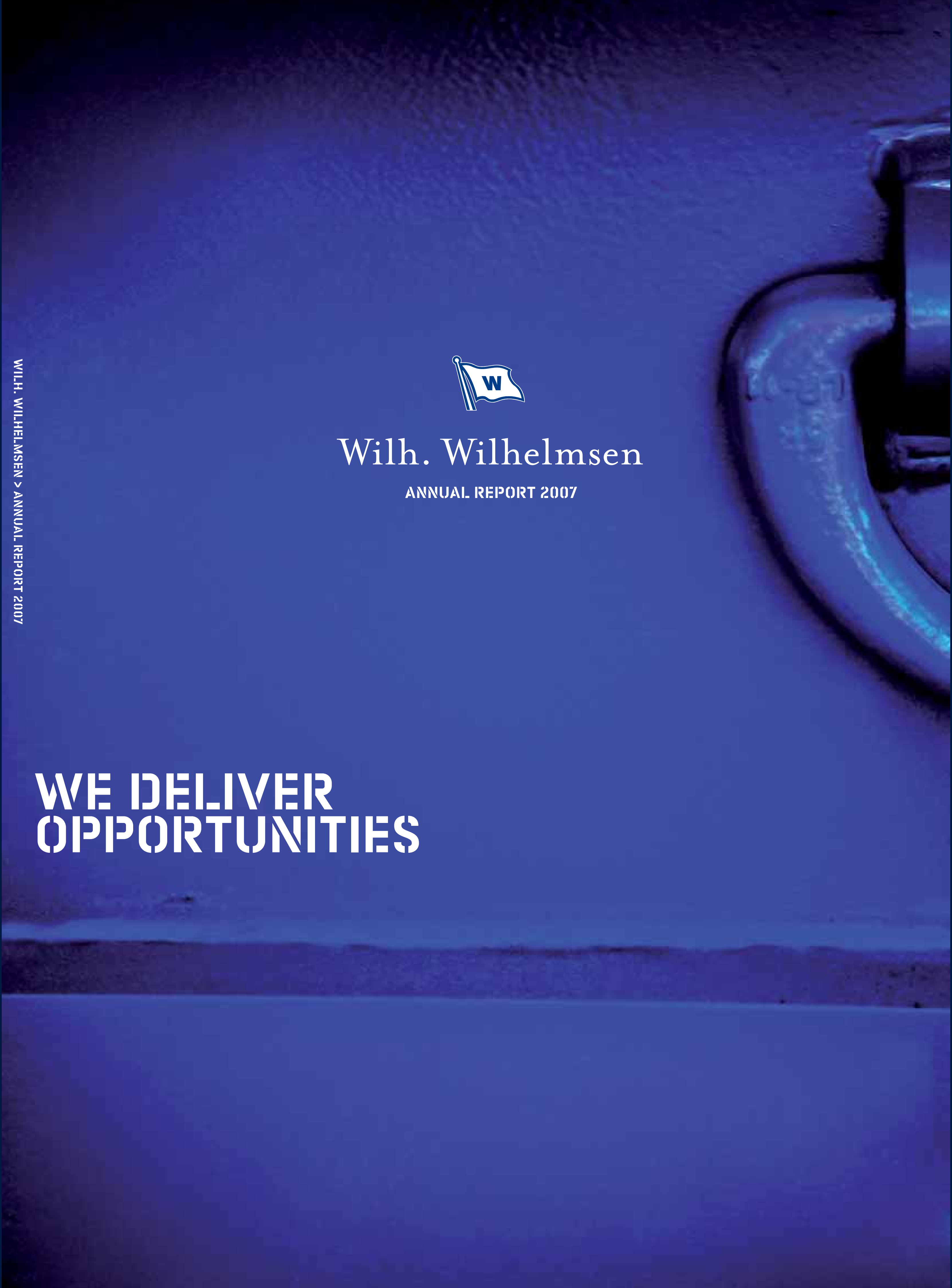


Wilh. Wilhelmsen

ANNUAL REPORT 2007

WE DELIVER OPPORTUNITIES

WILH. WILHELMSEN > ANNUAL REPORT 2007

160 VESSELS IN OPERATING FLEETS

MORE THAN ONE PRODUCT DELIVERY EVERY THREE MINUTES TO A WESSEL WORLDWIDE

1: **Shipping:**
The largest operator
in the rolling cargo segment

2: **Logistics:**
A chain of logistics services
to increase the efficiency
of ocean transport

3: **Maritime services:**
The world's largest
maritime services network

- Head office in Oslo, Norway.
- 14 000 employees in wholly-owned companies, or 18 800 when including joint ventures.

72 COUNTRIES

- Wilhelmsen Maritime Services has some 330 offices in 72 countries.
  When joint ventures are added, these figures rise to almost 450 and 75 respectively.
- The fleets consist of 160 vessels operating in 38 trades.
- The global logistics network embraces Wallenius Wilhelmsen Logistics,
  Glovis, American Auto Logistics and American Logistics Network.

SHIPPING
LOGISTICS
MARITIME
SERVICES

WW group trades
Wallenius Wilhelmsen Logistics (60 vessels in 15 trades)
EUKOR Car Carriers (92 vessels in 21 trades)
American Roll-on Roll-off Carrier (eight vessels in two trades)
WW around the world
Wilhelmsen Maritime Services
Global logistics network

4: **The environment**
Emissions to air
Discharges to water
Other discharges
Environmental accounting
Some thorny issues
Environmetally adapted products

5: **Review of operations**
Group CEO's comments
Shipping: A leading world player
Logistics: Growing services
Maritime services: The world's largest maritime network

6: **Corporate governance**

7: **Other company information**
Shareholder information
Company structure
Fleet list

WW's VISION:

WW WILL BE THE LEADING GLOBAL SUPPLIER OF MARITIME SERVICES

WW's 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.

