

# QUARTERLY REPORT



Wilh. Wilhelmsen

# 1Q

Wilh. Wilhelmsen Holding ASA

**SECOND QUARTER  
AND FIRST HALF 2016**

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# Report for the second quarter of 2016

Proportionate method<sup>1</sup>

## Key financial figures

<i>USD mill</i> <i>- unless otherwise indicated</i>	Q2'16	Q1'16	Q-on-Q Change	Q2'15	Y-o-Y Change	01.01- 30.06.16	01.01- 30.06.15	Y-o-Y Change
<b>Total income</b>	<b>792</b>	<b>848</b>	<b>-7 %</b>	<b>854</b>	<b>-7 %</b>	<b>1 639</b>	<b>1 720</b>	<b>-5 %</b>
- Wilh. Wilhelmsen ASA	531	595	-11 %	583	-9 %	1 126	1 183	-5 %
- Wilhelmsen Maritime Services	235	235	0 %	254	-7 %	470	511	-8 %
- Holding & Investments	32	23		23		55	38	
- Eliminations	-6	-6		-7		-12	-13	
<b>EBITDA</b>	<b>121</b>	<b>183</b>	<b>-34 %</b>	<b>148</b>	<b>-19 %</b>	<b>304</b>	<b>314</b>	<b>-3 %</b>
- Wilh. Wilhelmsen ASA	80	148	-46 %	100	-20 %	228	226	1 %
- Wilhelmsen Maritime Services	23	20	17 %	33	-31 %	43	65	-34 %
- Holding & Investments	18	15		16		33	23	
- Eliminations	0	0		0		0	0	
<b>Operating profit/EBIT</b>	<b>77</b>	<b>143</b>	<b>-46 %</b>	<b>103</b>	<b>-25 %</b>	<b>219</b>	<b>225</b>	<b>-3 %</b>
- Wilh. Wilhelmsen ASA	42	113	-63 %	60	-29 %	156	148	5 %
- Wilhelmsen Maritime Services	17	14	22 %	28	-40 %	31	55	-44 %
- Holding & Investments	17	15		16		33	23	
- Eliminations	0	0		0		0	0	
<b>Financial income/(expenses)</b>	<b>-25</b>	<b>-23</b>		<b>-8</b>		<b>-47</b>	<b>-42</b>	
<b>Tax income/(expenses)</b>	<b>-5</b>	<b>-10</b>		<b>-9</b>		<b>-15</b>	<b>-13</b>	
<b>Minority interests</b>	<b>11</b>	<b>29</b>		<b>20</b>		<b>40</b>	<b>36</b>	
<b>Profit/(loss) after minority</b>	<b>36</b>	<b>80</b>	<b>-55 %</b>	<b>66</b>	<b>-45 %</b>	<b>117</b>	<b>134</b>	<b>-13 %</b>
- Wilh. Wilhelmsen ASA	12	67	-81 %	41	-70 %	79	76	5 %
- Wilhelmsen Maritime Services	7	6	22 %	11	-30 %	14	35	-61 %
- Holding & Investments	16	8		15		24	23	
- Eliminations	0	0		0		0	0	
<b>EPS (USD)</b>	<b>0,78</b>	<b>1,73</b>	<b>-55 %</b>	<b>1,43</b>	<b>-45 %</b>	<b>2,51</b>	<b>2,89</b>	<b>-13 %</b>

## Highlights for the second quarter

Wilh. Wilhelmsen Holding group:

- Increase in total income and operating profit adjusted for non-recurring gain in first quarter
- Paid dividend of NOK 3.00 per share
- WWASA demerger, with Treasure ASA listed as new entity on Oslo Stock Exchange
- Restatement of WWH segment accounts with Treasure ASA (including Hyundai Glovis) reported under Holding and investment segment

Wilh. Wilhelmsen ASA:

- Shipping volumes up 8% from previous quarter, mainly due to seasonality
- Improved cargo mix; increased net bunker cost
- Delivery of two new Post-Panamax vessels

Wilhelmsen Maritime Services:

- Total income remain flat with stable activity across all business areas
- Improved operating profit, but from a low base
- Agreement with Survitec Group on restructuring of safety activities; expected closing in fourth quarter

Holding and investments:

- Positive development in Hyundai Glovis net result contribution
- Stable underlying performance in NorSea group
- Financial gain from Qube investment

<sup>1</sup> While the equity method provides a fair presentation of the group's financial position in joint ventures, the group's internal financial segment reporting is based on the proportionate method. The major contributors in Wilh. Wilhelmsen ASA are joint ventures and hence the proportionate method gives management a higher level of information and a fuller picture of the group's operations. For Wilhelmsen Maritime Services and Holding and Investments the financial reporting will be the same for both the equity and the proportionate methods.

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

## Financial summary

### Result for the second quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (WWH) was USD 792 million in the second quarter of 2016. This was a reduction from the previous quarter which included a non-recurring gain related to WWASA logistics investments. When adjusting for this non-recurring gain, income was up 3% for the quarter.

Wilh. Wilhelmsen ASA's (WWASA) shipping volumes improved in the second quarter. Income in Wilhelmsen Maritime Services (WMS) remained subdued, reflecting a generally weak shipping and offshore market. Income was up in Holding and Investment, mainly due to improved net result in Hyundai Glovis.

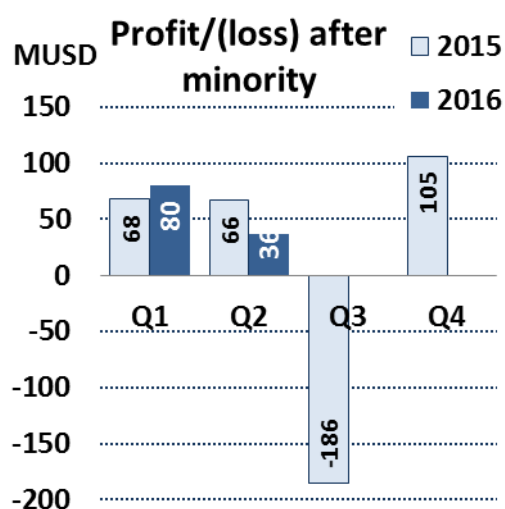
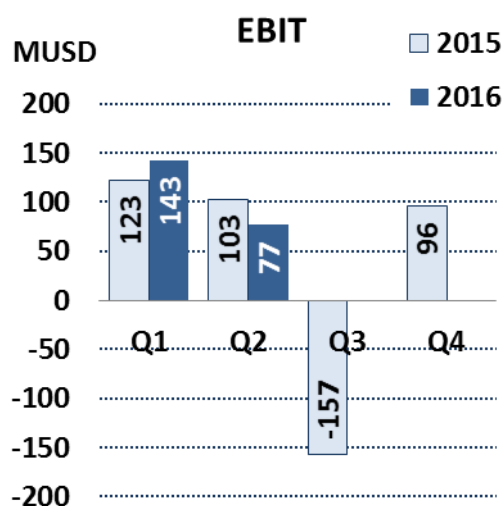
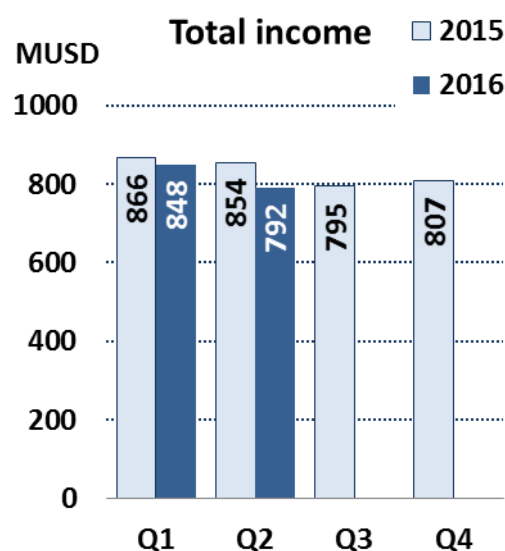
The operating profit for the quarter was USD 77 million. This was an increase of 23% from the previous quarter when adjusting for the non-recurring gain in WWASA impacting first quarter results. The improvement in underlying operating profit was supported by increased WWASA shipping volumes, improved operating margin in WMS and increased contribution from Holding and investments.

Net financials were negative with USD 25 million in the second quarter. Net interest rate derivatives and net currency were both negative with a loss of USD 9 million, while financial derivatives for bunkers was positive with USD 4 million.

Tax expense was included with USD 5 million in the second quarter.

Minority interests' share of net profit for the quarter was USD 11 million, of which USD 6 million was related to minority shareholders in WWASA and USD 5 million was related to minority shareholders in Treasure ASA.

Profit after tax and minority interests totalled USD 36 million in the second quarter, down from USD 80 million in the first quarter.



## Wilh. Wilhelmsen ASA

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

### Key figures - Wilh. Wilhelmsen ASA

USD mill			Q-on-Q		Y-o-Y	01.01-	01.01-	Y-o-Y
- unless otherwise indicated	Q2'16	Q1'16	Change	Q2'15	Change	30.06.16	30.06.15	Change
<b>Total income</b>	<b>531</b>	<b>595</b>	<b>-11 %</b>	<b>583</b>	<b>-9 %</b>	<b>1 126</b>	<b>1 183</b>	<b>-5 %</b>
- Shipping	372	357	4 %	470	-21 %	729	930	-22 %
- Logistics	167	259	-36 %	134	25 %	425	289	47 %
- Holding/eliminations	-8	-7		-7		-15	-14	
<b>EBITDA</b>	<b>80</b>	<b>148</b>	<b>-46 %</b>	<b>100</b>	<b>-20 %</b>	<b>228</b>	<b>226</b>	<b>1 %</b>
- EBITDA margin (%)	15,1 %	24,9 %		17,1 %		20,3 %	19,1 %	
<b>Operating profit/EBIT</b>	<b>42</b>	<b>113</b>	<b>-63 %</b>	<b>98</b>	<b>-57 %</b>	<b>156</b>	<b>148</b>	<b>5 %</b>
- EBIT margin (%)	8,0 %	19,0 %		16,8 %		13,8 %	12,5 %	
- Financial income/(expense)	-21	-15		4		-36	-42	
- Tax income/(expense)	-3	-6		-7		-9	-2	
<b>Profit/(loss)</b>	<b>18</b>	<b>95</b>		<b>61</b>		<b>114</b>	<b>111</b>	
- Profit margin (%)	3,5 %	16,0 %		10,4 %		10,1 %	9,4 %	
- Minority interests	6	29		19		35	35	
<b>Profit/(loss) after minority</b>	<b>12</b>	<b>67</b>		<b>41</b>		<b>79</b>	<b>76</b>	

### Result for the second quarter

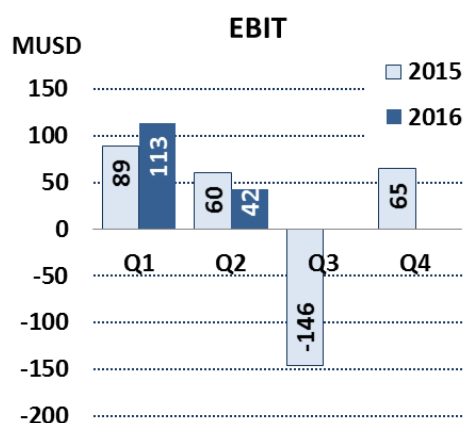
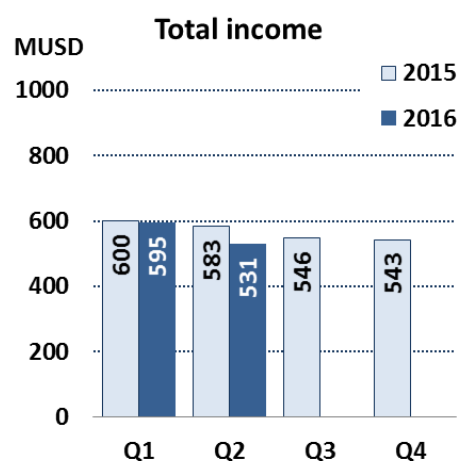
The results reported under the WWASA segment exclude historic results from activities demerged into Treasure ASA on 8 June 2016. The WWH segment accounts for WWASA will as such deviate from the results reported by WWASA prior to the demerger.

