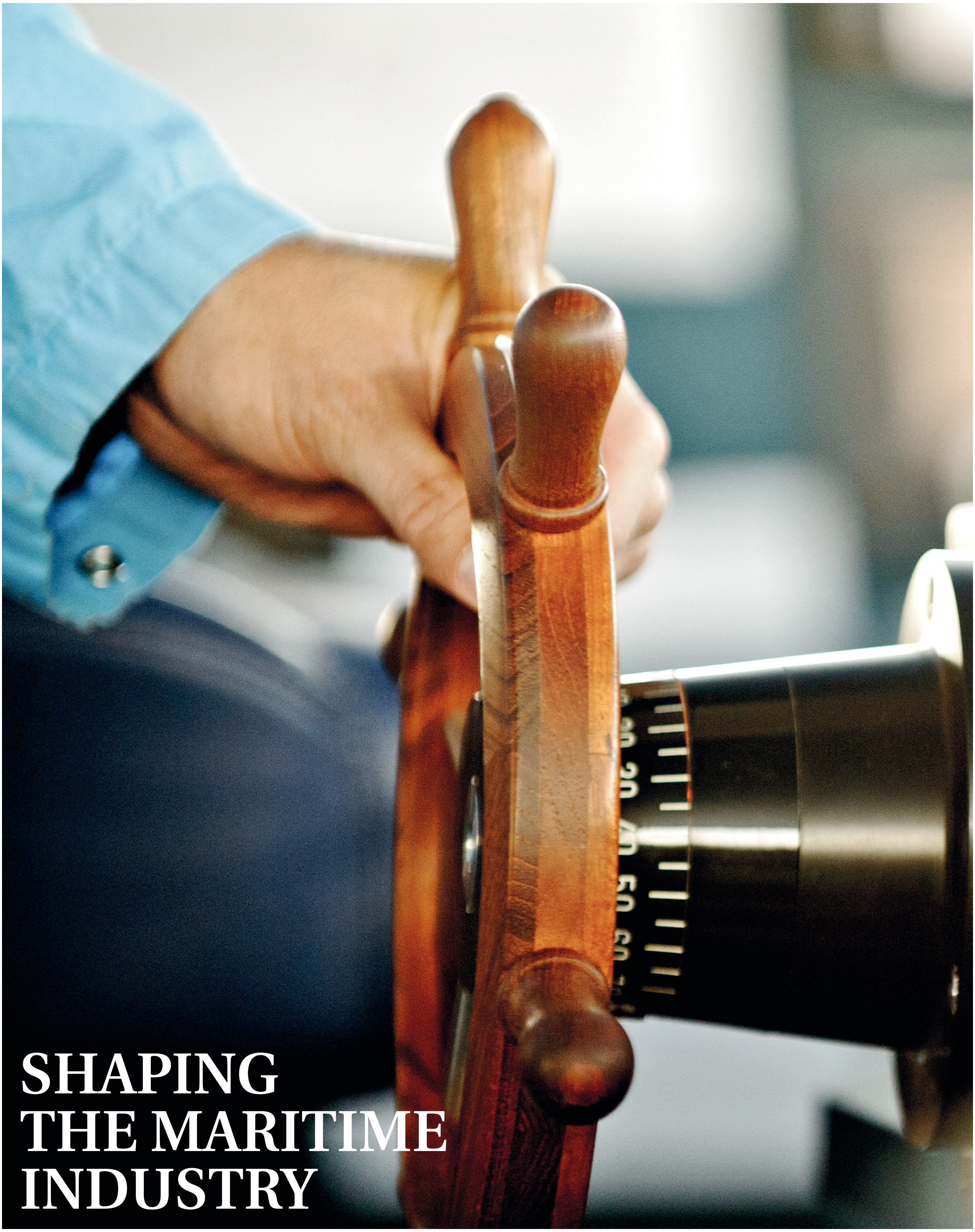
WILH. WILHELMSEN HOLDING ASA

ANNUAL REPORT
2011



CONTENT

KEY FIGURES

"WWH's operating profit up 49% in 2011, while total income rose by 21%."

OUR CORE COMPETENCE

Wilh. Wilhelmsen Holding's core competence is centred on building a global platform to support our long term strategic objectives. Current focus is on car/ro-ro shipping and maritime services, represented by Wilh. Wilhelmsen ASA (WWASA) and Wilhelmsen Maritime Services (WMS). WWASA offers global car and ro-ro customers high quality sea transportation and integrated logistics solutions from factory to dealer. Through highly recognised brands and an unparalleled global network, WMS delivers products and services that significantly improve its customers' operational efficiency.

KEY FIGURES

CONSOLIDATED ACCOUNTS

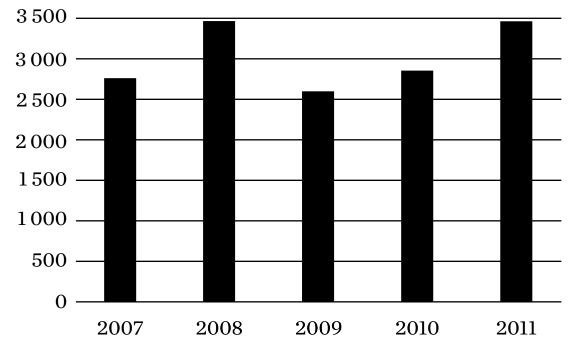
		2011	2010	2009	2008	2007
Income statement						
Total income *	USD mill	3 450	2 846	2 573	3 434	2 728
Primary operating profit *	USD mill	581	436	436	495	417
Operating profit *	USD mill	407	273	241	352	266
Profit before tax *	USD mill	247	144	319	28	242
Net profit	USD mill	232	75	334	95	7
Net profit after minorities	USD mill	188	60	331	91	3
Balance sheet						
Non current assets	USD mill	3 286	2 721	2 581	2 421	1 972
Current assets	USD mill	1 132	1 359	1 103	828	866
Equity	USD mill	1 673	1 538	1 269	914	953
Interest-bearing debt	USD mill	1 901	1 723	1 730	1 453	1 139
Total assets	USD mill	4 418	4 080	3 684	3 250	2 839
Key financial figures						
Cash flow from operation [1]	USD mill	214	235	175	357	146
Liquid funds at 31 December [2]	USD mill	717	944	700	454	412
Liquidy ratio [3]		1.5	1.7	2.3	1.4	1.6
Equity ratio [4]	%	38%	38%	34%	28%	34%
Yield						
Return on capital employed [5]	%	8.8%	5.8%	13.4%	4.1%	13.2%
Return on equity [6]	%	14.4%	5.3%	30.6%	10.1%	0.7%
Key figures per share						
Earnings per share [7]	USD	4.05	1.29	7.11	1.94	0.07
Diluted earnings per share [8]	USD	4.06	1.29	7.11	1.94	0.07
Primary operating profit per share [9]*	USD	12.49	9.38	9.38	10.63	8.85
Average number of shares outstanding	(USD thousand)	46 454	46 504	46 504	46 504	47 148

* Figures according to the proportinal method for joint ventures, which reflects the group's underlying operations in more details than the financial statements based on equity method for joint ventures.

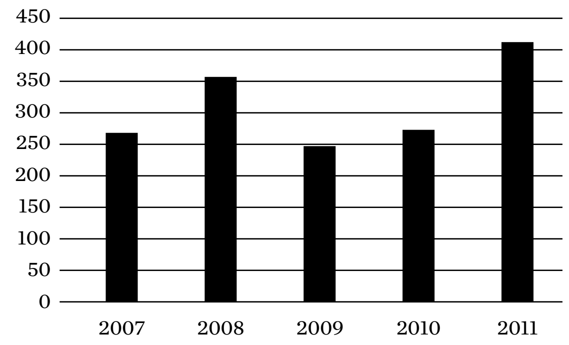
DEFINITIONS:

(1) Net cash flow from operating activities
(2) Cash, bank deposits and short term financial investments
(3) Current assets divided by current liabilities
(4) Equity in percent of total assets
(5) Profit for the period before taxes plus interest expenses, in percent of average equity and interest-bearing debt
(6) Profit after tax (annualised) divided by average equity
(7) Profit for the period after minority interests, divided by average number of shares
(8) Earnings per share taking into consideration the number of shares
(9) Operating profit for the period adjusted for depreciation and impairments of assets, divided by average number of shares outstanding

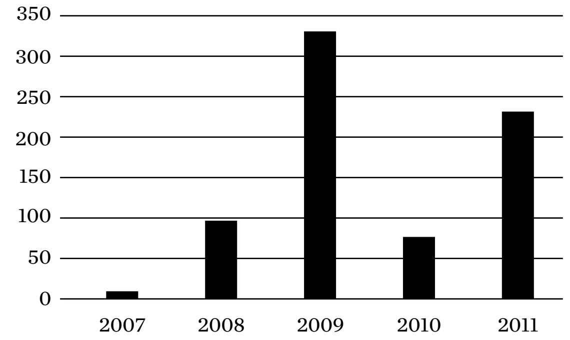
TOTAL INCOME* (USD mill)



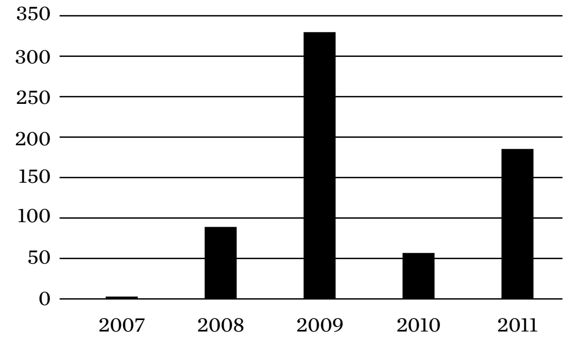
OPERATING PROFIT* (USD mill)



NET PROFIT (USD mill)



NET PROFIT AFTER MINORITIES (USD mill)



DIRECTORS' REPORT

"WWH's vision is to take an active role in shaping the maritime industry."

HELPING CUSTOMERS STAY COMPLIANT

Wilhelmsen Technical Solutions helps ship owners stay compliant with environmental regulations, reduce fuel consumption and cut harmful emissions. As an example, our energy management solutions reduce on board power consumption by up to one-third. This means less fuel burned, fewer emissions, lower operating and maintenance costs and longer equipment life. By choosing our solutions for reducing emissions at sea and in port, owners and operators are already in compliance with the Tier III regulations coming in 2016.

DIRECTORS' REPORT

The Wilh. Wilhelmsen Holding group (WWH) experienced a strong 2011, with increasing revenue and operating result. The improved results were driven by a good performance for the groups shipping and logistics investments.

A substantial increase in transported volumes and positive development in most trades confirmed the growth in the car and ro-ro markets during 2011. Improved cargo mix, higher fleet utilisation and more energy efficient vessels all contributed to a higher operating profit and total income for the Wilh. Wilhelmsen ASA group (WWASA or the WWASA group). The Wilhelmsen Maritime Services group (WMS or the WMS group) continued to increase earnings in 2011 supported by a growing merchant fleet. However, a distressed shipping market reduced customer spending and yard activities, negatively impacting operating margin and profit. Results for WWH were positively impacted by a gain from the restructuring of logistics investments in Australia.

In March, WWASA took delivery of MV Tønsberg, the first vessel in the new Mark V series. A total of ten new vessels were delivered to group companies during 2011.

In March, WMS completed the acquisition of Nalfleet.

In September, Holding and Investments completed sale of the Kaplan investments in exchange for 88 million shares in Qube Logistics Holding Limited (Qube).

In October, the group celebrated its 150 year anniversary.

In 2011, WWASA successfully secured long term financing of the remaining vessels in the present newbuilding programme and WMS secured new five year funding commitments.

The WWH share price followed the downfall in the general equity market. In 2011 total return (including dividend) was minus 18.1% for the WWI share and minus 18.7% for the WWIB share compared with a 16.3% fall in the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics). A NOK 3.50 dividend per share was paid during the second quarter of 2011, followed by a second dividend of NOK 2.00 in the fourth quarter.

WWH's vision is to take an active role in shaping the maritime industry. WWASA and WMS are global market leaders within their respective market segments, car/ro-ro shipping and logistics, and maritime services. Benefitting from a global competence base and a healthy balance sheet, the companies are well positioned to benefit from future development within their respective business areas. The parent company of the group is net debt free. Through its combined global network and strong balance sheets, the group has capability to also undertake investments outside its present main segments.

FINANCIAL SUMMARY – THE GROUP FINANCIAL ACCOUNTS

In WWH'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.

Income statement

The group's financial accounts for 2011 prepared according to the equity method showed an operating profit of USD 369.2 million, compared with USD 249.0 million in 2010 (figures for the corresponding period of 2010 will hereafter be shown in brackets). Total income for the group amounted to USD 1 519.3 million (USD 1 285.3 million).

WWASA posted an operating profit of USD 254.3 million for 2011 (USD 176.4 million). A substantial increase in transported volumes and positive development in all trades confirmed the positive trend in the car and ro-ro markets during 2011. Improved cargo mix, higher fleet utilisation and more energy efficient vessels all contributed to a substantially improved operating profit and healthier total income.

WMS reported USD 57.3 million in operating profit for 2011 (USD 80.3 million). The profit was impacted by a generally distressed shipping market and increased cost pressure.

Operating profit for the Holding and Investments segment included a USD 70.4 million accounting gain from sale of logistics investments in Australia in exchange for shares in Qube.

Group profit before tax and minority interests was USD 230.8 (USD 130.8 million), including net financial expenses of USD 138.4 million (USD 118.2 million). Financial expenses for 2011 were negatively impacted by loss on interest rate derivatives of USD 95.4 million (loss of USD 74.6 million), while financial currency contributed positively with a net gain of USD 6.4 million (net loss of USD 13.2 million). Interest income and investment management had a positive contribution of USD 17.0 million (USD 17.5 million). Total interest expenses for the group including realised portion of interest rate hedges increased to USD 114.8 million (USD 82.0 million) due to more debt uptake.

Profit after tax and minorities was USD 188.4 (USD 60.1 million). Tax was included with a net income of USD 0.5 million (net expense of USD 56.2 million), with 2010 negatively affected by a USD 83 million tax charge in WWASA as a result of converting the environmental fund to deferred tax.

HIGHLIGHTS FOR 2011:

- Positive development in revenue and operating result
  - Strong performance in WWASA
  - Reduced WMS result
  - Investment gain
- 150 year celebration
- WWI/WWIB share price following equity market down
- 10 vessels delivered to operating companies

DIRECTORS' REPORT

Minority interests' share of net profit was USD 42.8 million (USD 14.5 million), of which USD 39.0 million (USD 9.7 million) related to minority interests in WWASA.

Cash flow, liquidity and debt
Cash and cash equivalent of the WWH group decreased with USD 273 million in 2011 (increase of USD 248 million). Cash flow from operating activities was USD 214 million (USD 235 million), negatively impacted by higher tax payments and reduced dividend from joint ventures and associates. Cash flow from investing activities came to a negative USD 503 million (negative USD 86 million), driven by vessel investments. Cash flow from financing activities contributed with USD 16 million, down from USD 99 million in 2010 which was positively impacted by net proceed from the IPO in WWASA.

Following the investment in new vessels, cash and cash equivalents decreased to USD 529 million by year end 2011 (USD 802 million). Total liquid assets including current financial investments decreased to USD 717 million (USD 944 million). In addition to liquid assets, the main group companies also have undrawn committed drawing rights to cover 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 for part of the group's liquidity. The value of the parent company active investment portfolio amounted to USD 78 million at 31 December 2011 (USD 84 million), with investment in various asset classes including Nordic shares and investment grade bonds.

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 31 December 2011, the group's total interest bearing debt was USD 1 901 million (USD 1 723 million), of which USD 84 million related to the parent (USD 86 million), USD 335 million related to the WMS group (USD 316 million) and USD 1 483 million related to the WWASA group (USD 1 320 million). Share of interest bearing debt in WWASA joint ventures amounted to USD 749 million (USD 806 million). New borrowing arranged in 2011 included long term financing of new vessels in WWASA and refinancing of WMS through new five year commitments.

"The group funds its investments and operations from several capital sources."

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

PERFORMANCE OF THE GROUP AND OPERATING SEGMENTS

While the equity method provides a fair presentation of the group's financial position, the group's internal financial segment reporting is based on the proportionate method. The major contributors in WWASA 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 WMS 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).

Wilh. Wilhelmsen Holding group
The group's accounts for 2011 prepared according to the proportionate method showed an operating profit of USD 407.0 million (USD 273.4 million). Total income for the group amounted to USD 3 450.0 million for the year (USD 2 846.0 million).

WWASA posted an operating profit of USD 292.1 million for 2011 (USD 200.8 million). A substantial increase in transported volumes and positive development in most trades confirmed the positive trend in the car and ro-ro markets during 2011. Improved cargo mix, higher fleet utilisation and more energy efficient vessels all contributed to a solid improved operating profit and healthier total income.

WMS reported USD 57.3 million in operating profit for 2011, down from USD 80.3 million in 2010. The profit was impacted by a general market downturn and increased cost pressure.

Operating profit for for the Holding and Investments segment included a USD 70.4 million accounting gain from sale of logistics investments in Australia in exchange for shares in Qube.

Group profit before tax and minority interests was USD 247.0 (USD 143.9 million), including net financial expenses of USD 160.0 million (USD 129.5 million). Financial expenses for 2011 were negatively impacted by loss on interest rate derivatives of USD 95.4 million (loss of USD 74.6 million), while financial currency contributed positively with a net gain

"WWH's operating profit in 2011 totalled USD 407 million based on a total income of USD 3 450 million."

DIRECTORS' REPORT

of USD 5.9 million (net loss of USD 8.4 million). Interest income and investment management had a positive contribution of USD 19.2 million (USD 19.4 million). Total interest expenses for the group including realized portion of interest rate hedges increased to USD 145.4 million (USD 113.7 million) due to more debt uptake.

Profit after tax and minorities was USD 188.4 (USD 60.1 million). Tax was included with a net expense of USD 14.5 million (net expense of USD 68.8 million), with 2010 negatively affected by a USD 83 million tax charge in WWASA as a result of converting the environmental fund to deferred tax.

Minority interests' share of net profit was USD 44.0 million (USD 15.0 million), of which USD 40.2 million (USD 10.2 million) related to minority interests in WWASA.

WILH. WILHELMSEN ASA

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).

WWASA recorded an operating profit of USD 292.1 million (USD 200.8 million) and total income of USD 2 422.1 million (USD 1 962.6 million) for 2011. A substantial increase in transported volumes and positive development in all trades confirmed the growth in the car and ro-ro markets during 2011. Improved cargo mix, higher fleet utilisation and more energy efficient vessels all contributed to a higher operating profit and total income for WWASA in 2011.

Shipping activities

With 22% of the global car carrier and ro-ro fleet measured in CEUs, WWASA is the leading global operator in the car and ro-ro cargo segment through its operating companies.

WWASA's shipping activities rebounded strongly in 2011, and recorded an operating profit of USD 225.9 million (USD 178.9 million) based on a total income of USD 2,027.8 million (USD 1 645.0 million).

Total cargo volumes for WWASA's ship operating companies in 2011 climbed 16% to 75.2 million cubic metres (CBM) (64.6 million CBM). Availability of both cars and high and heavy cargo (comprising high and heavy machinery and break bulk cargo) showed a strong positive development. High and heavy volumes grew more than cars. The improved cargo mix enabled the operating companies, and especially WWL, to increase the utilisation of the group's vessels. Higher fleet utilisation was in addition to increased volumes and positive trade development a solid contributor to improved revenue and earnings for the group.

> "16% increase in total volumes transported deep sea."

WWL reported a total volume increase of 15% in 2011 compared with 2010, with high and heavy volumes outperforming the increase in car volumes. The sound cargo mix was a key contributor in improving fleet utilisation leading to a solid increase in total income and operating profit. All trades developed well, with main trades improving the most.

WWL controlled a total fleet of 55 vessels (52 vessels) at the end of December, with a total capacity of 358,000 CEUs (319 000 CEUs).

EUKOR recorded a 20% increase in volumes year on year. In addition to strong export from Korea to Europe, the high demand of shipments from Europe to Asia held up well. The scheduled decline in EUKOR's share of ocean volumes for Hyundai and Kia was more than compensated for by increased Hyundai and Kia export out of Korea as well as cargo from other customers. The growth in volumes and balanced trade mix led to continued increase in total income and operating profit, up from a strong 2010.

EUKOR operated a total of 71 vessels (67 vessels) by the end of December, with a total of 403 000 CEUs (366 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC chartered out two vessels during 2011 to reduce costs as the company's transported volumes continued to decrease. Lower US governmental activities in the Middle East led to reduced volumes transported on ARC's vessels as well as a change in the company's trade mix. ARC's earnings were reduced compared with 2010.

ARC operated a total of seven vessels (nine vessels) by the end of December, with a total capacity of 40 000 CEUs (51 000 CEUs).

Other shipping activities

Ship operating activities in Hyundai Glovis (owned 15%) contributed with USD 7.9 million (USD 7.2 million) to WWASA's accounts for 2011.

Logistics activities

In addition to differentiating revenue streams, logistics services complement ocean transport services and strengthen customer relationships. WWASA's ambition is to offer customers a global door-to-door service, which provides land-based logistics services in addition to ocean transport.

WWASA SHIPPING ACTIVITIES

WWASA's ocean transport activities are organised in three operating companies:

- Wallenius Wilhelmsen Logistics (WWL - owned 50%)
- EUKOR Car Carriers (EUKOR - owned 40%)
- American Roll-on Roll-off Carrier (ARC - owned 50%)

DIRECTORS' REPORT

Volumes handled by the logistics entities are closely correlated with the development in volumes transported deep sea. The logistics activities contribution to WWASA's accounts recorded a solid increase in 2011 with operating profit up 76% totalling USD 78.6 million (USD 44.8 million). The total income increased by 26% ending at USD 417.1 million (USD 331.5 million).

WWL's terminal services, including storage and cargo handling, reported a healthy growth in operating profit and total income following an increase of 34% in handled volumes. In 2011, 1.7 million units (1.3 million units) were handled at WWL's terminals worldwide. High and heavy volumes increased more than cars.

WWL's technical services delivered improved revenue and earnings as serviced units improved by 0.7 units, to 4.5 units. The volume growth was strongest in high and heavy volumes. The number of technical service facilities totalled 40 sites around the world (38 sites).

Inland distribution services in WWL are mainly procured from third parties, with a significant proportion of revenues and costs incurred on a pass-through basis. Total income and operating profit for 2011 improved due to an increase in volumes.

American Auto Logistics (AAL) and **American Logistics Network** (ALN) handle door-to-door logistics services, including storage of private vehicles and other property, for American military personnel and government employees stationed abroad. Volume increase, efficient operations as well as the inclusion of Transcar from 31 December 2010 resulted in strong earnings for 2011.

The logistics activities in **Hyundai Glovis** contributed with net income of USD 39.3 million (USD 21.2 million) for 2011. The market capitalisation of WWASA's stake in Hyundai Glovis was USD 1 013 million as of 21 March 2012 (USD 714 million as of 14 March 2011).

Market update

Light vehicle car sales in key markets improved by 4% in 2011. Sales in North America and the BRIC countries were up, while Oceania car sales were slightly down and Europe flat.

Korean car export grew by 14% year on year, with Hyundai and Kia being ranked as the fifth largest car manufacturer in the world. Although Japanese car export came to an abrupt halt after the tsunami and earthquake in the first quarter, production and export rebounded stronger and faster than expected. Year on year, Japanese car export fell 5%.

> **"Logistics services complement ocean transport services and strengthen customer relationships."**

In 2011, US inventory levels – a clear indication of the supply-demand balance – were at a lower level than 2010, supporting the positive trend in car sales.

High and heavy cargo also had a strong development during the year, up from low levels in 2010. Improved volumes on the back of strong mining activity coupled with solid non-residential spending and high food prices was driving the demand for mining, construction and agricultural equipment respectively.

The world car carrying fleet increased to 710 vessels (3.6 million CEUs) in 2011, up from 668 vessels (3.4 million CEUs) in 2010. Four new vessels were ordered in 2011 (24 000 CEUs), while 18 vessels were recycled (61 000 CEUs).

WWASA's tonnage position

The WWASA operating companies controlled a total of 133 vessels (128 vessels) by the end of December 2011, equivalent to 801 000 CEUs (735 000 CEUs).

The operating companies took delivery of ten new vessels in 2011 (six vessels), of which four where on WWASA's account. Nine vessels (16 vessels) were redelivered to external owners. No vessels were recycled in 2011 (four vessels). The operating companies have the flexibility to redeliver additional five long term charter vessels to external owners during 2012 (ten vessels).

WWL and EUKOR have a total of eight new vessels to be delivered in 2012 and 2013. Three of the vessels are for WWASA's account. The group has secured long term financing for all the remaining newbuildings.

WILHELMSEN MARITIME SERVICES

WMS is an integrated maritime service provider offering solutions, products and services to the maritime industry. The parent company of WMS is a wholly -owned subsidiary of WWH.

WMS reported an operating profit of USD 57.3 million (USD 80.3 million) in 2011. Total income for the year was USD 958.1 million (USD 886.5 million).

The operating fleet continued to increase in 2011, positively impacting general demand for maritime services. With increased tonnage supply exceeding demand in many shipping segments, 2011 was, however, a difficult year for many ship owners and operators. Newbuild orders remained at a very low level.

WMS' total income is distributed with approximately 75% towards the operating fleet and 25% towards yards. WMS maintained its strong market position related to the

WWASA LOGISTICS ACTIVITIES

The logistics activities in WWASA are carried out through:

- Wallenius Wilhelmsen Logistics (WWL - owned 50%)
- American Shipping and Logistics Group (ASL) consisting of American Auto Logistics (AAL) and American Logistics Network (ALN) (both owned 50%)
- Hyundai Glovis (owned 15%)

DIRECTORS' REPORT

operating fleet, with increased total income in 2011. The challenging market conditions had, however, a negative effect on sales towards the end of the year, and together with general cost increases has put pressure on operating margin.

WSS offers marine products, technical service, ship agency services and logistics to the merchant fleet. All main product areas experienced increased operating income in 2011, with the strongest growth taking place within marine products.

In March, WSS concluded the acquisition of Nalfleet. The acquired company provides marine water treatment chemicals and is a sales and technical service organisation supported by an international manufacturing and distribution system operating in more than 500 major ports around the world. During the year WSS also acquired Eurokor, a port agency operating from Belgium and Netherland, and consolidated its ownership in the previously partly owned agency in Portugal. The new ships agency solution introduced in 2010 continued to develop positively during 2011, while the ships spares logistics offer has been discontinued as a global offering and is now only supported in certain markets.

Higher fleet penetration and steady contribution from the main product offerings contributed to a positive sales development in WSS during the first half of the year, offsetting impact of natural disasters and political unrest in key markets. The difficult market condition facing many of the traditional customers had, however, a negative impact on sales towards the end of the year. A weak USD, increased raw material cost and the general market downturn also put pressure on the operating margin. This resulted in a profit improvement plan initiated in the second quarter, including a USD 6 million cost accrual to cover expenses related to implementation of the plan. While total income in WSS increased with close to 10% in 2011, the operating result and margin was down compared to the previous year.

WSM provides ship management for all major vessel types with exception of oil tankers. By the end of 2011, WSM served roughly 370 vessels worldwide, of which approximately 40% were on full technical management and 3% were on lay up management. The remaining contracts were related to manning services.

WSM experienced a steady growth in vessels under management in 2011, levelling out towards the end of the year. Combined with additional services provided, this had a positive effect on operating income, which increased 11% compared with the previous year.

"WMS services almost 50% of the merchant fleet."

WTS was formed in January 2011, comprising all previous activities in Wilhelmsen Ships Equipment and Wilhelmsen Marine Engineering. WTS is focusing on the following four product offerings:

- Environmental solutions
- Safety solutions
- HVAC-R solutions
- Power solutions

The range of environmental solutions includes systems for reduction of emissions to air and energy conservation. Using products delivered by Yarwil, the 50/50 joint venture with Yara, WTS offers a complete solution for reducing exhaust gas emissions of nitrogen oxides (NOx) from vessels. WTS has also been involved in developing other environmental technologies. Final solutions and commercialisation depend on ratification of new regulatory regimes.

WTS' range of safety solutions includes fire prevention, detection and suppression systems, and portable safety equipment. At present safety legislation is in place through the International Convention for the Safety of Life at Sea (SOLAS). All safety solutions are designed in accordance with SOLAS, and comply with all major classification societies.

WTS also provides complete HVAC (heat, ventilation and air condition) solutions and a range of power solutions to the maritime industry. Product and services are delivered to newbuildings as well as for ships and offshore installations in operation.

After several years with declining income, WTS experienced a 3% growth in total income in 2011.

Operating profit also improved in 2011, partly due to a small improvement in underlying margin and partly due to 2010 negatively impacted by inventory write downs and restructuring cost.

Total WTS order reserve was USD 216 million at the end of the year compared to USD 235 million one year earlier. Total order intake for the year was USD 209 million, showing a substantial increase compared to 2010 and supported by increased intake from the oil and gas segment.

HOLDING AND INVESTMENTS

The holding and investments segment includes activities performed by the parent company and investments outside WWASA and WMS.