WW's VALUES:

CUSTOMER-CENTRED
We place our customers in the centre and are concerned with their needs, so that we can deliver optimal solutions which are mutually beneficial at all times.

EMPOWERMENT
We have the ability to involve our employees in their daily work. That motivates, inspires and generates energy. Our personnel will participate with knowledge, ideas and opportunities, and attention will be given to their contribution.

LEARNING AND INNOVATION
When society changes, so must we. New customer expectations, new solutions and not least constant technological progress mean that we must create a learning organisation. Only then can we renew ourselves, see opportunities and find new creative solutions.

STEWARDSHIP
We will manage our resources in an optimum way, and take account of the safety of our employees while showing respect for society and the environment.

TEAMING AND COLLABORATION
Our most important competitive advantage is our qualified personnel, with their broad expertise. When our employees collaborate to get the best out of each other in pursuing a common goal, we can utilise their whole potential and all their knowledge.

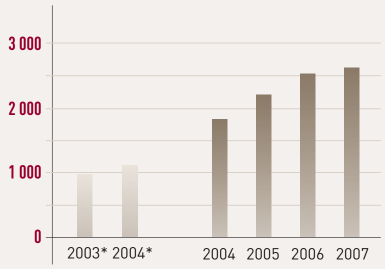
KEY FIGURES CONSOLIDATED ACCOUNTS

		2007	2006	2005	2004	2004*	2003*
INCOME STATEMENT							
Total revenues**	USD mill	**2 604**	2 511	2 207	1 831	1 128	980
Primary operating income**	USD mill	**417**	538	397	362	231	161
Net operating profit**	USD mill	**266**	368	232	207	158	86
Profit before tax**	USD mill	**242**	268	209	185	154	85
Profit for the period**	USD mill	**7**	230	191	171	155	78
BALANCE SHEET							
Fixed assets	USD mill	**1 972**	1 877	1 644	1 239	1 168	997
Current assets	USD mill	**866**	857	619	357	481	443
Equity	USD mill	**953**	1 037	834	736	666	577
Interest-bearing debt	USD mill	**1 139**	1 239	998	625	692	611
Total assets	USD mill	**2 839**	2 735	2 263	1 596	1 649	1 440
KEY FINANCIAL FIGURES**							
Cash flow (1)**	USD mill	**370**	423	361	319	216	158
Liquid funds 31 Dec (2)	USD mill	**415**	377	349	263	297	258
Liquidity ratio (3)		**1.6**	2.0	1.5	1.6	1.9	2.1
Equity ratio (4)	%	**34%**	38%	37%	46%	40%	40%
YIELD							
Return on capital employed (5)	%	**13.2 %**	15.7 %	14.7 %	14.5 %	13.9 %	9,0 %
Return on equity (6)	%	**0.7 %**	24.6 %	24.3 %	25.5 %	25.0 %	14,3 %
KEY FIGURES PER SHARE**							
Earnings per share (7)	USD	**0.07**	4.73	3.91	3.51	3.23	1.62
Diluted earnings per share (8)	USD	**0.07**	4.72	3.91	3.51	3.23	1.62
Cash flow per share (9)**	USD	**7.84**	8.82	7.52	6.66	4.51	3.30
Average number of shares outstanding	(1 000)	**47 148**	47 937	47 996	47 930	47 930	47 819

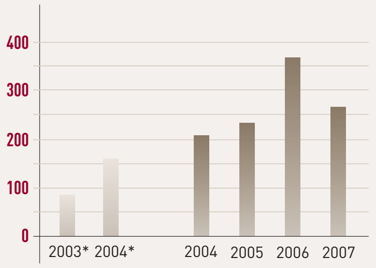
DEFINITIONS:

1) Profit for the period adjusted for change in deferred tax, depreciation and impairment of assets.
2) Cash, bank deposits and short term financial investments.
3) Current assets divided by current liabilities.
4) Equity in per cent of total assets.
5) Profit for the period before taxes plus interest expenses, in per cent of average equity and interest-bearing debt.
6) Profit after taxes 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 potential outstanding shares in the period.
9) Profit for the period adjusted for change in deferred tax, depreciation and write-down of assets, divided by average number of shares outstanding.

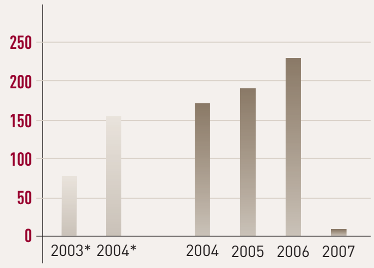
OPERATING INCOME (USD mill)**



NET OPERATING PROFIT (USD mill)**



PROFIT FOR THE PERIOD (USD mill)



* Figures in accordance with Norwegian accounting standards (not restated to IFRS)

** The results are taken from the management report, which reflects the WW group's underlaying operations in more detail than the official accounts. The IFRS accounting principles are applied in both management report and official accounts, but the former utilises a different method for consolidating the group's most important joint ventures. The presentation in the management report reflects proportionately the WW group's partnership based ownership structure.

WILH. WILHELMSEN – A GLOBAL MARITIME INDUSTRY GROUP

The WW group has an annual turnover of roughly USD 2.6 billion and is listed on the Oslo Stock Exchange. Founded on 1 October 1861 in Tønsberg, it now ranks among Norway's most global enterprises. The head office at Lysaker outside Oslo is one of Norway's centres for international maritime expertise.

SHIPPING

WW conducts advanced industrial shipping activities and is market leader for the transport of rolling cargo. Together with its partners, the group controls 160 car and roll-on, roll-off carriers operating in a global network of trades. Its customers include the world's leading manufacturers of cars as well as construction and agricultural machinery. On an annual basis, WW's shipping companies transport 5.3 million cars by sea and two million by land. In addition come high and heavy and non-containerised cargoes.

