Cash and cash equivalents at the beg.of the period	108	145	15	6	51	38
Cash and cash equivalents at the end of period	**110**	**144**	**12**	**7**	**18**	**15**

Note 4 - Business combinations

Total ownership in NorSea Group end of 2018 is 75.15 %.

Reportet 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 5 - 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	1	28	24	4	56
Reclass/disposal		(18)	(32)	(10)	(60)
Currency translation differences	(2)	(34)	(10)	(12)	(59)
Cost 31.12	**35**	**550**	**251**	**225**	**1 061**
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation	(1)	(19)	(11)	(7)	(39)
Reclass/disposal	(1)	7	32	10	10
Impairment		(0)		(3)	(4)
Currency translation differences	1	9	5	4	19
Accumulated depreciation and impairment losses 31.12.	**(18)**	**(162)**	**(89)**	**(68)**	**(375)**
Carrying amounts 31.12	**18**	**388**	**162**	**156**	**685**

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
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 6 - 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. At the end of December 2018 the ownership is 75.15% through acquisition of shares from NorSea Group's management.

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

USD mill

		31.12.2018
Holding and Investments segment:	**Ownership**	**Booked value**
Wallenius Wilhelmsen ASA	37.8%	847
Other	40 - 50%	2
Maritime service segment:		
Associates	20 - 50%	10
Supply services segment:		
Joint venture		
Coast Center Base	50 %	100
Vikan Næringspark Invest AS	50 %	16
Other	50 %	1
Associates		
Risavika Havn AS	42.8%	28
Risavika Eiendom AS	42 %	8
Hammerfest Næringsinvest AS	32 %	1
Other	33 - 49%	4
Total investment in joint ventures and associates		**1 018**

	Q4	Q4	YTD	YTD
Share of profit from joint ventures and associates	**2018**	**2017**	**2018**	**2017**
Wallenius Wilhelmsen ASA	1	34	23	44
Other joint ventures in Holding and Investments	0		0	5
Joint ventures and associates in Supply Services	1	1	9	1
Associates in Maritime Services	0	1	4	4
Share of profit from joint ventures and associates	**3**	**37**	**36**	**55**

Wallenius Wilhelmsen ASA; put option non-controlling interests on acquisition of group company(equity adjustment of USD 5 million)

Notes - financial report

Note 7 - 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 8 - 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.

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 9 - Other financial income/(expenses)

	Q4 2018	**Q4 2017**	**YTD 2018**	**Full year 2017**
Investment management	(4)	(15)	(6)	5
Interest income	1	3	4	5
Other financial income	1	1	18	12
Interest expenses	(9)	6	(34)	(14)
Net financial currency	(6)	7	(23)	14
Other financial income/(expenses)	**(17)**	**1**	**(41)**	**22**

Notes - financial report

Note 10 - 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 liquidation of 100 000 own class A shares, denominated NOK 20 per share.

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

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

Note 11 - Financial assets to fair value

	31.12.2018
Fair value 1 January 2018	801
Acquisition	6
Sale during the year	(27)
Return of capital	(1)
Currency translation adjustment through other comprehensive income	(13)
Change in fair value through income statement	(116)
Fair value 31 December 2018	**650**

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 included in equity will not be recycled through income statement.

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.

Note 12 - Paid dividend

Dividend for fiscal year 2017 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2018 and NOK 2.00 per share was paid in November 2018.

The proposed dividend for fiscal year 2018 in 2019 is NOK 2.50 per share, payable in the second quarter of 2019.

A decision on this proposal will be taken by the annual general meeting on 30 April 2019. The proposed dividend is not accrued in the year-end balance sheet. The dividend will have effect on retained earnings in second quarter of 2019.

Notes - financial report

Note 13 - Interest-bearing debt

USD mill	31.12.2018	31.12.2017	31.12.2017
Non current interest-bearing debt	448	493	493
Current interest-bearing debt	85	108	108
Total interest-bearing debt	**533**	**601**	**601**
Cash and cash equivalents	140	167	167
Current financial investments	88	101	101
Net interest-bearing debt	**306**	**333**	**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 31 December 2018 (and 31 December 2017).

Specification of interest-bearing debt

USD mill	31.12.2018	31.12.2017	31.12.2017
Interest-bearing debt			
Bankloan	533	601	601
Total interest-bearing debt	**533**	**601**	**601**
Repayment schedule for interest-bearing debt			
Due in 1 year	85	108	108
Due in 2 year	55	25	25
Due in 3 year	22	22	22
Due in 4 year	217	22	22
Due in 5 year and later	153	425	425
Total interest-bearing debt	**533**	**601**	**601**

Reconciliation of liabilities arising form financing activities

USD mill	31.12.2017	Cash flows	Foreign exchange movement	Amortisation	Reclassi-fication	31.12.2018
Bank loans	493	(59)	(11)	1	23	448
Current interest-bearing debt	108				(23)	85
Total liabilities from financing activities	**601**	**(59)**	**(11)**	**1**	**0**	**533**

Notes - financial report

Note 14 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
2018				
Financial assets at fair value				
Equities	41			41
Bonds	45			45
Financial derivatives	0	0		
Financial assets at fair value	611		38	650
Total financial assets 31.12	**699**	**0**	**38**	**736**
Financial liabilities at fair value				
Financial derivatives		21		21
Total financial liabilities 31.12	**0**	**21**	**0**	**21**
2017				
Financial assets at fair value				
Equities	52		1	52
Bonds	48			48
Financial derivatives		2		2
Financial assets at fair value	707		93	801
Total financial assets 31.12	**807**	**2**	**94**	**904**
Financial liabilities at fair value				
Financial derivatives		13		13
Total financial liabilities 31.12	**0**	**13**	**0**	**13**

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 December 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.