The holding segment recorded an operating profit of USD 57.6 million in 2011 (loss of USD 6.5 million), reflecting normal operation of the parent and related management companies and contribution from the Qube/Kaplan related Australian logistics investments.

WILHELMSEN MARITIME SERVICES

WMS was in 2011 organised in three business areas:

- Wilhelmsen Ships Service (WSS)
- Wilhelmsen Ship Management (WSM)
- Wilhelmsen Technical Solutions (WTS)

DIRECTORS' REPORT

The contribution from the Qube/Kaplan related investments in WWH's accounts for the period up to 1 September was USD 4.1 million (USD 4.6 million).

On 1 September, WWH completed sale of its Qube/Kaplan related investments in exchange for 88 million shares in Qube. The transaction resulted in an accounting gain of USD 70.4 million, including currency revaluation effect. 75% of the shares in Qube are subject to trading restriction for the period up to 31 August 2014.

The Qube group operates in three divisions covering automotive, bulk and general stevedoring, landside logistics and strategic development assets through brands that are well recognised and respected in the markets in which they operate. These businesses provide a broad range of logistics services throughout Australia, focused on the movement of imported and exported products. The Qube group is listed on the Australian Securities Exchange with a market capitalisation at end of 2011 of approximately AUD 1.2 billion. With 88 million shares representing approximately 10% of total shareholding, WWH is the second largest shareholder in Qube. Qube paid dividend of AUD 0.019 per share on 31 October, with WWH dividend income amounting to AUD 1.7 million.

The parent company has an active investment portfolio management, with investments in various asset classes including Nordic shares and investment grade bonds. During 2011 the portfolio has been in the range of USD 75-85 million and with a return of minus 2% versus a benchmark of minus 6% reflecting the general market downturn.

"The holding and investments segment recorded an operating profit of USD 57.6 million in 2011, reflecting gains from the investment in Qube Logistics."

RISK MANAGEMENT

Through its capital intensity and cyclical nature, shipping has historically represented a degree of volatility and financial risk. While logistics and maritime services are exposed to some of the same market forces as shipping, these activities are less capital intensive and have historically been less cyclical. The car/ro-ro shipping activities still represents the single largest investment area and exposure for WWH and its shareholders, however, the diversification of the portfolio that has taken place during recent years has reduced the general risk profile.

The board considers the below risks as the most important for the group:

Internal control and risk management

The group is committed to manage risks in a sound manner related to its businesses and operations. To accomplish this, the governing concept of conscious strategy and controllable procedures for risk mitigation ultimately provides a positive impact to profitability. The responsibility of governing boards, management and all employees is to be aware of the current environment in which they operate, implement measures to mitigate risks, prepare to act upon unusual observations, threats or incidents and respond to risks to mitigate consequences.

Market risk

Demand for the group's various service offerings is highly cyclical and closely correlated with the global economic activity. Demand for transportation of cars and other cargo continued its upward trend during 2011, and combined with better mix of cargo types this has positively affected the profitability of the fleet. For the maritime services activities, a depressed general shipping market continues to negatively impact new building activity, and has the potential to impact general purchasing related to the operating fleet.

Future growth in the global economy and world ocean trade is highly decisive for the development of the group's earnings. A balanced flow of the different cargo classes is also important. While the group is well positioned to benefit from future growth in ocean trade and of the global maritime industry, measures have been taken to mitigate the negative consequences of any escalation of the present slowdown in global economic growth.

Operational risk

The various operating entities of the group are exposed to and manage risk specific to the markets in which they operate.

In WWASA (car/ro-ro shipping and logistics) operational responsibility mainly rests with the various operating companies. While certain events such as closure of the Panama or Suez canal will have impact throughout the industry, most operational risk factors will be limited to specific carriers or markets.

Through its global reach and broad product spectre, WMS is exposed to a wide range of risk factors, though mainly related to local markets and specific product offerings. While any such incident will normally have limited global consequences, a major accident, turbulence within a key geographical market, product quality issues, disruption of IT systems or loss of main customers may affect the wider financial and operational performance. The group has established a range of measure in order to avoid and, potentially, mitigate the consequences of any such incidents.

"WWH will explore new maritime related opportunities within the energy, logistics and property sectors."

DIRECTORS' REPORT

Financial risk
The group is exposed to a wide range of financial risk, either on a general basis or related to specific group companies.

Currency risk: The reporting currency for the group is USD. Primary transactional currency exposure originates from expenses incurred in currencies other than USD, mainly NOK, but also EUR, SGD, SEK, KRW, GBPand JPY, as well as other currencies. Translational currency exposure originates from balance sheet items denominated in currencies other than USD. Primary translation currency exposure relates to debt in NOK and GBP and investments in KRW, AUD and EUR.

Different hedging strategies have been implemented for main subsidiaries. WWASA has an active hedging approach in relation to NOK and GBP, while currency exposures within other parts of the group are mainly hedged on an ad-hoc basis related to specific exposures.

The group's currency exposure and management is further described in the 2011 accounts (Note 15).

Interest rate risk: The group has a pro-active approach in relation to interest rate risk management, with main objective to reduce interest rate exposure. Different hedging strategies have been implemented for main subsidiaries. While WWASA based on its larger investments and net debt has secured a substantial portion of its exposure, hedging outside WWASA is presently limited. Overall, interest rate derivatives held by the group corresponded to about 60% of its interest bearing debt exposure at 31 December 2011.

The group's interest rate exposure and management is further described in the 2011 accounts (Note 15).

Bunker price risk: The group's profitability is exposed to fluctuations in bunker prices through the shareholding in WWASA. The group's bunker exposure and management is further described in the 2011 accounts (Note 15).

Loan covenants: The group companies have a number of covenants related to its loans. All group companies were in compliance with covenant requirements as of 31 December 2011.

Liquidity risk: The group's liquidity situation is presently good, and is expected to remain satisfactory in 2012. The group's liquidity situation is further described earlier in this report under "cash flow, liquidity and debt" and in the 2011 accounts (Note 15).

"The diversification of the portfolio that has taken place during recent years has reduced the general risk profile."

Customer defaults and credit risk: Given the challenging market conditions, the group cannot exclude the possibility that more customers will face financial distress. The group companies are continuously monitoring the situation in order to ensure early detection and to initiate required actions.

Risk related to asset values: The group has substantial investments exposed to external market pricing, including shares in WWASA, vessels and shares in Glovis (both through WWASA), shares in Qube and financial investments. While majority of investments are of a long term industrial nature, any fluctuations in values will have impact on the net asset value and solidity of the parent company and the group and may affect the group's profitability.

HEALTH, ENVIRONMENT AND SECURITY

Health and working environment
Average ***sickness absence*** among employees in wholly-owned subsidiaries located at the head office was 4.5 % (2.3%). While the increase in 2011 is from a low level, the development is closely monitored. No injuries were reported on land-based employees during the year.

Occupational injuries on ships are recorded in accordance with the international standard for the maritime industry.[1] In 2011, the lost-time injury frequency on vessels managed by WSM was 1.55 (1.1), not meeting the set target. A safety campaign has been initiated to improve performance and bring number of incidents below industry target. The group will continue its efforts to raise the level of safety awareness through global sharing of experience and by taking a proactive approach towards safety and quality through various improvement initiatives, which includes an HSEQ Excellence program dealing with safety, security, governance, environment and training.

The natural environment
Maritime transport is environmental friendly compared with other modes of transportation. However, a ship consumes energy and thereby generates emissions. New vessels use less energy than older vessels. New and energy-efficient vessels in WWASA contributed to reduced emissions from the fleet in 2011. Fuel consumed per cargo unit transported decreased by 1.6% in 2011. NOx emissions increased slightly, following more sailings compared with 2010, while SOx emissions were stable. The average sulphur content in fuel used by vessels operated in the WWASA operating companies was 1.78%.

WWASA operating companies took delivery of ten vessels in 2011, of

"The group is commited to manage risk in a sound manner related to its business and operations."

1 An injury which results in an individual being unable to return to work for a scheduled work shift on the day following the injury is registered as an incident. These incidents are measured per million hours of exposure, which is 24 hours per day while serving aboard.

DIRECTORS' REPORT

which four were on WWASA's own account. All the vessels are delivered with state of the art propulsion and environmental solutions.

Through WMS, the group is a provider of environmentally-adapted products, systems and solutions to the merchant fleet, including NOx reducing systems, environmental friendly marine chemicals, refrigerants and fire extinguishing equipment. WMS has also been involved in developing other environmental technologies. Final solutions and commercialisation depend on ratification of new regulatory regimes.

In 2011, WMS extended the cooperation with Bellona for another three years, until 2014. Bellona is an environmental NGO based in Norway.

WWH comply with international laws and regulations. Adequate procedures for monitoring environmental performance are in place. In addition, the group works actively towards bodies developing and implementing international regulations covering the maritime industry to promote a practical and effective international statutory regime which provide a level commercial playing field for the various business units in the group.

Accidents and environmental harm can be prevented by maintaining a high quality and safety standard based on a framework of continuous improvement. Evaluation of the environmental aspects of the business activities is an integrated part of the decision making processes. The group's business units are certified by reputable international certification bodies whenever such certification is required by statute, requested by the market, and/or otherwise found to be positive and desirable.

For a full report on the group's environmental accounts and initiatives, please see the Environmental report for 2011 available at wilhelmsen.com.

ORGANISATION AND PEOPLE DEVELOPMENT

The group employs close to 5 700 (5 800) people in the wholly or partly owned subsidiaries, increasing to above 15 400 (12 400) when including seafarers. Total number of employees including joint ventures was 21 100 (19 200). The group's head office is located in Norway, and the group has some 400 (400) offices in 71 (69) countries within its wholly-owned structure, increasing to close to 530 (550) offices in 75 (73) countries when partly-owned companies are included.

WWH gives weight to developing a good and inspiring working environment both at sea and on land through living its values highlighting among others empowerment, teaming and collaboration as well as learning and innovation.

"Maritime transport is environmental friendly compared with other modes of transportation."

The working environment committee, covering the parent company, WMS and WWASA, held four meetings during the year. With 14 members and the same number of alternates, all main companies located at the group's head office are represented. The meetings are also attended by the company medical officer and a representative from the human resources department, who have the right to speak but not to vote.

Performance appraisals are conducted annually and climate surveys semi-annually in order to identify factors which influence the performance of the people in the organisation. WWH use 360-degree performance assessments as a tool for leaders when deemed necessary. In-house or external coaches are available on request to support the development processes.

WWH practised a system of performance-related bonuses. The objective is to be an attractive, fair and responsible employer that rewards performance in line with company goals and values. The bonus will be paid if set bonus targets are reached.

To facilitate continuous improvement and adaptability and thus safeguard the group's market position, training and organisational development are pursued actively.

In addition to offering employees a variation of external courses, the group has its own educational institution, WW Academy. It organises strategically business-related programmes and leadership development programmes for employees, managers and leaders in the group. In 2011, 184 (336) employees took classroom programmes. In addition, since 2007 a total number of 5 550 employees have taken eLearning courses online, completing 20 530 courses in 2011 alone.

Equal opportunities for women and men are a clear policy. Discrimination based on race, gender or similar grounds is not acceptable. However, male and female representation in the industry's recruitment base is unequal.

Women accounted for 38% (36%) of the 579 (640) employees in Norway at 31 December, including the parent company and its fully owned subsidiaries. In addition, majority owned WWASA had 35 employees in Norway, of which 37% (26%) were women. WWL (owned 50% by WWASA), also had 81 (102) employees in Norway, of whom 42% (38%) were women.

"The group employs close to 5 700 people in the wholly or partly owned subsidiaries, increasing to above 15 400 when including seafarers. Total number of employees including joint ventures is 21 000."

DIRECTORS' REPORT

Two of the five members of the corporate management team of the parent company are female.

CORPORATE GOVERNANCE

WWH's corporate culture is based on governing elements including core values and code of conduct which apply to all employees. The WWH group pays constant attention to ethics and business morals in all its operations worldwide. The group's companies and employees must comply at all times with national and international regulations.

Majority of employees conducted training in governing elements in 2011. The group aims at including environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting.

Corruption and unethical behaviour are unacceptable and may have consequences for the employment. Anti-corruption and fraud received particular attention in 2011 through the company's audit committee, which will continue to have this focus also in 2012.

WWH observes the Norwegian Code of Practice for Corporate Governance. Adherence to the code is based on a "comply or explain" principle. The board's report on the code can be found on pages 106-117.

ALLOCATION OF PROFIT, DIVIDEND AND BUY BACK

The board's proposal for allocation of the net profit for the year is as follows:

Parent company accounts (NOK thousand)	
Profit for the year	557 100
Dividend	162 413
Fund for unrealised gain	-1 715
Transfer to retained earnings	396 402
Total allocations	557 100

Distributable equity in the parent company was NOK 1 496 773 at 31 December 2011

WWH has a tradition of paying dividend twice every year. The board is proposing a NOK 3.50 dividend per share payable during the second quarter of 2012, representing a total payment of NOK 162.4 million.

Management has been mandated by the WWH ASA board of directors to buy up to 10% of the company's own issued shares. During 2011 the parent purchased 100 000 of the company's own class A (WWI) shares.

PROSPECTS

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, Wilh. Wilhelmsen Holding ASA cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.

"Governing elements include core values and code of conduct and applies for all employees."

Outlook for Wilh. Wilhelmsen ASA

The underlying volume growth for transportation of both cars and high and heavy cargo is still positive.

Over the past two years, operators have taken out of operation less efficient tonnage. By the turn of the year, the world order book consisted of 45 vessels. A large number of vessels are expected to be delivered in the first half of 2012, with few newbuildings on order in 2013 and onwards.

WWASA's strong position in the market coupled with its financial status give the company a sound platform to grow its business further and act on profitable opportunities.

WWASA acknowledges that the positive sentiment at the end of 2011 continued into the beginning of 2012, with relatively high volumes and strong performance for the group companies.

The underlying volume growth potential is still positive. However, the uncertainties related to the development in the world economy, with the GDP growth, development in the financial market and the oil price being important for WWASA's profitability.

Outlook for Wilhelmsen Maritime Services

The growth in global fleet is expected to continue. A generally weak shipping market, however, impacts owners' purchasing capabilities and may reduce demand for certain maritime products and services.

For WSS, total income is expected to gradually increase following higher market penetration, new product offerings and positive development within certain customer segments. The operating margin is expected to improve following implementation of the profit improvement initiatives effectuated late 2011.

For WSM, income is expected to grow in 2012, but with some uncertainties related to potential impact of a distressed shipping market.

For WTS, the future prospects remain cautiously optimistic in relation to total income development. While income is expected to remain flat in Europe with a lack of new orders for HVAC and power solutions, prospects for Asia are mixed, but remain in general promising especially for the oil and gas sector.

"The board proposes a first dividend of NOK 3.50 per share payable in the second quarter of 2012."

DIRECTORS' REPORT

The first quarter profit will be negatively impacted by an anticipated loss related to the withdrawal of the current design of the Unitor Ballast Water Treatment System (UBWTS) from the market (see note 21 in the group accounts).

Operating profit for WMS, excluding losses related to UBWTS, is expected to remain at a moderate level, with a slight positive trend.

Outlook for Holding and Investments
Return on the Qube investment will reflect the future performance of the company and equity market fluctuations. Qube expects continued solid growth in revenue and earnings in first half of 2012, albeit at a lower growth rate than that achieved in the prior year. Qube further expects the strategic AUD 119 million acquisition of Giacci announced late February to be earnings per share accretive in the first full year of operation.

Outlook for the WWH group
The board acknowledges that the positive development in 2011 has continued into 2012.

The group is well positioned to benefit from the underlying growth potential in the markets in which it operates.

To broaden the portfolio, the group will continue to look for profitable opportunities related to the maritime industry.

The board underlines that the medium term prospects for the group's profitability will depend on the development of the world economy and the shipping markets in particular.

Seoul, 22 March 2012
The board of directors of
Wilh. Wilhelmsen Holding ASA

Diderik Schnitler
Chair

Helen Juell

Odd Rune Austgulen

Bettina Banoun

Carl E. Steen

Thomas Wilhelmsen
Group CEO

"Our global team has the capability to serve our customers in 2 400 ports in 125 countries."

"A global maritime network with around 525 offices in more than 70 countries."

ACCOUNTS AND NOTES

“The financial statements give a true and fair view of WWH’s income, profit and financial position.”

A PREMIUM SHIP MANAGER

Wilhelmsen Ship Management’s core business is technical management and managing a fleet of currently 450 vessels. We are the largest manager of car carriers and have solid experience with other advanced vessel types, including gas carriers, seismic vessels, cruise ships and offshore installations. Manning service is provided through our 17 crewing offices with a pool of 9 500 qualified seafarers. We operate training centres in India, Poland and the Philippines. Our operations are based on excellent governance, transparency and stringent quality management systems.

ACCOUNTS AND NOTES

INCOME STATEMENT > Wilh. Wilhelmsen Holding group

USD mill	Note	2011	2010
Operating revenue	1	**1 247**	1 076
Other income			
Share of profit from joint ventures and associates	2/3	**196**	198
Gain on sale of assets	1	**76**	11
Total income		**1 519**	1 285
Operating expenses			
Vessel expenses	1	**(55)**	(43)
Charter expenses		**(25)**	(23)
Inventory cost		**(411)**	(371)
Employee benefits	4	**(386)**	(345)
Other expenses	1	**(168)**	(151)
Depreciation and impairments	5	**(106)**	(104)
Total operating expenses		**(1 150)**	(1 036)
Operating profit		**369**	249
Financial income/(expenses)	1	**(138)**	(118)
Profit before tax		**231**	131
Tax income/(expense)	6	**0**	(56)
Profit for the year		**231**	75
Of which: Profit attributable to minority interests		**43**	15
Profit attributable to owners of the parent		**188**	60
Basic earnings per share (USD)	7	**4.05**	1.29
Diluted earnings per share (USD)	7	**4.06**	1.29

COMPREHENSIVE INCOME > Wilh. Wilhelmsen Holding group

Profit for the year		**231**	75
Other comprehensive income			
Net investment hedge/cash flow hedges (net after tax)		**(5)**	(11)
Revaluation market to market value	2	**(9)**	
Currency translation differences		**(19)**	3
Other comprehensive income, net of tax		**(34)**	(9)
Total comprehensive income		**198**	66
Attributable to			
Owners of the parent		**155**	54
Minority interests		**42**	12
Total comprehensive income for the year		**198**	66

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

BALANCE SHEET > Wilh. Wilhelmsen Holding group

USD mill	Note	31.12.2011	31.12.2010
ASSETS			
Non current assets			
Deferred tax asset	6	**33**	19
Goodwill and other intangible assets	5	**292**	261
Vessel, property and fixtures	5	**1 934**	1 601
Investments in joint ventures and associates	2/3	**859**	759
Other non current assets	8/9/10	**169**	80
Total non current assets		**3 286**	2 721
Current assets			
Inventories	11	**114**	96
Current financial investments	12	**188**	142
Other current assets	9/13	**301**	319
Cash and cash equivalents		**529**	802
Total current assets		**1 132**	1 359
Total assets		**4 418**	4 080
EQUITY AND LIABILITIES			
Equity			
Paid-in capital		**122**	122
Retained earnings and other reserves		**1 217**	1 108
Attributable to equity holders of the parent		**1 337**	1 230
Minority interests		**335**	308
Total equity		**1 673**	1 538
Non current liabilities			
Pension liabilities	8	**92**	91
Deferred tax	6	**68**	116
Non current interest-bearing debt	14/15	**1 575**	1 333
Other non current liabilities	9	**248**	209
Total non current liabilities		**1 983**	1 748
Current liabilities			
Current income tax	6	**32**	17
Public duties payable		**27**	24
Other current liabilities	9/14	**704**	752
Total current liabilities		**763**	794
Total equity and liabilities		**4 418**	4 080

Seoul, 22 March 2012

Diderik Schnitler, chair
Helen Juell
Odd Rune Austgulen
Bettina Banoun
Carl E. Steen
Thomas Wilhelmsen, group CEO

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

ACCOUNTS AND NOTES

CASH FLOW STATEMENT > Wilh. Wilhelmsen Holding group

USD mill	Note	2011	2010
Cash flow from operating activities			
Profit before tax		**231**	131
Financial (income)/expenses	1	**91**	45
Financial derivatives unrealised	1	**60**	61
Depreciation/impairment	5/6	**106**	104
Gain on sale of fixed assets	1	**(5)**	(11)
(Gain)/loss from sale of joint ventures and associates	3	**(70)**	
Change in net pension asset/liability		**1**	4
Change in inventory		**(19)**	
Change in other current assets		**(4)**	
Change in working capital		**20**	18
Share of profit from joint ventures and associates	3/4	**(196)**	(198)
Dividend received from joint ventures and associates	3/4	**45**	92
Tax paid (company income tax, withholding tax)		**(44)**	(10)
Net cash provided by operating activities		**214**	235
Cash flow from investing activities			
Proceeds from sale of fixed assets		**15**	32
Investments in fixed assets	5	**(485)**	(129)
Investments in joint ventures and associates			(28)
Loan repayments received from joint ventures and associates		**6**	
Loans granted to joint ventures and associates			28
Proceeds from sale of financial investments		**71**	103
Investments in financial investments		**(132)**	(96)
Interest received	1	**17**	9
Changes in other investments		**5**	(6)
Net cash flow from investing activities		**(503)**	(86)
Cash flow from financing activities			
Net proceeds from issue of debt after debt expenses	14	**757**	137
Repayment of debt	14	**(579)**	(165)
Interest paid including interest derivatives	1	**(112)**	(83)
Cash from financial derivatives		**13**	9
Transaction of minorities interests, net after tax			217
Dividend to shareholders/purchase of own shares		**(63)**	(16)
Net cash flow from financing activities		**16**	99
Net increase in cash and cash equivalents		**(273)**	248
Cash and cash equivalents, excluding restricted cash, at 01.01		**802**	554
Currencies on cash and cash equivalents*			
Cash and cash equivalents at 31.12		**529**	802

* 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.

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

EQUITY > Wilh. Wilhelmsen Holding group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 01.01.2011	**122**	**0**	**7**	**1 101**	**1 230**	**308**	**1 538**
Comprehensive income for the period:							
Profit for the period				**188**	**188**	**43**	**231**
Comprehensive income			**(33)**		**(33)**		**(34)**
Total comprehensive income	**0**	**0**	**(33)**	**188**	**155**	**42**	**198**
Transactions with owners:							
Purchase of own shares		**(0)**		**(2)**	**(3)**		**(3)**
Dividends			**(46)**	**(46)**	**(15)**	**(61)**	
Balance 31.12.2011	**122**	**(0)**	**(26)**	**1 241**	**1 337**	**335**	**1 673**

USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 01.01.2010	131	(9)	14	1 127	1 263	6	1 269
Comprehensive income for the period:							
Profit for the period				60	60	15	75
Comprehensive income			(6)		(7)	(3)	(10)
Total comprehensive income			(6)	60	54	12	66
Issue of new equity				(65)	(65)	291	226
Issue costs (net after tax)				(5)	(5)	(2)	(7)
Transactions with owners:							
Write down own shares	(9)	9					
Dividends			(16)	(16)		(16)	
Balance 31.12.2010	122	0	7	1 101	1 230	308	1 538

Own shares represented 0.22% of the share capital in nominal value at 31 December 2011.

Dividend for fiscal year 2010 was NOK 5.50 per share, NOK 3.50 was paid in May 2011 and NOK 2.00 was paid in December 2011.

The proposed dividend for fiscal 2011 is NOK 3.50 per share, payable in the second quarter of 2012. A decision on this proposal will be taken by the annual general meeting on 26 April 2012. The proposed dividend is not accrued in the year-end balance sheet.

Notes 1 to 21 on the next pages are an integral part of these consolidated financial statements.

ACCOUNTS AND NOTES

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

GENERAL INFORMATION

Wilh. Wilhelmsen Holding ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2011 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

The annual accounts for the group and the parent company were adopted by the board of directors on 20 March 2012.

The parent company financial statement for 2010 is for the period from date of incorporation 25 February 2010 to 31 December 2010.

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

Restructuring WWI group

On 15 April 2010, the general meetings of former Wilh. Wilhelmsen ASA ("WWI"), Wilh. Wilhelmsen ASA ("WW ASA") and the Wilh. Wilhelmsen Holding ASA (WWH) resolved to carry out a restructuring of the WWI group. As a result of the restructuring, WWH took over WWI's former role as parent company of the group. Immediately following the restructuring, WWH took over all the shares in WW ASA, which continued the shipping and logistics business formerly conducted in WWI, and all the shares in Wilhelmsen Maritime Service AS ("WMS"), which will continue as the holding company for the maritime services segment. After the IPO process in WW ASA (shipping and logistics activities) WWH owns 72.73% of WWASA group.

The restructuring has been effected through a series of transactions whereby the non-logistics and shipping activities of the WWASA group (i.e. the shares in WMS as well as certain other assets) have been transferred from WW ASA to the company, and the shareholders of WWASA have received shares in the company through a distribution of dividends in kind, whereupon WWASA group was merged into WWASA.

For existing shareholders of WWASA group, the restructuring implied that the shares of WWASA were replaced with shares in the company, in which the shareholders of WWASA group became shareholders in the exact same proportion as they held shares in the WWASA prior to the restructuring.

The summary of financial information is for the WWH group which also represents the historical financial information for the group.

BASIC POLICIES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union. The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act. Dividends and group contributions have been accounted for according to good accounting practice as an exception from IFRS. The explanations of the accounting principles for the group also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company.

The accounts for the group and the parent company are referred to collectively as the accounts.

The group accounts are presented in US dollars (USD), rounded off to the nearest whole million.

The most of the entities in WWASA group have USD as functional currency while entities in WMS group and Holding & Investments are measured using currency of primary economic location in which the entity operates. The exception from this is the investments activity in Malta, where AUD is the functional currency.

The parent company is presented in its functional currency NOK.

The income statements and balance sheets for group companies with a functional currency which differs from the presentation currency (USD) are translated as follows:

- the balance sheet is translated at the closing exchange rate on the balance sheet date
- income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of transaction are used.
- the translation difference is recognised in other comprehensive income and split between controlling and minority interests

Goodwill and the fair value of assets and liabilities related to the acquisition of entities which have a functional currency other than USD are attributed in the acquired entity's functional currency and translated at the exchange rate prevailing on the balance sheet date.

The accounts have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including financial derivatives) at fair value through the income statement. Except for interest rate swap in WMS group which qualifies for hedge accounting.

Preparing financial statements in conformity with the IFRS requires the management to make use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable in the circumstances. The actual result can vary from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are described in more detail below in the section on critical accounting estimates and assumptions.

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

Standards, amendments and interpretations

New and amended standards adopted by the group and parent company from 1 January 2011 or later;

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the group.

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

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

- IAS 19 Employee Benefits was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income (OCI) as the occur; to immediately recognise all past service cost; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.
- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013. The standard is effective for annual periods beginning 1 January 2015, and the consequence is amendment to IFRS 7 Financial instruments regarding information requirements. This also affects IAS 32. IFRS 7 and IAS 32 are effective for annual periods beginning 1 January 2013. The group and company are currently evaluating the impact of adoption of IFRS 9.
- IFRS 10 'Consolidated Financial Statements' – Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or later than 1 January 2013.
- IFRS 12 Disclosure of Interests in Other Entities - The standard combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure requirement. Some were previously included in IAS 27, IAS 31 and IAS 28, while others are new. A new term 'structured entity' which replace and expands upon the concept of a 'special- purpose entity is introduced. The standard is effective for annual periods beginning 1 January 2013. The group and the company are currently evaluating the impact of adoption of IFRS 12.
- IFRS 13 Fair Value Measurement - The standard establishes guidance on how to measure fair value, when fair value is required or permitted to be used. The standard is effective for annual periods beginning 1 January 2013. The group and the company are currently evaluating the impact of adoption of IFRS 10.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

COMPARATIVE FIGURES

When items are reclassified in the segment reporting, the comparative figures are included from the beginning of the earliest comparative period.

SHARES IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (PARENT COMPANY)

Shares in subsidiaries, joint venture and associates are presented according to the cost method. Group relief received is included in dividends from subsidiaries. Group contributions and dividends from subsidiaries is recognised in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its share holdings. Shares in subsidiaries, joint venture and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

CONSOLIDATION POLICIES

Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the group recognises any minority interests in the acquirer either at fair value or at the minority interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any minority interests in the acquire and the acquisition-date fair value of any previous equity interests in the acquire over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

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

Joint ventures and associates

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

ACCOUNTS AND NOTES

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

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

The group's share of profit after tax from joint ventures and associates, are recognised in the income statement as an operating income. The investments in joint ventures and associates are related to the group's operating activities and therefore classified as part of the operating activity. The share of profit after tax from joint ventures and associates is added to the capitalised value of the investments together with its share of equity movements not recognised in the income statement. Sale and dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group. Unrealised gains on transactions are eliminated.

When an investment ceases to be an associate, the difference between (1) the fair value of any retained investment and proceeds from disposing of the part interest in the associate and (2) the carrying amount of the investment at the date when significant influence is lost, is recognised in the income statement.

If the ownership interest in a joint venture or an associate is reduced, but the investment continues to be a joint venture or an associate, a gain or loss is recognised in the income statement corresponding to the difference between the proportionate book value of the investment sold and the proceeds from disposing of the part interest in the joint venture or associate.