The group both owns and charters ships, which are deployed in the fleets operated by subsidiaries Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Roll-on Roll-off Carrier.

Wilh. Wilhelmsen (WW) is a leading global maritime industry group. It offers logistics solutions and maritime services through a worldwide network embracing some 14 000 employees at just over 330 offices in 72 countries. When joint ventures are included, the group employs 18 800 people at almost 450 offices in some 75 nations.

LOGISTICS

In association with maritime transport, WW offers various types of logistics service on land – terminal and technical services, inland transport procurement and supply chain management. In addition to well-developed logistical services offered through WWL, the WW group has activities in Korea's Glovis and the two US companies American Auto Logistics and American Logistics Network.

MARITIME SERVICES

WW's wholly-owned Wilhelmsen Maritime Services (WMS) subsidiary offers a broad range of products and services to a large proportion of the merchant fleet through a unique global network. WMS also offers services to the shipbuilding industry.

Ships can be served at roughly 2 200 ports in 115 countries through Wilhelmsen Ships Service, which has some 195 000 product deliveries to 20 000 vessels and handles more than 54 000 port calls a year.

Wilhelmsen Ship Management, the WMS management and crewing company, manages roughly 310 vessels and has a pool of 8 600 seagoing personnel.

WMS also embraces Wilhelmsen Ships Equipment, focusing on maritime systems and environmental solutions, while newly established Wilhelmsen Marine Engineering is an independent supplier of electrical, automation and HVAC systems to the marine and offshore markets.

EXPERTISE DEVELOPMENT

WW builds on a values-oriented management philosophy. Employees are offered varied opportunities to develop themselves and to contribute to the development of the group. The goal is to motivate the workforce and to ensure WW's adaptability and market position. The group's own educational institution, the WW Academy, is one of several development tools utilised in-house. It organises business-related programmes and management courses for multicultural groups of participants.

SOCIAL RESPONSIBILITY AND INNOVATION

Particular attention is focused in WW on social responsibility and developing innovative solutions based on its ambition to be the leading global supplier of maritime services, and not least to be in the forefront of environmentally-adapted vessel operation.

The future

45:

WW and its partners pursue an active newbuliding strategy to secure a large and modern fleet. At present, 45 vessels of variouse sizes and cargo lifting capacities are on order.

Climate change: WW's ambition is to be a leader in environmentally-adapted shipping. The vision is to improve operations continuously in seeking to achive zero emissions.

A global and integrated door-to-door logistics provider adapted to servicing customers' current and future demands.

2 200:

WMS has a global maritime network, serving some 20 000 vessels in 2 200 ports.

In 2011, WW will have been in operation for 150 years, accumulating vast knowledge and experience to the benefit of its customers.

Head office in Oslo, with 14 000 employees at more than 330 offices in 72 countries.

For further information, see the WW group's website at www.wilhelmsen.com.

MILESTONES 2007-08

Q1:07

- EUKOR places a contract with Hyundai Heavy Industries for the construction of four car carriers with a capacity of 8 100 units, making these vessels the world's largest of their kind
- Wilhelmsen Premier Marine Fuels is established as a joint venture between Wilhelmsen Bunkers and Premier Marine fuels

Q2:07

- Tarifa, with a carrying capacity of 6 400 cars, is delivered to WW from Ray Shipping
- WWL receives the Lloyd's List Clean Sea award
- Arild B Iversen assumed the position as president and CEO of Wallenius Wilhelmsen Logistics
- Jan Eyvin Wang is appointed EUKOR's new president and CEO, with effect from 1 January 2008
- WW acquires 21.5% of the shares in Eidsiva Rederi at a cost of USD 16.2 million
- WW acquires 22.5% of a consortium involved with various terminals in Australia. This investment is valued at AUD 37 million
- WWL takes a 15% stake in a new USD 98 million ro-ro terminal in the port of Tianjin, China
- WWL consolidates all its terminal investments in Wallenius Wilhelmsen Terminals Holding, an improved basis for further expansion of terminal investments and operations
- Express Offshore Transport is sold to Macquarie Bank Ltd, in line with the strategy of focusing on the core business
- The first LCTC, Faust, owned by Wallenius Lines, delivered to WWL. She can carry 8 000 cars
- The Thor Heyerdahl International Environmental Award is presented to WWL for its commitment to improving environmental standards in the shipping industry

Q3:07

- EUKOR takes delivery of two new vessels, Morning Charlotte and Morning Cello
- Yarwil is established as a joint venture between WMS and Yara International. It will provide the maritime industry with a solution for reducing nitrogen oxide emissions by up to 95%
- WMS concludes an agreement with BP's partially-owned Krystallon to distribute a solution which reduces sulphur oxide emissions by up to 95%
- EUKOR reaches agreement with Hyundai and Kia on incorporating a bunker adjustment factor in the freight contract with effect from 1 January 2008
- WWL opens new port operations in Port Kembla, Australia
- Fidelio, sister to Faust, delivered to WWL

The world's largest ro-ro vessel to be built by WW, Wallenius and Mitsubishi Heavy Industries.