WWASA's total income was USD 531 million in the second quarter, while operating profit was USD 42 million. This was down from previous quarter which was positively impacted by a USD 80 million non-recurring gain related to the logistics activities. When excluding this non-recurring gain, income was up 3 per cent and operating profit was up 27 per cent when compared with the first quarter.

Net financial expenses in the second quarter amounted to USD 21 million compared with USD 15 million in the previous quarter.

The group recorded a tax expense of USD 3 million for the quarter compared with an expense of USD 6 million in first quarter.

Net profit after tax was USD 18 million in the second quarter, of which USD 12 million was attributed to WWH.





## WWASA shipping

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

WWASA's operating entities transported 16.8 million cubic metres (CBM) in the second quarter, an 8% increase quarter on quarter driven by seasonally higher demand for transportation of cars as well as high and heavy.

Reduced bunker compensation and increased bunker prices resulted in increased net bunker costs in the second quarter, which partly offset the improvement in the underlying activities.

## Auto markets

In key markets, total light vehicle sales in the second quarter grew by 3% from the previous quarter and increased by 6% compared with the same period last year.

Japanese car exports continued its stable trend in the second quarter and were slightly below volumes in the previous quarter while slightly higher than the same period last year. Car exports out of Korea increased 7% in the second quarter from the first quarter, however exports were 14% below the same period in 2015.

## High and heavy markets

The global construction equipment market continued in the second quarter its overall soft development, mainly driven by a drop in sales in China, North America and Japan. The global demand for mining equipment also remained weak, due to continued low commodity prices and few new mining investments. Demand for agriculture equipment continued the declining trend from 2015, impacted by lower crop prices forcing farmers to curb their spending.

## Tonnage update

With the delivery of two Post-Panamax vessels to Wilh. Wilhelmsen ASA, Theben and Themis, in the second quarter of 2016, the combined fleet of the group companies grew to 134 vessels. The group operates approximately 22% of the global fleet.

The group has a combined lifting capacity of 889.000 CEU, up by 16.000 CEU in Q2.

The group has six vessels under construction at shipyards in Korea and China. All six vessels

are large Post-Panamax, vessels with capacity for 8.000 CEU each. Four vessels are ordered by Wallenius Lines while two are under construction for EUKOR Car Carriers.

## WWASA logistics

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

Underlying results improved compared with the previous quarter and continued on a healthy level.

## WWASA share price development

The WWASA share was subject to a repricing following demerger of Treasure ASA on 8 June 2016. As of 30 June 2016, the market value of WWH's shares in WWASA was NOK 3 360 million. This represented NOK 72 per outstanding share in WWH (WWI and WWIB).

Value of investment:	End
Wilh. Wilhelmsen ASA	Q2'16
WWASA share price (NOK)	21,00
WWASA shares held by WWH (million)	160
Value of WWH shareholding (NOK million)	3 360
Value per WWI/WWIB share (NOK)	72

## Update on the anti-trust investigation

The joint venture companies WWL and EUKOR continues to be part of anti-trust investigations in several jurisdictions, of which the EU is among the bigger jurisdictions.

WWL reached a settlement with the US Department of Justice (DOJ) in July, agreeing to pay a fine of USD 98.9 million (USD 49.5 million for WWASAs account). WWASA made a provision for the outcome of the investigation in the third quarter 2015. Consequently, the fine will not have a profit and loss effect for WWASA in 2016. The settlement also closed the DOJ investigation into EUKOR. EUKOR did not receive a fine.

The ongoing investigations of WWL and EUKOR are confidential. WWASA is therefore not in a position to comment on the ongoing investigations within remaining jurisdictions. The processes are expected to continue to take time, but further clarifications are expected during 2016 and 2017.

# Wilhelmsen Maritime Services

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

## Key figures - Wilhelmsen Maritime Services

USD mill - unless otherwise indicated	Q2'16	Q1'16	Q-on-Q Change	Q2'15	Y-o-Y Change	01.01- 30.06.16	01.01- 30.06.15	Y-o-Y Change
<b>Total income</b>	<b>235</b>	<b>235</b>	<b>0 %</b>	<b>254</b>	<b>-7 %</b>	<b>470</b>	<b>511</b>	<b>-8 %</b>
- Ships service	150	152	-1 %	159	-6 %	302	326	-7 %
- Ship management	12	12	-3 %	13	-10 %	24	27	-10 %
- Technical solutions	73	69	5 %	81	-10 %	142	155	-9 %
- Corporate/other/eliminations	1	1		1		2	4	
<b>EBITDA</b>	<b>23</b>	<b>20</b>	<b>17 %</b>	<b>33</b>	<b>-31 %</b>	<b>43</b>	<b>65</b>	<b>-34 %</b>
- EBITDA margin (%)	9,7 %	8,4 %		13,0 %		9,1 %	12,7 %	
<b>Operating profit/EBIT</b>	<b>17</b>	<b>14</b>	<b>22 %</b>	<b>28</b>	<b>-40 %</b>	<b>31</b>	<b>55</b>	<b>-44 %</b>
- EBIT margin (%)	7,2 %	5,9 %		11,0 %		6,5 %	10,7 %	
- Financial income/(expense)	-7	-5		-13		-12	-6	
- Tax income/(expense)	-3	-2		-4		-5	-13	
<b>Profit/(loss)</b>	<b>8</b>	<b>7</b>		<b>11</b>		<b>14</b>	<b>36</b>	
- Profit margin (%)	3,2 %	2,8 %		4,4 %		3,0 %	7,1 %	
- Minority interests	0	0		0		1	1	
<b>Profit/(loss) after minority</b>	<b>7</b>	<b>6</b>		<b>11</b>		<b>14</b>	<b>35</b>	

## Result for the second quarter

WMS' total income of USD 235 million was in line with the first quarter, with a quite stable income for most business areas.

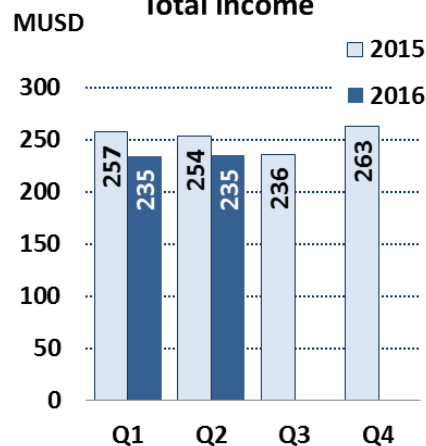
Operating profit was USD 17 million, up by 22% compared with a weak first quarter. The strong USD continued to have a positive impact on operating profit for the group, while a continued weak shipping and offshore market had the opposite effect.

Financial expense for WMS amounted to USD 7 million, impacted by a USD 5 million financial currency loss.

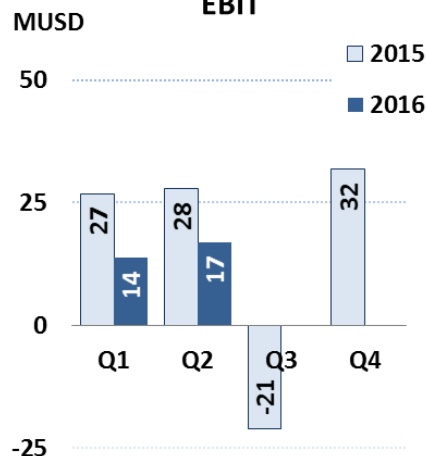
Tax expense was USD 3 million, representing normal tax for the quarter.

The net profit after tax and minority for the quarter was USD 7 million.

## Total income

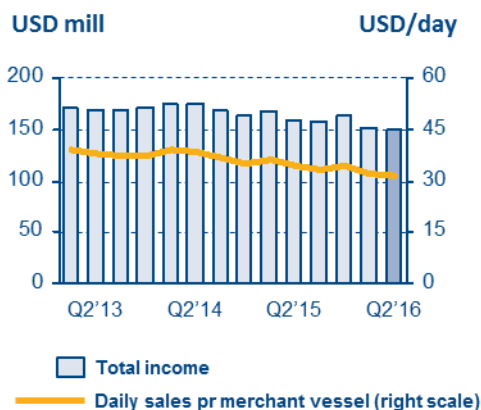


## EBIT



## Ships service

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

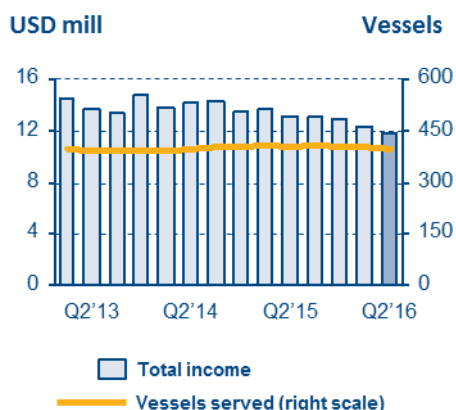


The second quarter shows a slight decline in total income compared with the first quarter. When measured against the total global merchant fleet<sup>1</sup>, WSS generated income of USD 32 per day/vessel in the second quarter.

Operating profit improved from a low first quarter. The business performance was, however, still impacted by the adaptation to the new ERP system, which went live in January 2016 with 2000 users in 165 locations.

## Ship management

Wilhelmsen Ship Management (WSM) provides full technical management, crewing and related services for all major vessel types with exception of oil tankers. WSM is a wholly owned subsidiary of WMS.



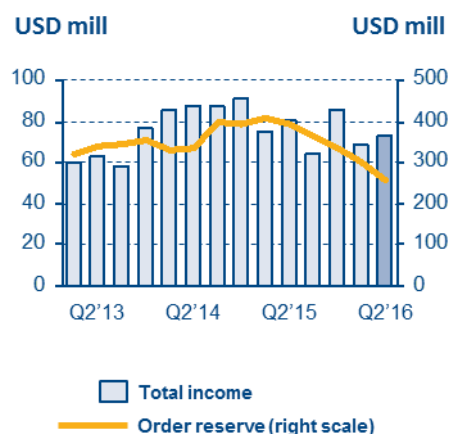
Total income was reduced by 3% and net operating profit decreased compared with the previous quarter. The second quarter was

impacted by lower business volume, currency and restructuring cost.

Average number of vessels on full technical management was slightly lower than previous quarter. By the end of June, WSM served 398 ships worldwide, of which approximately 34% were on full technical management and 14% were on layup management. The remaining contracts were related to crewing services.

## Technical solutions

The technical solutions business area includes entities providing fully engineered solutions, equipment and services towards the maritime and offshore industries, focusing on safety systems, electrical energy management, HVAC-R and insulation for newbuilds and retrofits. These entities operate in the market as Wilhelmsen Technical Solutions and Callenberg Technology Group.



The total income was up by 5% compared with the previous quarter. The increase was mainly due to higher activities within HVAC-R. The total order reserve was reduced to USD 259 million at the end of the second quarter compared with USD 302 million by the end of first quarter.

Challenging conditions in the global offshore market continued to have an impact on revenue and operating profit.

## Corporate/other activities

This includes WMS group activities, Wilhelmsen Insurance Services (WIS) and certain corporate services.

On 23 June, WMS signed an agreement to sell its WSS and WTS safety business to Survitec Group Ltd, where after WMS will take a 20% ownership stake in Survitec. Contract completion is expected in the fourth quarter of 2016.

## Holding and investments

Holding and investments include activities performed by the holding company and investments outside WWASA and WMS. This includes investments held by Wilh. Wilhelmsen Holding Invest (WWHI), a wholly owned subsidiary of WWH, and Treasure ASA, owned 72.7%.