Minority interests
The group treats transactions with minority interests as transactions with equity owners of the group.

For purchases from minority interests, the difference between any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Gains or losses on disposals to minority interests are also recorded in equity.

SEGMENT REPORTING
Following the new structure established in 2010, the WWH group segment changed from previous year. The operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker.

Comparative figures have been reclassified in the segments figures from the beginning of earliest comparative period.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board and Corporate Management Team who makes the strategic decisions.

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

The logistics activity has much the same customer groups as shipping. Customers operating globally are offered sophisticated logistics services. The activity's primary assets are human capital (expertise and systems) and customer contacts reflected in long-term relationships.

The WMS group segment offers marine products, technical service, ship agency services and logistics to the merchant fleet, safety and environmental systems to the newbuilding and retrofit sectors of the marine and offshore markets, supplies electrical, automation and heating ventilation and air conditioning (HVAC) systems to the marine and offshore markets, ship management including manning for all major vessel types, through a worldwide network of more than 398 offices in some 71 countries.

The Holding & Investments segment includes the parent company, Wilh. Wilhelmsen Holding ASA, Wilh. Wilhelmsen Holding Invest AS group and other minor activities (WilService AS, Wilh Wilhelmsen HK and corporate group activities like operational management, tax, legal, finance, portfolio management, communication and human relations) which fail to meet the definition for other core activities.

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

RELATED PARTIES TRANSACTIONS
The group and the parent company have transactions with joint ventures and associated companies. These contracts are based on commercial market terms. They relate to the chartering of vessels on long-term charters.

See note 9 and 17 to the group accounts for loans to joint ventures and associates, and note 8 to the parent company accounts.

See note 4 to the group accounts concerning remuneration of senior executives in the group, and note 3 to the parent company accounts for information concerning loans and guarantees for employees in the parent company.

FOREIGN CURRENCY TRANSACTION AND TRANSLATION
Transactions
In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial expense. If the currency position is regarded as qualified cash flow hedging, gains and losses are recognised in comprehensive income.

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

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

Shipping and logistics activities
Total revenues and voyage related expenses in a period are accounted for as the percentage of completed voyages. Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Voyages are normally discharge-to-discharge. Except for any period a ship is declared off-hire due to technical or other owner's matters, a ship is always allocated to a voyage.

Freight revenue
Time charter (T/C) basis
Freight revenue and expenses relating to vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period.

Contracts of affreightment
Revenue and expenses related to voyages under contracts of affreightment are calculated on the basis of the length of the contractual delivery, based on the number of days before and after the end of the accounting period.

Maritime services
Revenue from the sale of goods and services is recognised at fair value, net of VAT, returns and discounts. Revenue from the sale of goods is recognised when ownership passes to the customers. Generally, this is when products are delivered. Rebates and incentive allowance are deferred and recognised in income upon the realisation or the closing of the rebate period. Services are recognised as they are rendered.

Sales of goods and services are recognised in the accounting period in which the services are rendered or goods sold.

Work in progress related to fixed-price contracts with a long production period is valued in accordance with the percentage of completion method. The degree of completion is calculated as costs incurred as a percentage of the expected total cost. The total cost is reviewed continuously.

INVENTORIES
Inventories of purchased goods and work in progress, including bunkers, are valued at cost in accordance with the standard cost method. Impairment losses are recognised if the net realisable value is lower than the cost price. Sales costs include all remaining sales, administrative and storage costs.

Luboil is valued at the lower of cost and net realisable value. Luboil represents the lubrication oil held on board the vessels.

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

Cash-settled share-based payment
The group operates a cash settled share based payment incentive scheme for employees at senior executive management level. A liability equal to the portion of services received is recognised at the current fair value of the synthetic options determined at each balance sheet date. The total expense is recognised over the vesting period which is 12 months from grant date. The social security contributions payable in connection with the grant of the options is considered an integral part of the grant itself and the charge will be treated as cash-settled transaction

See note 4 to the group accounts and note 3 to the parent accounts concerning remuneration of senior executives

FIXED ASSETS
Vessel, property and other fixtures acquired by group companies are stated at historical cost. Depreciation is calculated on a straight-line basis. A residual value, which reduces the deprecation base, is estimated for vessels. The estimate is based on a 10 years average rolling demolition prices, for General Cargo. In addition, a charge for environmental friendly recycling is deducted. The calculation is done on an annual basis.

The carrying value of fixed assets equals the historical cost less accumulated depreciation and any impairment charges. The group capitalises loan costs related to vessels on the basis of the group's average borrowing rate on interest-bearing debt. Shipbuilder instalments paid, other direct vessel costs and the group's interest costs related to financing the acquisition cost of vessels are capitalised as they are paid.

Land is not depreciated. Other tangible fixed assets are depreciated over the following expected useful lives:

Property	10-50 years
Fixtures	3-10 years
Vessels	30-35 years

Each component of a fixed asset which is significant for the total cost of the item will be depreciated separately. Components with similar useful lives will be included in a single component.

An analysis of the group's fleet concluded that vessels based on a pure car truck carrier/roll-on roll-off design do not need to be separated into different components since there is no significant difference in the expected useful life for the various components of these vessels over and above docking costs. Costs related to docking and periodic maintenance will normally be depreciated over the period until the next docking.

The estimated residual value and expected useful life of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges will be changed accordingly.

ACCOUNTS AND NOTES

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

GOODWILL AND OTHER INTANGIBLE ASSETS

Amortisation of intangible fixed assets is based on the following expected useful lives:

Goodwill	Indefinite life
Computer software	3-5 years
Other intangible assets	5-10 years

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any minority interests in the acquire and the acquisition-date fair value of any previous equity interests in the acquire over the fair value of the group's share of the identifiable net assets of the acquired subsidiary, joint venture or associate. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. Goodwill arising from the acquisition of an interest in an associated company is included under investment in associated companies, and tested for impairment as part of the carried amount of the investment annually.

Goodwill from acquisition of subsidiaries is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the sale of a business includes the carried amount of goodwill related to the sold business.

Goodwill is allocated to relevant cash-generating units ("CGU"). The allocation is made to those cash-generating units or groups of CGU which are expected to benefit from the acquisition.

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

Other intangible assets

Computer software and start-up licences are capitalised in the balance sheet. Costs related to software licences, development or maintenance is expensed as incurred. Costs directly associated with the development of identifiable software owned by the group, with an expected useful life of more than one year, are capitalised. Direct costs include software development personnel and a share of relevant overheads.

Capitalised computer software developed in-house is amortised using the straight-line method over its expected useful life.

Trademark, technology/licenses and customer relationship have a finite life and are recognised at historical cost less accumulated amortisation. Amortisation is calculated using straight-line method to allocate the cost of trademarks and licenses over their estimated useful life.

Capitalised expenses related to other intangible assets are amortised over the expected useful lives in accordance with the straight-line method.

IMPAIRMENT OF GOODWILL AND OTHER NON-FINANCIAL ASSETS

Non-financial assets

At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are done. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on an interest rate according to a weighted average cost of capital ("WACC") reflecting the company's required rate of return. The WACC is calculated based on the company's long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows. The group has made the following assumptions when calculating the "value in use" for material tangible and intangible assets:

Vessels and newbuilding contracts

Future cash flow is based on an assessment of what is the group's expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organised and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. The majority of vessels are trading in global network as part of a fleet, where the income of a specific vessel is dependent upon the total fleet's earnings and not the individual vessel's earnings. Further the group's vessels are interchangeable among the operating companies which are seen through the ongoing operational co-operation (long term chartering activities, vessel swaps, space chartering, combined schedules etc). As a consequence, vessels will only be impaired if the total value of the fleet based on future estimated cash flows is lower than the total book value.

Goodwill

Goodwill acquired through business combinations has been allocated to the relevant CGU. An assessment is made as to whether the carrying amount of the goodwill can be justified by future earnings from the CGU to which the goodwill relates. Future earnings are based on next year's expectations with a zero growth rate.

If the "value in use" of the CGU is less than the carrying amount of the CGU, including goodwill, goodwill will be written down first. Thereafter the carrying amount of the CGU will be written down. Impairment losses related to goodwill cannot be reversed.

LEASES

Leases for property, equipment and vessels where the group carries substantially all the risks and rewards of ownership are classified as financial leases.

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

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

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

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

FINANCIAL ASSETS

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

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

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

Short term investments

This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short-term price gains. Short term investments are valued at fair value. The resulting unrealised gains and losses are included in financial income and expense. Derivatives are also placed in this category unless designated as hedges. Assets in this category are classified as current.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivable are classified as other current assets or other non current assets in the balance sheet.

Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realised gains and losses are recognised in the income statement in the period they arise.

Available-for-sale financial assets

Available-for-sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses recognised as a separate component in other comprehensive income until the investments is derecognised, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of the investments that are actively traded in organised financial markets is determined by reference to quoted market bid price at the close of business on the balance sheet date. For investments where there is no active market fair value are determined applying commonly used valuation techniques.

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

FINANCIAL DERIVATIVES

Derivatives which do not qualify for hedge accounting

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

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

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

Derivatives which do qualify for hedge accounting

The group designates certain derivatives as hedges of highly probable forecast transactions (cash-flow hedges).

At the date of the hedging transaction, the group documents the relationship between hedging instruments and hedged items, as well as the object of its risk management and the strategy underlying the various hedge transactions. The group also documents the extent to which the derivatives used are effective in smoothing the changes in fair value or cash flow associated with the hedge items. Such assessments are documented both initially and on an ongoing basis.

The fair value of derivatives used for hedging is shown in note 15 to the group accounts. Changes in the valuation of qualified hedges is recognised directly in other comprehensive income until the hedged transactions are realised.

The fair value of financial derivatives traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial derivatives not traded in an active market is determined using valuation techniques, such as the discounted value of future cash flows. Independent experts verify the value determination for instruments which are considered material.

Cash-flow hedge

The effective portion of changes in the fair value of derivatives designated as cash-flow hedges are recognised directly in equity together with the deferred tax effect. Gain and loss on the ineffective portion is recognised in the income statement. Amounts recognised directly in equity are recognised as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

Net investment hedge

Gains and losses arising from the hedging instruments relating to the effective portions of the net investments hedges are recognised in comprehensive income as currencies differences. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial income/(expenses). Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

ACCOUNTS AND NOTES

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

DEFERRED TAX / DEFERRED TAX ASSET

Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

For group companies subject to tonnage tax regimes, the tonnage tax is recognised as an operating cost.

PENSION OBLIGATIONS

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

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

For defined contribution plans, the group and the parent company pay contributions till publicly- or privately administered pension insurance plans on an obligatory, contractual or voluntary basis. The group and the parent company have no further payment obligations once the contributions have been paid. The contributions are recognised as a payroll expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, adjusted for unrecognised actuarial gains or losses and unrecognised costs related to pension earnings in earlier periods.

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method.

Actuarial gains and losses arising from new information or changes to actuarial assumptions in excess of the higher of 10% of the value of the pension assets or 10% of the pension obligations are recognised in the income statement over the expected average remaining working lives of the employees.

Changes in pension plan benefits are recognised immediately in the income statement unless rights in the new pension plan are conditional on the employee remaining in service for a specific period of time (the vesting period). In that case, the costs associated with the change in benefit are amortised on a straight-line basis over the vesting period.

RECEIVABLES

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other current highly-liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities on the balance sheet.

SHARE CAPITAL AND TREASURY SHARES

When the parent company purchases its own shares (treasury shares), the consideration paid, including any attributable transaction costs net of income tax, is deducted from the equity attributable to the parent company's shareholders until the shares are cancelled or sold. Should such shares subsequently be sold or reissued, any consideration received is included in share capital.

DIVIDEND IN THE GROUP ACCOUNTS

Dividend payments to the parent company's shareholders are recognised as a liability in the group's financial statements from the date when the dividend is approved by the general meeting.

DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS

Proposed dividend for the parent company's shareholders is shown in the parent company account as a liability at 31 December current year. Group contribution to the parent company is recognised as a financial income and current asset in the financial statement at 31 December current year.

LOANS

Loans are recognised at fair value when the proceeds are received, net of transaction costs. In subsequent periods, loans are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the loan.

Loans are classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

ACCOUNTING POLICIES > Wilh. Wilhelmsen Holding group and Wilh. Wilhelmsen Holding ASA

PROVISIONS

The group and the parent company make provisions for legal claims when a legal or constructive obligation exists as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be estimated with a sufficient degree of reliability. Provisions are not made for future operating losses.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, the group and the parent company must make assumptions and estimates. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and oil prices which are outside the group's and parent company's control. This presents a substantial risk that actual conditions will vary from the estimates.

Revenue recognition

Revenues and costs associated with vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period. Sales of goods and maritime services are recognised in the accounting period in which the services are rendered, based on the degree of completion of the relevant transaction. The degree of completion is based on the actual services provided as a proportion of the total services to be provided. This method requires the group to exercise its judgement in assessing how large a share of the total service has been delivered on the balance sheet date.

Income tax

The group is subject to income tax in many jurisdictions. Various tax systems have required some use of judgement for certain countries in determining income tax for all countries taken together in the consolidated accounts.

The final tax liability for some transactions and calculations will be uncertain.

The group recognised tax liabilities associated with future decisions in tax cases/disputes, based on estimates of the likelihood that additional income tax will fall due. Should the final outcome of these cases vary from the amount of the original provision, this variance will affect the stated tax expense and provision for deferred tax in the period when the final outcome is determined.

The parent company recognises tax liabilities when these are incurred. In other words, the tax expense is related to the accounting profit/loss before tax. The tax expense comprises tax payable and the change in net deferred tax.

See note 6 in the group accounts for additional info.

Impairment of vessels

Future cash flow is based on an assessment of what is the group's expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organized and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. As a consequence, vessels will only be impaired if the total value of the vessels based on future estimated cash flows is lower than the total book value.

Impairment of non-financial assets

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

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

If available estimated fair value of an asset is obtained externally. In addition, the group has financial models which calculate and determine the value in use through a combination of actual and expected cash-flow generation discounted to present value. The expected future cash-flow generation and models are based on assumptions and estimate.

The discount factor applied in the cash flow budgets is based on the group's long-term financing costs for debt-financed capital. Beyond the period covered by the business plan, a growth factor which varies between 0% and 5% is applied, with an expectation that gross margins will not weaken substantially over time.

See note 5 in the group accounts for additional info.

RISK MANAGEMENT

For information about risk management see note 15 in the group accounts and note 15 in the parent accounts.

GROUP AND PARENT COMPANY

ACCOUNTS AND NOTES

NOTE 1 > Combined items, income statement

USD mill	Note	2011	2010
OPERATING REVENUE			
Freight revenue		**309**	209
Ships service revenue		**661**	599
Technical solutions revenue		**229**	223
Ship management and crewing revenue		**45**	41
Other revenue		**4**	4
Total operating revenue		**1 247**	1 076
GAIN ON SALE OF ASSETS			
Gain on sales of vessels			4
Gain on sale of shares held in joint ventures and associates	2/3	**69**	
Gain on sale of other assets		**7**	7
Total gain on sale of assets		**76**	11
VESSEL EXPENSES			
Luboil		**(8)**	(6)
Stores (water, safety, chemicals, ropes etc)		**(5)**	(4)
Maintenance of vessels		**(24)**	(18)
Insurance		**(7)**	(8)
Other		**(10)**	(8)
Total vessel expenses		**(55)**	(43)
OTHER EXPENSES			
Loss on sale of assets		**(2)**	(2)
Office expenses		**(46)**	(40)
Communication and IT expenses		**(34)**	(32)
External services		**(19)**	(17)
Travel and meeting expenses		**(17)**	(19)
Marketing expenses		**(11)**	(13)
Other administration expenses		**(39)**	(28)
Total other expenses		**(168)**	(151)

CONT NOTE 1 > Combined items, income statement

USD mill	2011	2010
FINANCIAL INCOME/(EXPENSES)		
Financial items		
Investment management		8
Interest income	**17**	10
Other financial items	**(2)**	(3)
Net financial items	**15**	15
Financial - interest expenses		
Interest expenses	**(70)**	(51)
Interest rate derivatives - realised	**(45)**	(31)
Net financial - interest expenses	**(115)**	(82)
Interest rate derivatives - unrealised	**(45)**	(38)
Financial currency		
Net currency gain/(loss)	**9**	
Currency derivatives - realised	**6**	5
Currency derivatives - unrealised	**(7)**	(10)
Cross currency derivatives - realised	**7**	4
Cross currency derivatives - unrealised	**(8)**	(12)
Net financial currency	**6**	(13)
Financial derivatives bunkers		
Valuation of bunker hedges		
Valuation of fuel hedges		
Net financial derivatives bunkers	**0**	0
Financial income/(expenses)	**(138)**	(118)

See note 15 on financial risk and the section of the accounting policies concerning financial derivatives.

ACCOUNTS AND NOTES

NOTE 2 > Investments in joint ventures

USD mill	Business office, country	2011 Voting share/ownership	2010 Voting share/ownership
WWASA group (shipping)			
Mark I Shipping Pte Ltd	Singapore	**50.0%**	50.0%
Tellus Shipping AS	Lysaker, Norway	**50.0%**	50.0%
American Roll-on Roll-off Carrier Holding Inc	New Jersey, USA	**50.0%**	50.0%
Fidelio Inc	New Jersey, USA	**50.0%**	50.0%
Fidelio Limited Partnership	New Jersey, USA	**50.0%**	50.0%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	**40.0%**	40.0%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	**40.0%**	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	**40.0%**	40.0%
WWASA group (shipping/logistics)			
Wallenius Wilhelmsen Logistics Group AS	Lysaker, Norway	**50.0%**	50.0%
WWASA group (logistics)			
American Shipping & Logistics Group Inc	New Jersey, USA	**50.0%**	50.0%
American Logistics Network LLC	New Jersey, USA	**50.0%**	50.0%

	2011	2010
Summarised financial information - according to the group's ownership		
Share of total income	**2 066**	1 719
Share of operating expenses	**(1 893)**	(1 536)
Share of net financial items	**(22)**	(11)
Share of tax expense	**(15)**	(13)
Share of profit for the year	**135**	158
Share of equity (equity method)		
Book value	**626**	527
Excess value (goodwill)	**16**	16
Joint ventures' assets, equity and liabilities (group's share of investments)		
Share of non current assets	**1 117**	1 090
Share of current assets	**538**	446
Total share of assets	**1 656**	1 535
Share of equity 01.01	**543**	450
Share of profit for the period	**135**	158
Cash flow hedges (net after tax)		(11)
Capital contribution		20
Dividend received/repayments of share capital	**(34)**	(72)
Currency translation differences	**(1)**	(2)
Share of equity 31.12	**642**	543
Share of non current liabilities	**610**	666
Share of current liabilities	**403**	325
Total share of liabilities	**1 013**	990
Total share of equity and liabilities	**1 656**	1 535
Share of profit from joint ventures	**135**	158
Share of profit from associates, see note 3	**61**	40
Share of profit from joint ventures and associates	**196**	198
Share of equity from joint ventures	**642**	543
Share of equity from associates, see note 3	**218**	216
Share of equity from joint ventures and associates	**859**	759

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

NOTE 3 > Investments in associates

	Business office, country	2011 Voting share/ownership	2010 Voting share/ownership
WWASA group			
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	**15.0%**	15.0%
Holding & Investments			
Kaplan investments*			
K-POAGS Pty Ltd	Sydney, Australia		22.5%
K-NSS Pty Ltd	Sydney, Australia		22.5%
K-AATerminals Pty Ltd	Sydney, Australia		11.0%
KW Auto Logistics Pty Ltd	Sydney, Australia		22.5%
WMS group - companies with significant shares of profits		**Profit sharing agreements ****	
Almoayed Wilhelmsen Ltd	Bahrain	**50.0%**	50.0%
Wilhelmsen Ships Service Ltd	Bangladesh	**50.0%**	50.0%
Barwil Unimasters Ltd	Bulgaria	**50.0%**	50.0%
Wilhelmsen Huayang Ships Services (Shanghai) Co Ltd	China	**50.0%**	50.0%
Wilhelmsen Huayang Ships Services (Beijing) Co Ltd	China	**50.0%**	50.0%
Wilhelmsen Ships Service Georgia Ltd	Georgia	**50.0%**	50.0%
Barklav (Hong Kong) Ltd	Hong Kong	**50.0%**	50.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partner WLL	Kuwait	**49.0%**	49.0%
Barwil-Andersson Agencies Ltd	Latvia	**49.0%**	49.0%
Wilhelmsen Ships Service Lebanon S.A.L.	Lebanon	**49.0%**	49.0%
Eurokor Barging B.V	Netherland	**40.0%**	
Barber Moss Ship Management AS	Norway	**50.0%**	50.0%
Yarwil AS, Norway	Norway	**50.0%**	50.0%
Golar Wilhelmsen Management AS	Norway	**40.0%**	40.0%
Towell Barwil Co LLC	Oman	**30.0%**	30.0%
Wilhelmsen Ships Services (Private) Ltd	Pakistan	**50.0%**	50.0%
Barwil Agencies SA	Panama	**47.0%**	47.0%
Lonemar SA	Panama	**47.0%**	47.0%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	**49.0%**	49.0%
Wilhelmsen Hyopwoon Ships Services Ltd	Republic of Korea	**50.0%**	50.0%
Haeyoung Maritime Services Co Ltd	Republic of Korea	**20.0%**	20.0%
Barwil Star Agencies SRL	Romania	**50.0%**	50.0%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	**50.0%**	50.0%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	**49.6%**	49.6%
Wilhelmsen Meridian Navigation Ltd, Sri Lanka	Sri Lanka	**40.0%**	40.0%
Baasher Barwil Agencies Ltd	Sudan	**50.0%**	50.0%
National Company For Maritime Agencies Ltd	Syrian Arab Republic	**50.0%**	50.0%
Barwil Universal Denizcilik Tasimacilik Ticaret AS	Turkey	**50.0%**	50.0%
MSC Ukraine Ltd	Ukraine	**25.0%**	25.0%
Wilhelmsen Ships Service LLC	United Arab Emirates	**43.0%**	43.0%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	**50.0%**	50.0%
Barwil Dubai LLC	United Arab Emirates	**50.0%**	50.0%
Wilhelmsen Ships Service (UAE) LLC	United Arab Emirates	**42.5%**	42.5%
Triangle Shipping Agencies Co LLC	United Arab Emirates	**50.0%**	50.0%
Denholm Barwil Ltd	United Kingdom	**40.0%**	40.0%
Knight Transport LLC	United States	**33.3%**	33.3%

* The Kaplan investments were converted to shares in Qube Logistics Holding Limited (Qube) 1 September 2011 with a gain of USD 70.4 mill. Qube is a listed company in Australia and the investment in Qube is treated as available-for-sale financial asset.

** Takes account of agreements on profit sharing which are additional to the equity share.

An overview of actual equity holdings can be found in the presentation of company structure later in this report.

ACCOUNTS AND NOTES

CONT NOTE 3 > Investments in associates

USD mill	2011	2010
Summary financial information – according to the group's ownership		
Assets	**568**	392
Liabilities	**349**	176
Equity	**219**	216
Operating income	**1 055**	770
Net profit	**61**	40
Share of profit from associates		
Hyundai Glovis Co Ltd	**47**	28
Other associates	**14**	12
Share of profit from associates	**61**	40
Book value of material associates		
Hyundai Glovis Co Ltd	**194**	150
Kaplan Investments		44

Even if the share interest in Hyundai Glovis is 15%, the investment is treated as an associate in accordance with IFRS. The reason is that the group has entered into a shareholders' agreement regarding their shareholding in Hyundai Glovis, including two representatives on the board of directors (33.3%). The agreement, which has an indefinite term, contains provisions, inter alia, restrictions on transfer of shares, corporate governance, composition of and procedures for the board of directors, matters which require a qualified majority at the general meeting of shareholders, and mechanisms in case a resolution cannot be reached by the partners. In addition the business relationship between the group's joint venture EUKOR Car Carriers Inc and Hyundai Glovis is strong as Hyundai Glovis is a global logistics service provider for EUKOR's main customers Hyundai Motor Group and Kia Motor Group.

Hyundai Glovis Co Ltd was listed on 23 December 2005, and the group's equity interest had a stock market value at 31 December 2011 of USD 934 million (2010: USD 750 million)

USD mill	2011	2010
Specification of share of equity and profit/loss:		
Share of equity 01.01	**216**	193
Share of profit for the year	**61**	40
Addition in WWASA group		2
Addition in WMS group	**1**	1
Reclassification of WWASA group entity to available-for-sale financial asset		(4)
Disposal Holding & Investments	**(50)**	
Disposal WMS group	**(2)**	
Dividend	**(11)**	(20)
Currency translation differences	**3**	4
Share of equity 31.12	**218**	216
Share of equity		
Book value	**196**	194
Excess value, goodwill	**22**	22
Total share of equity	**218**	216

NOTE 4 > Employee benefits

USD mill	2011	2010
Pay	**238**	211
Payroll tax	**38**	33
Pension cost	**25**	25
Employee benefits seagoing personnel	**56**	44
Other remuneration	**29**	31
Total employee benefits	**386**	345
Number of employees:		
Group companies in Norway	**614**	640
Group companies abroad	**5 077**	5 166
Seagoing personnel Wilhelmsen Ship Management	**9 728**	8 927
Total employees	**15 419**	14 733
Average number of employees	**15 076**	13 060

REMUNERATION OF SENIOR EXECUTIVES

USD thousand	Pay	Bonus	Pension premium	Other remune-ration	Total	Total in NOK thousand
2011						
Group CEO*	**719**	**156**	**106**	**27**	**1 008**	**5 649**
Group CFO *	**775**	**90**	**224**	**41**	**1 130**	**6 331**
President and CEO Wilh. Wilhelmsen ASA	**910**	**54**	**394**	**45**	**1 402**	**7 859**
President and CEO Wilhelmsen Maritime Services AS	**874**	**165**	**367**	**38**	**1 445**	**8 097**
2010						
Working chair - until 15 April 2010	181			5	187	1 128
Group CEO - until 1 October 2010	562		49	30	641	3 872
Group CEO - from 1 October 2010 *	404	83	66	24	577	3 483
Deputy group CEO - until 1 June 2010	239		17	8	264	1 593
Group CFO *	724	50	215	36	1 024	6 189
Group vice president logistics **	214			103	316	1 909
President and CEO Wilh. Wilhelmsen ASA	476		201	19	696	4 205
President and CEO Wilhelmsen Maritime Services AS	722	146	319	35	1 221	7 376

Remuneration is paid in NOK, which means that the USD amounts are not comparable from year to year. Rates of remuneration can be compared by taking account of changes in the USD exchange rate.

* Including additional expenses related to future pensions: Group CEO USD 116 (2010: USD 53), group CFO USD 245 (2010: USD 247).
** Group vice president logistics Stephen P Cadden had been seconded to WW ASA from a US subsidiary on an expatriate basis for a fixed time period.

ACCOUNTS AND NOTES

CONT NOTE 4 > Employee benefits

Board of directors
Wilhelm Wilhelmsen - working chair until 15 April 2010.
Diderik Schnitler - chair from 15 April 2010.

Remuneration of the four external directors totalled USD 305 and USD 215 for 2010. The chair, Diderik Schnitler, has an additional consulting agreement with the WWASA group where he got paid USD 37 in 2011 and USD 0 for 2010. The board's remuneration for fiscal year 2011 will be approved by the general meeting 26 April 2012.

Senior executives
Thomas Wilhelmsen - group CEO from 1 October 2010 (group vice president shipping until 1 June 2010 /deputy group CEO until 1 October).
Nils Petter Dyvik - group CFO.
Jan Eyvin Wang - president and CEO Wilh. Wilhelmsen ASA from 1 June 2010.
Dag Schjerven - president and CEO Wilhelmsen Maritime Serivces AS.
Ingar Skaug - group CEO until 1 October 2010.
Sjur Galtung - deputy group CEO until 1 June 2010.
Stephen P Cadden - group vice president logistics until 1 June 2010.

See note 3 Employee benefits in the parent company accounts, and note 19 Related party transaction.

OPTION PROGRAMME FOR SENIOR EXECUTIVES

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents
The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at management level in the company, and in its associated subsidiaries.

The programme has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for WWHASA and the board of directors for Wilh. Wilhelmsen ASA (WWASA) was authorised to decide the beneficiaries under the programme. The two boards initially allocated annually 16 500 share equivalents in WWH (A shares) and annually 130 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2011 is average share price over the two weeks after the release of the results for the fourth quarter 2010 was NOK 171 (WWH A shares) and NOK 40 (WWASA shares), respectively.

Granted share equivalents annually given:

	2011	
	Share equivalent in WWI shares	Share equivalent in WWASA shares
Thomas Wilhelmsen - group CEO	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000
Jan Eyvin Wang - President and CEO Wilh. Wilhelmsen ASA		50 000
Benedicte B. Agerup - CFO Wilh. Wilhelmsen ASA		30 000
Dag Schjerven - President and CEO Wilhelmsen Maritime Services AS	5 500	

Per 31 December the options were out of the money for 2011.