Q4:07

- Changes to the Norwegian tonnage tax system has accounting consequences for WW
- EUKOR takes delivery of Morning Midora, Morning Carina and Morning Cornet
- WW and its partner, Wallenius, order four new ro-ro carriers from Mitsubishi Heavy Industries

Q1:08

- WMS acquires the Callenberg Group, a worldwide electrical engineering, automation, and heating, ventilation and air conditioning specialist
- Glovis announces a 20-year agreement with Hyundai Steel for the transportation of raw material from Australia, Brazil and Canada to a new factory in Korea
- WMS consolidates its leading market brands under one name and one flag. To strengthen the group's identity even further, the following business areas change their name to:
  - > Wilhelmsen Ships Service (formerly Barwil Unitor Ships Service)
  - > Wilhelmsen Ship Management (formerly Barber Ship Management)
  - > Wilhelmsen Ships Equipment (formerly Barber Ship Management)
  - > Wilhelmsen Marine Engineering (formerly Callenberg group)
- EUKOR takes delivery of Morning Celesta, Morning Caroline, Morning Catherine and Morning Conductor
- WW and Wallenius agree to order eight new large car and truck carriers, four from Hyundai Heavy Industries and four from Daewoo Shipbuilding and Marine Engineering
- Fidora the third LCTC, delivered to WWL

GOVERNING BODIES

BOARD OF DIRECTORS

BOARD OF DIRECTORS

Wilhelm Wilhelmsen, chair
Diderik Schnitler, deputy chair
Helen Juell
Odd Rune Austgulen
Bettina Banoun
Ingar Skaug, group CEO
(alternate)

EXECUTIVE COMMITTEE FOR INDUSTRIAL DEMOCRACY IN FOREIGN TRADE SHIPPING

Wilhelm Wilhelmsen, chair
Ingar Skaug
Sjur Galtung
Thomas Wilhelmsen
Arne B Normann
(1st alternate Arild Banzon)
Åse K Sætre
(1st alternate Stein Erik Flø)
Dagfinn Aas (observer)
Lars Haug (observer)

AUDITOR

PricewaterhouseCoopers AS
Erling Elsrud
State authorised public accountant

CORPORATE MANAGEMENT TEAM > AT 1 APRIL 2008

INGAR SKAUG
group CEO

SJUR GALTUNG
deputy group CEO

NILS P DYVIK
group CFO

THOMAS WILHELMSEN
group vice president shipping

STEPHEN CADDEN
group vice president logistics

DAG SCHJERVEN
president and CEO
Wilhelmsen Maritime Services

BJØRGE GRIMHOLT
group vice president
corporate communications

KIRSTEN HAUNE
group vice president
human recources and organisational development

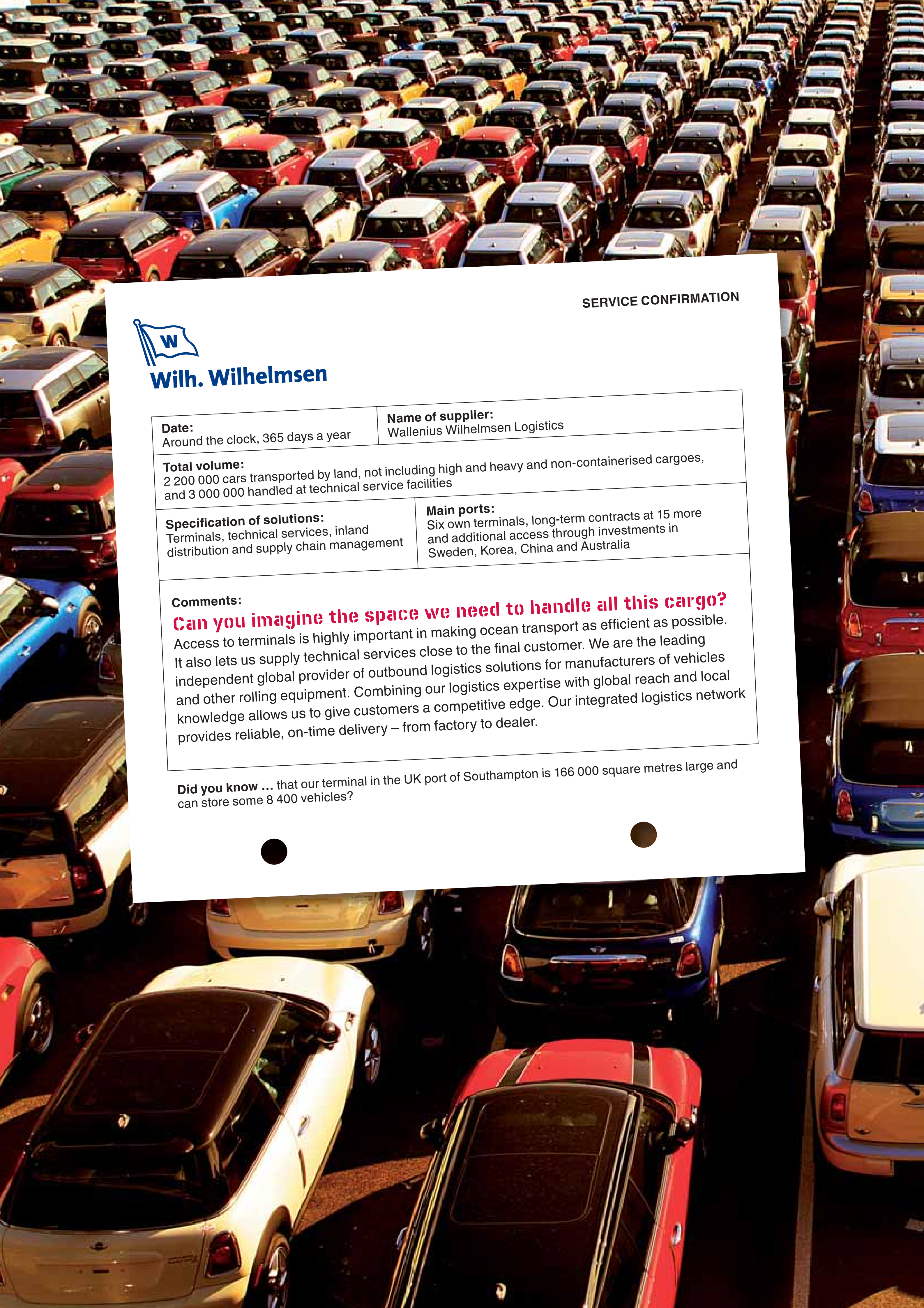
BENEDICTE BAKKE AGERUP
group vice president strategy
and innovation