### Key figures - Holding and investments

USD mill - unless otherwise indicated	Q2'16	Q1'16	Q-on-Q Change	Q2'15	Y-o-Y Change	01.01- 30.06.16	01.01- 30.06.15	Y-o-Y Change
<b>Total income</b>	<b>32</b>	<b>23</b>	<b>35 %</b>	<b>23</b>	<b>35 %</b>	<b>55</b>	<b>38</b>	<b>43 %</b>
- Holding	12	6	>100%	6	99 %	17	11	64 %
- NorSea Group	2	5	-69 %	4	-65 %	6	5	17 %
- Treasure ASA (Hyundai Glovis)	18	13	43 %	13	38 %	31	22	40 %
- Eliminations	0	0		0		0	0	
<b>EBITDA</b>	<b>18</b>	<b>15</b>		<b>16</b>		<b>33</b>	<b>23</b>	
<b>Operating profit/EBIT</b>	<b>17</b>	<b>15</b>		<b>16</b>		<b>33</b>	<b>23</b>	
<b>Financial income/(expenses)</b>	<b>3</b>	<b>-2</b>	<b>neg.</b>	<b>1</b>	<b>&gt;100%</b>	<b>0</b>	<b>5</b>	<b>-93 %</b>
- Investment management	1	-2		0		0	5	
- Qube	4	0		1		4	1	
- Other financial income/(expense)	-3	-1		0		-3	-1	
- Tax income/(expense)	1	-2		2		-1	1	
<b>Profit/(loss)</b>	<b>21</b>	<b>11</b>		<b>18</b>		<b>32</b>	<b>29</b>	
- Minority interests	5	4		4		8	6	
<b>Profit/(loss) after minority</b>	<b>16</b>	<b>8</b>		<b>15</b>		<b>24</b>	<b>23</b>	

### Result for the second quarter

The results reported under the Holding and Investment segment include historic results from activities demerged from WWASA into Treasure ASA. These activities were previously reported under the WWASA segment.

Total income for the Holding and investments segment was USD 32 million in the second quarter, an increase of 35% when compared with the first quarter. Income from Hyundai Glovis and holding activities mainly provided on a pass through basis increased, while the contribution from NorSea Group was down.

The operating profit in Holding and investments increased to USD 17 million, primarily reflecting the increased contribution from Hyundai Glovis.

Net financials was a net income of USD 3 million, including USD 4 million in dividend and sales gain from shareholding in Qube.

Net profit after tax was USD 21 million in the second quarter, of which USD 16 million was attributed to WWH.

### Treasure ASA – Hyundai Glovis

Treasure ASA is a Norwegian public limited liability company, holding a 12.04% ownership interest in Hyundai Glovis. WWH owns 72.7% of Treasure ASA. Hyundai Glovis is reported as "associate" in WWH's accounts, with share of net result reported as "share of profit from associates" one quarter in arrears.

Hyundai Glovis reported a net profit of KRW 179.3 billion for the first quarter of 2016. This

represented an increase of 40% compared with the previous quarter. Treasure ASA's share of the net profit, equivalent to USD 18 million, was reported as operating income in WWH in the second quarter.

Treasure ASA was listed on the Oslo Stock Exchange on 8 June 2016, following a demerger from WWASA. As of 30 June 2016, the market value of WWH's shares in Treasure ASA was NOK 2 544 million. This represented NOK 55 per outstanding share in WWH (WWI and WWIB).

Value of investment:	End Q2'16
Treasure ASA	
TRE share price (NOK)	15,90
TRE shares held by WWH (million)	160
Value of WWH shareholding (NOK million)	2 544
Value per WWI/WWIB share (NOK)	55

### NorSea Group (NSG)

NSG is a leading provider of supply bases and integrated logistics solution to the Norwegian and Danish offshore industry. Through WWHI, WWH owns 40% of NSG. NSG is reported as "associate" in WWH's accounts, with share of net result reported as "share of profit from associates".

Preliminary total income for NSG was NOK 562 million in the second quarter, including share of profits from associates and joint ventures and sales gains.

Operating profit for the quarter was in line with the first quarter when adjusting for non-recurring sales gain impacting the first quarter results.



WWHI share of net result in NSG was USD 2 million for the quarter.

As part of a re-alignment between shareholders, WWHI increased its share of NSG shareholder loans with USD 8 million in the second quarter.

## Financial investments

*This includes cash and cash equivalents, current financial investments and available for sale financial assets held by the parent company, Wilh. Wilhelmsen Holding Invest, Treasure ASA and other subsidiaries reported under the Holding and investment segment.*

<b>Holding and investments</b>	
<b>USD mill. - unless otherwise indicated</b>	<b>30.06.16</b>
Cash and cash equivalent	66
Current financial investments	85
Available for sale financial assets	122
<b>Total financial assets</b>	<b>273</b>
<b>Total debt</b>	<b>35</b>

The current financial investment portfolio held by WWH was USD 85 million by the end of the first quarter, down from USD 87 million by the end of the previous quarter. The portfolio

## Health and safety

*Health and safety metrics are reported using industry standard methods for two types of operations within the group: vessel based operations where health and safety exposure is 24 hours per day and onshore operations where health and safety exposure is typically ~8 hours per day.*

*WWH uses an operational control approach for consolidating health and safety data from WWH's wholly owned businesses and operations in order to consistently account for result*

### Exposure hours

In the second quarter of 2016, there were approximately 10.4 million exposure hours (work hours) in the group. Vessel based operations account for about 77% of total exposure hours and onshore operations accounts for about 23%.

**Sickness absence** In the second quarter of 2016, the sickness absence rate for onshore operations was 1.59 %. This was an improvement compared with the first quarter and below the 2015 base year result of 1.67%.

primarily included Nordic equities and investment-grade bonds. Net income from investment management was USD 1 million in the second quarter.

*Available for sale financial assets included shares in Qube Holdings Limited and Kaplan Equity Limited. Changes in market value of these shareholdings are reported under comprehensive income, while dividend income and sales gains/losses are reported as financial income.*

In February, Qube declared interim dividend of AUD 0.027 per share, payable in April. Total proceeds to WWHI of USD 1 million was reported in the second quarter. In the second quarter WWHI sold 3.5 million shares in Qube with a gain of USD 3 million, reducing shareholding to 70 million shares by the end of the quarter.

### Holding and other activities

*Holding/other activities includes WilNor Governmental Services (owned 51%) and general holding activities.*

Income was up in the second quarter, mainly due to pass through revenue in WilNor Governmental Services.

### Lost time injuries and total recordable cases

In the second quarter, an incident lead to one work related fatality on board a laid up vessel. For vessel based operations, the lost-time injury frequency rate was 0.25, a reduction from the first quarter and in line with the target not to exceed 0.60 for 2016. The total recordable case frequency rate for vessel based operations result was 2.0 against the target of 2.8. For onshore operations, the lost-time injury frequency rate was 0.70 and the total recordable case frequency rate was 1.05. This was above level experienced in the first quarter. Continued improvement of reporting of total recordable cases is in focus with education, robust reporting methods, and management attention.

## WWH share price and dividend

The WWH share price was down in the second quarter, reducing some of the gains from the first quarter. By the end of the quarter, the WWI share price was NOK 148.00 and the WWIB share price was NOK 140.00, a quarterly reduction of 3% and 5% respectively when adjusting for dividend paid.

The annual general meeting held 3 May 2016 approved a dividend of NOK 3.00 per share, which was paid on 13 May. The general meeting also authorised the board to declare further dividend of up to NOK 3.00 per share. The authorisation is valid until the annual general meeting in 2017, although no longer than 30 June 2017.

Share price and outstanding shares:	End	End
Wilh. Wilhelmsen Holding ASA	Q2'16	Q1'16
WWI share price (NOK)	148,00	156,00
WWIB share price (NOK)	140,00	150,00
WWI shares	34 637 092	34 637 092
- of which owned by the company	100 000	100 000
WWIB shares	11 866 732	11 866 732
- of which owned by the company	0	0
<b>Total outstanding shares</b>	<b>46 403 824</b>	<b>46 403 824</b>

Return:	Q2'16	YTD
Wilh. Wilhelmsen Holding ASA	Q2'16	YTD
WWI dividend (NOK per share)	3,00	3,00
WWI price return (share price development)	-5 %	11 %
WWI total return (incl. dividend; not reinvested)	-3 %	13 %
WWIB dividend (NOK per share)	3,00	3,00
WWIB price return (share price development)	-7 %	8 %
WWIB total return (incl. dividend; not reinvested)	-5 %	10 %

## Prospects

### Wilh. Wilhelmsen ASA

WWASA expects volume growth to remain weak over the next period.

### Wilhelmsen Maritime Services

A general soft maritime services market will continue to impact WMS income short term.

The agreed restructuring of the safety activities will have a one-off positive contribution when concluded, and create long term opportunities.

### Holding and investments

With most investments in traded shares, the short term value development of the Holding and investments segment will remain sensitive to the global stock market.

### WWH ASA group

The board expects the general business environment to remain soft, impacting most group activities and performance.

Lysaker, 4 August 2016  
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. WWH cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.

## Income statement - segment reporting <sup>1</sup>

Joint ventures based on proportionate method (restated figures for WWASA group and Holding & Investments)

USD mill	WWASA group			WMS group			Holding and Investments <sup>3</sup>			Eliminations			Total		
	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015
<b>Quarter</b>															
Operating revenue	530	583	2 243	233	252	998	12	6	21	(6)	(7)	(25)	769	833	3 237
<b>Other income</b>															
Share of profits from associates		0	1	1	0	5	20	18	43				21	18	49
Gain on sale of assets		0	29	1	2	7							1	2	35
<b>Total income</b>	<b>531</b>	<b>583</b>	<b>2 272</b>	<b>235</b>	<b>254</b>	<b>1 010</b>	<b>32</b>	<b>23</b>	<b>64</b>	<b>(6)</b>	<b>(7)</b>	<b>(25)</b>	<b>792</b>	<b>854</b>	<b>3 321</b>
<b>Operating expenses</b>															
Voyage expenses	(160)	(217)	(818)										(160)	(217)	(818)
Vessel expenses	(20)	(22)	(85)										(20)	(22)	(85)
Charter expenses	(69)	(84)	(316)										(69)	(84)	(316)
Inventory cost				(104)	(116)	(458)			(1)				(104)	(116)	(460)
Employee benefits	(40)	(42)	(168)	(68)	(68)	(263)	(4)	(4)	(16)			1	(112)	(114)	(446)
Other expenses	(162)	(119)	(658)	(40)	(37)	(150)	(10)	(3)	(14)	6	6	24	(206)	(153)	(799)
Depreciation and impairments	(38)	(40)	(160)	(6)	(5)	(73)							(44)	(45)	(233)
<b>Total operating expenses</b>	<b>(488)</b>	<b>(523)</b>	<b>(2 205)</b>	<b>(218)</b>	<b>(226)</b>	<b>(944)</b>	<b>(14)</b>	<b>(8)</b>	<b>(31)</b>	<b>6</b>	<b>7</b>	<b>25</b>	<b>(715)</b>	<b>(751)</b>	<b>(3 157)</b>
<b>Operating profit <sup>2</sup></b>	<b>42</b>	<b>60</b>	<b>67</b>	<b>17</b>	<b>28</b>	<b>65</b>	<b>17</b>	<b>16</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>77</b>	<b>103</b>	<b>165</b>
Financial income/(expenses)	(21)	4	(128)	(7)	(13)	3	3	1	9				(25)	(8)	(117)
<b>Profit/(loss) before tax</b>	<b>22</b>	<b>64</b>	<b>(61)</b>	<b>10</b>	<b>15</b>	<b>69</b>	<b>20</b>	<b>17</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>52</b>	<b>95</b>	<b>48</b>
Tax income/(expense)	(3)	(7)	23	(3)	(4)	(16)	1	2	2				(5)	(9)	8
<b>Profit/(loss)</b>	<b>18</b>	<b>57</b>	<b>(38)</b>	<b>8</b>	<b>11</b>	<b>52</b>	<b>21</b>	<b>18</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>47</b>	<b>86</b>	<b>56</b>
Minority interests	6	16	(9)		0	2	5	4	10				11	20	2
<b>Profit/(loss) to the owners of parent</b>	<b>12</b>	<b>41</b>	<b>(29)</b>	<b>7</b>	<b>11</b>	<b>50</b>	<b>16</b>	<b>15</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>36</b>	<b>66</b>	<b>54</b>

<sup>1</sup> The report is based on the proportionate method for all material joint ventures in the WWH group.