CONT NOTE 4 > Employee benefits

Option programme from 31 October 2007 until 31 December 2010 - Cash-settled share-based
The board of directors of former Wilh. Wilhelmsen ASA (WWI) resolved at a board meeting on 31 October 2007 to renew the share option programme for employees at management level in the company, and in its associated subsidiaries.

The board initially allocated 390 000 option rights in WWI (A shares) to the programme and authorised the group chief executive to decide who should be offered the option rights under the programme.

Due to the restructuring of the group and that the options were out of the money, the cash-settled share-based programme was eliminated in 2010 and hence fair value of the outstanding option rights at 31 December 2010 was zero. USD 0.24 million was recognised through the income statement for 2010.

Movements in the number of option rights outstanding and their related weighted average exercise prices are as follows:

	2010	
	Average exercise price NOK per share	Number of options granted
At 01.01	212.0	320 000
Granted	212.0	
Repealed	212.0	
Eliminated due to restructuring		(320 000)
Exercised		
Outstanding options 31.12		0

EXPENSED AUDIT FEE

USD mill	2011	2010
Statutory audit	**3.0**	2.8
Other assurance services	**0.4**	0.3
Tax advisory fee	**1.4**	0.8
Other assistance	**0.5**	0.3
Total expensed audit fee	**5.3**	4.2

ACCOUNTS AND NOTES

NOTE 5 > Property, fixtures and vessels

USD mill	Property	Vessels/ Newbuilding contracts	Other fixtures	Total fixed assets
FIXED ASSETS				
2011				
Cost price 01.01	**103**	**1 925**	**219**	**2 248**
Acquisition	**7**	**401**	**27**	**435**
Reclass/disposal	**(1)**	**(29)**	**(30)**	**(60)**
Currency translation differences	**(3)**		**(4)**	**(7)**
Cost price 31.12	**105**	**2 298**	**212**	**2 616**
Accumulated depreciation and impairment losses 01.01	**(28)**	**(522)**	**(96)**	**(646)**
Depreciation/amortisation	**(2)**	**(75)**	**(14)**	**(92)**
Disposals		**29**	**24**	**53**
Currency translation differences	**1**		**2**	**3**
Accumulated depreciation and impairment losses 31.12	**(29)**	**(568)**	**(85)**	**(682)**
Carrying amounts 31.12	**76**	**1 730**	**128**	**1 934**
2010				
Cost price 01.01	100	1 939	211	2 250
Acquisition	3	100	21	123
Reclass/disposal	(1)	(113)	(19)	(133)
Currency translation differences	1		7	8
Cost price 31.12	103	1 925	219	2 248
Accumulated depreciation and impairment losses 01.01	(26)	(544)	(91)	(661)
Depreciation/amortisation	(2)	(77)	(5)	(84)
Disposals		99		99
Currency translation differences				
Accumulated depreciation and impairment losses 31.12	(28)	(522)	(96)	(646)
Carrying amounts 31.12	75	1 404	123	1 601
Economic lifetime	10-50 years	30-35 years	3-10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

The group has financial lease agreements for 9 (2010: 9) vessels in the WWASA group segment. Those car carriers covered by the leases had a book value at 31 December of USD 291 million (2010: USD 306 million), and depreciation for the year came to USD 15 million (2010: USD 21 million). The leasing commitment is classified as a non current liability. See note 14.

Interest expenses of USD 3.2 million relating to newbuilding contracts were capitalised in 2011 (2010: USD 2.3 million).

During 2011, 4 new vessels were delivered. Through 2012 WWASA has 3 new vessels due for delivery.

CONT NOTE 5 > Property, fixtures and vessels

Impairment
The group has evaluated the need for potential impairment losses in accordance with the accounting policies.

Fair value is the amount obtained from the sale of an asset or cash generating unit (CGU) in an arm's length transaction. Value in use is the net present value of future cash flows arising from continuing use of the asset or CGU, including any disposal proceeds. The impairment test has been performed based on the estimated future value in use of the fleet.

Key assumptions are future estimated cash flows, time charter income reduced by estimated vessel operating expenses, based on group management's latest long term forecast. The estimated future cash flows reflect both past experience as well as external sources of information concerning expected future market development.

Management has estimated a moderate improvement in cash flows over the five year forecasting period 2012-2016. Cash flows remain stable (90% of the 2016 level) over the remaining useful lives of vessels following the five year forecast period (0% growth rate).

The net present value of future cash flows was based on weighted average cost of capital (WACC) of 6.31% in 2011.

The WACC can be estimated as follows:
Borrowing rate: Debt ratio*(implied 18 year US swap rate + loan margin)
+ Equity Return: Equity ratio*(implied 18 year US swap rate + Beta * market premium)
= WACC

Based on the value in use estimates, management has concluded that no impairment is required as per 31 December 2011.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 212 million which would not have resulted in an impairment loss. Had the WACC been one percentage point lower, the estimated value in use would be increased by USD 247 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 195 million which would have not resulted in an impairment loss. Had the estimated time charter income been five percentage points higher, the estimated value in use would be increased by USD 196 million.

ACCOUNTS AND NOTES

CONT NOTE 5 > Goodwill and other intangible assets

USD mill	Goodwill	Other intangible assets	Software and licences	Total
INTANGIBLE ASSETS				
2011				
Cost price 01.01	**222**		**94**	**315**
Acquisition	**23**	**20**	**7**	**50**
Reclass/disposal	**1**		**(1)**	**(1)**
Currency translation differences	**(6)**	**(1)**	**(1)**	**(8)**
Cost price 31.12	**239**	**19**	**98**	**357**
Accumulated amortisation and impairment losses 01.01	**(1)**		**(52)**	**(54)**
Amortisation	**(0)**	**(1)**	**(13)**	**(14)**
Disposals			**1**	**1**
Currency translation differences			**2**	**2**
Accumulated amortisation and impairment losses 31.12	**(2)**	**(1)**	**(62)**	**(65)**
Carrying amounts 31.12	**238**	**18**	**36**	**292**
2010				
Cost price 01.01	217		89	306
Acquisition			8	8
Reclass/disposal			(4)	(4)
Currency translation differences	5		1	6
Cost price 31.12	222	0	94	315
Accumulated amortisation and impairment losses 01.01	(1)		(41)	(43)
Amortisation			(12)	(12)
Disposals			2	2
Currency translation differences			(1)	(1)
Accumulated amortisation and impairment losses 31.12	(1)	0	(52)	(54)
Carrying amounts 31.12	220	0	41	261

USD mill	2011	2010
Segment-level summary of the goodwill allocation:		
WMS group	**232**	214
WWASA group	**6**	6
Total goodwill allocation	**238**	220

In 2011 WMS group (CGU Wilhelmsen Ships Service) acquired Nalfleet for USD 41 million. The cost price was split into inventory of USD 5 million, other intangible assets (trade name, technology/licence and customer relationship) of USD 20 million and goodwill of USD 16 million.

CONT NOTE 5 > Goodwill and other intangible assets

Impairment testing of goodwill
In the WMS group segment, USD 148 million relates to the acquisition of Unitor ASA and USD 62 million relates to the acquisition of the Callenberg group. These amounts were originally calculated in NOK and SEK respectively.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units which are Wilhelmsen Ships Service and Wilhelmsen Technical Solutions.

Value in use was determined by discounting the future cash flows generated from the continuing operation of the units.

Cash flows were projected based on actual operating results and next year's forecast. Cash flows is based on a 5-year strategy plan period with terminal value (terminal growth rate 2%) were extrapolated using the following key assumptions:

	2011	2010
USD/NOK	**5.60**	6.04
USD/SEK	**6.49**	7.20
Discount rate	**7%**	7%
Growth rate	**9%**	9%
Increase in material cost	**7%**	10%
Increase in pay and other remuneration	**8%**	7%
Increase in other expenses	**8%**	7%

The values assigned to the key assumptions represent management's assessment of future trends in the maritime industry and are based on both external sources and internal sources (historical data).

No reasonably possible change in any of the key assumptions on which management has based its determination of the recoverable amount would cause the carrying amount to exceed its recoverable amount.

No impairment was necessary for goodwill at 31 December 2011 (nor 2010).

ACCOUNTS AND NOTES

NOTE 6 > Tax

Tonnage tax
Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of vessels in international waters, such as financial income, is usually taxed according the ordinary taxation rules applicable in the resident country of each respective company. The group had two subsidiaries resident in UK and Malta which was taxed under a tonnage tax regime in 2011. Further, the group had one tonnage taxed joint venture company resident in the Republic of Korea, one tonnage taxed joint venture company resident in Norway, and three tonnage taxed joint venture companies in Singapore in 2011.

The tonnage tax is considered as operating expense in the accounts.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% of net profit. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.

For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. For 2011, the companies considered part of WWASA group the Norwegian tax group (i.e. more than 90% owned, directly or indirectly, by the group) had a net tax-payable profit, while the companies considered part of the WWH ASA's Norwegian tax group had the net tax loss position. The net tax payable is calculated on the result after utilisation of tax loss carry forwards in the tax group (deferred tax asset). Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised.

Forced exit taxation
As a consequence of the decision by the Norwegian Supreme Court in February 2010 disallowing the transition to the new Norwegian tonnage taxation regime, WWASA group's subsidiary Wilhelmsen Lines Shipowning AS (WLS) decided to apply for taxation under the new rules. However, in November 2010 the tax office decided to turn down the application. As a result WLS have been ordinary taxed since 2007. The tax office decision to turn down the application for tonnage tax for WLS has been brought before the tax appeal board. We anticipate a decision from the tax appeal board within the end of second quarter 2012.

During 2011 WWASA has received the 2008, 2009 and 2010 tax assessment for WLS. The effect of these assessments is a total tax payable of USD 15 millions.

Foreign taxes
Companies domiciled outside Norway will be subject to local taxation, either on ordinary terms or under special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This generally applies to dividends paid by companies domiciled outside the EEA.

USD mill	2011	2010
Allocation of tax income/(expense) for the year		
Payable tax in Norway, ordinary taxation	**(19)**	(10)
Payable tax foreign	**(38)**	(11)
Change in deferred tax	**57**	(35)
Total tax income/(expense)	**0**	(56)
Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%		
Profit before tax	**231**	131
28% tax	**65**	37
Tax effect from:		
Permanent differences	**2**	3
Non-taxable income	**(21)**	(14)
Share of profits from joint ventures and associates	**(55)**	(55)
Exit from the tonnage tax scheme, net effect		83
Net adjustments taxes previous year	**3**	
Withholding tax	**6**	
Currency translation differences		3
Calculated tax income/(expense) for the group	**(0)**	56
Effective tax rate for the group	**(0.08%)**	42.93%

CONT 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 exemption method and non tax deductible revenues from tax tonnage regime.

Deferred tax liability regarding the environmental share of the exit of tonnage tax regime in 2007 of reversal of USD 66 million (in 2009) and accruals of USD 83 million (in 2010) has brought a materiel effects of the group effective tax rate.

USD mill	2011	2010
Deferred tax assets to be recovered after more than 12 months	**10**	11
Deferred tax assets to be recovered within 12 months	**89**	99
Deferred tax liabilities to be recovered after more than 12 months	**(54)**	(41)
Deferred tax liabilities to be recovered within 12 months	**(81)**	(166)
Net deferred tax liabilities	**(36)**	(97)
Net deferred tax liabilities at 01.01	**(97)**	(59)
Currency translation differences	**4**	(6)
Tax charged to equity		3
Income statement charge	**57**	(35)
Net deferred tax liabilities at 31.12	**(36)**	(97)
Deferred tax assets in balance sheet	**33**	19
Deferred tax liabilities in balance sheet	**(68)**	(116)
Net deferred tax liabilities at 31.12	**(36)**	(97)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

USD mill	Fixed assets	Tonnage tax regime	Other	Total
Deferred tax liabilities				
At 01.01.2011	**(30)**	**(176)**	**(1)**	**(207)**
Through income statement	**(3)**	**89**	**6**	**92**
Currency translations		**2**		**2**
At 31.12.2011	**(32)**	**(85)**	**5**	**(113)**
At 01.01.2010	(36)	(178)	(1)	(215)
Through income statement	13	(23)	3	(7)
Tax effect of group contribution due to change of taxation for 2007		25		25
Currency translations	(7)		(3)	(10)
At 31.12.2010	(30)	(176)	(1)	(207)

ACCOUNTS AND NOTES

CONT NOTE 6 > Tax

USD mill	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets				
At 01.01.2011	**(3)**	**7**	**107**	**110**
Through income statement	**49**	**2**	**(87)**	**(35)**
Currency translations	**1**		**1**	**2**
At 31.12.2011	**47**	**9**	**21**	**77**
At 01.01.2010	2	11	145	158
Through income statement	(8)	(2)	(13)	(24)
Tax effect of group contribution due to change of taxation for 2007			(25)	(25)
Charged directly to equity			3	3
Currency translations	3	(2)	(3)	(2)
At 31.12.2010	(3)	7	107	110

Temporary differences related to joint ventures and associates are USD 0 for the group, since all the units are regarded as located within the area in which the exemption method applies, and no plans exist to sell any of these companies.

The temporary differences in WWASA group related to exit tonnage tax, fixed assets, current assets and liabilities and most of the tax losses carry forward are nominated in NOK and translated to balance date rate. The net currency gain and losses are recognised on entities level through income statement due to different functional currency than local currency.

The WMS group segment will have shares in subsidiaries not subject to the exemption method which could give rise to a tax charge in the event of a sale, where no provision has been made for deferred tax associated with a possible sale or dividend. No plans exist at present to dispose of such companies.

Tax effect of cash flow hedges in comprehensive income is zero due to tonnage tax regime.

NOTE 7 > Earnings per shares

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

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

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

Diluted earnings per share is calculated based on 46 453 824 shares for 2011.

NOTE 8 > Pensions

Description of the pension scheme

- The group had for many years a defined benefit plan for its employees in Norway, organised as a collective policy in a life insurance company. Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules.
- At 1 January 1993, WW established its own pension fund – Wilh. Wilhelmsen Pensjonskasse. Pension benefits include coverage for old age, disability, spouse and children, and these supplement payments by the Norwegian National Insurance system. The full pension obligation is earned after 30 years of service and gives the right to an old age pension at a level of 66% of gross salary, including other occupational pensions and National Insurance.
- It was resolved in the first quarter of 2005 that the group would convert to a defined contribution pension scheme. All employees were given full freedom of choice. WW Pensjonskasse was then closed and a contract for a defined contribution pension plan was established with Vital Forsikring. Contributions paid by the employer are the maximum permitted by law. Insurance for disability, spouse/co-habitant and children's pension is linked to the defined contribution pension coverage. WW Pensjonskasse is dissolved and all pension liabilities related to defined benefit scheme (now closed) are from 01.01.2011 transferred to Storebrand Livsforsikring.
- The group also has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. Pension obligations related to salaries in excess of 12G and early retirement are mainly financed from operations.
- Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

	2011	2010	2011	2010
	Funded		Unfunded	
Number of people covered by pension schemes at 31.12.				
In employment	**616**	677	**129**	157
On retirement (inclusive disability pensions)	**447**	459	**737**	907
Total number of people covered by pension schemes	**1 063**	1 136	**866**	1 064

	2011	2010	2011	2010
	Expenses		Commitments	
Financial assumption for the pension calculations:				
Rate of return on assets in pension plans	**5.0%**	5.6%	**4.7%**	5.0%
Discount rate	**3.6%**	4.4%	**2.8%**	3.6%
Anticipated pay regulation	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated increase in National Insurance base amount (G)	**3.5%**	4.0%	**3.3%**	3.5%
Anticipated regulation of pensions	**1.5%**	2.0%	**1.0%**	1.5%

It is given that the group's assumption for the pension calculation differ from the pension assumptions from the Norwegian Acccounting Standards, based on the groups composition of average age of employees in employement and those in retirement, and the historie of the groups pension plan. The assumptions are set by the actuar in collaboration with the group. The expected return on assets reflect the weighted average expected returns for each asset class, and are affected by the closure of the pension fund. The discount rate is based on market yields of government bonds, 14 years in average for all plans. Anticipated pay regulation are business sector spesific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2005 mortality tariff. The disability tariff is based on the KU table.

Pension assets investments (in %)	2011	2010
Short-term bonds	**10.7%**	32.0%
Bonds held to maturity	**34.5%**	43.0%
Money market	**1.4%**	0.9%
Equities	**14.0%**	24.2%
Other (property, credit bonds)	**39.3%**	
Total pension assets investments	**100.0%**	100.0%

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December.
The recorded return on assets administered by Storebrand Kapitalforvaltning was 2.5% for 2011 (2010: 8.4%).

ACCOUNTS AND NOTES

CONT NOTE 8 > Pensions

USD mill	2011 Funded	2011 Unfunded	2011 Total	2010 Funded	2010 Unfunded	2010 Total
Pension expenses						
Net present value of pension obligations	**8**	**2**	**10**	8	2	10
Interest expenses on pension obligations	**4**	**4**	**9**	5	3	8
Anticipated return on pension fund	**(5)**	**(2)**	**(7)**	(5)	(2)	(7)
Amortisation of changes in estimates not recorded in the accounts	**(1)**	**2**		4		4
Cost of defined contribution plan	**13**		**13**	10		10
Net pension expenses	**18**	**6**	**25**	22	3	25

USD mill	2011 Funded	2011 Unfunded	2011 Total	2010 Funded	2010 Unfunded	2010 Total
Recorded pension obligations						
Accrued pension obligations	**124**	**72**	**196**	118	77	196
Estimated effect of future salary regulation	**8**	**2**	**9**	8	2	10
Total pension obligations	**132**	**73**	**205**	126	79	205
Value of pension funds	**99**		**99**	103		103
Net pension obligations	**(33)**	**(73)**	**(106)**	(23)	(79)	(102)
Changes in the estimates not recorded in the accounts	**8**	**6**	**14**	7	8	15
Recorded pension obligations 31.12.	**(24)**	**(68)**	**(92)**	(16)	(71)	(87)

Amounts in the balance sheet

	2011	2010
Assets (included other non current assets)	**4**	4
Liabilities	**(96)**	(91)
Net asset/(liability)	**(92)**	(87)

USD mill	2011	2010
Pension obligations		
Opening balance 01.01	**204**	204
Effect of exchange rates	**(5)**	(1)
Accumulated pension entitlements	**9**	10
Interest expenses	**7**	9
Benefits paid from plan/group	**(10)**	(11)
Plan settlements	**(6)**	
Changes in estimates not recorded in the accounts	**6**	(6)
Pension obligations 31.12	**206**	204

USD mill	2011	2010
Gross pension assets		
Opening balance 01.01	**103**	99
Effect of exchange rates	**(1)**	(1)
Expected return	**5**	5
Premium payments	**3**	6
Pension payments	**(5)**	(6)
Plan settlements	**(5)**	
Changes in estimates not recorded in the accounts	**(1)**	
Gross pension assets 31.12	**99**	103

Premium payments in 2012 are expected to be USD 5 million (2011: USD 4 million). Payments from operations are estimated at USD 5 million (2010: USD 6 million).

CONT NOTE 8 > Pensions

The sensitivity of the overall pension liability to changes in weighted principal assumption is:

USD mill	Change in assumption	Impact of service cost	Impact pension obligation (PBO)
Basis 2.75%			
Discount rate	Increase by 0.5%	(4)	(39)
Discount rate	Decrease by 0.5%	1	20

USD mill	2011	2010	2009	2008	2007
Historical developments					
Gross pension obligations, including payroll tax	**(205)**	(204)	(204)	(196)	(239)
Gross pension assets	**99**	103	99	103	138
Assets not recorded in the accounts	**14**	15	23	23	14
Net recorded pension obligations	**(92)**	(87)	(83)	(71)	(88)
Experience adjustments on plan liabilities	**(4)**	(4)	10	(17)	1
Experience adjustments on plan assets	**1**	2	(3)	12	(6)

ACCOUNTS AND NOTES

NOTE 9 > Combined items, balance sheet

USD mill	Note	2011	2010
OTHER NON CURRENT ASSETS *			
Loans to joint ventures **	19	**14**	20
Loans to associates			18
Available-for-sale financial assets	10	**123**	5
Non current share investments		**2**	3
Financial derivatives		**10**	14
Pension assets	8	**4**	4
Other non current assets		**15**	17
Total other non current assets		**169**	80
OTHER CURRENT ASSETS *			
Accounts receivables		**190**	211
Financial derivatives		**7**	9
Loans to joint ventures **	19	**6**	6
Payroll tax withholding account		**5**	5
Other current receivables		**94**	89
Total other current assets		**301**	319
OTHER NON CURRENT LIABILITIES *			
Financial derivatives		**164**	126
Other non current liabilities ***		**84**	82
Total other non current liabilities		**248**	209
OTHER CURRENT LIABILITIES *			
Accounts payables		**176**	181
Next year's instalment on interest-bearing debt	14	**326**	390
Financial derivatives		**16**	
Other current liabilities		**186**	182
Total other current liabilities		**704**	752

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

** Loans to joint ventures provided at commercially reasonable markets term (average margins 4.5%). Interest rates are based on floating LIBOR rates.

*** WMS group has 480 000 (2010: 470 000) cylinders booked as a non current asset valued at USD 84 million (2010: USD 80 million). These cylinders are partly in the group's own possession and partly on board customers vessels. Most customers have paid a deposit for the cylinders they have onboard their vessels. The total deposit liability booked is USD 84 million (2010: USD 80 million).

CONT NOTE 9 > Combined items, balance sheet

If cylinders are not returned within 48 months statistics show that the cylinders will not be returned and the net between deposit value and booked value is booked to the income statement.

ACCOUNTS RECEIVABLES

At 31 December 2011, USD 16 million (2010: USD 23 million) in trade receivables had fallen due but not been subject to impairment. These receivables related to a number of separate customers. Historically, the percentage of bad debts has been low and the group expects the customers to settle outstanding receivables. Receivables fallen due but not subject to impairment have the following age composition:

USD mill	2011	2010
Aging of trade receivables past due but not impaired		
Up to 90 days	**10**	11
90-180 days	**6**	12
Over 180 days		
Movements in group provision for impairment of trade receivables are as follows		
Balance at 01.01	**5**	9
Receivables written off during the year as uncollectible	**1**	1
Unused amounts reversed/accrued	**1**	(5)
Balance 31.12	**6**	5
Accounts receivable per segment		
WMS group (shipowners and yards)	**181**	199
WWASA group (shipowners)	**9**	12
Holding & Investments		
Total accounts receivables	**190**	211

See note 15 on credit risk.

NOTE 10 > Available-for-sale financial assets

USD mill	2011	2010
Available-for-sale financial assets		
At 01.01	**5**	
Transfer from associates to available-for-sale financial assets		5
Acquisition of shares in Qube Logistics Holding Limited	**131**	
Market to market adjustment on available-for-sale financial assets	**(7)**	
Currency translation adjustment	**(6)**	
Total available-for-sale financial assets	**123**	5

Qube Logistics Holding Limited is a company listed on the Australian Securities Exchange (ASX)
Available-for-sale financial assets are denominated in Australian Dollar and Norwegian Krone.

NOTE 11 > Inventories

USD mill	2011	2010
Inventories		
Raw materials	**10**	9
Goods/projects in process	**(1)**	(2)
Finished goods/products for onward sale	**103**	86
Luboil	**2**	3
Total inventories	**114**	96
Accrual obsolete inventory	**4**	7

ACCOUNTS AND NOTES

NOTE 12 > Current financial investments

USD mill	2011	2010
Market value current financial investments		
Nordic equities	**45**	64
Bonds	**143**	78
Total current financial investments	**188**	142

The fair value of all equity securities, bonds and other financial assets is based on their current bid prices in an active market.
Net unrealised loss at 31 December 2011 is USD 12.1 million (2010 net gain of USD 4.3 million)

NOTE 13 > Restricted bank deposits and undrawn committed drawing rights

USD mill	2011	2010
Payroll tax withholding account	**5**	5

Wilhelmsen Maritime Services AS, Wilhelmsen Chemicals AS, Wilhelmsen Ships Service AS, Wilhelmsen Technical Solutions AS, Wilhelmsen IT Services AS and TI Marine Contracting AS do not have a payroll tax withholding account, but bank guarantees for USD 3.7 million.

Undrawn committed drawing rights	**159**	193
Including backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	**(61)**	4
Undrawn committed loans	**242**	540

NOTE 14 > Interest-bearing debt

USD mill	Note	2011	2010
Interest-bearing debt			
Mortgages		**824**	740
Leasing commitments		**265**	275
Bonds		**384**	403
Bank loan		**417**	302
Loans from joint ventures	19	**10**	
Other interest-bearing debt		**1**	2
Total interest-bearing debt		**1 901**	1 723
Book value of mortgaged and leased assets:			
Vessels		**1 471**	996
Newbuilding contracts			146
Total book value of mortgaged and leased assets		**1 471**	1 142
Repayment schedule for interest-bearing debt			
Due in year 1		**325**	390
Due in year 2		**88**	318
Due in year 3		**169**	59
Due in year 4		**83**	122
Due in year 5 and later		**1 237**	833
Total interest-bearing debt		**1 901**	1 723

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 2011 (analogous for 31 December 2010).

CONT NOTE 14 > Interest-bearing debt

USD mill	2011	2010
The group net interest-bearing debt (joint ventures based on equity method)		
Non current interest-bearing debt	**1 575**	1 333
Current interest-bearing debt	**326**	390
Total interest-bearing debt	**1 901**	1 723
Cash and cash equivalents	**529**	802
Current financial investments	**188**	142
Net interest-bearing debt	**1 184**	779

USD mill	2011	2010
Net interest-bearing debt in joint ventures		
Non current interest-bearing debt	**579**	666
Current interest-bearing debt	**170**	140
Total interest-bearing debt in joint ventures	**749**	806
Cash and cash equivalents	**179**	181
Net interest-bearing debt in joint ventures	**571**	625

- A key part of the liquidity reserve of the group takes the form of undrawn committed drawing rights, which amounted to USD 159 million at 31 December 2011 (2010: USD 193 million).
- Of the group's total leasing commitments, USD 265 million at 31 December 2011 (2010: USD 275 million) relates to financial lease agreement for 9 (2010: 9) car carriers. The leasing agreement for 3 car carriers runs until 2013 with options for repurchase, and the leasing agreement for 6 car carriers runs until 2029 (1), 2030 (2) and 2031 (3) when the ownership is transferred to the group. The charter for 3 car carriers has a fixed interest rate (fixed annual nominal charter rate), while the charter for a further 6 carriers has a floating interest rate (varying annual nominal charter rate).
- Leasing liabilities for 3 (2010: 3) ships on fixed interest rates had a fair value of about USD 16 million (2010: USD 22 million) as against a carrying amount of USD 14 million at 31 December 2011 (2010: USD 21 million). The fair value is calculated on the basis of cash flows discounted by an average interest cost of 2.8%. All other non current liabilities have floating interest rates.
- The overview above shows the actual maturity structure, with the amount due in year one as the first year's instalment classified under other current liabilities.

USD mill	2011	2010
Guarantee commitments		
Guarantees for group companies	**999**	996
The carrying amounts of the group's borrowings are denominated in the following currencies		
USD	**1 162**	951
NOK	**569**	683
GBP	**87**	89
Total	**1 817**	1 723
The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows		
12 months or less	**1 750**	1 702

See otherwise note 15 for information on financial derivatives (interest rate and currency hedges) relating to interest-bearing debt.

ACCOUNTS AND NOTES

NOTE 15 > Financial risk

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

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
  - Investment portfolio risk
  - Bunker price risk
- Credit risk
- Liquidity risk

MARKET RISK

Hedging strategies have been established in order to mitigate risks originating from movements in currencies and interest rates. This is compliant with the financial strategy approved by the group's board of directors. Changes in the market value of financial derivatives are recognised through the income statement (Fair Value Accounting), except for interest rate swaps in WMS group, where changes in the market value are allocated to other comprehensive income according to IAS 39 (Hedge Accounting).

Joint ventures and associates, entities in which the group has joint control or significant influence respectively, hedge their own exposures. These are recorded in the accounts in accordance with the equity method, so that the effect of realised and unrealised changes in financial derivatives in these companies are included in the line "share of profit/loss from joint ventures and associates" in the group accounts.

Foreign exchange rate risk

The group is exposed to currency risk on revenues and costs in non-functional currencies, mostly USD (transaction risk) and balance sheet items denominated in currencies other than non-functional currencies, mostly USD (translation risk). The group's by far largest individual foreign exchange exposure is NOK against USD. However, the group is also exposed to a number of other currencies, including material exposures in EUR, SGD, SEK, KRW, GBP and JPY.

Hedging of transaction risk (cash flow)

The group's operating segments are responsible for hedging their own material transaction risk. Within the WWASA group segment, approximately 39% at the end of 2011 of the USD/NOK exposure is hedged using a four year rolling portfolio of currency forwards and currency options. Exposures in remaining segments and in other currencies are hedged on an ad-hoc basis.

The group realised a gain of USD 13.1 million (2010: USD 9.3 million) on currency derivatives in 2011. The market value of outstanding FX hedges by end of December 2011 was USD 12.3 million (2010: USD 9.4 million).

Hedging of translation risk (accounting)

The group's policy for mitigating translation risk is to match the denomination currency of assets and liabilities to as a large extent as possible. Residual and material translation risk is hedged using cross-currency swaps.