WALLENIUS WILHELMSEN LOGISTICS
Arild B Iversen
president and CEO
(owned50%)

EUKOR CAR CARRIERS
Jan Eyvin Wang
president and CEO
(owned 40%)

AMERICAN ROLL-ON ROLL-OFF CARRIER
Ray Ebeling
president and CEO
(owned 50%)

FOR A PRESENTATION OF THE COMPANY STRUCTURE > SEE PAGES 110-115



SERVICE CONFIRMATION

Wilh. Wilhelmsen

Date:
Around the clock, 365 days a year

Name of supplier:
Wallenius Wilhelmsen Logistics

Total volume:
2 200 000 cars transported by land, not including high and heavy and non-containerised cargoes, and 3 000 000 handled at technical service facilities

Specification of solutions:
Terminals, technical services, inland distribution and supply chain management

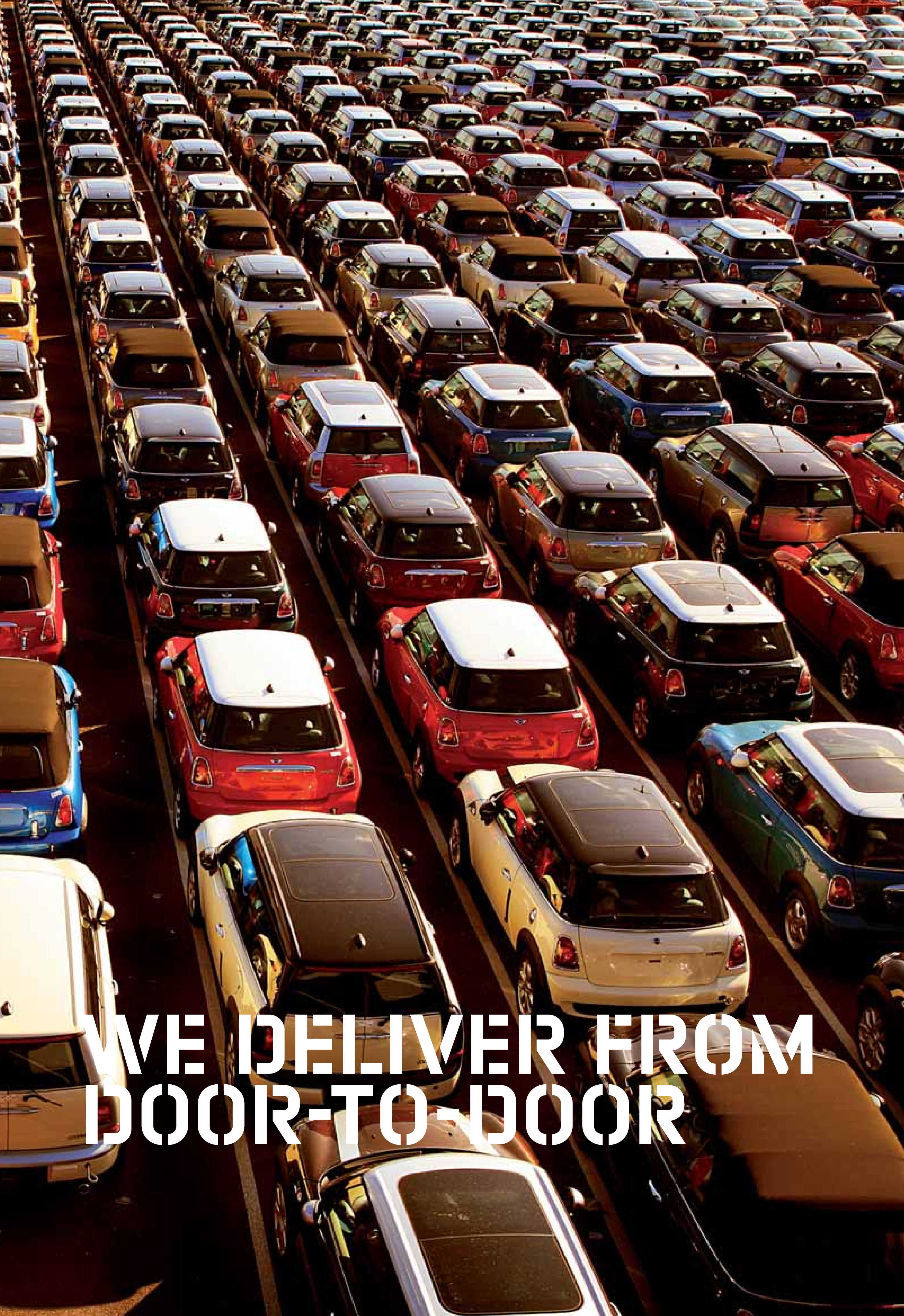
Main ports:
Six own terminals, long-term contracts at 15 more and additional access through investments in Sweden, Korea, China and Australia

Comments:

Can you imagine the space we need to handle all this cargo?

Access to terminals is highly important in making ocean transport as efficient as possible. It also lets us supply technical services close to the final customer. We are the leading independent global provider of outbound logistics solutions for manufacturers of vehicles and other rolling equipment. Combining our logistics expertise with global reach and local knowledge allows us to give customers a competitive edge. Our integrated logistics network provides reliable, on-time delivery – from factory to dealer.

Did you know … that our terminal in the UK port of Southampton is 166 000 square metres large and can store some 8 400 vehicles?