In Wilh. Wilhelmsen Holding group's financial interim reports, the equity method is applied for consolidation of joint ventures. This method provides a fair presentation of the group's financial position. However, during the day to day operations, management are using the proportionate method for their analysis and decision making.

<sup>2</sup> Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses.

<sup>3</sup> Holding and Investments includes Wilh. Wilhelmsen Holding ASA, Wilh. Wilhelmsen Holding Invest group and minor activities which fail to meet the definition for other segments.

### 2016: Material gain/(loss) from disposal of assets and impairment charges

No material acquisitions or disposals in second quarter

WWASA group: Q1 - An accounting gain of USD 80 million as a result of step acquisition in Vehicle Services Americas (VSA) and CAT-WWL, and sale of Vehicle Services Europe (VSE). Loss of USD 3.5 million related to recycling of three vessels.

### 2015: Disposals gain/(loss) of assets and impairment charges (Included in share of profits from joint ventures and associates)

No material acquisitions or disposals in second quarter

WWASA group: Q1 - Disposal of 0.5% shares in Hyundai Glovis by a gain of USD 26 mill.

## Income statement - segment reporting <sup>1</sup>

Joint ventures based on proportionate method (restated figures for WWASA group and Holding & Investments)

USD mill	WWASA group		WMS group		Holding and Investments <sup>3</sup>		Eliminations		Total	
	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015
<b>Year to date</b>										
Operating revenue	1 046	1 156	466	505	17	11	(12)	(13)	1 517	1 658
<b>Other income</b>		0								
Share of profits from associates		0	2	2	38	28		0	40	30
Gain on sale of assets	80	27	2	4		0		0	82	31
<b>Total income</b>	<b>1 126</b>	<b>1 183</b>	<b>470</b>	<b>511</b>	<b>55</b>	<b>38</b>	<b>(12)</b>	<b>(13)</b>	<b>1 639</b>	<b>1 720</b>
<b>Operating expenses</b>										
Voyage expenses	(320)	(432)		0		0		0	(320)	(432)
Vessel expenses	(40)	(45)		0		0		0	(40)	(45)
Charter expenses	(136)	(163)		0		0		0	(136)	(163)
Inventory cost		0	(213)	(234)		(0)		0	(214)	(234)
Employee benefits	(83)	(84)	(136)	(136)	(8)	(9)		0	(226)	(228)
Other expenses	(319)	(233)	(79)	(77)	(14)	(7)	11	12	(400)	(304)
Depreciation and impairments	(72)	(78)	(12)	(10)		0		0	(85)	(88)
<b>Total operating expenses</b>	<b>(970)</b>	<b>(1 034)</b>	<b>(439)</b>	<b>(457)</b>	<b>(22)</b>	<b>(16)</b>	<b>12</b>	<b>13</b>	<b>(1 420)</b>	<b>(1 494)</b>
<b>Operating profit <sup>2</sup></b>	<b>156</b>	<b>148</b>	<b>31</b>	<b>55</b>	<b>33</b>	<b>23</b>	<b>0</b>	<b>(0)</b>	<b>219</b>	<b>225</b>
Financial income/(expenses)	(36)	(42)	(12)	(6)	0	5		0	(47)	(42)
<b>Profit/(loss) before tax</b>	<b>120</b>	<b>106</b>	<b>19</b>	<b>49</b>	<b>33</b>	<b>28</b>	<b>0</b>	<b>(0)</b>	<b>172</b>	<b>183</b>
Tax income/(expense)	(9)	(2)	(5)	(13)	(1)	1		0	(15)	(13)
<b>Profit/(loss)</b>	<b>110</b>	<b>105</b>	<b>14</b>	<b>36</b>	<b>32</b>	<b>30</b>	<b>0</b>	<b>(0)</b>	<b>157</b>	<b>170</b>
Minority interests	31	29	1	1	8	6		0	40	36
<b>Profit/(loss) to the owners of parent</b>	<b>79</b>	<b>76</b>	<b>14</b>	<b>35</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>(0)</b>	<b>117</b>	<b>134</b>

<sup>1/2/3</sup> Comments - see previous page

### 2016: Material gain/(loss) from disposal of assets and impairment charges

No material acquisitions or disposals in second quarter

WWASA group: Q1 - An accounting gain of USD 80 million as a result of step acquisition in Vehicle Services Americas (VSA) and CAT-WWL, and sale of Vehicle Services Europe (VSE). Loss of USD 3.5 million related to recycling of three vessels.

### 2015: Disposals gain/(loss) of assets and impairment charges (Included in share of profits from joint ventures and associates)

There has not been any material gain/(loss) the second quarter of 2015.

WWASA group: Q1 - Disposal of 0.5% shares in Hyundai Glovis by a gain of USD 26 mill.

WMS group Q4 2015: Gain from termination of defined benefit plan USD 4 mill. Included in employee benefits

USD mill	WWASA group		WMS group		Holding and Investments <sup>3</sup>		Eliminations		Total	
	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015
<b>Restatement</b>										
<b>Reported operating profit</b>	<b>169</b>	<b>171</b>	<b>31</b>	<b>55</b>	<b>20</b>	<b>(0)</b>			<b>219</b>	<b>225</b>
Share of profit from associates	(13)	(22)			13	22			0	0
<b>Operating profit after restatement</b>	<b>156</b>	<b>148</b>	<b>31</b>	<b>55</b>	<b>33</b>	<b>22</b>			<b>219</b>	<b>225</b>
<b>Profit/(loss) after restatement</b>	<b>110</b>	<b>105</b>	<b>14</b>	<b>36</b>	<b>32</b>	<b>29</b>			<b>157</b>	<b>170</b>
Minority interests before restatement	35	35	1	1	5	(0)			40	36
Change in minority interests	(4)	(6)			4	6			0	0
<b>Profit/(loss) to the owners of parent</b>	<b>79</b>	<b>76</b>	<b>14</b>	<b>35</b>	<b>24</b>	<b>24</b>			<b>117</b>	<b>134</b>



## Income statement - segment reporting <sup>1</sup>

Joint ventures based on proportionate method (restated figures for WWASA group and Holding & Investments)

USD mill	WWASA group					Holding & Investments <sup>3</sup>					Total WWH group incl eliminations				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
<b>Quarter on quarter</b>															
Operating revenue	573	583	546	541	515	5	6	5	6	6	825	833	779	800	748
<b>Other income</b>															
Share of profits from associates						10	18	13	2	18	12	18	15	4	19
Gain on sale of assets	26			2	80						29	2	1	3	80
<b>Total income</b>	<b>600</b>	<b>583</b>	<b>546</b>	<b>543</b>	<b>595</b>	<b>15</b>	<b>23</b>	<b>18</b>	<b>7</b>	<b>23</b>	<b>866</b>	<b>854</b>	<b>795</b>	<b>807</b>	<b>848</b>
<b>Operating expenses</b>															
Voyage expenses	(215)	(217)	(202)	(184)	(160)						(215)	(217)	(202)	(184)	(160)
Vessel expenses	(23)	(22)	(23)	(18)	(20)						(23)	(22)	(23)	(18)	(20)
Charter expenses	(79)	(84)	(76)	(76)	(67)						(79)	(84)	(76)	(76)	(67)
Employee benefits	(41)	(42)	(40)	(44)	(43)	(4)	(4)	(3)	(4)	(4)	(113)	(114)	(108)	(110)	(114)
Other expenses	(115)	(119)	(310)	(114)	(157)	(3)	(3)	(4)	(3)	(4)	(152)	(153)	(342)	(153)	(194)
Depreciation and impairments	(38)	(40)	(41)	(41)	(35)						(43)	(45)	(98)	(47)	(41)
<b>Total operating expenses</b>	<b>(511)</b>	<b>(523)</b>	<b>(692)</b>	<b>(478)</b>	<b>(482)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(743)</b>	<b>(751)</b>	<b>(952)</b>	<b>(711)</b>	<b>(705)</b>
<b>Operating profit <sup>2</sup></b>	<b>89</b>	<b>60</b>	<b>(146)</b>	<b>65</b>	<b>113</b>	<b>7</b>	<b>16</b>	<b>10</b>	<b>(0)</b>	<b>15</b>	<b>123</b>	<b>103</b>	<b>(157)</b>	<b>96</b>	<b>143</b>
Financial income/(expenses)	(46)	4	(73)	(13)	(15)	4	1		3	(2)	(35)	(8)	(69)	(5)	(23)
<b>Profit/(loss) before tax</b>	<b>43</b>	<b>64</b>	<b>(219)</b>	<b>51</b>	<b>98</b>	<b>11</b>	<b>17</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>88</b>	<b>95</b>	<b>(226)</b>	<b>91</b>	<b>120</b>
Tax income/(expense)	5	(7)	(5)	30	(6)		2			(2)	(4)	(9)	(16)	37	(10)
<b>Profit/(loss)</b>	<b>47</b>	<b>57</b>	<b>(224)</b>	<b>81</b>	<b>92</b>	<b>11</b>	<b>18</b>	<b>10</b>	<b>3</b>	<b>11</b>	<b>84</b>	<b>86</b>	<b>(243)</b>	<b>129</b>	<b>110</b>
Minority interests	13	16	(61)	22	25	2	4	3		4	16	20	(57)	23	29
<b>Profit/(loss) to the owners of parent</b>	<b>34</b>	<b>41</b>	<b>(163)</b>	<b>59</b>	<b>67</b>	<b>9</b>	<b>15</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>68</b>	<b>66</b>	<b>(186)</b>	<b>105</b>	<b>80</b>

The listing of Treasure ASA in June has effect on the segment financial reporting for WWASA and Holding & Investment. The share of profit from Hyundai Glovis has been moved from WWASA segment to Holding & Investment and corresponding minority interests.

No changes for WMS group

The total figures for the WWH group is not affected by the demerger of WWASA and the listing of Treasure ASA

USD mill	WWASA group					Holding & Investments <sup>3</sup>					Total WWH group incl eliminations				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
<b>Reported operating profit</b>	<b>98</b>	<b>73</b>	<b>(134)</b>	<b>66</b>	<b>126</b>	<b>(2)</b>	<b>2</b>	<b>(2)</b>	<b>(2)</b>	<b>2</b>	<b>123</b>	<b>103</b>	<b>(157)</b>	<b>96</b>	<b>143</b>
Share of profit from associates	(9)	(13)	(12)	(2)	(13)	9	13	12	2	13					
<b>Operating profit after restatement</b>	<b>89</b>	<b>60</b>	<b>(146)</b>	<b>65</b>	<b>113</b>	<b>7</b>	<b>15</b>	<b>10</b>	<b></b>	<b>15</b>	<b>123</b>	<b>103</b>	<b>(157)</b>	<b>96</b>	<b>143</b>
<b>Profit/(loss) after restatement</b>	<b>47</b>	<b>57</b>	<b>(224)</b>	<b>81</b>	<b>92</b>	<b>11</b>	<b>18</b>	<b>10</b>	<b>3</b>	<b>11</b>	<b>84</b>	<b>86</b>	<b>(243)</b>	<b>129</b>	<b>110</b>
Minority interests before restatement	16	19	(58)	23	29						16	20	(57)	23	29
Change in minority interests	(2)	(4)	(3)	(0)	(4)	2	4	3	0	4					
<b>Profit/(loss) to the owners of parent</b>	<b>34</b>	<b>41</b>	<b>(163)</b>	<b>59</b>	<b>67</b>	<b>9</b>	<b>15</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>68</b>	<b>66</b>	<b>(186)</b>	<b>105</b>	<b>80</b>