NOK 900 million of the group's net NOK debt and all of the group's net GBP debt has been hedged against USD with cross currency swaps. The group had an unrealised loss of USD 4.8 million on these derivatives in 2011 (compared to an unrealised loss of USD 7.4 million in 2010), ending in 2011 with a USD 9.5 million positive fair value of outstanding cross currency swaps in the company (2010: USD 14.3 million).

FX sensitivities

The only material hedges for mitigating the group's transaction risk that were in place on 31 December 2011 were in USD/NOK. This portfolio of derivatives had an incremental income statement sensitivity as follows:

USD mill Change	(20%)	(10%)	0%	10%	20%
Income statement sensitivities of economic hedge program (post tax)					
USD/NOK spot rate	4.78	5.38	5.98	6.57	7.17
Incremental income statement effect	45	20	3	(10)	(22)

(Tax rate used is 28% that equals the Norwegian tax rate)

The group's segments performs sensitivity analyses with respect to the unhedged part of the transaction risk on a regular basis.

NOTE 15 > Financial risk

USD mill	(20%)	(10%)	0%	10%	20%
Change (post tax)					
USD/NOK	4.78	5.38	5.98	6.57	7.17
Incremental income statement effect	(39)	(31)	0	25	21
USD/EUR	1.04	1.17	1.29	1.42	1.55
Incremental income statement effect	(1)	(1)	0	1	1
USD/SEK	5.51	6.20	6.89	7.58	8.27
Incremental income statement effect	4	2	0	(2)	(4)

(Tax rate used is 28% which equals the Norwegian tax rate)

USD mill	Note	2011	2010
Through income statement			
Financial currency			
Net currency gain/(loss)		**9**	
Currency derivatives – realised		**6**	5
Currency derivatives – unrealised		**(7)**	(10)
Cross currency derivatives – realised		**7**	4
Cross currency derivatives – unrealised		**(8)**	(12)
Net financial currency	1	**6**	(13)
Through other comprehensive income			
Currency translation differences		**(19)**	3
Total net currency effect		**(13)**	(11)

The translation risk of material balances items (other currencies than the entities functional currency) is related to WWASA group, since the segment is dominated in USD. The translation currencies for this segment is booked through Income Statement and included in "Net financial currency".

For WMS group and Holding & Investments, the material translation risk for these segments are booked directly to other comprehensive income due to the functional currency for most of the entities is different from the reporting currency USD.

Interest rate risk

The group's long-term interest rate strategy is to hedge a significant part of the interest-bearing debt against rising interest rates. As the capital intensity varies across the group's business segments and subsidiaries, which have their own policies on hedging of interest rate risk, targeted and actual hedge ratios vary.

Overall, interest rate derivatives held by the group corresponded to about 60% (2010: 50%) of its interest-bearing debt exposure at 31 December 2011.

GROUP

ACCOUNTS AND NOTES

NOTE 15 > Financial risk

At 31 December 2011, the overall portfolio of interest rate hedging derivatives had a negative value of USD 161 million (2010: negative USD 117 million).

USD mill	2011	2010
Maturity schedule interest rate hedges (nominal amounts)		
Due in year 1	**225**	115
Due in year 2		225
Due in year 3	**60**	
Due in year 4	**199**	69
Due in year 5 and later *	**710**	850
Total interest rate hedges	**1 194**	1 250
*of which forward starting	**60**	430

To replace maturing interest rate hedge derivatives and new debt uptake, the group has entered into forward starting swaps and swaptions with a notional of USD 60 million. These derivatives commence in 2012, and run in the 2012 period.

USD mill	2011	2010
Forward starting in:		
2011		370
2012	**60**	60
Total forward starting	**60**	430

This implies that the group intends to increase its hedged proportion somewhat compared to today's level over the next few years. The average remaining term of the existing loan portfolio is approximately 4.9 years, while the average remaining term of the running hedges and fixed interest loans is approximately 4.6 years.

The group's interest rate sensitivity is considered to be moderate. If interest rates had been 1% lower or higher over the full year of 2011 (with all other variables held constant), post tax profit for 2011 would have changed by about USD 9 million (2010: USD 6 million) arising mainly as a result of lower net interest expense on variable borrowing (net interest-bearing debt). Furthermore, a 1% change in the interest rate will change the market value of interest rate derivatives by approximately USD 33 million (2010: USD 42 million).

All financial derivatives are booked against the income statement in accordance with the fair value accounting principle, except for interest rate hedge in WMS group on USD 0.9 million. Equity sensitivities will thus equal sensitivities in the income statement.

	2011		2010	
USD mill	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives				
WWASA group		**161**		117
WMS group (hedge accounting)		**1**		
Holding & investments				
Total interest rate derivatives	**0**	**162**	0	117
Currency derivatives				
WWASA group	**6**	**5**	8	
WMS group			1	
Holding & investments				
Total currency derivatives	**6**	**5**	9	0
Cross currency derivatives				
WWASA group	**10**	**12**	14	9
WMS group				
Holding & investments				
Total cross currency derivatives	**10**	**12**	14	9
Total market value of financial derivatives	**16**	**180**	23	126

Book value equals market value

NOTE 15 > Financial risk

Investment portfolio risk
The group actively manages a defined portfolio of liquid financial assets for a proportion of the group's liquidity. In the WWASA group, the board determines the strategic asset allocation by setting weights for the main asset classes: Bonds, money market derivatives and cash. In the group, the strategic asset allocation includes equities, bonds and cash.

Equity risk
Within the investment portfolio, listed equity derivatives (futures and options) are used to hedge parts of the equity risk. These derivatives reduce the volatility of the investment portfolio's market value.

Income statement sensitivities of investment portfolio's equity risk, including hedging derivatives (post tax)

USD mill	(20%)	(10%)	0%	10%	20%
Change in equity prices					
Change in portfolio market value	(7)	(3)	0	3	7
Incremental income statement effect	(5)	(2)	0	2	5

(Tax rate used is 28% which equals the Norwegian tax rate)

Interest rate risk
Within the investment portfolio, corporate bonds are exposed to interest rate risk, measured by the bonds' duration. Currently, the group has no hedging in place to address this specific interest rate risk, as the duration is very low.

Bunkers risk
The group's strategy for bunker is to secure bunker adjustment clauses (BAF) in contracts of affreightment. Various forms of BAF's are included in most of the contracts of affreightment held by the operating joint ventures.

The profitability and cash flow of the group will depend upon the market price of bunker fuel which is affected by numerous factors beyond the control of the group. After a steep increase in the first part of 2011, the bunker price decreased somewhat during the summer. Rotterdam FOB 380 started the year at USD 490 per tonne and climbed to USD 620 per tonne at year end.

The group is exposed to bunker price fluctuations through its investments in Wallenius Wilhelmsen Logistics (WWL) (50%), American Shipping and Logistics Group (50%) and EUKOR Car Carriers (40%), and through adjustment in vessel charter hire from WWL.

EUKOR have entered into derivative contracts to hedge part of the remaining bunker price exposure. The group's share of these contracts corresponds to its share of earnings in EUKOR. The group's share of the market value relating to bunker contracts held by EUKOR were positive USD 5.4 million (2010: positive USD 2.5 million) at 31 December 2011.

CREDIT RISK
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial derivative fails to meet its contractual obligations, and originates primarily from the group's customer receivables, financial derivatives used to hedge interest rate risk or foreign exchange risk, as well as investments, including bank deposits.

Loans and receivables
Trade receivables
The group's exposure to credit risk on its receivables varies across segments and subsidiaries.

The credit risk in the WWASA group segment is determined by the mix and characteristics of each individual customer of the segment specific joint ventures.

However, the WWASA group segment has historically been considered to have low credit risk as the business is long-term in nature and primarily with large and solid customers. In addition, cargo can be held back.

Within the WMS group segment, the global customer base provides a certain level of diversification with respect to credit risk on receivables. The segment's credit risk is monitored and managed on a regular basis. Reference is made to note 9.

However, in the aftermath of the financial crisis of the past two years, some customers are currently facing increased financial difficulties relative to previous years, implying that the group's credit risk has increased somewhat, but is still regarded as moderate.

ACCOUNTS AND NOTES

NOTE 15 > Financial risk

Cash and bank deposits
The group's exposure to credit risk on cash and bank deposits is considered to be very limited as the group maintain banking relationships with a selection of well-known and financially solid banks (as determined by their official credit ratings) and where the group - in most instances - has a net debt position towards these banks.

Financial derivatives
The group's exposure to credit risk on its financial derivatives is considered to be limited as the counterparties are financially solid and well-known to the group.

Loans to joint ventures
The group's exposure to credit risk on loans to joint ventures is limited as the group - together with is respective joint venture partners - control the entities to which loans have been provided.

No material loans or receivables were past due or impaired at the end of 2011 (analogous for 2010).

Guarantees
The group's policy is that no financial guarantees are provided by the parent company. However, financial guarantees are provided within the WWASA group segment and the WMS group segment. See note 14 for further details.

Credit risk exposure
The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

USD mill	Note	2011	2010
Exposure to credit risk			
Financial derivatives	9	**17**	23
Account receivables	9	**190**	211
Current financial investments	12	**143**	78
Other non current assets	9	**32**	57
Other current assets	9	**99**	95
Cash and bank deposits		**529**	802
Total exposure to credit risk		**1 010**	1266

LIQUIDITY RISK
The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to at all times meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

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

The liquidity increased significantly during 2010 mainly as a result of issuance of new equity in WWASA.

At 31 December 2011, the group had in excess of USD 717 million (2010: USD 944 million) in liquid assets which can be realised over a three-day period in addition to USD 159 million (2010: USD 193 million) in undrawn capacity under its bank facilities.

NOTE 15 > Financial risk

USD mill	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Undiscounted cash flows financial liabilities 2011				
Mortgages	**175**	**82**	**332**	**346**
Leasing commitments	**19**	**19**	**35**	**224**
Bonds	**83**	**17**	**345**	**38**
Bank loan	**110**	**25**	**321**	
Financial derivatives	**40**	**27**	**54**	**26**
Other interest-bearing debt	**1**			
Total undiscounted cash flow financial liabilities	**428**	**170**	**1 087**	**635**
Other non current liabilities (excluding financial derivatives)				
Current liabilities (excluding next year's instalment on interest-bearing debt)	**416**			
Total gross undiscounted cash flows financial liabilities 31.12.2011	**844**	**170**	**1 087**	**635**
Undiscounted cash flows financial liabilities 2010				
Mortgages	219	40	117	304
Leasing commitments	24	26	64	343
Bonds	15	107	212	144
Bank loan	139	139	52	
Bank overdraft	46	44		
Other interest-bearing debt			2	
Total undiscounted cash flow financial liabilities	443	355	446	791
Other non current liabilities (excluding financial derivatives)				
Current liabilities (excluding next year's instalment on interest-bearing debt)	511			
Total gross undiscounted cash flows financial liabilities 31.12.2010	953	355	446	791

Interest expenses on interest-bearing debt included above have been computed using interest rate curves as of year end.

COVENANTS
The group's bank and lease financing as well as the outstanding bonds is subject to financial or non-financial covenant clauses related to one or several of the following:

- Limitation on the ability to pledge assets
- Change of control
- Minimum liquidity
- Current assets/current liabilities
- Net interest-bearing debt/ EBITDA
- Leverage (market value adjusted assets/total liabilities)
- Loan-to-Value (ship values) and
- Value-adjusted equity ratio.

As of the balance date, the group is not in breach of any financial or non-financial covenants.

CAPITAL RISK MANAGEMENT
The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future business development. The board of directors monitors return on capital employed, which the group defines as operating profit divided by capital employed (shareholders equity and interest-bearing debt). The long-term objective is a ROCE > 8.5%, where annual targets are set to meet the long-term objectives. The board also monitors the level of dividends to shareholders.

The group seeks to maintain a balance between the higher returns that might be possible with higher levels of financial gearing and the advantages of a strong balance sheet. The groups target is to achieve a return on capital employed over time that exceeds the risk adjusted long term weighted average cost of capital. In 2011 the return on capital employed was 8.8% (2010: 5.8%). In comparison, the risk adjusted long-term weighted average cost of capital is about 8%.

ACCOUNTS AND NOTES

NOTE 15 > Financial risk

FAIR VALUE ESTIMATION

The fair value of financial derivatives traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial derivatives 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 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 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
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value and
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

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

USD mill	Fair value	Carrying amount
Interest-bearing debt		
Mortgages	**790**	**824**
Leasing commitments	**266**	**265**
Bonds	**375**	**384**
Bank loan	**417**	**417**
Loans from joint ventures	**10**	**10**
Other interest-bearing debt	**1**	**1**
Total interest-bearing debt 31.12.2011	**1 859**	**1 901**
Mortgages	602	642
Leasing commitments	254	275
Bonds	393	403
Bank loan	388	400
Other interest-bearing debt	2	2
Total interest-bearing debt 31.12.2010	1 639	1 723

NOTE 15 > Financial risk

USD mill	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Nordic equities	**45**			**45**
Bonds	**140**		**3**	**143**
Financial derivatives		**16**		**16**
Available-for-sale financial assets	**123**			**123**
Total financial assets 31.12.2011	**308**	**16**	**3**	**326**
Financial liabilities at fair value				
Financial derivatives		**180**		**180**
Total financial liabilities 31.12.2011	**0**	**180**	**0**	**180**
Financial assets at fair value				
Nordic equities	64			64
Bonds	71	4	3	78
Financial derivatives		23		23
Available-for-sale financial assets	5			5
Other			1	1
Total financial assets 31.12.2010	139	27	4	171
Financial liabilities at fair value				
Financial derivatives		128		128
Total financial liabilities 31.12.2010	0	128	0	128

The following table presents the changes in level 3 derivatives for the year ended 31 December 2011. The movements during 2011 were only caused by reduction of positions in illiquid bonds.

USD mill	2011	2010
Changes in level 3 instruments		
Opening balance 01.01	**4**	18
Disposals	**(1)**	(15)
Transfer to level 3		1
Closing balance 31.12	**3**	4

The fair value of financial derivatives 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 derivatives are included in level 1. Derivatives included in level 1 at the end of 2011 are liquid investment grade bonds (analogous for 2010).

The fair value of financial derivatives that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These derivatives are included in level 2. Derivatives included in level 2 are FX and IR derivatives and illiquid high yield corporate bonds.

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.

ACCOUNTS AND NOTES

NOTE 15 > Financial risk

USD mill	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Financial instruments by category					
Assets					
Other non current assets	**14**	**13**	**123**	**20**	**169**
Current financial investments		**188**			**188**
Other current assets	**289**	**7**		**5**	**301**
Cash and cash equivalent	**529**				**529**
Assets at 31.12.2011	**833**	**207**	**123**	**25**	**1 187**

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Liabilities			
Non current interest-bearing debt		**1 575**	**1 575**
Other non current liabilities	**164**	**84**	**248**
Other current liabilities	**16**	**688**	**704**
Liabilities 31.12.2011	**180**	**2 347**	**2 526**

USD mill	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Assets					
Other non current assets	38	17	5	20	80
Current financial investments		142			142
Other current assets	306	9		5	319
Cash and cash equivalent	802				802
Assets at 31.12.2010	1 146	168	5	25	1 343

USD mill	Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Liabilities			
Non current interest-bearing debt		1 333	1 333
Other non current liabilities	126	82	208
Other current liabilities		752	752
Liabilities 31.12.2010	126	2 167	2 293

NOTE 16 > Segment reporting

SEGMENTS

The chief operating decision-maker monitores the business by combining operatings having similar operational characteristics such as product services, market and underlying asset base, into operating segments. The WWASA group segment offers a global service covering major global trade routes which makes it difficult to allocate to geographical segments.

The equity method provides a fair presentation of the group's financial position but the group's internal financial reporting is based on the proportionate method. The major contributors in the WWASA group segment are joint ventures and hence the proportionate method gives the chief operating decision-maker a higher level of information and a fuller picture of the group's operations.

For the WMS group segment and Holding & Investment segment the financial reporting will be the same for both equity and proportionate methods.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2011 is as follows:

	WWASA group		WMS group		Holding & Investments	
USD mill	2011	2010	2011	2010	2011	2010
INCOME STATEMENT						
Total income	**2 422**	1 963	**958**	887	**95**	20
Primary operating profit*	**436**	338	**87**	106	**59**	(6)
Depreciation and impairment	**(144)**	(137)	**(29)**	(25)	**(1)**	(1)
Operating profit	**292**	201	**57**	80	**58**	(6)
Financial income/(expense)	**(147)**	(133)	**(7)**	(3)	**(6)**	7
Profit before tax	**145**	67	**50**	77	**51**	1
Tax income/ (expense)	**(1)**	(54)	**(20)**	(19)	**7**	4
Profit/(loss) for the year before minorities	**144**	14	**30**	59	**59**	4
Minorities	**40**	10	**4**	5		
Profit/(loss) for the year after minorities	**104**	3	**26**	54	**59**	4

	Eliminations		Total	
	2011	2010	2011	2010
INCOME STATEMENT				
Total income	**(25)**	(23)	**3 450**	2 846
Primary operating profit*	**(0)**	(1)	**581**	436
Depreciation and impairment			**(174)**	(163)
Operating profit	**(0)**	(1)	**407**	273
Financial income/(expense)			**(160)**	(129)
Profit/(loss) before tax	**(0)**	(1)	**247**	144
Tax income/ (expense)			**(15)**	(69)
Profit/(loss) for the year before minorities	**(0)**	(1)	**232**	75
Minorities			**44**	15
Profit/(loss) for the year after minorities	**(0)**	(1)	**188**	60

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

Income in 2011 of approximately USD 248 million (2010: USD 220 million) is from one external customer belonging to the group's WWASA group segment.

ACCOUNTS AND NOTES

CONT NOTE 16 > Segment reporting

USD mill	Note	2011	2010
Reconciliations between the operational segments and the group's income statement			
Total segment income	16	**3 450**	2 846
Share of total income from joint ventures	2	**(2 066)**	(1 719)
Share of profit from joint ventures	2	**135**	158
Total income		**1 519**	1 285
Share of profit from joint ventures and associates	2/3	**(196)**	(198)
Gain on sale of assets	1	**(76)**	(11)
Operating revenue	1	**1 247**	1 076
Total profit for the year	16	**188**	60
Profit for the year (Income statement)		**188**	60

The amounts provided to the chief operating decision-maker with respect to total assets, liabilities and equity are measured in a manner consistent with that of the balance sheet. The balance sheet is based on equity consolidation and is therefore not directly consistent with the segment reporting for the income statement.

USD mill	WWASA group 31.12.2011	WWASA group 31.12.2010	WMS group 31.12.2011	WMS group 31.12.2010	Holding & Investments 31.12.2011	Holding & Investments 31.12.2010
BALANCE SHEET						
Fixed assets	**1 736**	1 411	**481**	447	**7**	4
Investments in joint ventures and associates	**836**	694	**23**	22		44
Non current receivables/investments	**38**	50	**62**	31	**126**	18
Current assets	**438**	622	**614**	660	**107**	124
Total assets	**3 048**	2 776	**1 180**	1 160	**241**	190
Equity	**1 207**	1 108	**353**	361	**112**	70
Non current liabilities	**1 540**	1 381	**453**	430	**14**	58
Current liabilities	**301**	288	**374**	370	**114**	63
Total equity and liabilities	**3 048**	2 776	**1 180**	1 160	**241**	190
Investments in fixed assets	**402**	100	**28**	22	**4**	1

USD mill	Elimination 31.12.2011	Elimination 31.12.2010	Total 31.12.2011	Total 31.12.2010
BALANCE SHEET				
Fixed assets			**2 225**	1 862
Investments in joint ventures and associates			**859**	759
Non current receivables/investments	**(25)**		**202**	99
Current assets	**(26)**	(47)	**1 132**	1 359
Total assets	**(51)**	(47)	**4 418**	4 080
Equity			**1 673**	1 538
Non current liabilities	**(25)**		**1 983**	1 868
Current liabilities	**(26)**	(47)	**763**	674
Total equity and liabilities	**(51)**	(47)	**4 418**	4 080
Investments in fixed assets			**435**	123

CONT NOTE 16 > Segment reporting

GEOGRAPHICAL AREAS

USD mill	Total 2011	Total 2010	Europe 2011	Europe 2010	Americas 2011	Americas 2010	Asia & Africa 2011	Asia & Africa 2010	Oceania 2011	Oceania 2010	Other 2011	Other 2010
Total income	**1 519**	1 285	**525**	397	**138**	145	**512**	505	**37**	28	**308**	210
Total assets	**4 418**	4 080	**1 552**	1 151	**74**	51	**503**	474	**30**	42	**2 259**	2 361
Investment in fixed assets	**435**	123	**12**	9	**2**	2	**15**	10	**3**	2	**402**	100

Assets and investments in shipping-related activities are not allocated to geographical segments, since these assets constantly move between the geographical segments and a breakdown would not provide a sensible picture. This is consequently allocated under the "other" geographical area.

Russia is defined as Europe.

Total income
Segment income is based on the geographical location of the company and includes sales gains and share of profits from joint ventures and associates.

Charter hire income received by shipowning companies cannot be allocated to any geographical area. This is consequently allocated under the "other" geographical area.

The share of profits from joint ventures and associates is allocated in accordance with the location of the relevant company's head office. This does not necessarily reflect the geographical distribution of the underlying operations, but it would be difficult to give a correct picture when consolidating in accordance with the equity method.

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

Investments in fixed assets
Segment capital expenditure is based on the geographical location of the assets.

ACCOUNTS AND NOTES

CONT NOTE 16 > Segment reporting

ADDITIONAL SEGMENT REPORTING

The equity method is used in communicating externally, in accordance with IFRS. The amounts provided with respect to the segment split are in a manner consistent with that of the income statement.

USD mill	WWASA group 2011	WWASA group 2010	WMS group 2011	WMS group 2010	Holding & Investments 2011	Holding & Investments 2010
INCOME STATEMENT						
Income other operating segments		4	**7**	6	**17**	13
Income external customers	**309**	210	**936**	864	**3**	2
Share of profits from joint ventures and associates *	**182**	184	**10**	10	**4**	5
Gain on sales of assets		4	**5**	7	**70**	
Total income	**491**	402	**958**	886	**95**	20
Primary operating profit	**330**	254	**87**	106	**59**	(6)
Depreciation and impairment	**(76)**	(78)	**(29)**	(25)	**(1)**	(1)
Operating profit	**254**	176	**57**	80	**58**	(6)
Financial income/(expense)	**(125)**	(122)	**(7)**	(3)	**(6)**	7
Profit/(loss) before tax	**129**	54	**50**	77	**51**	1
Tax income/(expense)	**14**	(41)	**(20)**	(19)	**7**	4
Profit/(loss) for the year before minorities	**143**	13	**30**	58	**59**	4
Minorities	**39**	10	**4**	5		
Profit/(loss) for the year after minorities	**104**	3	**26**	54	**59**	4

USD mill	Eliminations 2011	Eliminations 2010	Total 2011	Total 2010
INCOME STATEMENT				
Income other operating segments	**(25)**	(23)		
Income external customers			**1 247**	1 076
Share of profits from joint ventures and associates *			**196**	198
Gain on sales of assets			**76**	11
Total income	**(25)**	(23)	**1 519**	1 285
Primary operating profit		(1)	**475**	353
Depreciation and impairment		(0)	**(106)**	(104)
Operating profit	**0**	(1)	**369**	249
Financial income/(expense)			**(138)**	(118)
Profit/(loss) before tax	**0**	(1)	**231**	131
Tax income/(expense)		(0)	**0**	(56)
Profit/(loss) for the year before minorities	**0**	(1)	**231**	75
Minorities			**43**	14
Profit/(loss) for the year after minorities	**0**	(1)	**188**	60

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

NOTE 17 > Operating lease commitments

The group has lease agreement for five vessels on operating leases. 3 leases run over 15 years from 2006 (2 vessels) and 2007 (1 vessel) with an option to extend for additional 5 + 5 years. 2 leases run for 2 years from end of 2010 with further options 1+1+1 year.

In addition the group has:
Sale/leaseback agreement for the office building, Strandveien 20 for 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

Liferafts, as a part of the WMS group products and services, are on operating lease for 5 years. The first leaseagreement was established in 2008.

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

USD mill	2011	2010
Due in year 1	**39**	36
Due in year 2	**36**	37
Due in year 3	**35**	33
Due in year 4	**34**	32
Due in year 5 and later	**202**	235
Value of operating lease commitments	**347**	373

In connection to the daily operation the group has additional lease agreements for office rental and office equipment.

The group has as of 31 December 2011 3 new vessels for delivery in 2012.

The commitments related to the newbuilding programme is set out below:

USD mill	2011	2010
Due in year 1	**200**	352
Due in year 2		200
Value of newbuilding commitments	**200**	552

NOTE 18 > Business combinations

Acquistion of Nalfleet see note 5.

There were no material acquisitions in the group for the period 1 January 2010 to 31 December 2011.

ACCOUNTS AND NOTES

NOTE 19 > Related party transaction

The ultimate owner of the combined group Wilh.Wilhelmsen Holding ASA is Tallyman AS, which control 60% of voting shares of the group. Mr Wilhelm Wilhelmsen controls Tallyman AS.

Remuneration to Mr Wilhelm Wilhelmsen totalled USD 339 whereof USD 268 was ordinary paid pension, USD 71 in fee and USD 34 in other remuneration.

See note 4 regarding fees to board of directors, and note 3 and note 11 in the parent company regarding ownership.

As a consequence of the restructuring, 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 and rent of office facilities. In addition, according to service level agreements, WWASA delivers accounting services to WWH. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

The group has undertaken several transactions with related parties - joint ventures in WWASA group in the period from 1 January 2010 up to balance sheet date. All transactions are entered into in the ordinary terms.

Historically and currently there are several agreements and transactions made between the group and joint ventures, based on the principles set out in the OECD's transfer pricing guidelines for group services, including, inter alia, cost plus. The services are:

- Ship management including crewing, technical and management service
- Agency services
- Freight and liner services
- Marine products

Most of the above expenses will be a part of time charter income from all joint ventures. Net income from joint venture include the expenses from the related parties as a part of the share of profit from joint ventures and associates.

Operating revenue from related party

USD mill	Business office, country	Ownership	Note	2011	2010
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%		**259**	159
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%		**42**	42
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%		**8**	8
Freight revenue from related party			1	**309**	209

Wallenius Wilhelmsen Logistics (WWL) is a joint venture between WWASA and Wallenius Lines AB (Wallenius). It is an operating company within both the shipping and the logistics activities. It operates most of the WWASA groups and Wallenius' owned vessels. The distribution of income from WWL to WWASA group and Wallenius is based on the total net revenue earned by WWL from the operating of the combined fleets of WWASA group and Wallenius, rather than the net revenue earned by each party's vessels.

EUKOR Car Carriers Inc is also chartering vessel from WWASA group. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

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.

USD mill	Note	2011	2010
Loans from joint venture			
Non current interest-bearing debt	9	**7**	
Current interest-bearing debt	9	**3**	
Total loans from joint venture *		**10**	
Loans to joint venture			
Non current assets	9	**14**	20
Current assets	9	**6**	6
Total loan to joint venture *		**20**	25

* Loans to and from Fidelio Limited Partnership is provided at commercially reasonable market terms (average margins 4.5%). Interest rates are based on floating LIBOR-rates.

NOTE 20 > 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.

However, 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 21 > Events after the balance sheet date

At the end of February 2012 Wilhelmsen Technical Solutions a wholly owned company in WMS group segment has completed a comprehensive performance verification programme for the Unitor Ballast Water Treatment System (UBWTS). As a result of the evaluation that followed, the company reached the decision to withdraw the current design of the UBWTS from the market. The group is committed to developing solutions to address the environmental challenges of the maritime industry. These solutions are driven by regulations and, ultimately, convenient and effective compliance with them and based on that the licensor of the technology placed itself under Business Rescue (the South African equivalent of US Chapter 11 Bankruptcy) in February 2012.

The loss effect (before tax) for the WWH group in the first quarter of 2012 is estimated to be USD 15 million as a result of the recall of UBWTS.

The group released a mandatory notification to Oslo Stock Exchange 9 March 2012 regarding the net operating profit effect of the recall of UBWTS.

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

ACCOUNTS AND NOTES

INCOME STATEMENT > Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2011	2010
Operating income	2	**25 273**	12 001
Operating expenses			
Employee benefits	3	**(64 384)**	(46 209)
Operating expenses	2	**(54 060)**	(27 436)
Depreciation	4/6	**(1 254)**	(282)
Total operating expenses		**(119 698)**	(73 927)
Operating profit		**(94 425)**	(61 927)
Financial income/(expenses)			
Net financial income	2/7	**706 545**	192 231
Net financial expenses	2	**(43 417)**	(6 033)
Net financial derivatives	2	**5 286**	1 746
Financial income/(expenses)		**668 414**	187 943
Profit before tax		**573 988**	126 017
Tax income/(expense)	5	**(16 888)**	8 186
Profit for the year		**557 100**	134 203
Transfers and allocations			
To/(from) equity	11	**396 402**	(30 306)
Fund for unrealised gains	11	**(1 715)**	1 746
Dividends	11	**162 413**	162 763
Total transfers and allocations		**557 100**	134 203

COMPREHENSIVE INCOME > Wilh. Wilhelmsen Holding ASA

Profit for the year	**557 100**	134 203
Total comprehensive income	**557 100**	134 203
Attributable to		
Owners of the parent	**557 100**	134 203
Total comprehensive income for the year	**557 100**	134 203

Notes 1 to 18 on the next pages are an integral part of these financial statements.