WE DELIVER FROM DOOR-TO-DOOR

DIRECTORS' REPORT FOR 2007

INTRODUCTION

The Wilh. Wilhelmsen (WW) maritime industry group achieved a net operating profit of USD 266 million for 2007 (2006: USD 368 million), according to the management report. Adjusted for special items, net operating profit came to USD 248 million (2006: USD 245 million). The result after tax came to USD 7 million (2006: USD 230 million), primarily influenced by a change in the Norwegian tonnage tax system. Due to the changes, the group made a provision for deferred tax of USD 208 million in the accounts.

Dedicated and competent employees in all parts of the organisation have contributed to the results.

The result was also a consequence of:

- strong markets and good cargo availability with high fleet utilisation
- ballast voyages and landbridging
- bunker prices at an all-time high
- bunker adjustment factors (BAFs) in freight contracts with all main customers, except for EUKOR's contract with HMC/KMC
- high capacity utilisation in terminals and technical service facilities
- a strong sales performance for the maritime services segment
- a weak USD, which particularly affected income for maritime services.

WW's vision is to be the leading global supplier of maritime services.

The largest business for the WW group is ocean transport in the rolling cargo segment. An extensive newbuilding programme is being pursued to secure the group's leading position and to meet requirements in a growing market.

In addition, WW works systematically and strategically to develop both logistics and maritime services.

Supplying customers with a chain of logistics services to enhance the efficiency of ocean transport will intensify in the future. A global presence through the world's largest maritime service network, combined with vast knowledge and experience, puts the WW group in a position to shape the maritime service industry.

Ocean transport now accounts for around 60% of the group's total operating income, while logistics and

WW's world

Global network of shipping, logistics and maritime services. Head office in Oslo, Norway.

New Norwegain tonnage tax system

The result after tax, which came to USD 7 million, and was primarily influenced by a change in the Norwegian tonnage tax system. Due to the changes, the group made a provision for deferred tax of USD 208 million in the accounts.

USD 266 million

The WW group achived a net operating profit of USD 266 million in 2007.

Strategies

WW works systematically and strategically to develop its business. It has been a goal for the group to secure a better balance between its three business segments – shipping, logistics and maritime services - which the group sees developing in the right direction.

maritime services make up some 40%. It has been a goal for the group to secure a better balance between its business segments, which the group sees developing in the right direction.

Accepting social responsibility and reducing the environmental impact of the group's business have a high priority. Establishing Yarwil, a joint venture with Yara International, is one example of commitment to innovation and environment. During 2008, Yarwil will be able to deliver a system which eliminates up to 95% of nitrogen oxide emissions from vessels.

WW is listed on the Oslo Stock Exchange. Its head office at Lysaker in Norway ranks as one of the country's foremost centres of international maritime expertise.

Globally, the group has some 14 000 employees in wholly-owned subsidiaries and employs some 18 800 people when joint ventures are included. WW's wholly-owned subsidiaries have more than 330 offices in 72 countries. When joint ventures are added, these figures rise to almost 450 and 75 respectively.

ANNUAL GROUP ACCOUNTS

The annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles described in this annual report. See page 30-36.

WW's official accounts for 2007 show a net operating profit of USD 240 million, down by approximately 18% from USD 294 million the year before. Comparative figures for 2006 are hereafter shown in brackets. High costs related to chartered tonnage as well as high bunker prices and a weak USD had a negative effect. WW also divested its holding in Dockwise during 2006, which made a positive one-off contribution of USD 83.1 million to the results for that year.

According to the official accounts, the group's operating income totalled USD 1.1 billion (USD 975 million).

Net financial expenses in the official accounts came to USD 12 million (USD 21 million).

Altogether, this gave the WW group a profit before tax of USD 228 million (USD 273 million). The profit after tax came to USD 7 million (USD 230 million). Changes to the Norwegian tonnage tax regime had a negative impact on the WW group's results for 2007. Provision for deferred tax related to the changes is estimated at USD 208 million.

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.

CAPITAL AND FINANCE

WW was influenced by a volatile year for capital markets, characterised by big fluctuations in interest rates and exchange rates.

Reduced debt

WW sold its holding in Express Offshore Transport in 2007, yielding a net gain of USD 17 million.

No major vessel financings occurred during 2007.

Wilhelmsen Maritime Services (WMS) concluded an agreement with Sweden's Callenberg group which has been financed in the bank market by a revolving facility of USD 100 million. The loan was drawn in the first quarter of 2008, and did not affect the company's debt position in 2007.

The group's interest bearing debt was reduced by USD 100 million in 2007 to USD 1.1 billion.

Interest rates

Credit market challenges, falling real property prices and slower growth in the USA meant that the Federal Funds interest rates peaked at 5.25% before falling to 4.25% towards the end of 2007. Rates are not expected to recover until the end of 2008.

Total interest payments rose as a result of higher interest rates and a weakening in the USD. Interest rate hedging remained at about 55% throughout the year. The interest hedging contracts had a negative market value of roughly USD 13.8 million at 31 December.

Weak USD

WW's major currency exposure is USD against Norwegian kroner (NOK). The USD has depreciated from around NOK 6.20 to about NOK 5.40 during 2007, a decline of roughly 13%. However, WW has put a four-year declining currency hedge programme in place which has partly compensated for the fall in the USD. The currency hedge had a positive value of USD 19 million at 31 December. Exposure to other currencies, such as the JPY and the EUR, is hedged on an ad hoc basis if and when this is considered necessary.

Bond market and liquid assets

Activity in the Norwegian bond market was relatively modest during 2007, reflecting a reduced need for funding. Outstanding certificates and bonds totalled some USD 340 million at 31 December (USD 400 million).

Liquid assets were USD 415 million at 31 December (USD 377 million). Undrawn committed drawing rights totalled USD 310 million (USD 201 million), of which USD 28 million (USD 83 million) functioned as backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.