## Income statement - segment reporting <sup>1</sup>

Joint ventures based on proportionate method

USD mill	WWASA group restated				WMS group (no changes)				Holding & Investments <sup>3</sup> restated				Total incl eliminations (no changes)			
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2015	Q4 2015	Q1 2016	Q2 2016
<b>Quarter on quarter</b>																
Operating revenue	546	541	515	530	234	260	233	233	5	6	6	12	779	800	748	769
<b>Other income</b>																
Share of profits from associates					1	2	1	1	13	2	18	20	15	4	19	21
Gain on sale of assets		2	80		1	1		1					1	3	80	1
<b>Total income</b>	<b>546</b>	<b>543</b>	<b>595</b>	<b>531</b>	<b>236</b>	<b>263</b>	<b>235</b>	<b>235</b>	<b>18</b>	<b>7</b>	<b>23</b>	<b>32</b>	<b>795</b>	<b>807</b>	<b>848</b>	<b>792</b>
<b>Operating expenses</b>																
Voyage expenses	(202)	(184)	(160)	(160)									(202)	(184)	(160)	(160)
Vessel expenses	(23)	(18)	(20)	(20)									(23)	(18)	(20)	(20)
Charter expenses	(76)	(76)	(67)	(69)									(76)	(76)	(67)	(69)
Inventory cost					(103)	(122)	(109)	(104)					(103)	(122)	(109)	(104)
Employee benefits	(40)	(44)	(43)	(40)	(65)	(62)	(68)	(68)	(3)	(4)	(4)	(4)	(108)	(110)	(114)	(112)
Other expenses	(310)	(114)	(157)	(162)	(32)	(41)	(38)	(40)	(4)	(3)	(4)	(10)	(342)	(153)	(194)	(206)
Depreciation and impairments	(41)	(41)	(35)	(38)	(57)	(5)	(6)	(6)					(98)	(47)	(41)	(44)
<b>Total operating expenses</b>	<b>(692)</b>	<b>(478)</b>	<b>(482)</b>	<b>(488)</b>	<b>(257)</b>	<b>(231)</b>	<b>(221)</b>	<b>(218)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(14)</b>	<b>(952)</b>	<b>(711)</b>	<b>(705)</b>	<b>(715)</b>
<b>Operating profit <sup>2</sup></b>	<b>(146)</b>	<b>65</b>	<b>113</b>	<b>42</b>	<b>(21)</b>	<b>32</b>	<b>14</b>	<b>17</b>	<b>10</b>	<b>(0)</b>	<b>15</b>	<b>17</b>	<b>(157)</b>	<b>96</b>	<b>143</b>	<b>77</b>
Financial income/(expenses)	(73)	(13)	(15)	(21)	3	5	(5)	(7)		3	(2)	3	(69)	(5)	(23)	(25)
<b>Profit/(loss) before tax</b>	<b>(219)</b>	<b>51</b>	<b>98</b>	<b>22</b>	<b>(18)</b>	<b>37</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>20</b>	<b>(226)</b>	<b>91</b>	<b>120</b>	<b>52</b>
Tax income/(expense)	(5)	30	(6)	(3)	(11)	7	(2)	(3)			(2)		(16)	37	(10)	(5)
<b>Profit/(loss)</b>	<b>(224)</b>	<b>81</b>	<b>92</b>	<b>18</b>	<b>(29)</b>	<b>45</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>11</b>	<b>21</b>	<b>(243)</b>	<b>129</b>	<b>110</b>	<b>47</b>
Minority interests	(61)	22	25	6		1			3		4	5	(57)	23	29	11
<b>Profit/(loss) to the owners of parent</b>	<b>(163)</b>	<b>59</b>	<b>67</b>	<b>12</b>	<b>(29)</b>	<b>44</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>16</b>	<b>(186)</b>	<b>105</b>	<b>80</b>	<b>36</b>

<sup>1/2/3</sup> Comments - see previous page

## Notes - segment reporting

Joint ventures based on proportionate method

### Note 1 - Financial income/(expenses)

USD mill	01.04-30.06 2016	01.04-30.06 2015	YTD 2016	YTD 2015	Full year 2015
<b>Financial items</b>					
Investment management <sup>1</sup>	3,0	(1,6)	1,8	11,7	6,0
Interest income	2,6	1,5	5,1	3,3	7,0
Other financial items	3,4	0,5	1,8	(1,2)	(9,5)
<b>Net financial items</b>	<b>9,0</b>	<b>0,4</b>	<b>8,7</b>	<b>13,7</b>	<b>3,5</b>
<b>Financial - interest expenses</b>					
Interest expenses	(20,5)	(16,7)	(39,0)	(34,3)	(68,7)
Interest rate derivatives - realised	(8,1)	(10,0)	(15,6)	(18,4)	(34,1)
<b>Net financial - interest expenses</b>	<b>(28,6)</b>	<b>(26,6)</b>	<b>(54,7)</b>	<b>(52,7)</b>	<b>(102,8)</b>
<b>Interest rate derivatives - unrealised</b>	<b>(1,1)</b>	<b>18,5</b>	<b>(15,4)</b>	<b>19,9</b>	<b>24,3</b>
<b>Financial currency</b>					
Net currency gain/(loss)	(5,7)	(22,3)	(9,4)	(14,5)	25,7
Currency derivatives - realised	(13,5)	(4,0)	(13,2)	(0,5)	(1,8)
Currency derivatives - unrealised	13,3	14,1	21,5	(0,0)	(26,2)
Cross currency derivatives - realised	(0,5)	(0,0)	(1,0)	0,0	(11,5)
Cross currency derivatives - unrealised	(2,2)	11,1	11,0	(10,0)	(21,4)
<b>Net financial currency</b>	<b>(8,6)</b>	<b>(1,1)</b>	<b>9,0</b>	<b>(24,9)</b>	<b>(35,4)</b>
<b>Financial derivatives bunkers</b>					
Valuation of bunker hedges	5,1	0,9	6,5	1,7	(6,3)
Realised portion bunker hedges	(0,8)	0,0	(1,5)	0,0	
<b>Net financial derivatives bunkers</b>	<b>4,3</b>	<b>0,9</b>	<b>5,1</b>	<b>1,7</b>	<b>(6,3)</b>
<b>Financial income/(expenses)</b>	<b>(24,9)</b>	<b>(7,8)</b>	<b>(47,4)</b>	<b>(42,3)</b>	<b>(116,5)</b>

<sup>1</sup> Includes financial derivatives for trading

### Realised bunker and fuel hedges included in operating expenses

USD mill	01.04-30.06 2016	01.04-30.06 2015	YTD 2016	YTD 2015	Full year 2015
Cash settled bunker and fuel hedges	(1,4)	1,0	(5,0)	1,0	(5,3)

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# FINANCIAL REPORT



Wilh. Wilhelmsen

# 16

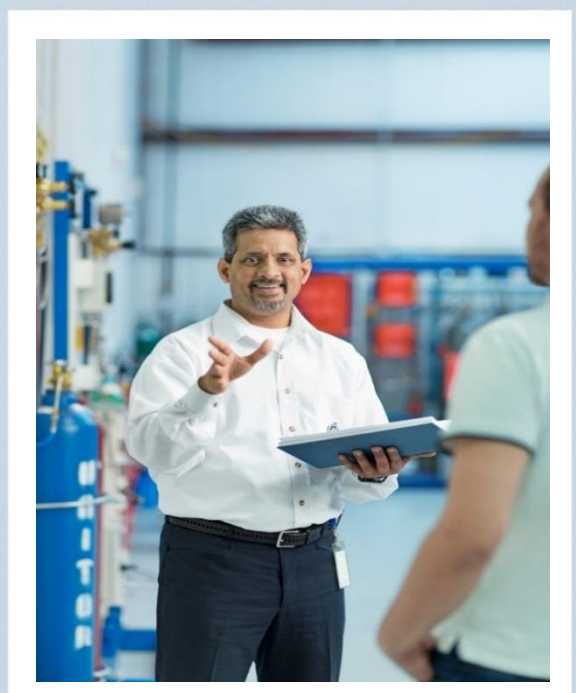
Wilh. Wilhelmsen Holding ASA

## SECOND QUARTER AND FIRST HALF 2016

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# Report for the second quarter and first half of 2016

## Financial report

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

## Key figures

(USD mill)	Q2'16	Q1'16	Q-on-Q Change	Q2'15	Y-o-Y Change	01.01- 30.06.16	01.01- 30.06.15	Y-o-Y Change
<b>Total income</b>	<b>342</b>	<b>411</b>	<b>-17 %</b>	<b>376</b>	<b>-9 %</b>	<b>753</b>	<b>769</b>	<b>-2 %</b>
<b>EBITDA</b>	<b>91</b>	<b>159</b>	<b>-43 %</b>	<b>121</b>	<b>-25 %</b>	<b>250</b>	<b>255</b>	<b>-2 %</b>
<b>Operating profit/EBIT</b>	<b>65</b>	<b>134</b>	<b>-51 %</b>	<b>95</b>	<b>-31 %</b>	<b>199</b>	<b>204</b>	<b>-3 %</b>
<b>Profit(loss) after minority</b>	<b>36</b>	<b>80</b>	<b>-55 %</b>	<b>66</b>	<b>-45 %</b>	<b>117</b>	<b>134</b>	<b>-13 %</b>
<b>EPS (USD)</b>	<b>0,78</b>	<b>1,73</b>	<b>-55 %</b>	<b>1,43</b>	<b>-45 %</b>	<b>2,51</b>	<b>2,89</b>	<b>-13 %</b>

## Financial summary

### Result for the second quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (WWH) was USD 342 million in the second quarter of 2016. This was a reduction from the previous quarter which included a non-recurring gain related to WWASA logistics investments. When adjusting for this non-recurring gain, income was up 3% for the quarter.

Wilh. Wilhelmsen ASA's (WWASA) shipping volumes improved in the second quarter. Income in Wilhelmsen Maritime Services (WMS) remained subdued, reflecting a generally weak shipping and offshore market. Income was up in Holding and Investment, mainly due to improved net result in Hyundai Glovis.

The operating profit for the quarter was USD 65 million. This was an increase of 21% from the previous quarter when adjusting for the non-recurring gain in WWASA impacting first quarter results. The improvement in underlying operating profit was supported by increased WWASA shipping volumes, improved operating margin in WMS and increased contribution from Holding and investments.

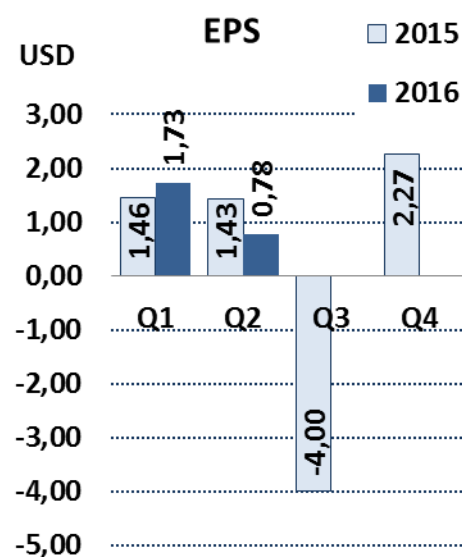
Net financials were negative with of USD 19 million in the second quarter. Net interest rate derivatives and net currency were both negative with a loss of USD 8 million, while financial derivatives for bunkers was positive with USD 4 million.

Tax expense was nil in the second quarter.

Minority interests' share of net profit for the quarter was USD 10 million, of which USD 5

million was related to minority shareholders in WWASA and USD 5 million was related to minority shareholders in Treasure ASA.

Profit after tax and minority interests totalled USD 36 million in the second quarter, down from USD 80 million in the first quarter.



### Result for the first half year

Total income for WWH was USD 753 million for the first half of 2016. This was a reduction of 2% when compared with the similar period last year. Adjusting for a non-recurring gain related to WWASA logistics activities in the first half of 2016, income was down 12%. Both WWASA and WMS saw a reduction in operating revenue in the first half, reflecting a weak operating environment.