BALANCE SHEET > Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	31.12.2011	31.12.2010
ASSETS			
Non current assets			
Deferred tax asset	5	**9 672**	8 340
Intangible assets	4	**11**	32
Fixtures and buildings	4	**13 796**	10 105
Investments in subsidiaries	6	**3 877 986**	3 152 744
Investments in associates	7		211 226
Other non current assets	8	**7 721**	105 535
Total non current assets		**3 909 187**	3 487 982
Current assets			
Current financial investments	9/10	**465 900**	489 868
Other current assets	8	**16 035**	54 208
Cash and cash equivalents		**129 829**	204 398
Total current assets		**611 765**	748 474
Total assets		**4 520 951**	4 236 456
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	11	**930 076**	930 076
Own shares		**(2 000)**	
Premium fund	11	**1 272 571**	1 272 571
Fund for unrealised gains	11	**31**	1 746
Retained earnings	11	**1 506 445**	1 213 528
Total equity		**3 707 124**	3 417 922
Non current liabilities			
Pension liabilities	12	**79 891**	82 305
Non current interest-bearing debt	13		250 000
Other non current liabilities	8	**43 479**	42 115
Total non current liabilities		**123 370**	374 420
Current liabilities			
Current income tax	5	**0**	0
Public duties payable		**6 427**	6 451
Other current liabilities	8/13	**684 031**	437 663
Total current liabilities		**690 457**	444 115
Total equity and liabilities		**4 520 951**	4 236 456

Seoul, 22 March 2012

Diderik Schnitler chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

Notes 1 to 18 on the next pages are an integral part of these financial statements.

PARENT COMPANY

ACCOUNTS AND NOTES

CASH FLOW STATEMENT > Wilh. Wilhelmsen Holding ASA

NOK thousand	Note	2011	2010
Cash flow from operating activities			
Profit before tax		**573 989**	126 017
Financial (income)/expenses		**(246 979)**	(184 085)
Financial derivatives unrealised			(1 746)
Depreciation	3	**1 035**	282
Gain on sale of subsidiaries	7	**(7)**	
Gain on sale of associate	6	**(399 119)**	
Change in net pension liability		**(2 414)**	2 113
Change in other current assets		**2 075**	(6 328)
Change in working capital		**3 620**	15 445
Tax paid (company income tax, withholding tax)	5	**(20 884)**	(154)
Net cash provided by operating activities		**(88 685)**	(48 455)
Cash flow from investing activities			
Investments in fixed assets	3	**(4 924)**	(10 419)
Investments in subsidaries		**(25 120)**	(14 393)
Proceeds from sale of subsidiary		**481**	
Loan repayments received from subsidiaries		**19 961**	1 000
Loans granted to subsidiaries		**(16 500)**	(5 500)
Loan repayments received from associates			10 133
Loans granted to associates			(30 237)
Proceeds from sale of financial investments		**338 910**	129 469
Investments in financial investments		**(359 761)**	(571 501)
Dividend received	2	**11 334**	24 983
Interest received	2	**4 488**	3 409
Net cash flow from investing activities		**(31 132)**	(463 057)
Cash flow from financing activities			
Proceeds from issue of debt			843 210
Repayment of debt			(250 000)
Interest paid		**(29 956)**	(21 583)
Group contribution/dividends from subsidaries	2/5	**310 000**	120 000
Paid in share capital			31 001
Purchase of own shares	11	**(12 677)**	
Dividend to shareholders	11	**(255 571)**	
Loan granted to other		**33 453**	(6 718)
Net cash flow from financing activities		**45 249**	715 910
Net increase in cash and cash equivalents		**(74 569)**	204 398
Cash and cash equivalents, excluding restricted cash, at 01.01		**204 398**	
Currencies on cash and cash equivalents*			
Cash and cash equivalents at 31.12		**129 829**	204 398

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

Notes 1 to 18 on the next pages are an integral part of these financial statements.

NOTE 1 > General

RESTRUCTURING OF WILH. WILHELMSEN GROUP

Wilh Wilhelmsen Holding ASA (the company) is a public limited company incorporated in Norway under the Norwegian Public Limited Companies Act. The company's registered office and principal place of business is Strandveien 20, NO-1366 Lysaker, Norway. The company was incorporated 25 February 2010.

Restructuring and following IPO process of WWASA group:

On 15 April 2010, the general meeting of former Wilh. Wilhelmsen ASA group (WWI), Wilh. Wilhelmsen ASA and the company resolved to carry out a restructuring of the WWI. As a result of the restructuring, the company did take over Wilh. Wilhelmsen ASA former role as parent company of the group. After restructuring and before the IPO of WWASA, the company owned all the shares in Wilh. Wilhelmsen ASA, wich continued the shipping and logistic business formerly conducted in WWI, and all the shares in Wilhelmsen Maritime Services AS ("WMS"), wich has continued as the holding company for the WMS group segment.

The restructuring has been effected through a series of transactions whereby the non-logistics and non-shipping activites of Wilh. Wilhelmsen ASA (i.e. the shares in WMS as well as certain other assets) have been transferred from Wilh. Wilhelmsen ASA to the company, and the shareholders in WWI have received shares in the company through a distribution of dividends in kind, whereupon WWI was merged into WWASA.

For former shareholders of WWI, the restructuring implied that the shares of Wilh. Wilhelmsen ASA were replaced with shares in the company, in which the shareholders of Wilh. Wilhelmsen Holding ASA became shareholders in the exact same proportion as they held share in WWI prior to the restructuring.

NOTE 2 > Combined items, income statement

NOK thousand	Note	2011	2010
OPERATING INCOME			
Income from group companies	16	**25 273**	12 001
Total operating income		**25 273**	12 001
OTHER OPERATING EXPENSES			
Expenses from group companies	16	**(14 524)**	(9 364)
Communication and IT expenses		**(1 857)**	(934)
External services		**(20 179)**	(6 552)
Travel and meeting expenses		**(3 189)**	(1 545)
Marketing expenses		**(6 176)**	(3 736)
Other administration expenses		**(8 135)**	(5 304)
Total other operating expenses		**(54 060)**	(27 436)
FINANCIAL INCOME/(EXPENSES)			
Financial income			
Investment management		**(5 678)**	45 310
Interest income	16	**3 698**	3 446
Dividend/group contribution from subsidiaries		**310 000**	120 000
Dividend from assosicates		**824**	24 108
Other financial items	7	**397 700**	(633)
Net financial income		**706 545**	192 231
Financial expenses			
Interest expenses		**(32 412)**	(18 952)
Net currency gain/(loss)		**(11 005)**	12 919
Net financial expenses		**(43 417)**	(6 033)
Financial derivatives			
Currency derivatives - realised		**7 001**	
Currency derivatives - unrealised		**(1 715)**	1 746
Net financial derivatives		**5 286**	1 746
Net financial income/(expenses)		**668 414**	187 943

ACCOUNTS AND NOTES

NOTE 3 > Employee benefits

NOK thousand	2011	2010
Pay	**43 723**	31 850
Payroll tax	**7 737**	4 836
Pension cost	**5 294**	6 595
Other remuneration	**7 630**	2 929
Total employee benefits	**64 384**	46 209
Average number of employees	**45**	46

REMUNERATION OF SENIOR EXECUTIVES

NOK thousand	Pay/fees/ pension	Bonus	Pension premium	Other remune- eration	Total
2011					
Group CEO *	**4 030**	**875**	**594**	**149**	**5 649**
Group CFO *	**4 345**	**503**	**1 256**	**227**	**6 331**

* Including additional expenses related to future pensions: Group CEO NOK 649 and group CFO NOK 1 371.

NOK thousand	Pay/fees/ pension	Bonus	Pension premium	Other remune- eration	Total
2010					
Group CEO - until 1 October 2010	1 676		162	90	1 928
Group CEO - from 1 October 2010 *	1 596	500	308	72	2 476
Group CFO *	2 875	300	724	111	4 009

* Including additional expenses related to future pensions: Group CEO NOK 320 and group CFO NOK 1 492.

Board of directors
Remuneration of the chair was NOK 500 and in addition his remuneration as a board member in WWASA was NOK 250. The chair also has an consulting agreement with the WWASA group, where he got paid NOK 200 in 2011 (2010: NOK 0).

Remuneration of the other three directors totalled NOK 960 for 2011, there was no pay of remuneration paid for 2010. The board's remuneration for the fiscal year 2011 will be approved by the general assembly 26 April 2012.

Senior executives
Thomas Wilhelmsen - group CEO from 1 October 2010, deputy group CEO from 1 June 2010 until 30 September 2010
Nils Petter Dyvik - group CFO from 1 June 2010
Ingar Skaug - group CEO from 15 March 2010 until 30 September 2010

The group CEO - agreed retirement age is 62, provided not agreed to be postponed. The pension should basically be 50% of end salary. If retiring at age 62, the pension will gradually be reduced from egual to salary to agreed level (50%) at age 67.

The group CEO has a pay guarantee scheme which gives him the right to receive salary for 18 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted up to 50%. This guarantee scheme comes into force after 6 months notice period.

NOK thousand	Employees	Board	Chair	Group CEO	Related party
Loans and guarantees					
Total loans	63				

Employees are charged with a nominal interest average rate which for 2011 was 2.75%. No security has been provided for the loans.

CONT NOTE 3 > Employee benefits

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN HOLDING ASA AT 31 DECEMBER 2011

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
Board of directors					
Diderik Schnitler (chair)	**2 000**	**25 000**	**27 000**	**0.06%**	**0.01%**
Bettina Banoun	**2 100**		**2 100**	**0.00%**	**0.01%**
Helen Juell	**20 188**		**20 188**	**0.04%**	**0.06%**
Odd Rune Austgulen	**136**	**40 000**	**40 136**	**0.09%**	**0.00%**
Carl E Steen	**8 000**		**8 000**	**0.02%**	**0.02%**
Senior executives					
Thomas Wilhelmsen - group CEO	**22 100**	**750**	**22 850**	**0.05%**	**0.06%**
Nils Petter Dyvik - group CFO	**4 492**	**5 000**	**9 492**	**0.02%**	**0.01%**

OPTION PROGRAMME FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

Option programme from 1 January 2011 until 31 December 2013 - Share equivalents
The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive programme for employees at management level in the company, and in its associated subsidiaries.

The programme has a duration of three years, running from 1 January 2011 until 31 December 2013 and entitles the participants to a cash reward based on the annual total return of the underlying shares. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for WWH and the board of directors for Wilh. Wilhelmsen ASA (WWASA) was authorised to decide the beneficiaries under the programme. The two boards initially allocated annually 16 500 share equivalents in WWH (A shares) and annually 130 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2011 is average share price over the two weeks after the release of the results for the fourth quarter 2010 was NOK 171 (WWH A shares) and NOK 40 (WWASA shares), respectively.

Granted share equivalents annually given:

	2011	
	Average exercise price NOK per share	Number of options granted
Thomas Wilhelmsen - group CEO	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000

Option programme from 31 October 2007 until 31 December 2010 - Cash-settled share-based
The board of directors of former Wilh. Wilhelmsen ASA (WWI) resolved at a board meeting on 31 October 2007 to renew the share option programme for employees at management level in the company, and in its associated subsidiaries.

The board initially allocated 390 000 option rights in WWI (A shares) to the programme and authorised the group chief executive to decide who should be offered the option rights under the programme.

ACCOUNTS AND NOTES

CONT NOTE 3 > Employee benefits

Due to the restructuring of the group and that the options were out of the money, the cash-settled share-based programme was eliminated in 2010 and hence fair value of the outstanding option rights at 31 December 2010 was zero. USD 0.24 million was recognised through the income statement for 2010.

Movements in the number of option rights outstanding and their related weighted average exercise prices are as follows:

	2010	
	Average exercise price NOK per share	Number of options granted
At 01.01	212.0	320 000
Granted	212.0	
Repealed	212.0	
Eliminated due to restructuring		(320 000)
Exercised		
Outstanding options 31.12		0

EXPENSED AUDIT FEE (exlcuding VAT)

NOK thousand	2011	2010
Statutory audit	**441**	240
Other assurance services	**296**	79
Other assistance	**22**	9
Total expensed audit fee	**758**	328

NOTE 4 > Intangible and fixed assets

NOK thousand	Intangible assets	Buildings	Fixed assets
Cost price 01.01.2011	**43**	**6 663**	**3 713**
Additions			**4 924**
Cost price 31.12.2011	**43**	**6 663**	**8 637**
Accumulated ordinary depreciation 01.01.2011	**(11)**	**(222)**	**(50)**
Depreciation 2011	**(21)**	**(267)**	**(966)**
Accumulated ordinary depreciation 31.12.2011	**(32)**	**(489)**	**(1 016)**
Carrying amounts 31.12.2011	**11**	**6 175**	**7 621**
Cost price 01.01.2010			
Additions	43	6 663	3 713
Cost price 31.12.2010	43	6 663	3 713
Accumulated ordinary depreciation 01.01.2010			
Depreciation 2010	(11)	(222)	(50)
Accumulated ordinary depreciation 31.12.2010	(11)	(222)	(50)
Carrying amounts 31.12.2010	32	6 441	3 663
Economic lifetime	Up to 3 years	Up to 25 years	3-10 years
Amortisation/depreciation schedule	Straight line	Straight line	Straight line

NOTE 5 > Tax

NOK thousand	2011	2010
Allocation of tax income/(expenses)		
Payable tax/withholding tax	**(18 221)**	(154)
Change in deferred tax	**1 332**	8 340
Total tax income/(expense)	**(16 888)**	8 186
Basis for tax computation		
Profit before tax	**573 988**	126 017
28% tax	**(160 717)**	(35 285)
Tax effect from		
Permanent differences	**(1 166)**	13 634
Withholding tax	**(1 250)**	(154)
Non taxable income and loss	**163 216**	23 240
Tax credit allowance	**(16 971)**	6 750
Current years calculated tax	**(16 888)**	8 186
Effective tax rate	**(2.9%)**	(6.5%)
Deferred tax asset		
Tax effect of temporary differences		
Fixtures	**20**	16
Current assets and liabilities	**(3 425)**	(813)
Non current liabilities and provisions for liabilities	**123**	1 890
Tax credit allowance		(9 375)
Tax losses carried forward	**(30 190)**	(10 417)
Tax effect on received group contribution	**23 800**	10 360
Deferred tax asset	**(9 672)**	(8 340)

NOTE 6 > Investments in subsidiaries

Investments in subsidiaries are recorded at cost. Where a reduction in the value of shares in subsidiaries is considered to be permanent and significant, a impairment to net realisable value is recorded.

NOK thousand	Business office, country	Voting share/ ownership share	2011 Book value	2010 Book value
Wilh. Wilhelmsen ASA	Lysaker, Norway	73%	**2 174 931**	2 174 931
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	**964 440**	964 440
Wilh. Wilhelmsen (Hong Kong) Ltd	Hong Kong	100%	**900**	900
Wilh. Wilhelmsen (Asia) Sdn Bhd	Kuala Lumpur, Malaysia	100%	**0**	474
WilService AS	Lysaker, Norway	100%	**12 000**	12 000
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	100%	**725 715**	
Wilh. Wilhelmsen Holding Invest Malta Limited	Valletta, Malta	100%	**0**	
Total investments in subsidiaries			**3 877 986**	3 152 744

Wilh. Wilhelmsen (Asia) Sdn Bhd is liquidated in 2011.

Wilh. Wilhelmsen Holding Invest AS is a company established in 2011, and wholly owned by Wilh. Wilhelmsen Holding ASA.

Wilh. Wilhelmsen Holding Invest Malta Limited is a company established in 2011, where Wilh. Wilhelmsen Holding ASA own one share, and Wilh. Wilhelmsen Holding Invest AS owns the remaining part.

ACCOUNTS AND NOTES

NOTE 7 > Investments in joint ventures and associates

Investments in associates are recorded at cost. Where a reduction in the value of shares is considered to be permanent and significant a impairment to net realisable value is recorded.
Wilh. Wilhelmsen Holding ASA had no investments in joint ventures at 2011, and neither in 2010.

	Business office, country	2011 Voting share/ ownership share	2010 Voting share/ ownership share
Associates			
K-POAGS Pty Limited	Sydney, Australia		22.5%
K-NSS Pty Limited	Sydney, Australia		22.5%
KW Auto Logistics Pty Limited	Sydney, Australia		22.5%
K-AATerminals Pty Limited	Sydney, Australia		11.0%

NOK thousand	Business office, country	Book value	Book value
Associates			
K-POAGS Pty Limited	Sydney, Australia		170 039
K-NSS Pty Limited	Sydney, Australia		22 174
KW Auto Logistics Pty Limited	Sydney, Australia		19 009
K-AATerminals Pty Limited	Sydney, Australia		5
Book value of associates			211 226

Wilh. Wilhelmsen Holding ASA converted its shares in K-POAGS Pty Limited, K-NSS Pty Limited, KW Auto Logistics Pty Limited and K-AATerminals Pty Limited in 2011 to shares in Qube Logistics Holding Limited a listed company in Australia.
The disposal contributed a gain in the company corresponding to NOK 398 294 in the income statement.
The shares in Qube Logistics Holding Limited was transferred to Wilh. Wilhelmsen Holding Invest Malta Limited.

At 31.12.2011 Wilh. Wilhelmsen Holding ASA had no investments in associates.

NOTE 8 > Combined items, balance sheet

NOK thousand	Note	2011	2010
OTHER NON CURRENT ASSETS			
Non current loan group companies (subsidiary and associates)	16	**1 039**	98 817
Other non current assets		**6 682**	6 718
Total other non current assets		**7 721**	105 535
Of which non current debitors falling due for payment later than one year:			
Loans to subsidiary and associates	16	**1 039**	98 817
Other non current assets		**6 682**	6 718
Total other non current assets due after one year		**7 721**	105 535
OTHER CURRENT ASSETS			
Inter-company receivables	16	**3 207**	41 308
Other current receivables		**12 828**	12 899
Total other current assets		**16 035**	54 208
OTHER NON CURRENT LIABILITIES			
Allocation of commitment		**43 479**	42 115
Total other non current liabilites		**43 479**	42 115
OTHER CURRENT LIABILITIES			
Accounts payable		**2 954**	1 931
Inter-company payables	16	**1 290**	3 319
Next year's instalment on interest-bearing debt	13	**500 000**	250 000
Proposal dividend	11	**162 413**	162 763
Other current liabilities		**17 373**	19 651
Total other current liabilities		**684 031**	437 663

The fair value of current receivables and payables is virtually the same as the carried amount, since the effect of discounting is insignificant. Lending is at floating rates of interest. Fair value is virtually identical with the carried amount.

NOTE 9 > Current financial investments

NOK thousand	2011	2010
Market value asset management portfolio		
Nordic equities	**267 702**	371 286
Bonds	**198 555**	122 372
Other financial derivatives	**(357)**	(3 790)
Total current financial investments	**465 900**	489 868

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

The net unrealised gain/(loss) at 31 December is	**(8 252)**	34 304

NOTE 10 > Restricted bank deposits and undrawn committed drawing rights

NOK thousand	2011	2010
Payroll tax withholding account	**4 138**	4 105
Undrawn committed drawing rights		250 000

ACCOUNTS AND NOTES

NOTE 11 > Equity

NOK thousand	Share capital	Own shares	Premium fund	Fund for unrealised gains	Retained earnings	Total
Current year's change in equity						
Equity 01.01.2011	**930 076**		**1 272 571**	**1 746**	**1 213 528**	**3 417 922**
Own shares		**(2 000)**			**(10 677)**	**(12 677)**
Dividend in December					**(92 808)**	**(92 808)**
Proposed dividend					**(162 413)**	**(162 413)**
Total comprehensive income for the year				**(1 715)**	**558 815**	**557 100**
Equity 31.12.2011	**930 076**	**(2 000)**	**1 272 571**	**31**	**1 506 445**	**3 707 124**
2010 change in equity						
Issue of share capital 25 February 2010	1 000		20			1 020
Cash contribution	1 000		28 981			29 981
Contribution in kind	928 076		1 243 571		1 243 835	3 415 482
Proposed dividend					(162 763)	(162 763)
Total comprehensive income for the year				1 746	132 457	134 203
Equity 31.12.2010	930 076	0	1 272 571	1 746	1 213 528	3 417 922

At 31 December 2011 the company's share capital comprises 34 637 092 Class A shares and 11 866 732 Class B shares, totalling 46 503 824 shares with a nominal value of NOK 20 each. Class B shares do not carry a vote at the general meeting. Otherwise, each share confers the same rights in the company.

At 31 December 2011 Wilh. Wilhelmsen Holding ASA had own shares of 100 000 Class A shares. The total purchase price of these shares was approximately NOK 12.7 million.

Dividend
The proposed dividend for fiscal year 2011 is NOK 3.50 per share, payable in first half year 2012. A decision on this proposal will be taken by the annual general meeting on 26 April 2012.

Dividend for fiscal year 2010 was NOK 5.50 per share, NOK 3.50 per share in May and NOK 2.00 per share in December.

CONT NOTE 11 > Equity

The largest shareholders at 31 December 2011

Shareholders	A shares	B shares	Total numbers of shares	% of total shares	% voting stock
Tallyman AS	20 784 730	2 281 044	23 065 774	49.60%	60.01%
Pareto Aksje Norge	1 689 453	846 150	2 535 603	5.45%	4.88%
Odin Norden		1 998 227	1 998 227	4.30%	
Folketrygdfondet	1 052 050	610 100	1 662 150	3.57%	3.04%
Odin Norge		1 344 399	1 344 399	2.89%	
Skagen Vekst	1 315 811		1 315 811	2.83%	3.80%
Pareto Aktiv	782 402	393 506	1 175 908	2.53%	2.26%
Six SIS AG 5 Pct Nom	665 800		665 800	1.43%	1.92%
Pareto Verdi	429 225	213 787	643 012	1.38%	1.24%
Stiftelsen Tom Wilhelmsen	370 400	236 000	606 400	1.30%	1.07%
Nordea Nordic Small Cap Fund	119 305	406 870	526 175	1.13%	0.34%
MP Pensjon PK	180 943	273 244	454 187	0.98%	0.52%
Odin Maritim	116 946	266 458	383 404	0.82%	0.34%
JP Morgan Clearing Corp.	49 547	318 887	368 434	0.79%	0.14%
Verdipapirfondet DnB Navigator	196 949	104 918	301 867	0.65%	0.57%
Six SIS AG	35 220	262 300	297 520	0.64%	0.10%
Skandinaviska Enskilda Banken S.A.	84 835	197 359	282 194	0.61%	0.24%
Nordea Bank Norge ASA		258 000	258 000	0.55%	
Citibank NA New York Branch	254 065		254 065	0.55%	0.73%
KLP Aksje Norge VPF	172 446	44 537	216 983	0.47%	0.50%
Other	6 336 965	1 810 946	8 147 911	17.52%	18.30%
Total number of shares	**34 637 092**	**11 866 732**	**46 503 824**	**100.00%**	**100.00%**

Shares on foreigners hands
At 31. December 2011 - 1 967 101 (5.68%) A shares and 1 975 150 (16.64%) B shares.
Corresponding figures at 31. December 2010 - 2 175 704 (6.28%) A shares and 2 002 565 (16.88%) B shares.

PARENT COMPANY

ACCOUNTS AND NOTES

NOTE 12 > Pensions

Descripton of the pension scheme

- The company have a defined benefit plan, organised as a collective policy in a life insurance company and a defined contribution plan for all employees.

- The defined benefit plan is covered by Storebrand from 1.1. 2011 after the liquidation of WW own pension fund – Wilh. Wilhelmsen Pensjonskasse. Pension benefits include coverage for old age, disability, spouse and children, and these supplement payments by the Norwegian National Insurance system. The full pension obligation is earned after 30 years of service and gives the right to an old age pension at a level of 66% of gross salary, incuding other occupational pensions and National Insurance.

- The WW group decided in the beginning of 2005 that the group would convert to a defined contribution pension scheme for all new employees. Defined benefit plan (through WW pension fund) was then closed and a contract for a defined contribution pension plan was established with Vital Forsikring. Contributions paid by the employer are the maximum permitted by law. Insurance for disability, spouse/co-habitant and childrens pension is linked to the defined contribution pension coverage.

- The pension rights and obligations from The company also has obligations related to salaries in excess of 12 times the Norwegian National Insurance base amount (G) and agreements on early retirement. Pension obligations related to salaries in excess of 12G and early retirement are mainly financed from operations.

- Pension costs and obligations include payroll taxes.

	Funded	Unfunded	2011 Funded	2010 Unfunded
Number of people in pension plans at 31.12				
In employment	**47**	**7**	50	7
Pensioners and beneficiaries	**2**	**5**	2	3
Total number of people covered by pension schemes	**49**	**12**	52	10

	Expenses	Commitments	Expenses	Commitments
Financial assumptions for the pension calculations				
Rate of return on assets in pension plans	5.0%	4.7%	5.6%	5.0%
Discount rate	3.6%	2.8%	4.4%	3.6%
Anticipated pay regulation	3.5%	3.3%	4.0%	3.5%
Anticipated regulation of National Insurance base amount (G)	3.5%	3.3%	4.0%	3.5%
Anticipated regulation of pensions	1.5%	1.0%	2.0%	1.5%

It is given that the group's assumptions for the pension calculation differ from the pension assumptions from the Norwegian Accounting Standards, based on the group's composition of average age of employees in employment and those in retirement, and the history of the group's pension plan. The assumptions are set by the actuary in collaboration with the group.

The expected return on assets reflects the weighted average expected returns for each asset class, and is affected by the closure of the pension fund.
The discount rate is based on market yields of government bonds, 14 years in average for all plans.
Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations.

Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

	2011	2010
Pension assets investments (in %)		
Short-term bonds	**10.7%**	32.0%
Bonds held to maturity	**34.5%**	43.0%
Money market	**1.4%**	0.9%
Equities	**14.1%**	24.2%
Other*	**39.3%**	
Total pension assets investments	**100.0%**	100.0%

*Investments in private equity, properties and credit investments

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December.
The recorded return on assets administered by Storebrand Kapitalforvaltning was around 2.5% for 2011 and 8.42% for 2010.

CONT NOTE 12 > Pensions

NOK thousand	2011 Funded	2011 Unfunded	2011 Total	2010 Funded	2010 Unfunded	2010 Total
Pension expenses						
Net present value of pension obligations	**4 750**	**4 898**	**9 648**	3 017		3 017
Interest expenses on pension obligations	**3 478**	**2 303**	**5 781**	2 432	389	2 820
Anticipated return pension fund	**(3 450)**		**(3 450)**	(2 375)		(2 375)
Plan settlements/curtailments	**(9 685)**		**(9 685)**			
Costs of defined contribution plan	**925**		**925**	3 133		3 133
Net pension expense	**(3 982)**	**7 201**	**3 219**	6 206	389	6 595

NOK thousand	2011 Funded	2011 Unfunded	2011 Total	2010 Funded	2010 Unfunded	2010 Total
Total pension obligations						
Accrued pension obligations	**(64 553)**		**(64 553)**	(98 040)		(98 040)
Fair value of plan assets	**44 492**		**44 492**	70 195		70 195
Total pension obligations	**(20 062)**		**(20 062)**	(27 845)		(27 845)
Accrued pension obligations		**(47 902)**	**(47 902)**		(52 833)	(52 833)
Total pension obligations	**(20 062)**	**(47 902)**	**(67 964)**	(27 845)	(52 833)	(80 678)
Changes in estimates not recorded in the accounts	**(2 064)**	**(9 863)**	**(11 927)**	(2 739)	1 112	(1 627)
Recorded pension obligations	**(22 126)**	**(57 765)**	**(79 891)**	(30 583)	(51 721)	(82 305)
Amounts in the balance sheet						
Liabilities			**(79 891)**			(82 305)
Net asset/(liability)			**(79 891)**			(82 305)

NOK thousand	2011	2010
Pension obligations		
Opening balance 01.01	**150 873**	
Current service cost	**9 648**	3 017
Interest expenses	**5 781**	2 820
Pension payments	**(1 533)**	(3 732)
Transfer from WWASA - restructuring of the group		158 559
Actuarial (gain)/loss	**(15 547)**	(9 792)
Plan settlements/curtailments	**(36 766)**	
Pension obligations 31.12	**112 456**	150 873

NOK thousand	2011	2010
Gross pension assets		
Opening balance 01.01	**70 195**	
Expected return	**3 450**	2 375
Employer contributions	**3 550**	480
Pension payments	**(376)**	(2 862)
Transfer from WWASA - restructuring of the group		78 368
Actuarial gain/(loss) on plan assets	**(4 071)**	(8 165)
Plan settlements/curtailments	**(28 257)**	
Gross pensions assets 31.12	**44 492**	70 195

Premium payments in 2012 are expected to be NOK 3 750. Payments from operations are estimated at NOK 994.