Part of the group's liquidity is managed through investments in various asset classes. The group was underweighted during 2007 in equities and overweighted in bonds and money market instruments. The total return on the portfolio was about 8% (roughly 17%), corresponding to approximately USD 10 million (USD 20 million).

Rating

WW maintained a BBB- investment grade rating from key players in the market, despite the effects of changes to the Norwegian tonnage tax regime.

Bunkers

In 2007, historically high bunker prices contributed to increased operational costs.

The WW's bunker strategy is to secure BAF clauses in all freight contracts. Its exposure was higher during 2007 compared with the year before, owing to the lack of a BAF agreement at EUKOR. A new agreement secured during 2007 became effective at 1 January 2008. BAF agreements are in place for most of Wallenius Wilhelmsen Logistics' customers as well as for all EUKOR's non HMC/KMC customers.

About 45% of the roughly 950 000 tonnes of bunkers consumed in 2007 by WW's share of the operating fleets, was secured through BAF clauses. The low coverage is a consequence of the lacking BAF agreement with HMC/KMC. Some 5% was secured through the derivative market.

During 2008, the group will continuously asses the need for additional hedging to supplement BAF clauses in freight contracts.

Dividend

The annual general meeting in May 2007 and an extraordinary meeting in November 2007 resolved to make dividend payments totalling NOK 9.00 per share for 2007.

In line with the group's dividend policy, the board has proposed a payment of NOK 5.5 per share in May 2008.

The group owned 6.3% of its own shares at 31 December (3.8%). The management is mandated to buy back up to 10% of issued stocks.

ALLOCATION OF PROFIT

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

Parent company accounts (USD mill)	
Net profit	261
Dividend	(49)
Fund	(32)
Other equity	(180)
Total allocations	(261)

The board proposes that the parent company contributes shares in Wilhelmsen Lines Shipowning AS and Wilhelmsen Shipping AS to a total value of USD 287 223 000 as a group contribution to Wilhelmsen Lines AS. This group contribution is provided without tax effect and will represent an investment in the subsidiaries.

Distributable equity in the parent company was USD 285 million at 31 December.

SEGMENT REPORTING

Figures in the segment presentations below are taken from the management report, which provides a better reflection of the WW group's underlying operations than the official accounts. The former utilises proportional consolidation for group activities pursued through joint ventures,

Dividend policy

WW's goal is to provide its shareholders with a high return over time through a combination of rising value for its shares and payment of dividend. Subject to the results achieved and future investment requirements, one objective is a steady rise in dividend over time. Following the practice of recent years, a dividend was paid twice in 2007.

Market share

With a market share of approximately 27%, the WW group and its partners are the leading global operator in the roll-on roll-off cargo segment.

The operating companies moved

5.3 mill

cars by sea in 2007, not counting high and heavy and non-containerised cargoes.

Operating companies

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

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

and reflects WW share of these partnerships. Hence, it provides more detailed information on the total financial results achieved by the group through its various joint ventures. The same accounting principles are applied in both management report and official accounts, and comply with the International Financial Reporting Standards (IFRS).

TIGHT OCEAN TRANSPORT MARKET

A strong freight market, with high volumes of cars, high and heavy and non-containerised cargoes, characterised 2007. Large cargo availability combined with limited tonnage supply led to high capacity utilisation for the WW fleet. The downside of the tight market was high marginal costs in terms of expensive charter solutions, transhipment costs, ballast voyages and landbridging. Lack of necessary tonnage capacity made it challenging to lift available cargo. The price of bunkers also reached record levels, which put additional pressure on operating margins.

Revenue performance for the group's shipping segment reached an all-time high. Operating results were in line with 2006 after adjusting for the lack of BAF clauses in EUKOR's freight contract with HMC/KMC.

Operating income for the shipping segment in 2007 was USD 1.7 billion (USD 1.4 billion), while net operating profit came to USD 189.6 million (USD 241.2 million). Profit before taxes was USD 148.6 million (USD 153.7 million).

In line with the group's strategy of developing door-to-door services, WW continued to link sea transport with logistics services. The operating companies moved 5.3 million cars by sea and two million on land during 2007. WW will continue to expand door-to-door services for its main customers.

OPERATING COMPANIES

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

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

With a market share of approximately 27%, the WW group and its partners are the leading global operator in the roll-on roll-off cargo segment.

Wallenius Wilhelmsen Logistics (WWL) recorded good results in 2007. Volumes were strong in all main trades, and particularly from Asia to Europe with large volumes for cars as well as for high and heavy cargo.

The Asia to North America trade was strong, and still required landbridging (overland transport from the US west to east coasts) to ensure available tonnage back to Asia. However, exports of high and heavy equipment to North America were somewhat down from 2006 owing to the slowdown in the US construction market. WWL handled this by allocating available tonnage to the Asia-to-Europe trade.

Volumes in the Europe to Oceania trade remained at a high level.

In the Atlantic trade, the eastbound leg showed a good performance owing to high demand in Europe and the favourable exchange rate. The westbound leg was negatively affected for shipments of high and heavy cargo by the slowdown in the US construction market. Car volumes were stable.

The overall tight market for WWL prevented full exploration of opportunities in emerging markets, but this will be rectified once greater flexibility and more tonnage are available.

EUKOR Car Carriers experienced declining volumes from Korea during the first few months of the year owing to strikes at Hyundai Motor Corporation (HMC)/Kia Motors Corporation (KMC) factories. Car volumes picked up late in the first quarter and during the second quarter, and kept fleet utilisation at a high level. Total volumes from HMC/KMC at the end of the year were much in line with expectations for 2007.

Lack of a BAF clause exposed EUKOR to rising bunker prices, leading to weak results towards the end of the year. However, a new BAF clause was secured with effect from 1 January 2008.

A favourable cargo mix, with fewer cars and more high and heavy cargo, had a positive effect on the EUKOR results.