Operating profit for the first half of the year was USD 199 million, a reduction of 2% compared with the corresponding period last year. Adjusting for non-recurring gains related to WWASA logistics activities, operating profit was down 33%. The reduction reflected lower results within WWASA shipping activities and a reduction in operating income and margin in WMS. Operating profit from Holding and investment activities improved.

Net financials was an expense of USD 36 million in the first half year, impacted by a USD

27 million loss on net interest rate derivatives, while net financials related to currency and bunkers contributed positively with combined USD 11 million.

Minority interests' share of profit in the first half year was USD 38 million, mainly related to minority shareholders in WWASA and Treasure ASA.

Net profit after tax and minority interests was USD 117 million in the first half year of 2016.

## Cash flow, liquidity and debt

The WWH group had a net increase in cash and cash equivalents of USD 105 million in the second quarter.

Cash flow from operating activities was USD 152 million, reflecting increased contribution from operations and seasonally high dividend from joint ventures and associates. Cash flow from investing activities was negative with USD 144 million mainly due to WWASA vessel investments. Cash flow from financing activities was positive with USD 97 million, reflecting net debt uptake exceeding interest and dividend paid during the period.

<b>Cash flow</b>		
<i>USD mill. - unless otherwise indicated</i>	<b>Q2'16</b>	<b>Q1'16</b>
Cash from operations	97	49
Dividend received from joint ventures and associates	55	1
<b>Net cash provided by operating activities</b>	<b>152</b>	<b>50</b>
Investments in fixed assets	-139	-20
Net financial investments	-3	-14
Sale of assets/ Other	-1	13
<b>Net cash flow from investing activities</b>	<b>-144</b>	<b>-21</b>
Net repayment of debt	145	-43
Dividend to shareholders and minorities	-17	0
Interest payment/other	-31	-25
<b>Net cash flow from financing activities</b>	<b>97</b>	<b>-67</b>
<b>Net increase in cash and cash equivalents</b>	<b>105</b>	<b>-39</b>

Cash and cash equivalents for the group amounted to USD 378 million by end of the second quarter of 2016. Total liquid assets including current financial investments amounted to USD 719 million. In addition to this, the main group companies also have undrawn committed drawing rights to cover investments and any short-term cash flow needs, including where relevant back stop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.

The WWH group carries out active financial asset management of part of the group's liquidity. The value of the group's investment portfolio remained stable amounting to USD 341 million at the end of the second quarter, with investments in various asset classes including Nordic shares and investment grade bonds. Of this, USD 85 million were in the parent company.

<b>Liquidity and debt</b>		
<i>USD mill. - unless otherwise indicated</i>	<b>30.06.16</b>	<b>31.12.15</b>
<b>Cash and cash equivalent</b>	<b>378</b>	<b>273</b>
- Wilh. Wilhelmsen ASA	150	87
- Wilhelmsen Maritime Services	162	170
- Holding & Investments	66	17
- Eliminations	0	0
<b>Current financial investments</b>	<b>341</b>	<b>339</b>
- Wilh. Wilhelmsen ASA	256	251
- Wilhelmsen Maritime Services	0	0
- Holding & Investments	85	87
- Eliminations	0	0
<b>Interest bearing debt</b>	<b>1 779</b>	<b>1 637</b>
- Wilh. Wilhelmsen ASA	1 425	1 299
- Wilhelmsen Maritime Services	319	289
- Holding & Investments	35	48
- Eliminations	0	0

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

As of 30 June 2016 the group's total interest-bearing debt amounted to USD 1 779 million, of which USD 35 million was related to Holding and Investments, USD 319 million related to the WMS group and USD 1 425 million related to the WWASA group.



## Risk update

The main risks as considered by the Board of Directors at that time are described in the 2015 Annual Report. 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.

### Market risk

The baseline projection for global growth in 2016 has been subject a modest downward revision. The recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies, as conditions in stressed economies start gradually to normalize. But uncertainty has increased, and risks of weaker growth scenarios are becoming more tangible (source IMF). Since hitting a low point earlier this year, most commodity prices have recovered some, but remains at a low level.

### Operational risk

Political and social unrest continued in many countries also in the first half of 2016, but with no major change in impact on group operation.

### Financial risk

While currency markets have remained fairly volatile also in the first half of 2016, the general appreciation of the USD against most currencies has levelled off. Uncertainty remains around a potential future increase in US interest rates.

The share price of Hyundai Glovis (held through Treasure ASA) was down 11% during the first half of 2016. The share prices of WWASA increased up to the Treasure ASA de-merger, but the combined value of the two listed entities have since fallen back to the level seen at the start of 2016 (all measured in local currencies).

### Antitrust investigation

The joint venture companies WWL and EUKOR continues to be part of anti-trust investigations in several jurisdictions, of which the EU is among the bigger jurisdictions. The ongoing investigations of WWL and EUKOR are confidential. WWASA is therefore not in a position to comment on the ongoing investigations within remaining jurisdictions. The processes are expected to continue to take time, but further clarifications are expected during 2016 and 2017.

Lysaker, 4 August 2016  
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. WWH cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.



## Income statement - financial report

Joint ventures based on equity method

USD mill	Note	01.04-30.06 2016	01.04-30.06 2015	YTD 2016	YTD 2015	Full year 2015
Operating revenue		304	329	606	657	1 307
<b>Other income</b>						
Share of profits/ (loss) from joint ventures and associates		36	44	145	81	(60)
Gain on sale of assets	2	1	2	2	31	34
<b>Total income</b>		<b>342</b>	<b>376</b>	<b>753</b>	<b>769</b>	<b>1 281</b>
<b>Operating expenses</b>						
Vessel expenses		(9)	(11)	(19)	(23)	(42)
Charter expenses		(6)	(5)	(12)	(11)	(22)
Inventory cost		(104)	(116)	(214)	(234)	(460)
Employee benefits	3	(83)	(86)	(168)	(170)	(331)
Other expenses		(48)	(37)	(91)	(76)	(151)
Depreciation and impairments	4	(26)	(26)	(52)	(51)	(154)
<b>Total operating expenses</b>		<b>(277)</b>	<b>(282)</b>	<b>(554)</b>	<b>(565)</b>	<b>(1 159)</b>
<b>Operating profit</b>		<b>65</b>	<b>95</b>	<b>199</b>	<b>204</b>	<b>122</b>
Financial income/(expenses)	5	(19)	(2)	(36)	(26)	(86)
<b>Profit before tax</b>		<b>46</b>	<b>92</b>	<b>163</b>	<b>178</b>	<b>36</b>
Tax income/(expense)	6	(0)	(6)	(8)	(8)	19
<b>Profit for the period</b>		<b>46</b>	<b>86</b>	<b>155</b>	<b>169</b>	<b>55</b>
Attributable to: minority interests		10	19	38	36	1
owners of the parent		36	66	117	134	54
Basic earnings per share (USD)	7	0,78	1,43	2,51	2,89	1,16

## Comprehensive income - financial report

Joint ventures based on equity method

USD mill		01.04-30.06 2016	01.04-30.06 2015	YTD 2016	YTD 2015	Full year 2015
<b>Profit for the period</b>		<b>46</b>	<b>86</b>	<b>155</b>	<b>169</b>	<b>55</b>
<b>Items that will be reclassified to income statement</b>						
Net investment hedge/cash flow hedges (net after tax)		6		8		(8)
Revaluation market to market value			(30)	(10)	(1)	(1)
Currency translation differences	5	(15)	30	35	(46)	(131)
<b>Items that will not be reclassified to income statement</b>						
Remeasurement postemployment benefits, net of tax					(1)	5
<b>Other comprehensive income, net of tax</b>		<b>(18)</b>	<b>0</b>	<b>33</b>	<b>(49)</b>	<b>(134)</b>
<b>Total comprehensive income for the period</b>		<b>28</b>	<b>86</b>	<b>188</b>	<b>120</b>	<b>(80)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent		16	65	147	86	(77)
Minority interests		12	21	41	35	(3)
<b>Total comprehensive income for the period</b>		<b>28</b>	<b>86</b>	<b>188</b>	<b>120</b>	<b>(80)</b>

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

## Balance sheet - financial report

Joint ventures based on equity method

USD mill	Note	30.06.2016	30.06.2015	31.12.2015
<b>Non current assets</b>				
Deferred tax asset	6	100	49	92
Goodwill and other intangible assets	4	212	267	205
Vessels, property and other tangible assets	4	2 107	2 040	2 011
Investments in joint ventures and associates		1 219	1 289	1 116
Other non current assets	8	150	141	141
<b>Total non current assets</b>		<b>3 787</b>	<b>3 786</b>	<b>3 566</b>
<b>Current assets</b>				
Inventory		116	108	107
Current financial investments		341	337	327
Other current assets		366	359	375
Cash and cash equivalents		378	386	311
<b>Total current assets</b>		<b>1 201</b>	<b>1 189</b>	<b>1 120</b>
<b>Total assets</b>		<b>4 989</b>	<b>4 975</b>	<b>4 686</b>
<b>Equity</b>				
Paid-in capital	7	122	122	122
Retained earnings	7/9	1 763	1 806	1 632
<b>Attributable to equity holders of the parent</b>		<b>1 885</b>	<b>1 928</b>	<b>1 754</b>
Minority interests		492	494	452
<b>Total equity</b>		<b>2 377</b>	<b>2 422</b>	<b>2 206</b>
<b>Non current liabilities</b>				
Pension liabilities		69	87	67
Deferred tax	6	17	17	20
Non current interest-bearing debt	10	1 599	1 618	1 461
Other non current liabilities		274	285	291
<b>Total non current liabilities</b>		<b>1 959</b>	<b>2 007</b>	<b>1 839</b>
<b>Current liabilities</b>				
Current income tax		9	6	8
Public duties payable		8	9	9
Current interest-bearing debt	10	180	128	199
Other current liabilities		456	403	425
<b>Total current liabilities</b>		<b>653</b>	<b>545</b>	<b>640</b>
<b>Total equity and liabilities</b>		<b>4 989</b>	<b>4 975</b>	<b>4 686</b>

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

## Cash flow statement - financial report

Joint ventures based on equity method

USD mill	Note	01.04-30.06 2016	01.04-30.06 2015	Full year 2015
<b>Cash flow from operating activities</b>				
Profit before tax		46	92	36
Financial (income)/expenses			(9)	58
Financial derivatives unrealised		13	2	24
Depreciation/impairment	4	26	26	154
Loss/ (gain) on sale of fixed assets	4	(2)	(2)	(6)
(Gain)/loss from sale off subsidiaries, joint ventures and associates	2			(28)
Change in net pension asset/liability		(1)	1	(22)
Change in inventory		(1)	(4)	2
Change in working capital		57	(4)	(48)
Share of profit from joint ventures and associates		(36)	(44)	60
Dividend received from joint ventures and associates		55	36	47
Tax paid (company income tax, withholding tax)		(5)	(3)	(19)
<b>Net cash provided by operating activities</b>		<b>152</b>	<b>92</b>	<b>258</b>
<b>Cash flow from investing activities</b>				
Proceeds from sale of fixed assets	4	5		16
Investments in fixed assets	4	(139)	(84)	(212)
Net proceeds from sale of subsidiaries				2
Net proceeds from sale of joint ventures and associates	2		(1)	41
Loans granted to joint ventures and associates		(8)		
Proceeds from sale of financial investments		41	39	139
Current financial investments		(44)	(47)	(174)
Interest received		1	1	4
Changes in other investments		1		(3)
<b>Net cash flow from investing activities</b>		<b>(144)</b>	<b>(93)</b>	<b>(187)</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of debt		190	64	227
Repayment of debt		(45)	(26)	(207)
Interest paid including interest derivatives		(16)	(19)	(87)
Cash from financial derivatives		(15)	(5)	(13)
Dividend to shareholders/purchase of own shares		(17)	(27)	(43)
<b>Net cash flow from financing activities</b>		<b>97</b>	<b>(14)</b>	<b>(123)</b>
<b>Net increase in cash and cash equivalents <sup>1</sup></b>		<b>105</b>	<b>(14)</b>	<b>(53)</b>
Cash and cash equivalents at the beg. of the period <sup>1</sup>		273	400	364
<b>Cash and cash equivalents at the end of the period <sup>1</sup></b>		<b>378</b>	<b>386</b>	<b>312</b>