ACCOUNTS AND NOTES

CONT NOTE 12 > Pensions

NOK thousand	2011	2010
Historical developments		
Defined benefit obligation	**(112 456)**	(150 873)
Plan assets	**44 492**	70 195
Present value of wholly unfunded obligations	**(11 927)**	(1 627)
Surplus/(deficit)	**(79 891)**	(82 305)
Experience adjustments on plan liabilities	**(21 342)**	(15 939)
Experience adjustments on plan assets	**0**	0

NOTE 13 > Interest-bearing debt

NOK thousand	2011	2010
Interest-bearing debt		
Mortgage debt	**500 000**	500 000
Total interest-bearing debt	**500 000**	500 000
Repayment schedule for interest-bearing debt		
Due in year 1	**500 000**	250 000
Due in year 2		250 000
Due in year 3		
Due in year 4		
Due in year 5 and later		
Total interest-bearing debt	**500 000**	500 000

The parent company's financing arrangement provides for customary financial covenants related to minimum liquidity, and minimum value adjusted equity ratio. The company was in compliance with these covenants at 31 December 2011 (analougue for 31 December 2010).

FINANCIAL RISK

See note 15 to the group accounts and note 15 to the parent accounts for further information on financial risk, and note 14 to the group accounts concerning the fair value of interest-bearing debt.

NOTE 14 > Operating lease commitments

The company has a sale/leaseback agreement for the office building, Strandveien 20. The lease run over 15 years from 1 October 2009, with an option to extend for additional 5 years + 5 years.

NOK thousand	2011	2010
Due in year 1	**38 478**	37 025
Due in year 2	**38 925**	37 765
Due in year 3	**39 378**	38 521
Due in year 4	**39 836**	39 291
Due in year 5 and later	**380 027**	438 831
Total expense related to sale/leaseback of office building	**536 644**	591 433

NOTE 15 > Financial risk

CREDIT RISK

Guarantees

The group and parent policy's is that no financial guarantees are provided by the parent company.

Cash and bank deposits

The parent's exposure to credit risk on cash and bank deposits is considered to be very limited as the parent maintain banking relationships with a selection of well-known and good quality banks.

LIQUIDITY RISK

The parent's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to at all times meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the parent and group's reputation.

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

FAIR VALUE ESTIMATION

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments 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 to value financial instruments include:
Quoted market prices or dealer quotes for similar instruments.
The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
The fair value of interest rate 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.
The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.
The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

NOK thousand	Fair value	Carrying amount
Interest-bearing debt 31.12.2011		
Bank loan	**500 000**	**500 000**
Total interest-bearing debt 31.12.2011	**500 000**	**500 000**
Interest-bearing debt 31.12.2010		
Bank loan	500 000	500 000
Total interest-bearing debt 31.12.2010	500 000	500 000

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 2011 and 2010 are liquid investment grade bonds.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These instruments are included in level 2. Instruments included in level 2 are FX and IR derivatives.

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

PARENT COMPANY

ACCOUNTS AND NOTES

CONT NOTE 15 > Financial risk

NOK thousand	Level 1	Level 2	Level 3	Total balance
Total financial instruments and short term financial investments				
Financial assets at fair value through income statement				
Financial derivatives	**375**	**(56)**		**318**
Bonds	**198 555**			**198 555**
Equities	**267 730**			**267 730**
Total assets 31.12.2011	**466 660**	**(56)**		**466 603**
Financial derivatives		1 746		1 746
Bonds	122 372			122 372
Equities	371 286			371 286
Other financial derivatives		(3 790)		(3 790)
Total assets 31.12.2010	493 658	(2 044)		491 613

NOK thousand	Loans and receivables	Assets at fair value through the income statement	Total
Assets			
Other non current assets	**7 721**		**7 721**
Current financial investments		**465 900**	**465 900**
Other current assets	**16 035**		**16 035**
Cash and cash equivalent	**129 829**		**129 829**
Assets at 31.12.2011	**153 586**	**465 900**	**619 486**

NOK thousand	Other financial liabilities at amortised cost	Total
Liabilities		
Current interest-bearing debt	**500 000**	**500 000**
Other current liabilities	**21 617**	**21 617**
Liabilities 31.12.2011	**521 617**	**521 617**

NOK thousand	Loans and receivables	Assets at fair value through the income statement	Total
Assets			
Other non current assets	105 535		105 535
Current financial investments		489 868	489 868
Other current assets	54 208		54 208
Cash and cash equivalent	204 398		204 398
Assets at 31.12.2010	364 141	489 868	854 009

NOK thousand	Other financial liabilities at amortised cost	Total
Liabilities		
Non current interest-bearing debt	250 000	250 000
Current interest-bearing debt	250 000	250 000
Other current liabilities	24 901	24 901
Liabilities 31.12.2010	524 901	524 901

See note 15 to the group financial statement for further information about the group risk factors.

NOTE 16 > Related party transaction

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

Shares owned or controlled by related party of Wilh. Wilhelmsen Holding ASA at 31. December 2011

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

Wilhelm Wilhelmsen has received remuneration of NOK 375 thousand in consulting fee and NOK 213 thousand in other remunerations for 2011. Corresponding figures for 2010 was NOK 32 thousand in other remuneration.

WWH ASA delivers services to the WWASA group and WMS group, these include primarily human resources, tax, communication, treasury and legal services ("Shared Services").

In accordance with service level agreements, WilService AS delivers in-house services such as canteen, post, switchboard and rent of office facilities, WW ASA delivers accounting services and WMS group delivers IT services and group consolidation services to WWH. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

NOK thousand	Note	2011	2010
OPERATING REVENUE FROM GROUP COMPANIES			
WWASA group		**9 941**	4 316
WMS group		**14 918**	7 415
Holding & Investments		**415**	270
Operating revenue from group companies	2	**25 274**	12 001
OPERATING EXPENSES TO GROUP COMPANIES			
WWASA group		**1 050**	200
WMS group		**3 831**	2 490
Holding & Investments		**9 642**	6 674
Operating expenses to group companies	2	**14 525**	9 364
FINANCIAL INCOME FROM GROUP COMPANIES			
Holding & Investments	2	**789**	142
ACCOUNT RECEIVABLES AND ACCOUNT PAYABLES WITH GROUP COMPANIES			
Account receivables			
WWASA group		**497**	36 919
WMS group		**1 884**	4 388
Holding & Investments		**826**	
Account receivables group companies	8	**3 207**	41 308
Account payables			
WWASA group		**175**	
WMS group		**1 115**	2 453
Holding & Investments			865
Account payables group companies	8	**1 290**	3 319
NON CURRENT LOAN TO GROUP COMPANIES			
Holding & Investments*	8	**1 039**	98 817

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

Per 31.12.2010 the loans NOK 94 317 to Kaplan funds, are equal to equity.

ACCOUNTS AND NOTES

NOTE 17 > Events after the balance sheet date

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

NOTE 18 > Declaration on the determination of employee benefits for senior executives

This declaration applies for fiscal 2012 and has been adopted by the board of WWH at its meeting of 20 March 2012 pursuant to section 6-16a of the Norwegian Act on Public Limited Companies.

General
The board of WWH wants the group to have an international profile which ensures the breadth of expertise it requires in shipping, maritime services and logistics. As a result, the board's goal is that compensation arrangements for the corporate management team will be on a par with other Norwegian companies working internationally.

Company employees referred to as senior executives for the purposes of this declaration are: Thomas Wilhelmsen, group CEO, Nils Petter Dyvik, group CFO. Jan Eyvin Wang, president and CEO of Wilh.Wilhelmsen ASA and Dag Schjerven, president and CEO of Wilhelmsen Maritime Services AS.

Salary
The salary of the group CEO is determined by the board of WWH, while the salary of other senior executives is determined administratively on the basis of frameworks specified by the board.

Benefits in kind
The senior executives are each provided with a company car and receive free newspapers, free telecommunication to specified standards. The senior executives are also compensated for certain taxable expenses.

Bonus
The senior executives participate in a bonus system which is performance oriented and based on predefined levels varying from 3 to 6 months salary.

Options
The extraordinary general meeting in WWH in December 2011 approved a bonus program under which the group CEO and certain leading employees including the senior executives are granted synthetic options which give the holders right to a certain cash payment based on the number of options and the development of the market price of the WWH share. Maximum annual payment is set to 50% of each holder's basic salary.

Shares in WWH
The senior executives except CEO of WWASA, in common with the other employees in the wholly-owned Norwegian companies, receive an offer every year to buy shares in WWH at a discount corresponding to 20% on the market price. The discount can be no more than NOK 1 500.

Pension scheme
Wilh.Wilhelmsen Pensjonskasse is dissolved and its funds and liabilities are transferred to Storebrand. Pension benefits for senior executives include coverage for old age, disability, spouse and children, and supplement payments by the Norwegian National Insurance system. The full pension entitlement is earned after 30 years of service and gives the right to an old age pension at a level of 66% gross salary, maximum 12 times the Norwegian National Insurance base amount (G) including National Insurance and other social security payments.

The senior executives also have rights related to salaries in excess of 12G and the option to take early retirement from the age of 62-65. Pension obligations related to salaries in excess of 12G and the option to take early retirement are insured.
The group CEO is included in WWH defined contribution plan, too.

Pay guarantee scheme
The group CEO has a pay guarantee scheme which gives him the right to receive 75% of his annual salary for 18 months after leaving the company as a result of mergers, substantial changes in ownership, or a decision by the board of directors. Possible income during the period is deducted up to 50%. This reduction comes into force after six months notice period. Nils P. Dyvik and Dag Schjerven also have arrangements for salary payment beyond redundancy period following departure from the group.

Guidelines for pay determination, etc, in 2012-13
The group CEO's pay for 1 July 2012 to 30 June 2013 will be determined by the board. Pay for the other senior executives over the same period will be determined administratively within frameworks established by the board. The determination by the board of the group CEO's pay and the framework for other senior executives will build on the general development of pay in the community and show regard to the development of pay for corresponding positions in comparable Norwegian maritime enterprises.

Statement on senior executive pay in 2011
Pay policy for senior executives in the previous fiscal year built on the same policies as those described above for 2012 to 2013, see note 3 concerning pay and other remuneration for senior executives of the parent company and note 4 of the group accounts concerning senior executives of the group.

Effect on the company of Senior Executive pay agreements concluded in 2011
Other than the option program introduced in December 2011 as described above, no new remuneration agreements for senior executives have been entered into during 2011.

AUDITOR'S REPORT > For 2011

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

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Wilh. Wilhelmsen Holding ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, income statement, comprehensive income and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2011, income statement, comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, www.pwc.no
Org.no.: 987 009 713 MVA, Medlem av Den norske Revisorforening

PARENT COMPANY

ACCOUNTS AND NOTES

CONT AUDITOR'S REPORT > For 2011

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Independent auditor's report - 2011 - Wilh. Wilhelmsen Holding ASA, page 2

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Wilh. Wilhelmsen Holding ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Wilh. Wilhelmsen Holding ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Oslo, 22 March 2012
PricewaterhouseCoopers AS

Rita Granlund
State Authorised Public Accountant (Norway)

(2)

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2011 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and loss for the entity and profit for the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Seoul, 22 March 2012
The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Carl E. Steen	Thomas Wilhelmsen group CEO

CORPORATE GOVERNANCE

"The board is ultimately responsible for the group's governance performance."

THE MARKET LEADER IN MARINE CHEMICALS

Wilhelmsen Ships Service's marine chemicals lead the way in cost efficiency and environmental protection. We call our concept Active Solutions. It comprises an extensive product portfolio, combined with enhanced service and training and delivered through the world's largest maritime network. This ensures the right solution for the customer's needs. Competence in dealing with marine chemicals is increasingly important, so we provide customers with technical training and support that is scaled to their operational requirements. In addition to marine chemicals, we also offer a comprehensive range of marine products; fire, rescue and safety service; ships agency services, maritime logistics and bunkers.

CORPORATE GOVERNANCE

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

The board of directors in WWH issues a report on WWH's and its subsidiaries' (the WWH group) corporate governance performance annually. Sound corporate governance is believed to strengthen the confidence in the company and contribute to the greatest possible value creation over time in the best interests of the company's shareholders, employees and other stakeholders.

A "COMPLY OR EXPLAIN" PRINCIPLE

The report from the WWH board is based on the requirements covered in the Norwegian Code of Practice for Corporate Governance (the code), the Public Limited Companies Act and the Norwegian Accounting Act and published as part of the company's annual report. The report is also available on the company's webpage.

The code is built on a "comply or explain" principle, which means that reasons must be given for possible divergence from its provisions. WWH has a majority owner which controls more than 50% of the votes at the general meeting. The shareholder structure implies that it would be inconvenient to implement all of the code's provisions in full. Justification for deviations and what alternative solution the company has chosen are given where applicable

GOVERNING ELEMENTS

The group has a developed a set of governing elements which represent a framework for the group's leadership and business culture. The system helps to ensure that all employees carry out their activities in an ethical manner and in accordance with current legislation and the company's standards.

The governing elements include the group's vision, its core values, basic philosophy, leadership expectations, company principles and code of conduct. A corporate social responsibility statement is part of the group's principles. The core values are customer centred, empowerment, learning and innovation, stewardship and teaming and collaboration.

The set of governing elements are available electronically on the group's intranet, as written documentation and as e-learning. In 2010 and 2011, most employees conducted training in governing elements. A summary of the governing elements is available on the group's webpage.

THE BUSINESS

According to WWH's articles of association, the objective is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith.

"Sound corporate governance is believed to strengthen the confidence in the company and contribute to the greatest possible value creation over time in the best interests of WWH's shareholders, employees and other stakeholders."

The company intends to create value by developing a diversified business portfolio focusing on shipping and integrated logistics services for cars and rolling cargo through the shareholding in Wilh. Wilhelmsen ASA (WWASA), involvement in maritime services through the wholly owned Wilhelmsen Maritime Services AS (WMS) and develop new opportunities within the maritime sector through Wilh. Wilhelmsen Holding Invest AS (WWHI). The company will leverage its market positions, global network and collective competence to continue to grow the business.

EQUITY AND DIVIDEND

The company has a sound level of equity tailored to its objectives, strategy and risk profile. As of 31 December 2011, the total equity amounted to USD 1 673 million, corresponding to 38% of the total capital.

A dividend policy approved by the WWH board states that the company's goal is to provide shareholders with a high return over time through a combination of rising value for the company's shares and payment of dividend. Subject to the results achieved and future investment requirements, the objective is to have a consistent semi-annually dividend. In 2011, the company paid dividend totalling NOK 5.50 per share.

As of 31 December 2011, WWH holds 100 000 own shares. The board is authorised by the general meeting to, on behalf of WWH, acquire shares in the company. The company can pursuant to the statutes own up to 10% of the current share capital. The minutes from the annual general meeting in April 2011 describes the authorisation, expiring on 30 June 2012. The board cannot increase the company's share capital without a specific mandate from the general meeting.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company has two share classes, comprising 34 637 092 A shares and 11 866 732 B shares. According to the company's articles of association, the B shares do not carry voting rights at the general meeting. Apart from this, each B share carries the same rights in the company. Holders of the respective classes are treated equally. Converting to a single share class is not regarded as appropriate in the present circumstances.

As of 31 December 2011, the company had 3 020 shareholders, of which 214 were foreign.

Any transactions taking place between a principal shareholder and the company will be conducted on arms length market terms.

"WWH's goal is to provide shareholders with a high return over time."

CORPORATE GOVERNANCE

Pursuant to the instructions issued by and for the WWH board, directors are required to inform the board if they have interests, directly or indirectly, in relations with the WWH group.

NEGOTIABILITY

WWH shares are listed on the Oslo Stock Exchange with the tickers WWI and WWIB for the A and B share respectively. Both shares are freely negotiable.

GOVERNANCE BODIES

The company's governance bodies consist of the general meeting, the executive committee for industrial democracy, the board of directors, the group chief executive and the corporate management team.

General meeting

The following matters are to be dealt with and decided on by the annual general meeting: Adoption of the annual report and accounts, adoption of the auditor's remuneration, determination of the remuneration for board and committee members, election of members to the board and election of the auditors and any other matters that belong under the annual general meeting by law or according to the articles of association.

The annual general meeting is normally held late April/early May. Shareholders with known address are notified by mail no later than 21 days prior to the meeting. Information on the meeting and all relevant documents are published on WWH's website no later than 21 days prior to the meeting.

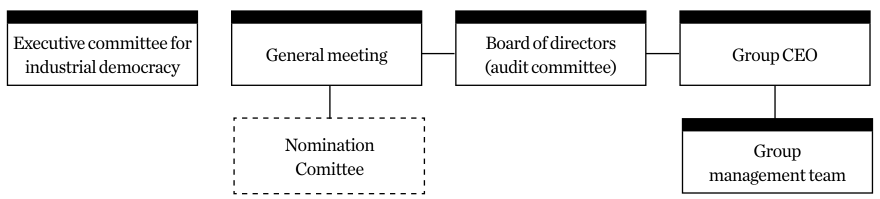
Pursuant to the Public Limited Companies Act, the company has included a provision in its articles of association stating that documents to be handled at the general meeting and which are available to shareholders on the web pages need not be mailed in hard copy to the shareholders unless they specifically ask to receive hard copies.

Shareholders wishing to attend the general meeting must notify the company at least two working days before it takes place. Shareholders can appoint a proxy to vote for their shares. Form for the appointment of a proxy are sent to all shareholders with known address, but can also be found at WWH's web pages.

The Public Limited Companies Act also opens for, subject to relevant provisions in the company's articles of association, shareholders to take part at the general meeting without being present in person. At present, WWH has no intention of including such provisions.

> "WWH is listed on Oslo Stock Exchange under the tickers WWHI and WWHIB."

GOVERNANCE BODIES



The chair of the WWH board attends the general meeting and acts as its chair as specified in the company's articles of association. All shareholders have the right to submit motions to and speak at the general meeting, but only A shares carry voting rights. The company is not aware of any shareholder agreements between the shareholders.

Nomination committee

The general meeting appoints a nomination committee and has also approved guidelines for the committee's work. The committee nominates candidates to the board and proposes remuneration of the directors.

The nomination committee currently consists of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig.

Executive committee and board of directors – composition and independence

WWH does not have a corporate assembly. The general meeting elects the WWH board of directors. The board comprises five directors elected for two years at a time. Two of the present directors are women. Four directors are independent of the majority owner and of the executive management.

In 2011, Wilhelm Wilhelmsen stepped down from the board and was replaced by Carl Erik Steen. Information on the background and experience of the directors can be found on the company's web pages, which also provides a specification of the directors' shareholding in WWH.

The interests of the employees are met by an executive committee for industrial democracy in foreign trade shipping, chaired by the group CEO Thomas Wilhelmsen. The committee comprises six members, four appointed from the management and two elected by the workforce. It meets regularly through the year. Issues submitted for consideration by the committee include a draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce.

Work of the WWH board

The WWH board establishes an annual plan for its work. Eight regular board meetings are normally held every year including one strategy meeting. The board otherwise meets when required. Directors are also kept regularly informed about the WWH group's development between board meetings.

THE BOARD OF DIRECTORS

Diderik Schnitler (chair)
Odd Rune Austgulen
Bettina Banoun
Helen Juell
Carl E. Steen

CORPORATE GOVERNANCE

Instructions have been drawn up for the executive management and for the board itself. It works continuously on internal control in the company as specified below. The WWH Board regularly assesses its work.

Audit committee
The company established an audit committee in 2010.

Pursuant to the Public Limited Companies Act section 6-42 (3), public limited companies may determine that the board of directors jointly serves as the company's audit committee. At the company's extraordinary general meeting held in November 2011, it was decided to amend the company's articles of association accordingly and the whole board now serves as the company's audit committee. The board deems this as the most suitable arrangement for WWH, as the board only comprises five members. In addition, WWASA, representing a material part of the WWH group, has its own audit committee.

WWH holds 72.7% of the shares in WWASA. The audit committee in WWASA assists the WWH board/audit committee with issues relating to the integrity of WWASA's financial statements and financial reporting processes and internal controls:

- WWASA's risk assessment
- risk management policies related to financial reporting
- qualifications
- independence
- performance of the external auditor
- performance of the function related to internal controls over financial reporting.

The audit committee maintains a pre-approval policy governing the engagement of WWASA's primary and other external auditors to ensure auditor independence.

Group management team (GMT)
The GMT in WWH consists of group CEO and five executive managers:

- group chief financial officer (group CFO)
- group VP corporate communications
- group VP human resources and organisational development
- president and CEO of WMS
- president and CEO WWASA

GMT discusses and coordinates all main business and management issues relevant for the group of companies. It also makes benefit of the group's total expertise and knowledge when executing strategies and goals set by the WWH board.

Group CEO
The group CEO is responsible for the company's results and for conducting the businesses and affairs of the company and its subsidiaries in a

"Control and management of all group entities are based on the same governance principles as apply for WWH."

proper and efficient manner, in the company's and its shareholders best interest and according to instructions and guidelines from the board. The group CEO has delegated the responsibility of the different sectors and companies to the group CFO and other members of the GMT.

The group CEO keeps the board informed of the progress of the group's business and affairs on a regular basis and any other specific issues if requested by the board. The group CEO also submits a monthly report to the board reflecting the group's operations, financial results, projections and financial status according to instructions from the WWH board.

Group CFO
The group CFO heads finance and strategy for WWH ASA and consolidated WWH group. The group CFO is responsible for providing group CEO and the WWH board with reliable, relevant and sufficient financial information related to the WWH group's business activities, and assuring that such information is based on requirements for listed companies.

GOVERNANCE OF SUBSIDIARIES

The WWH group consists of several legal entities (for a full overview, please see pages 118-127). Each of the entities has its own board of directors responsible for issues related to the specific entity. Control and management of all group entities are based on the same governance principles as apply for WWH.

In the case of partly-owned subsidiaries, the same principle applies concerning control and management of the business. WWH group's representatives on the boards of such companies coordinate their points of view and vote in accordingly.

WWH's ownership in its subsidiaries is formally exercised through the respective companies' general meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The WWH group's internal control should contribute to sound control characterised by integrity, ethical values and attitudes in the organisation. The group's internal control system is designed as a consequence of the extent and nature of the group's business activities.

Internal control is broadly defined as a process designed to provide reasonable assurance of:

- Effective and efficient operations
- Reliable financial reporting
- Compliance with laws and regulations
- Necessary resources provided and used in cost efficient ways.

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and

"WWH's ownership in its subsidiaries is formally exercised through the respective companies' general meetings."

CORPORATE GOVERNANCE

quality) give the management and WWH board confidence that the WWH group complies with external and internal rules and regulations.

Internal control give management assurance that the internal control of financial systems is working adequately and according to segment management's expectations.

Internal control conducts activities which can be split in four categories:

- Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per segment)
- Procedure for year-end financial statement and the WWH board's responsibility statement semi-annually and annually
- Enterprise risk assessment – including reporting of the segment's internal control
- Monthly reporting on risk assessment to the board and twice a year risk assessments made publicly to the market

Governing documents, code of conduct, company principles (including corporate social responsibility), policies, guidelines and process descriptions are documented and electronically available to the company's employees through WWH's global integrated management system.

The WWH group's finance and strategy division has the responsibility for updating internal control procedures on a group level, including:

- WWH group financial strategy
- WWH group financial policies and guidelines
- WWH (parent) financial policies and guidelines
- WWH group enterprise risk management policy and guidelines

The WWH group financial strategy is approved by the WWH board and covers all main elements related to financial management of the group, including:

- Financial organisation, responsibility and organisation
- Objectives and key ratios
- Equity and dividend targets
- Investor relation
- Financing and debt management
- Cash and liquidity management
- Financial investment management
- Currency management
- Credit management
- Contingent liabilities
- Merger and acquisitions
- Accounting and financial reporting
- Tax management
- Internal control and risk management
- Reporting to WWH board

WWASA and WMS (including subsidiaries) have implemented similar governing documents approved by the respective boards and in line with the WWH group financial strategy.

"Sound control characterised by integrity, ethical values and attitudes."

WWH's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and give reasonable assurance as to whether the financial statements are free of material misstatements. The audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of board members is determined by the general meeting and is not dependent on the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the business. No board member hold share options in the company.

None of the directors perform assignments for the company other than serving on the board of the company or one or more of its subsidiaries.

An overview of the board of directors' remuneration is specified in note 4 to WWH group accounts and note 3 to the parent company accounts, of which the latter includes an overview of shares in company held by the individual director.

REMUNERATION OF EXECUTIVE PERSONNEL

The board determines group CEO's remuneration and establishes the framework for adjustments for other employees. Pay adjustment for each employee is settled administratively within the limits set. For these purposes the board carries out a broad based comparison with pay conditions in other Norwegian shipping companies and gives weight to the general level of pay adjustments in Norway.

The board has instituted a bonus scheme for key employees in WWH and its main subsidiaries. Intended to reinforce the focus on performance and results, the bonus scheme is based on the group's return on capital employed and other selected predefined key performance indicators. A similar bonus scheme is also developed for employees. The bonus scheme may differ between subsidiaries. The board also determines the annual norm for any bonus schemes.

In 2011, the general assembly endorsed a synthetic option programme as part of the remuneration to the group CEO and other certain senior executives. The programme comprises share equivalents, runs over three years and entitles its participants to a cash reward based on the total share return of the underlying shares (a synthetic share option programme).

CORPORATE GOVERNANCE

Maximum annual payment is set to 50% of annual basic salary. For further information on the determination of employee benefits for senior executives, please refer to note 18 to WWH parent accounts.

Remuneration of certain senior executives is specified in note 4 to WWH group accounts and note 3 to the parent company accounts.

INFORMATION AND COMMUNICATION

The goal of the group's communication is to enhance and protect the WW brand and the interests of its business partners. Communication activities are carried out in an environment of transparency and accountability. Transparent, timely and accountable information.

The market is regularly informed about the group's activities and results through stock exchange notices, annual and interim reports and press releases. A financial calendar including the dates for quarterly presentations and general meetings can be found on the WWH web site.

The interim and annual results are presented to invited analysts and business journalists at the same time as the accounts are made public on the Oslo Stock Exchange. At least two of these presentations each year are transmitted directly by webcast. Results are also posted on the group's web pages. WWH intends to follow the Oslo Stock Exchange's recommendation concerning the reporting of investor relations related information.

Extensive information about the activities of WWH and the WWH group is provided on the group's web pages A separate section named "Investors" include relevant information for shareholders, including reports and presentations, financial calendar, analysts, share information, corporate governance, IR contact and news and media.

The company intends to hold a capital markets day annually. Analysts, journalists and financial institutions are invited to meet senior executives of the group, presenting various aspects of the WWH group's businesses in more detail than can be provided by the quarterly presentations.

TAKEOVERS

The WWH board has not established any key principles for its response to possible takeover bids. Were such circumstances to arise, it would seek to treat all shareholders equally.

AUDITOR

The company's auditor attends board meetings as required, and is present when the annual accounts are approved. The auditor meets the board at least once a year without the executive management being present. The auditor provides the board with a review of work on the annual accounts and explains changes in the accounting principles and other significant aspects.

The group's present external auditor is PricewaterhouseCoopers. The auditor's fee, broken down by statutory audit, other assurance services, tax services and other assistance, is specified in note 4 to the WWH group accounts and note 3 to the parent company accounts.

"Transparent, timely and accountable information."

FINANCIAL CALENDAR:*

- 26 April: Annual general meeting
- 10 May: Q1 2012 presentation
- 8 August: Q2 2012 presentation
- 25 September: Capital Markets Day
- 9 November: Q3 2012 presentation
- 13 November: Extraordinary general meeting
- February 2013: Q4 2012 presentation

*) All dates are given with reservations in case of changes

VISION AND VALUES

Our vision: Shaping the maritime industry.

EXPLORING NEW OPPORTUNITIES

Wilh. Wilhelmsen Holding Invest was created in 2011 to support the group's strategy for a more diversified portfolio within the maritime industry. We have broad competence and vast knowledge covering many aspects of the maritime industry, and a global platform to build on. Currently we are exploring new maritime related opportunities within the energy, logistics and property sectors. We believe the opportunities are limitless for those who dare to go beyond borders.

OUR PHILOSOPHY:

We believe that empowered employees in an innovative, learning organisation are our main competitive advantage in meeting the needs and wants of our customers.

OUR VALUES:

Customer centred
We place our customers in the centre and focus on their needs. This drives us forward to develop services, products and solutions that benefit both the customers and us.

Empowerment
Involvement and recognition generate positive energy and increase ownership of our individual contributions. The freedom to act and take initiative within agreed frameworks motivates us to reach our full potential and do a better job.