Note 15 Leasing IFRS 16

The new IFRS 16 Leasing standard is effective from 1 January 2019. The standard will significantly change how the company accounts for its lease contracts for land, buildings and equipment currently accounted for as operating leases. Virtually all leases will be brought into the balance sheet increasing the groups assets and liabilities, in addition to affecting income statement figures. This note summarizes the expected impact on the financial reporting of Wilhelmsen group from implementing the new standard. According to the company's existing loan agreements, the new standard will not result in breach of debt covenants.

The Lease Contracts
The company has a number of leases related to property and land that account for the significant part of the lease liability. The group also leases vechicle and equipment. A lease liability and right-of-use asset will be presented for these contracts which previously were reported as operating leases.

Recognition and Measurement Approach on Transition
Wilhelmsen group will apply IFRS 16 retrospectively with recognition of the cumulative implementation effect recognised at the date of initial application 1 January 2019. By doing this, comparative financial information shall not be restated, but the cumulative effect of initially applying this standard shall be reflected as an adjustment to the opening balance. At the time of transition, leases entered under IAS 17 will not be reassessed.

As of 1 January 2019, the lease liabilities will be measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at such date. The right-of-use assets will be measured at an amount equal to the lease liability.

The standard has provided options on scope and exemptions and below the group's policy choices are described:
- The standard will not be applied to leases of intangible assets and these will continue to be recognized in accordance with IAS 38 Intangible assets.
- All leases deemed short-term by the standard are exempt from reporting.
- All leases deemed to be of low value by the standard are exempt from reporting.
- Non-lease components shall be separated from the lease component in all vessel leases. For other lease agreements, the group will apply a materiality threshold when evaluating separation.

Implementation effect

Impact on equity

The net effect on equity as at 1 January 2019 is presented below.

USD million

Lease liability at 1 January 2019	228
Right-of-use asset at 1 January 2019	231
Difference between lease liability and right-of-use asset at 1 January 2019	**3**
Effect from prepayments and currency translation	3
Equity at 1 January 2019	**3**

Reconciliation of lease commitment and lease liability

USD million

Material operating lease commitment as at 31 December 2018	204
Operating lease commitment as at 31 December 2018 (not included in material operating lease committment)	16
Relief option for leases of low-value assets	(1)
Option periods not previously reported as lease commitments	23
Undiscounted lease liabililty	242
Effect of discounting lease commitment to net present value	(14)
Lease liability as at 1 January 2019	**228**

Expected future impact on the income and cash flow statement.
IFRS 16 Leasing will have a significant impact on the income statement when implemented in 2019. The estimated reduction of annual lease expense gives an improvement of EBITDA in the range of approximately USD 40 million. Annual depreciation expense of leased assets will increase approximately USD 35 million. Annual net interest expense will increase approximately USD 12 million. In the cash flow statement, operating cash flows will increase and financing cash flows will decrease as the lease payments will be classified as financial rather than operational. It is expected that IFRS 16 will be implemented in the reporting from the operating segments. The actual impact upon implementation may change as a result of changed interest rates, signing of new lease contracts, re-assessment of renewal options and re-assessment of onerous leases. The impact may also change if new information and guidance becomes known before the group presents its first consolidated financial statements using the new standard.

Notes - financial report

Note 16 - Related party transactions

WWH delivers services to the Wallenius Wilhelmsen group. These include 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 17 - 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 18 - Events occurring after the balance sheet date

No material events occured 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.

Notes - Alternative performance measures

This section describes non-GAAP financial alternative performance measures (APM) that may be used in the quarterly and annual reports and related presentations.

The following measures are not defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS. These APMs are intended to enhance comparability of the results, balance sheet and cash flows from period to period and it is the Company's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by the management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

EBITDA is defined as Total income (Operating revenue and gain/(loss) on sale of assets) adjusted for Operating expenses. EBITDA is used as an additional measure of operational profitability, excluding the impact from financial items, taxes, depreciation and amortization.

EBITDA adjusted is defined as EBITDA excluding certain income and/or cost items which are not regarded as part of the underlying operational performance for the period. The Company do not report EBITDA adjusted on a regular basis, but may use it on a case by case basis to better explain operational performance.

EBITDA margin is defined as EBITDA as a per cent of of Total income.

EBITDA margin adjusted is defined as EBITDA adjusted as a per cent of Total income, with Total income also adjusted for the same income elements as those which have been adjusted for in EBITDA adjusted.

EBIT is defined as Total income (Operating revenue and gain/(loss) on sale of assets) less Operating expenses, Other gain/loss and depreciation and amortization. EBIT is used as a measure of operational profitability excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses.

EBIT adjusted, EBIT margin and **EBIT margin adjusted** will, if used, be prepared in the same manner as described under EBITDA.

Net interest-bearing debt (NIBD) is defined as total interest bearing debt (Non-current interest-bearing debt and Current interest-bearing debt) less Cash and cash equivalenets and Current financial investments.

Equity ratio is defined as Total equity as a percent of Total assets.

Wilh. Wilhelmsen Holding ASA
PO Box 33
NO-1324 Lysaker, NORWAY
Tel: +47 67 58 40 00
http://www.wilhelmsen.com/

Follow us on Twitter | Facebook | LinkedIn

Org no 995 227 905