<sup>1</sup> 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

Joint ventures based on equity method

### Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Minority interests	Total equity
<b>Balance at 31.12.2015</b>	<b>122</b>	<b>1 632</b>	<b>1 754</b>	<b>452</b>	<b>2 206</b>
Profit for the period		117	117	38	155
Comprehensive income		31	31	2	33
Paid dividends to shareholders		(16)	(16)	(1)	(17)
<b>Balance 30.06.2016</b>	<b>122</b>	<b>1 763</b>	<b>1 885</b>	<b>492</b>	<b>2 377</b>
<b>Balance at 31.12.2014</b>	<b>122</b>	<b>1 738</b>	<b>1 861</b>	<b>469</b>	<b>2 329</b>
Profit for the period		134	134	35	169
Comprehensive income		(48)	(48)	(1)	(49)
Paid dividends to shareholders		(18)	(18)	(9)	(27)
<b>Balance 30.06.2015</b>	<b>122</b>	<b>1 806</b>	<b>1 928</b>	<b>494</b>	<b>2 422</b>

### Statement of changes in equity - Full year 2015

USD mill	Share capital	Retained earnings	Total	Minority interests	Total equity
<b>Balance at 31.12.2014</b>	<b>122</b>	<b>1 738</b>	<b>1 861</b>	<b>469</b>	<b>2 329</b>
Profit for the period		54	54	1	55
Comprehensive income		(131)	(131)	(3)	(135)
Paid dividends to shareholders		(29)	(29)	(15)	(44)
<b>Balance 31.12.2015</b>	<b>122</b>	<b>1 632</b>	<b>1 754</b>	<b>452</b>	<b>2 206</b>

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



## Notes - financial report

### Joint ventures based on equity method

#### 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 2015 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 2015.

##### 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

##### 2016

###### Second quarter

Treasure ASA was demerger from WWASA and the company was listed at 8 June 2016. Treasure ASA hold 12.04% ownership in the listed company Hyundai Glovis. Treasure ASA group is a part of Holding & Investment segment. See separate note for restated figures.

###### First quarter

##### Investments in WWASA segment

WWL has acquired the full ownership of WWL Vehicle Services Americas (VSA), previously a joint venture, based in USA. The company employs 3 400 employees and handles some 4.7 million units annually.

With full ownership, WWL strengthens its position as a leading provider of vehicle processing for automotive manufacturers in North America.

WWL has also acquired the full ownership of CAT-WWL, previously a joint venture, based in South Africa.

With full ownership in CAT-WWL, a network of ten vehicle-processing facilities, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.

The business employs more than 900 workers and handles some 680 000 units.

In addition, WWL has sold Vehicle Services Europe (VSE) to Groupe CAT. The company employs some 400 employees with truck based inland distribution in Europe and three vehicle processing centres in Germany.

##### 2015

###### Second quarter

There has not been any significant acquisitions or disposals during the second quarter.

###### First quarter

In the first quarter of 2015, WWASA sold 187 500 shares in Hyundai Glovis with net proceeds of approximately USD 39 million. The net gain recorded in the 2015 group's accounts amounted to USD 26 million.

#### Note 3 - Employee benefits / pension cost

Up to 31 December 2014 WWH ASA and WWASA had two pension schemes for employees in Norway; a defined benefit scheme and a defined contribution scheme. Effective 1 January 2015 most of the Norwegians legal entities entered

into a defined contribution pension scheme with improved saving rates. In 2015 the subsidiary Wilhelmsen Chemical terminated the defined benefit scheme and implemented the same pension plan as the rest of the Norwegian part of the

	31.12.2015				
Employee benefits (excluding pension cost)					(305)
Pension cost					(30)
Gain related to termination of defined benefit plan					4
<b>Employee benefits income statement</b>					<b>(331)</b>
Pension cost					(30)
Gain related to termination of defined benefit plan					4
Other comprehensive income pension before tax					7
<b>Net equity effect of pension cost before tax (parent and subsidiaries)</b>					<b>(19)</b>
			<b>Holding &amp; Investments</b>	<b>Eliminations</b>	<b>Total WWH group</b>
<b>USD mill</b>	<b>WWASA group</b>	<b>WMS group</b>	<b>31.12</b>	<b>31.12</b>	<b>31.12</b>
	2015	2015	2015	2015	2015
<b>One off pension</b>					
<b>Operating profit before one off pension</b>	60	65	(4)	0	122
Gain: termination of defined benefit plan for Norwegian employees (included in employees benefit)		4			4
<b>Total one off pension</b>		4			4
<b>Operating profit after one off pension</b>	60	61	(4)	0	118

## Notes - financial report

Joint ventures based on equity method

### Note 4 - Tangible and intangible assets

USD mill	Vessels / Newbuilding contracts	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2016</b>				
Cost price 1.1	2 472	307	325	3 105
Acquisition	142	10	5	157
Reclass/disposal	(160)	(7)		(166)
Currency translation differences		12	10	22
<b>Cost price 30.06</b>	<b>2 455</b>	<b>322</b>	<b>341</b>	<b>3 118</b>
Accumulated depreciation and impairment losses 1.1	(646)	(122)	(121)	(889)
Depreciation/amortisation	(40)	(7)	(5)	(52)
Reclass/disposal	143	5	(1)	147
Currency translation differences		(4)	(2)	(6)
<b>Accumulated depreciation and impairment losses 30.06</b>	<b>(542)</b>	<b>(128)</b>	<b>(129)</b>	<b>(799)</b>
<b>Carrying amounts 30.06</b>	<b>1 913</b>	<b>194</b>	<b>212</b>	<b>2 319</b>
<b>2015</b>				
Cost price 1.1	2 400	307	353	3 059
Acquisition	141	14	156	310
Reclass/disposal	(79)	(7)	(152)	(237)
Currency translation differences		(11)	(15)	(27)
<b>Cost price 30.06</b>	<b>2 462</b>	<b>302</b>	<b>341</b>	<b>3 105</b>
Accumulated depreciation and impairment losses 1.1	(640)	(116)	(76)	(833)
Depreciation/amortisation	(40)	(7)	(4)	(51)
Reclass/disposal	72	4	2	78
Currency translation differences		5	3	8
<b>Accumulated depreciation and impairment losses 30.06</b>	<b>(608)</b>	<b>(115)</b>	<b>(75)</b>	<b>(798)</b>
<b>Carrying amounts 30.06</b>	<b>1 853</b>	<b>187</b>	<b>267</b>	<b>2 307</b>
<b>2015</b>				
Cost price 1.1	2 400	307	353	3 059
Acquisition	154	39	168	362
Reclass/disposal	(81)	(7)	(154)	(242)
Currency translation differences		(32)	(42)	(74)
<b>Cost price 31.12</b>	<b>2 472</b>	<b>307</b>	<b>325</b>	<b>3 105</b>
Accumulated depreciation and impairment losses 1.1	(640)	(116)	(76)	(833)
Depreciation/amortisation	(80)	(14)	(7)	(102)
Reclass/disposal	75	(3)	4	76
Impairment		(2)	(50)	(52)
Currency translation differences		13	9	22
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(646)</b>	<b>(122)</b>	<b>(121)</b>	<b>(889)</b>
<b>Carrying amounts 31.12</b>	<b>1 827</b>	<b>185</b>	<b>205</b>	<b>2 216</b>

## Notes - financial report

Joint ventures based on equity method

### Note 5 - Financial income/(expenses)

USD mill	01.04-30.06 2016	01.04-30.06 2015	YTD 2016	YTD 2015	Full year 2015
<b>Financial items</b>					
Investment management	3,0	(1,8)	1,8	11,5	5,2
Interest income	0,8	0,9	1,8	2,2	4,4
Other financial items	2,9	0,6	1,9	(1,3)	(9,0)
<b>Net financial items</b>	<b>6,7</b>	<b>(0,4)</b>	<b>5,5</b>	<b>12,3</b>	<b>0,6</b>
<b>Financial - interest expenses</b>					
Interest expenses	(13,6)	(11,4)	(25,9)	(24,0)	(47,4)
Interest rate derivatives - realised	(7,8)	(9,3)	(14,8)	(15,8)	(31,5)
<b>Net financial - interest expenses</b>	<b>(21,3)</b>	<b>(20,7)</b>	<b>(40,7)</b>	<b>(39,7)</b>	<b>(78,9)</b>
<b>Interest rate derivatives - unrealised</b>	<b>(0,3)</b>	<b>17,7</b>	<b>(11,8)</b>	<b>20,0</b>	<b>23,6</b>
<b>Financial currency</b>					
Net currency gain/(loss)	(5,5)	(21,1)	(12,3)	(8,7)	36,2
Currency derivatives - realised	(13,5)	(5,4)	(13,2)	(0,5)	(1,8)
Currency derivatives - unrealised	13,3	15,5	21,5	(1,4)	(26,2)
Cross currency derivatives - realised	(0,5)		(1,0)		(11,5)
Cross currency derivatives - unrealised	(2,2)	11,1	11,0	(10,0)	(21,4)
<b>Net financial currency</b>	<b>(8,3)</b>	<b>0,1</b>	<b>6,0</b>	<b>(20,6)</b>	<b>(24,9)</b>
<b>Financial derivatives bunkers</b>					
Valuation of bunker hedges	5,1	0,9	6,5	1,7	(6,3)
Realised portion bunker hedges	(0,8)		(1,5)		
<b>Net financial derivatives bunkers</b>	<b>4,3</b>	<b>0,9</b>	<b>5,1</b>	<b>1,7</b>	<b>(6,3)</b>
<b>Financial income/(expenses)</b>	<b>(18,9)</b>	<b>(2,3)</b>	<b>(35,9)</b>	<b>(26,4)</b>	<b>(85,9)</b>
<b>Total net currencies effect</b>					
Net currency gain/(loss) - Operating currency	3,3	(14,5)	5,2	3,6	28,0
Net currency gain/(loss) - Financial currency	(8,7)	(6,6)	(17,6)	(12,3)	8,1
Currency derivatives - realised	(13,5)	(5,4)	(13,2)	(0,5)	(1,8)
Currency derivatives - unrealised	13,3	15,5	21,5		(26,2)
Cross currency derivatives - realised	(0,5)	(0,1)	(1,0)		(11,5)
Cross currency derivatives - unrealised	(2,2)	11,1	11,0	(10,0)	(21,4)
<b>Net financial currency</b>	<b>(8,3)</b>	<b>0,1</b>	<b>6,0</b>	<b>(19,2)</b>	<b>(24,9)</b>
Currency translation differences through other comprehensive income	(14,7)	30,1	34,7	(46,3)	(130,8)
<b>Total net currency effect</b>	<b>(23,0)</b>	<b>30,2</b>	<b>40,6</b>	<b>(65,5)</b>	<b>(155,7)</b>

### Note 6 - 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 and tax exempt revenues from tonnage tax regimes.

## Notes - financial report

Joint ventures based on equity method

### Note 7 - Shares

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

A - shares	34 637 092
B - shares	11 866 732
<b>Total shares</b>	<b>46 503 824</b>

Earnings per share taking into consideration the number of outstanding shares in the period. The group acquired 100.000 own A shares during August 2011.

Earnings per share is calculated based on 46 403 824 shares for 2015, first quarter 2016 and second quarter 2016.

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

### Note 8 - Available-for-sale financial assets

USD mill	30.06.2016	30.06.2015	31.12.2015
<b>Available-for-sale financial assets</b>			
At 1 January	122	131	131
Acquisition	12		6
Sale during the year	(7)		
Mark to market valuation	(7)	(4)	(1)
Currency translation adjustment	2	(7)	(14)
<b>Total available-for-sale financial assets</b>	<b>122</b>	<b>120</b>	<b>122</b>

Available-for-sale financial assets are denominated in Australian Dollar 30 June 2016 (30 June 2015).