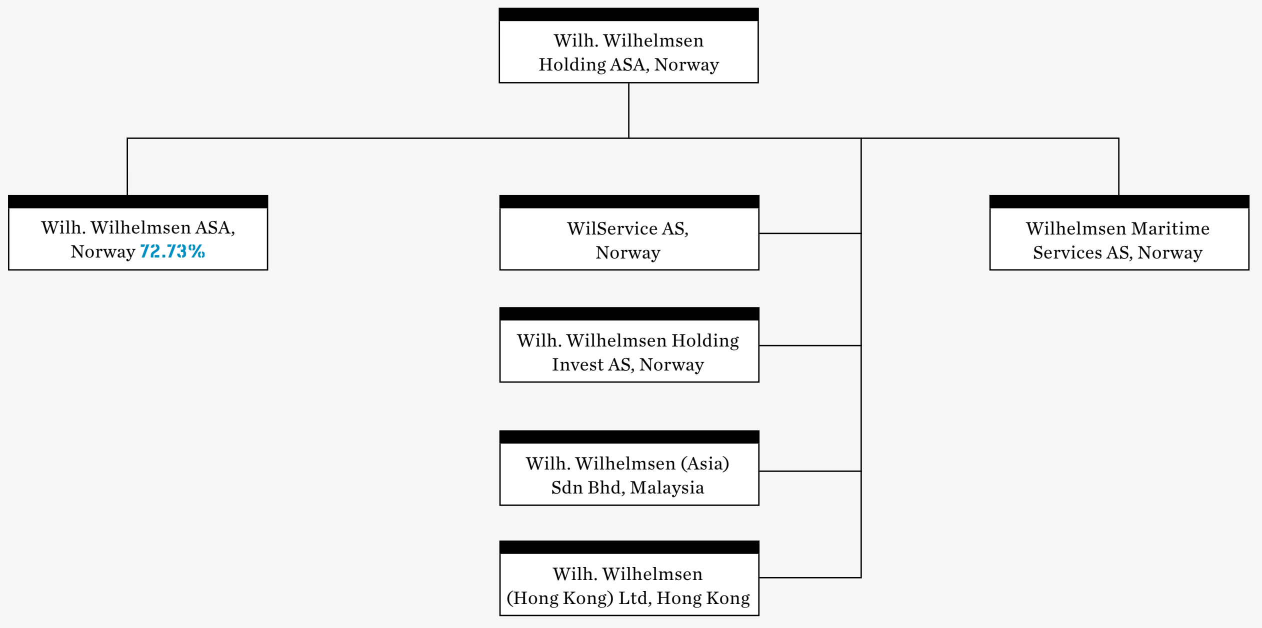
Learning and innovation
The world around us changes constantly. As a learning organisation we continually seek to renew ourselves, to work smarter and improve everything we do. As a result, we are more able to recognise opportunities and develop new and innovative solutions.

Stewardship
We prioritise and manage our resources in a responsible way to continuously create value. We are concerned for the safety and well being of people, society and the environment.

Teaming and collaboration
Our most important competitive advantage is our qualified and competent people worldwide, working together across different cultures toward common goals. Collaboration drives our creative energy and gives us better solutions.

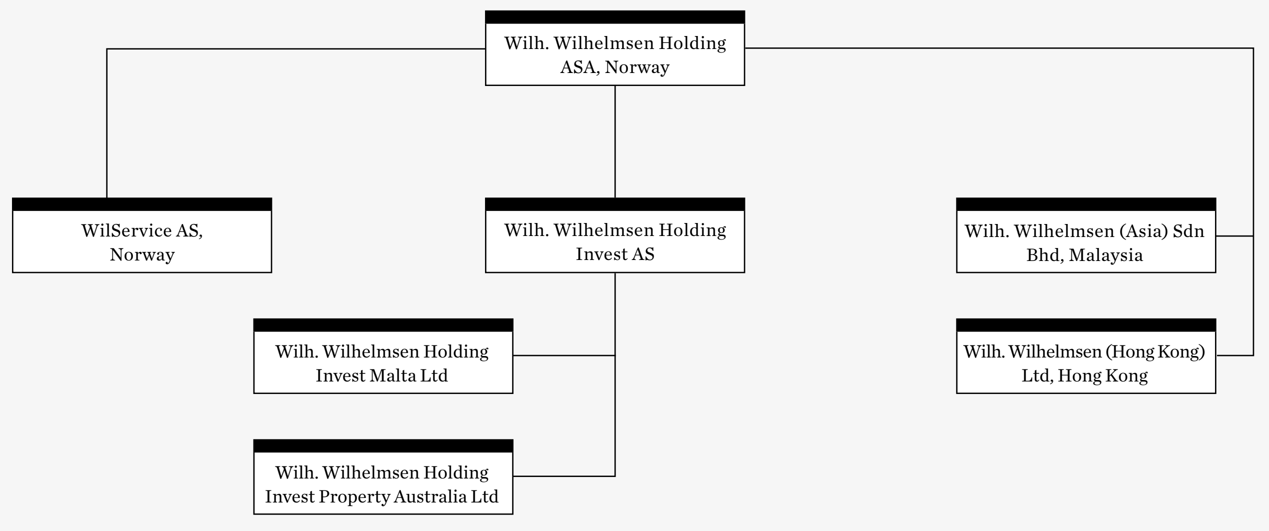
CORPORATE STRUCTURE

WWH GROUP



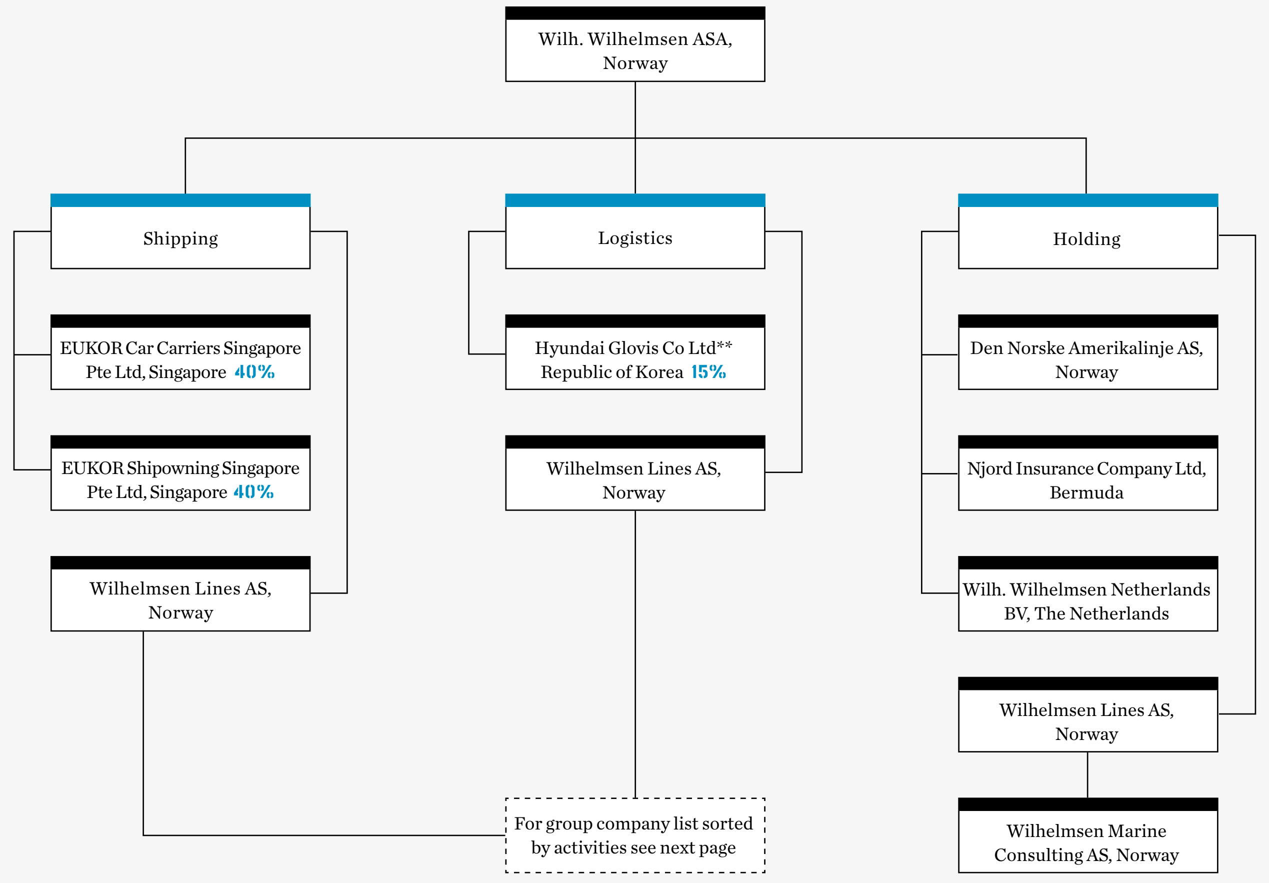
*Unless otherwise stated, the company is wholly-owned

HOLDING & INVESTMENTS SEGMENT



*Unless otherwise stated, the company is wholly-owned

WWASA GROUP SEGMENT



Segments in WWASA group
Legal entity

*Unless otherwise stated, the company is wholly-owned
**Owned through Wilh. Wilhelmsen ASA (12.5%) and Wilhelmsen Lines (2.5%)

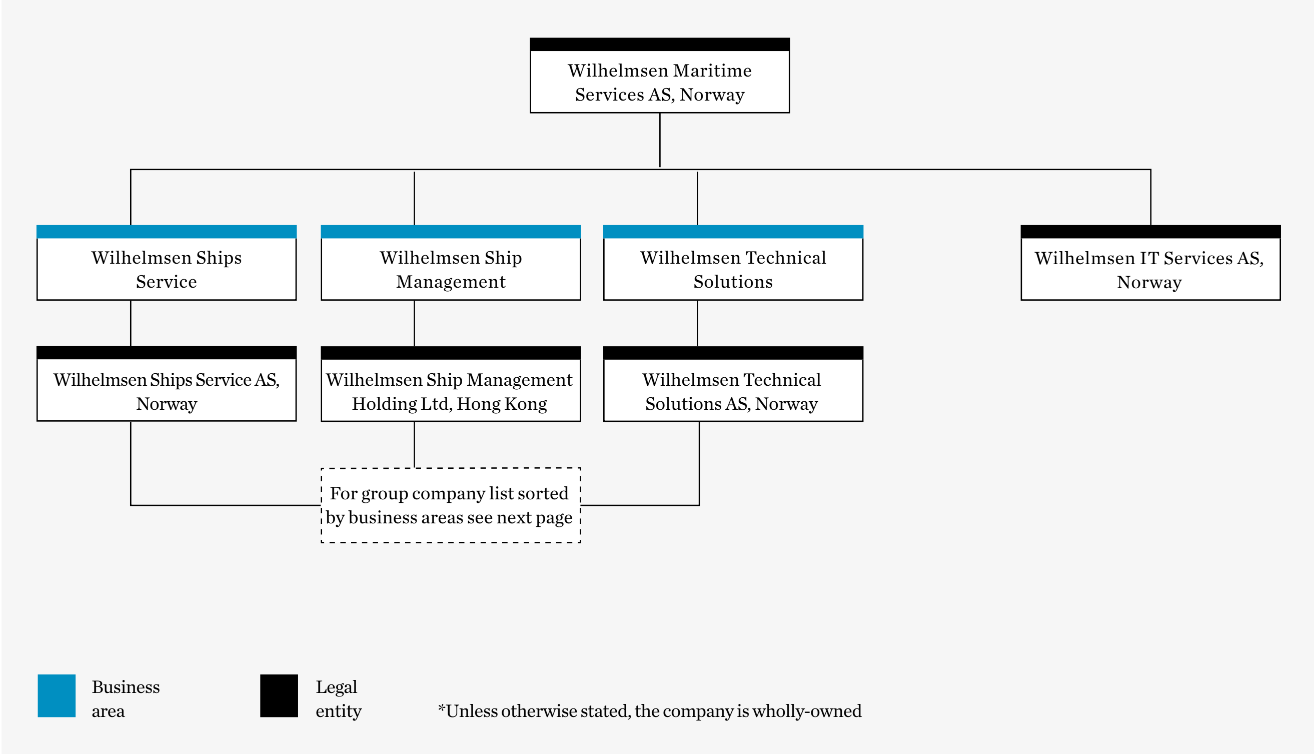
CORPORATE STRUCTURE

CONT WWASA GROUP SEGMENT

Company Name	Country	Ownership %
Wilhelmsen Lines AS (Shipping activities)		
Wilhelmsen Ships Holding Malta Ltd	Malta	100%
- Wallenius Wilhelmsen Logistics AS	Norway	50%
- EUKOR Car Carriers Inc	Republic of Korea	40%
Glovis Co Ltd	Republic of Korea	2.5%
Wilhelmsen Shipping AS	Norway	100%
- Tellus Shipping AS	Norway	50%
Wilhelmsen Lines Shipowning AS	Norway	100%
- Norwegian Car Carriers ASA	Norway	7.7%
Wilhelmsen Lines Malta Ltd	Malta	100%
Wilhelmsen Lines Shipowning Malta Ltd	Malta	100%
Wilhelmsen Lines Car Carriers Ltd	United Kingdom	100%
Mark I Shipping Pte Ltd	Singapore	50%
American Roll-on Roll-off Carrier Holdings Inc	USA	50%
- American Roll-on Roll-off Carrier LLC	USA	100%
Fidelio Inc	USA	50%
- Fidelio Limited Partnership	USA	2%
Wilhelmsen Ships Holding AS*	Norway	100%
- Fidelio Limited Partnership*	USA	49%
Wilhelmsen Lines AS (Logistics activities)		
American Logistics Network LLC	USA	50%
- AP Logistics LLC	USA	50%
American Shipping & Logistics Group Inc	USA	50%
- American Insurance Providers Inc	USA	100%
- American Auto Logistics Limited Partnership	USA	100%
- Transcar GmbH	Germany	100%

* The company is allocated both to WWASA group's shipping activities and logistics activities.

WMS GROUP SEGMENT*



CORPORATE STRUCTURE

CONT WMS GROUP SEGMENT

Company Name	Country	Ownership %
Wilhelmsen IT Services AS	Norway	100.00%
Wilhelmsen Insurance Services AS	Norway	100.00%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.00%
Wilhelmsen Ships Service		
Wilhelmsen Ships Service Algeria SPA	Algeria	49.00%*
Wilhelmsen Ships Service Argentina SA	Argentina	100.00%
New Wave Maritime Services Pty Ltd	Australia	100.00%
Wilh. Wilhelmsen Oceania Pty Ltd	Australia	50.00%*
Wilhelmsen Ships Service Pty Limited	Australia	100.00%
Wiltrading (Darwin) Pty Ltd	Australia	50.00%*
WLB Shipping Pty Ltd	Australia	100.00%
Almoayed Wilhelmsen Ltd	Bahrain	40.00%*
Wilhelmsen Ships Service Limited	Bangladesh	50.00%
Eurokor Barging BVBA	Belgium	100.00%
Eurokor Logistics BVBA	Belgium	100.00%
Wilhelmsen Ships Service NV	Belgium	100.00%
Wilhelmsen Ships Service do Brasil Ltda	Brazil	100.00%
Barwil Unimaster Ltd	Bulgaria	50.00%
Wilhelmsen Ships Service Ltd	Bulgaria	100.00%
Wilhelmsen Ships Service Inc	Canada	100.00%
Wilhelmsen Ship Service Agencia Maritima SA (formerly known as Barwil Chile SA)	Chile	100.00%
Wilhelmsen Ships Service (Chile) S.A.	Chile	100.00%
Wilhelmsen Huayang Ships Service (Beijing) Co Ltd	China	50.00%
Wilhelmsen Huayang Ships Service (Shanghai) Co Ltd	China	49.00%*
Wilhelmsen Ships Service Co., Ltd	China	100.00%
Wilhelmsen Ships Service Colombia SAS (formerly known as Barwil Colombia SA)	Colombia	100.00%
Wilhelmsen Ships Service Cyprus Ltd	Cyprus	100.00%
Wilhelmsen Ships Service A/S	Denmark	100.00%
Barwil Ecuador SA	Ecuador	100.00%
Barwil Arabia Shipping Agencies SAE	Egypt	35.00%
Barwil Egytrans Shipping Agencies SAE	Egypt	49.00%
Scan Arabia Shipping Agencies SAE	Egypt	49.00%*
Wilhelmsen Ships Service Oy Ab	Finland	100.00%
Auxiliaire Maritime SAS	France	100.00%
Unitor Trading France SAS	France	100.00%
Wilhelmsen Ships Service France SAS	France	100.00%
B&P Ltd	Georgia	10.00%
Barwil Batumi Ltd	Georgia	50.00%
Barwil Georgia Ltd	Georgia	50.00%
Wilhelmsen Ships Service Georgia Ltd (formerly known as Norgeo Shipping Ltd)	Georgia	50.00%
Barwil Agencies GmbH	Germany	100.00%
Wilhelmsen Ships Service GmbH	Germany	100.00%
Barwil Black Sea Shipping Ltd	Gibraltar	50.00%
Wilhelmsen Ships Service (Gibraltar) Limited	Gibraltar	100.00%
Wiltrans (Gilbraltar) Limited	Gibraltar	100.00%
Barwil Hellas Ltd	Greece	60.00%
Uniref SA	Greece	100.00%
Wilhelmsen Ships Service Hellas SA	Greece	100.00%

Company Name	Country	Ownership %
Unitor Ships Service (Hong Kong) Limited	Hong Kong	100.00%
Wilhelmsen Ships Service Limited	Hong Kong	100.00%
Wilhelmsen Maritime Services Private Limited	India	100.00%
Wilhelmsen Ships Service Private Limited	India	100.00%
Wiltrans Logistics & Shipping Company Private Limited	India	100.00%
WSS Business Services India Private Limited	India	100.00%
P.T. Tirta Samudera Caraka	Indonesia	0.00%*
P.T. Tirta Sarana Banjar	Indonesia	0.00%*
P.T. Tirta Sarana Borneo	Indonesia	0.00%*
P.T. Tirta Sarana Dermaga	Indonesia	0.00%*
P.T. Tirta Sarana Jasatama	Indonesia	0.00%*
P.T. Tirta Wahana Transportama	Indonesia	0.00%*
Barwil For Maritime Services Co Ltd	Iraq	75.00%
Wilhelmsen Ships Service SpA	Italy	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd - Legal Branch	Japan	100.00%
Wilhelmsen Ships Service Co Ltd	Japan	100.00%
Wilhelmsen Ships Service Ltd	Kenya	100.00%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partners WLL	Kuwait	49.00%
Barwil-Andersson Agencies Ltd	Latvia	49.00%
Wilhelmsen Ships Service Lebanon SAL	Lebanon	49.00%
Barwil Westext Sdn Bhd	Malaysia	25.00%*
NBM Agencies Sdn Bhd	Malaysia	100.00%
Wilhelmsen Agencies Sdn Bhd	Malaysia	100.00%
Wilhelmsen Freight & Logistics Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Holdings Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malaysia Sdn Bhd	Malaysia	30.00%*
Wilhelmsen Ships Service Trading Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malta Limited	Malta	100.00%
Unitor de Mexico, SA de CV	Mexico	100.00%
Wilhelmsen Ships Service (Mozambique), Limitada	Mozambique	100.00%
Wilhelmsen Ships Service B.V.	Netherlands	100.00%
Eurokor Barging B.V.	Netherlands	50.00%
Eurokor Logistics B.V.	Netherlands	100.00%
Unitor Ships Service NV Netherlands Antilles	Netherlands Antilles	100.00%
Wilh. Wilhelmsen (New Zealand) Limited	New Zealand	100.00%
Wilhelmsen Ships Service Limited	New Zealand	100.00%
Barwil Agencies AS	Norway	100.00%
Vrengen Eiendom AS	Norway	100.00%
Wilhelmsen Chemicals AS (formerly known as Unitor Chemicals AS)	Norway	100.00%
Wilhelmsen Ships Service AS	Norway	100.00%
Wilhelmsen Premier Marine Fuels AS	Norway	100.00%
Towell Barwil Co LLC	Oman	30.00%
Wilhelmsen Ships Service (Private) Limited	Pakistan	50.00%
Barwil Agencies SA	Panama	47.00%
Intertransport Air Logistics SA	Panama	35.72%
Lonemar SA	Panama	47.00%
Lowill SA	Panama	47.00%
Scan Cargo Services SA	Panama	47.00%
Transcanal Agency SA	Panama	47.00%

CORPORATE STRUCTURE

CONT WMS GROUP SEGMENT

Company Name	Country	Ownership %
Wekol SA	Panama	47.00%
Wilhelmsen Ships Service SA	Panama	100.00%
Wilhelmsen Ships Service Peru SA (formerly known as Barwil Peru SA)	Peru	100.00%
Wilhelmsen-Smith Bell (Subic) Inc	Philippines	50.00%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	40.00%*
Wilhelmsen Ships Service Philippines Inc	Philippines	100.00%
Wilhelmsen Ships Service Polska Sp zoo	Poland	100.00%
Argomar-Navegcao e Transportes SA	Portugal	100.00%
Barwil-Knudsen, Agente de Navagacao Lda	Portugal	100.00%
Unitor-Equipamentos Maritimos Lda	Portugal	100.00%
Wilhelmsen Ships Service Portugal, SA	Portugal	100.00%
Wilhelmsen Ship Services Qatar Ltd	Qatar	0.00%*
Barwil (South Africa) Pty Ltd	Republic of South Africa	100.00%
Krew-Barwil (Pty) Ltd	Republic of South Africa	49.00%
Wilhelmsen Premier Marine Fuels (Pty) Ltd	Republic of South Africa	100.00%
Wilhelmsen Ships Services (Pty) Ltd	Republic of South Africa	100.00%
Wilhelmsen Ships Services South Africa (Pty) Ltd	Republic of South Africa	70.00%
Wilhelmsen Hyopwoon Ships Service Ltd	Republic Of Korea	50.00%
Wilhelmsen Ship Services Co Ltd	Republic Of Korea	100.00%
Barwil Star Agencies SRL	Romania	50.00%
Barwil Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ships Service Ltd	Russia	100.00%
Barwil Agencies Ltd For Shipping	Saudi Arabia	70.00%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.00%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	49.60%
Barwil Agencies Pte Ltd	Singapore	100.00%
Intertransport International Pte Ltd	Singapore	100.00%
Unitor Cylinder Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd	Singapore	100.00%
Wilhelmsen Premier Marine Fuel Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (S) Pte Ltd	Singapore	100.00%
Nave Port Algeciras SL	Spain	100.00%
Wilhelmsen Ships Service Canarias SA	Spain	100.00%
Wilhelmsen Ships Service Spain SAU	Spain	100.00%
Wilhelmsen Meridian Navigation Ltd	Sri Lanka	40.00%
Baasher Barwil Agencies Ltd	Sudan	50.00%
Alarbab For Shipping Co. Ltd	Sudan	0.00%*
Wilhelmsen Ships Service AB	Sweden	100.00%
National Company for Maritime Agencies Ltd	Syria Arab Republic	50.00%
Formosa Shipping Agencies Inc	Taiwan	100.00%
Wilhelmsen Ships Service (S) Pte Ltd - Taipei Representative Office	Taiwan	100.00%
Wilhelmsen Ships Service Inc	Taiwan	100.00%
Wilhelmsen Ship Services Ltd	Tanzania	100.00%
Wilhelmsen Ships Service (Thailand) Ltd	Thailand	49.00%*
Barwil Universal Denizcilik Tasimacilik Ticaret Anonim Sti.	Turkey	50.00%
Wilhelmsen Denizcilik Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Lojistick Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Ships Service Ukraine Ltd	Ukraine	100.00%
MSC Ukraine Ltd	Ukraine	25.00%

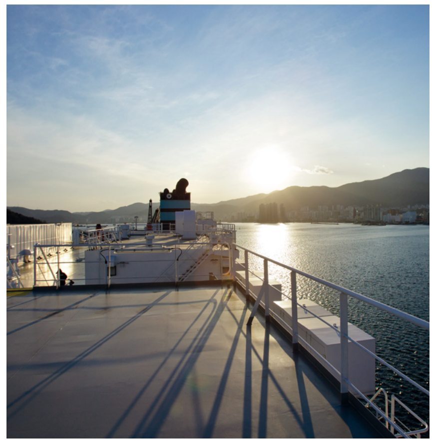
Company Name	Country	Ownership %
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	25.00%*
Barwil Dubai LLC	United Arab Emirates	49.00%*
Wilhelmsen Ship Services LLC	United Arab Emirates	42.50%*
Triangle Shipping Agencies LLC	United Arab Emirates	49.00%*
Wilhelmsen Ships Service AS (Dubai Branch) (formerly known as Wilhelmsen Maritime Services AS (Dubai Branch))	United Arab Emirates	100.00%
Wilhelmsen Maritime Services JAFZA	United Arab Emirates	100.00%
Wilhelmsen Ships Service (L.L.C)	United Arab Emirates	49.00%*
Denholm Barwil Ltd.	United Kingdom	40.00%
Wilhelmsen Premier Marine Fuels Limited	United Kingdom	100.00%
Wilhelmsen Ships Service Limited	United Kingdom	100.00%
Knight Transport Ltd	United States	33.33%
Wilhelmsen Ships Service Inc	United States	100.00%
Barwil de Venezuela CA	Venezuela	50.00%
Barwil-Sunnytrans Ltd	Vietnam	50.00%
International Shipping Co Ltd	Yemen	0.00%*
Wilhelmsen Ship Management		
Unicorn Shipping Services Ltd.	Bangladesh	51.00%
Wilhelmsen Ship Management Serviços Marítimos do Brasil Ltda.	Brazil	100.00%
Wilhelmsen Ship Management d.o.o.	Croatia	100.00%
Barklav (Hong Kong) Limited	Hong Kong	50.00%
Wilhelmsen Marine Personnel (Hong Kong) Ltd	Hong Kong	100.00%
Wilhelmsen Ship Management Holding Limited	Hong Kong	100.00%
Wilhelmsen Ship Management Limited	Hong Kong	100.00%
WSM Global Services Limited	Hong Kong	100.00%
Wilhelmsen Ship Management (India) Private Limited	India	100.00%
Global Vessel Management Ltd	Liberia	33.33%
Wilhelmsen Ship Management Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ship Management Services Sdn Bhd	Malaysia	100.00%
Unicorn Shipping Services Limited	Mauritius	51.00%
Barber Moss Ship Management AS	Norway	50.00%
Golar Wilhelmsen Management AS	Norway	40.00%
Wilhelmsen Marine Personnel (Norway) AS	Norway	100.00%
Wilhelmsen Ship Management (Norway) AS	Norway	100.00%
OOPS (Panama) SA	Panama	100.00%
Wilhelmsen-Smith Bell Manning Inc	Philippines	25.00%*
Polish Manning Services Sp z.o.o.	Poland	100.00%
Wilhelmsen Marine Personnel Sp z.o.o.	Poland	100.00%
Wilhelmsen Ship Management Korea Ltd	Republic of Korea	100.00%
Barklav SRL	Romania	50.00%
Wilhelmsen Marine Personnel Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ship Management Singapore Pte Ltd	Singapore	100.00%
Wilhelmsen Technical & Operational Solutions Pte Ltd	Singapore	100.00%
Crewing Agency "Barber Manning"	Ukraine	100.00%
Wilhelmsen Marine Personnel (Ukraine) Ltd	Ukraine	100.00%
Wilhelmsen Ship Management (USA) Inc	United States	100.00%

CORPORATE STRUCTURE

CONT WMS GROUP SEGMENT

Company Name	Country	Ownership %
Wilhelmsen Technical Solutions		
Wilhelmsen Marine Engineering do Brasil Ltda	Brazil	100.00%
Ti China Co Ltd	China	100.00%
Wilhelmsen Technical Solutions AB - Shanghai Representative Office	China	100.00%
Wilhelmsen Marine Electrical Technology (Wuhu) Co Ltd	China	100.00%
Wilhelmsen Marine Engineering (China) Co Ltd	China	100.00%
Wilhelmsen Technical Solutions Production Co Ltd (formerly known as Wilhelmsen Ships Equipment Production Co Ltd)	China	100.00%
Wilhelmsen Technical Solutions China Co. Ltd (formerly known as Wilhelmsen Ships Equipment Co. Ltd)	China	100.00%
Wilhelmsen Technical Solutions A/S (formerly known as Wilhelmsen Callenberg A/S)	Denmark	100.00%
Wilhelmsen Technical Solutions Co. Ltd	Japan	100.00%
TI Marine Contracting AS	Norway	100.00%
Wilhelmsen Technical Solutions AS	Norway	100.00%
Wilhelmsen Technical Solutions Norway AS	Norway	100.00%
Yarwil AS	Norway	50.00%
Wilhelmsen Technical Solutions Sp. z.o.o.	Poland	100.00%
TI Korea Co. Ltd	Republic of Korea	100.00%
TI Marine Contracting AS - Legal Branch	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Korea Co Ltd (formerly known as Wilhelmsen SE Korea Co Ltd)	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Pte Ltd	Singapore	100.00%
Wilhelmsen Technical Solutions AB (formerly known as Wilhelmsen Callenberg AB)	Sweden	100.00%
Wilhelmsen Technical Solutions Sweden AB (formerly known as Wilhelmsen Callenberg Fläkt AB)	Sweden	100.00%
Wilhelmsen Technical Solutions Holding AB (formerly known as Wilhelmsen Marine Engineering AB)	Sweden	100.00%
European Manning Services Ltd	United Kingdom	100.00%
Ticon Insulation Limited	United Kingdom	100.00%
Wilhelmsen Callenberg California Inc	United States	100.00%
Wilhelmsen Technical Solutions, Inc (formerly known as Wilhelmsen Callenberg Inc)	United States	100.00%
Wilhelmsen Ships Equipment Co Ltd - Hanoi Representative Office	Vietnam	100.00%

* Additional profit share agreement



"150 years experience of shaping the maritime industry."

"We belive that empowered employees in an innovative, learning organisation are our main competitive advantage."

Designed by REDINK. Photos by Tommy Normann.

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