### Note 9 - Paid dividend

Dividend for fiscal year 2014 was NOK 5.00 per share, where 3.00 per share was paid in May 2015 and NOK 2.00 per share was paid in November 2015.

approved by the annual general meeting on 3 May 2016, and paid to the the shareholders in May 2016.

The proposed dividend for fiscal year 2015 in 2016 is NOK 3.00 per share, was

## Notes - financial report

Joint ventures based on equity method

### Note 10 - Interest-bearing debt

USD mill	30.06.2016	30.06.2015	31.12.2015
Non current interest-bearing debt	1 599	1 618	1 461
Current interest-bearing debt	180	128	199
<b>Total interest-bearing debt</b>	<b>1 779</b>	<b>1 746</b>	<b>1 660</b>
Cash and cash equivalents	378	386	311
Current financial investments	341	337	327
<b>Net interest-bearing debt</b>	<b>1 060</b>	<b>1 023</b>	<b>1 022</b>

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 2016 (analogous for 30 June 2015).

#### Net interest-bearing debt in joint ventures (the group's share part of investments)

USD mill	30.06.2016	30.06.2015	31.12.2015
Non current interest-bearing debt	725	659	640
Current interest-bearing debt	64	79	69
<b>Total interest-bearing debt</b>	<b>789</b>	<b>737</b>	<b>708</b>
Cash and cash equivalents	215	263	262
<b>Net interest-bearing debt</b>	<b>574</b>	<b>475</b>	<b>446</b>

#### Specification of interest-bearing debt

USD mill	30.06.2016	30.06.2015	31.12.2015
<b>Interest-bearing debt</b>			
Mortgages	997	1 007	1 049
Leasing commitments	158	82	0
Bonds	270	304	270
Bank loan	354	353	341
<b>Total interest-bearing debt</b>	<b>1 779</b>	<b>1 746</b>	<b>1 660</b>

#### Repayment schedule for interest-bearing debt

Due in 2016	125	65	199
Due in 2017	147	189	105
Due in 2018	290	123	302
Due in 2019	668	286	641
Due in 2020 and later	549	1 082	414
<b>Total interest-bearing debt</b>	<b>1 779</b>	<b>1 746</b>	<b>1 660</b>

## Notes - financial report

### Joint ventures based on equity method

#### Note 11 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
<b>2016</b>				
<b>Financial assets at fair value</b>				
Equities	110			110
Bonds	230			230
Available-for-sale financial assets	115		6	122
<b>Total financial assets 30.06</b>	<b>455</b>	<b>0</b>	<b>6</b>	<b>462</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		219		219
<b>Total financial liabilities 30.06</b>	<b>0</b>	<b>219</b>	<b>0</b>	<b>219</b>
<b>2015</b>				
<b>Financial assets at fair value</b>				
Equities	127			127
Bonds	210			210
Financial derivatives		8		8
Available-for-sale financial assets	120			120
<b>Total financial assets 30.06</b>	<b>456</b>	<b>8</b>	<b>0</b>	<b>464</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		272		272
<b>Total financial liabilities 30.06</b>	<b>0</b>	<b>272</b>	<b>0</b>	<b>272</b>

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 March 2016 are liquid investment grade bonds (analogous for 2015).

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

Joint ventures based on equity method

### Note 12 - Segment reporting: Income statement per operating segments

USD mill	WWASA group			WMS group			Holding & Investments <sup>2</sup>			Eliminations			Total		
	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015	Q2 2016	Q2 2015	Full year 2015
<b>Quarter</b>															
Operating revenue	65	79	313	233	252	998	12	6	21	(6)	(7)	(25)	304	329	1 307
<b>Other income</b>															
Share of profits from joint ventures and associates	16	26	(108)	1		5	20	18	43				36	44	(60)
Gain on sale of assets		0	27	1	2	7							1	2	34
<b>Total income</b>	<b>81</b>	<b>105</b>	<b>231</b>	<b>235</b>	<b>254</b>	<b>1 010</b>	<b>32</b>	<b>23</b>	<b>64</b>	<b>(6)</b>	<b>(7)</b>	<b>(25)</b>	<b>342</b>	<b>376</b>	<b>1 281</b>
Primary operating profit	51	72	104	23	33	138	18	16	33				91	121	275
Depreciation and impairments	(20)	(21)	(80)	(6)	(5)	(73)			(1)				(26)	(26)	(154)
<b>Operating profit <sup>1</sup></b>	<b>31</b>	<b>51</b>	<b>24</b>	<b>17</b>	<b>28</b>	<b>65</b>	<b>17</b>	<b>16</b>	<b>32</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>65</b>	<b>95</b>	<b>122</b>
Financial income/(expenses)	(15)	9	(98)	(7)	(13)	3	3	1	9				(19)	(2)	(86)
<b>Profit/(loss) before tax</b>	<b>16</b>	<b>61</b>	<b>(73)</b>	<b>10</b>	<b>15</b>	<b>69</b>	<b>20</b>	<b>16</b>	<b>41</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>46</b>	<b>92</b>	<b>36</b>
Tax income/(expense)	1	(4)	33	(3)	(4)	(16)	1	2	2				(0)	(6)	19
<b>Profit/(loss)</b>	<b>17</b>	<b>57</b>	<b>(40)</b>	<b>8</b>	<b>11</b>	<b>52</b>	<b>21</b>	<b>18</b>	<b>42</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>46</b>	<b>86</b>	<b>55</b>
Minority interests	5	15	(11)			2	5	4	10				10	19	1
<b>Profit/(loss) to the owners of parent</b>	<b>12</b>	<b>41</b>	<b>(29)</b>	<b>7</b>	<b>11</b>	<b>50</b>	<b>16</b>	<b>15</b>	<b>33</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>36</b>	<b>66</b>	<b>54</b>

<sup>1</sup> Cash settled portion of bunker hedge swaps is included in net operating profit by reduction/(increase) of voyage related expenses

<sup>2</sup> Holding and Investments includes Wilh. Wilhelmsen Holding ASA, Wilh. Wilhelmsen Holding Invest group and minor activities which fail to meet the definition for other segments.

**Notes - financial report**

Joint ventures based on equity method

Cont note 12 - Segment reporting: Balance sheet per operating segments

USD mill	WWASA group		WMS group		Holding & Investments		Eliminations		Total	
	30.06 2016	31.12 2015	30.06 2016	31.12 2015	30.06 2016	31.12 2015	30.06 2016	31.12 2015	30.06 2016	31.12 2015
<b>Year to date</b>										
<b>Assets</b>										
Deferred tax asset	77	67	21	22	2	3			100	92
Intangible assets	6	6	206	199	1				212	205
Tangible assets	1 913	1 827	191	182	2	2			2 107	2 011
Investments in joint ventures and associates	761	689	15	15	442	412			1 219	1 116
Other non current assets	1	1	10	9	139	131			150	141
Current financial investments	256	242			85	85			341	327
Other current assets	21	24	458	455	6	6	(2)	(3)	482	482
Cash and cash equivalents	150	108	162	181	66	22			378	311
<b>Total assets</b>	<b>3 186</b>	<b>2 963</b>	<b>1 063</b>	<b>1 063</b>	<b>742</b>	<b>663</b>	<b>(2)</b>	<b>(3)</b>	<b>4 989</b>	<b>4 686</b>
<b>Equity and liabilities</b>										
Equity majority	1 142	959	253	273	490	522			1 885	1 754
Equity minority interests	288	359		0	204	92			492	452
Deferred tax		1	17	20					17	20
Interest-bearing debt	1 425	1 319	319	307	35	34			1 779	1 660
Other non current liabilities	211	225	125	126	7	7			343	358
Other current liabilities	120	100	349	336	6	7	(2)	(3)	473	441
<b>Total equity and liabilities</b>	<b>3 186</b>	<b>2 963</b>	<b>1 063</b>	<b>1 063</b>	<b>742</b>	<b>663</b>	<b>(2)</b>	<b>(3)</b>	<b>4 989</b>	<b>4 686</b>

## Notes - financial report

Joint ventures based on equity method

### Cont note 12 - Segment reporting: Cash flow per segment

USD mill Quarter	WWASA group		WMS group		Holding & Investments	
	Q2 2016	Q2 2015	Q2 2016	Q2 2015	Q2 2016	Q2 2015
Profit before tax	16	61	10	15	20	16
Net financial (income)/expenses	15	(9)	10	11	(3)	2
Depreciation/impairment	20	21	6	5		
Change in working capital	29	3	7	(27)	6	(10)
Share of profit from joint ventures and associates	(15)	(26)	(1)		(20)	(18)
Dividend received from joint ventures and associates	53	24	2	3		9
<b>Net cash provided by operating activities</b>	<b>117</b>	<b>73</b>	<b>35</b>	<b>7</b>	<b>3</b>	<b>(1)</b>
Net sale/(investments) in fixed assets	(130)	(73)	(9)	(9)		
Net sale/(investments) in entities and segments		0			(8)	
Current financial investments	(8)	(11)	1	1	7	4
Net changes in other investments		1				
<b>Net cash flow from investing activities</b>	<b>(138)</b>	<b>(84)</b>	<b>(8)</b>	<b>(9)</b>	<b>(2)</b>	<b>4</b>
Net change of debt	129	38	30		(13)	
Net change in other financial items	(27)	(16)	(5)	(2)		(1)
Net dividend from other segments/ to shareholders	(17)	(28)	(59)	(39)	61	41
<b>Net cash flow from financing activities</b>	<b>84</b>	<b>(5)</b>	<b>(34)</b>	<b>(41)</b>	<b>48</b>	<b>40</b>
<b>Net increase in cash and cash equivalents</b>	<b>63</b>	<b>(16)</b>	<b>(7)</b>	<b>(42)</b>	<b>49</b>	<b>43</b>
Cash and cash equivalents at the beg. of the period	87	176	169	198	17	26
<b>Cash and cash equivalents at the end of period</b>	<b>150</b>	<b>160</b>	<b>162</b>	<b>156</b>	<b>66</b>	<b>70</b>

## Notes - financial report

### Joint ventures based on equity method

#### Note 13 - Related party transactions

WWH delivers services to the WWASA group. These include primarily human resources, tax, communication, treasury and legal services ("Shared Services") 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, WWASA group and WMS group have several transactions with associates. The contracts governing such transactions are based on commercial market terms and mainly relate to the chartering of vessels on short and long term charters.

#### Note 14 - Restructuring of the group

The demerger of Den Norske Amerikaline AS (owning the 12% shareholding in Hyundai Glovis) from WWASA was effective on 8th June 2016.

The demerged entity named Treasure ASA was listed on the Oslo Stock Exchange on 8th June and is part of the Holding & Investment segment.

All shareholders of WWASA received 1 share in Treasure ASA for every share held in WWASA.

#### Note 15 - Contingencies

##### Update on anti-trust investigations

The joint venture companies Wallenius Wilhelmsen Logistics (WWL) and EUKOR continues to be part of anti-trust investigations in several jurisdictions, of which the EU is among the bigger jurisdictions.

WWL reached a settlement with the US Department of Justice (DOJ) in July, agreeing to pay a fine of USD 98.9 million (USD 49.5 million for the WW group account). The group made a provision for the outcome of the

investigation in the third quarter of 2015. Consequently, the fine will not have a profit and loss effect for the group in 2016.

The ongoing investigations are confidential, hence the group is not in a position to comment on the ongoing investigations within remaining jurisdictions. The processes are expected to continue to take time, but further clarifications within some jurisdictions are expected during 2016 and 2017.

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

No material events occurred between the balance sheet date and the date when the accounts were presented providing new information about 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 2016 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, 4 August 2016

The board of directors of Wilh. Wilhelmsen Holding ASA



Diderik Schnitter  
Chair



Helen Juell



Odd Rune Austgulen



Irene Waage Basili



Carl E. Steen



Thomas Wilhelmsen  
Group CEO



**Wilh. Wilhelmsen**

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