American Roll-on Roll-off Carrier (ARC) achieved good and stable results in 2007. The company operates eight ships under the US flag and primarily carries cargo for the American government. Five vessels operate in the Europe to North America trade and three in the Middle East trade. In the Atlantic trade, ARC has a space agreement with WWL for the transport of commercial cargo.

TONNAGE POSITION

The newbuilding market continued to strengthen during 2007, leading to record prices and lead times.

In line with the strategy of securing its leading position in the roll-on roll-off cargo segment, the group is pursuing an extensive newbuilding programme. The main focus throughout 2007 was on renewing the ro-ro fleet and on seeking opportunities to build large car and truck carriers (LCTCs) with a capacity of 8 000 cars.

In January 2008, WW and its Swedish partner, Wallenius Lines, formally signed a contract with Mitsubishi Heavy Industries to build four new ro-ro vessels. These will be the world's largest of their kind and are scheduled to join the WWL fleet in 2011-12.

In February 2008, WW and Wallenius agreed to build eight new large car and truck carriers (LCTC), four at Hyundai Heavy Industries and four at Daewoo Shipbuilding and Marine Enginering. The vessels will be deployed in the WWL fleet in 2011 and 2012.

Nine new vessels were delivered during 2007. All have joined the WWL and EUKOR fleets.

WW and its partners will remain active in the newbuilding market. The order book for the operating companies at March 2008 totalled 45 new vessels for delivery from 2008 to 2012, of which 12 are for WW's account.

Including the newbuilding programme, WW and its partners will have some 200 vessels in their operating fleets.

WW both owns and charters tonnage. The three operating companies controlled a total of 160 ships in March 2008 (150). Of these, WWL had 60 (59), EUKOR 92 (83) and ARC eight (eight). See the fleet list on page 116 for further information.

In legal terms, the vessels wholly or partly owned by WW are organised in the wholly owned shipowning companies Wilhelmsen Shipping, Wilhelmsen Lines, Wilhelmsen Lines Shipowning and Wilhelmsen Lines Car Carriers, and in the Mark 1 Shipping and Fidelio Limited Partnership companies, both owned 50% by WW. EUKOR also owns vessels. For more detailed information, see the company structure on pages 110-115.

OTHER SHIPPING ACTIVITIES

The other shipping segment embraces the operations of Wilhelmsen Offshore & Chartering (WOC).

In line with a strategy of focusing on the core business, WOC divested its 24% share of Dockwise during 2006, and sold its 50% stake in Express Offshore Transport (EOT) in July 2007. Dockwise contributed a sales gain of USD 83.1 million to WW's results in 2006, while WW recorded a sales gain before tax of USD 17 million from the EOT sale in 2007 and a sales gain before tax of USD 9.5 million in 2006, related to the establishement of the EOT joint venture.

After these divestments, the remaining activity in WOC is the agreement with Sea Launch covering transport of rockets and rocket fuel from Ukraine to the US west coast. Only one voyage was conducted during 2007, owing to a launch failure at the beginning of the year. With effect from 1 January 2008, the operation has been transferred to Wilhelmsen Maritime Services.

Through Wilhelmsen Lines Shipowning AS, WW acquired a 21.5% share of Eidsiva Rederi in April 2007 at a cost of USD 16.2 million. Eidsiva is an important indirect provider of tonnage to WW, with all its nine car carriers on charter to WWL and EUKOR. Figures for Eidsiva are included one quarter in arrears, because Eidsiva is listed on the Oslo Stock Exchange and has a different financial calendar.

INTEGRATED LOGISTICS SERVICES

Demand for complete logistics services is growing in the markets in which WW operates. In line with the group's long-term strategy, a global door-to-door transport system has been developed. This system includes both ocean transport and land-based logistics services "from factory to dealer".

Complete logistics services provide ocean transport customers with an improved overall transport and service solution. Value-adding logistics services are important elements in establishing and developing long-term relationships with the group's ocean transport customers. The expertise and capacity required to provide such solutions strengthen the ocean transport business and differentiate the WW group in the market.

WW's network of logistics activities is being developed in line with customer requirements. Investments in the logistics area are made in activities which relate directly to ocean transport opportunities, primarily terminals and technical services. WW will reinforce and further develop its position in shipping and logistics by consolidating its share of mature markets and by expanding in less developed ones, such as Thailand, India, South Africa and China.

The logistics segment showed a net operating profit of USD 40 million (loss of USD 5.6 million). Operating income in 2007 totalled USD 250.9 million (USD 386.2 million). The decline in income primarily reflected the withdrawal from French logistics company Global Automotive Logistics/Compagnie d'Affrètement et de Transport (CAT/GAL) in 2006. Adjusted for special items, the net operating profit increased by USD 14.8 million from 2006. For the year as a whole, profit before tax was USD 40.9 million (loss of USD 7.3 million).

Results for the logistics segment were significantly better in 2007 than the year before, mainly owing to:

- high capacity utilisation in terminals and technical service facilities
- expansion by Korean logistics company Glovis
- last year's USD 25 million write-down of CAT/GAL and deconsoli-

dation of CAT from WW's accounts with effect from 30 June 2006.

Results from inland distribution and supply chain management were in line with expectations, while terminals and technical services yielded better results than expected due to high capacity utilisation.

STRATEGIC INVESTMENTS IN TERMINALS

A significant proportion of the WW group's logistics services are offered through WWL, which pursues extensive logistics operations in Europe, North and Central America, Asia and Oceania. WWL supports WW's strategy of developing a global network of logistics services which meet the demands of ocean transport customers.

During 2007, WWL consolidated its terminal investments in a dedicated subsidiary, Wallenius Wilhelmsen Terminals Holding. This provides an improved basis for further expansion in terminal investments and operations.

In addition to the terminals mentioned in the fact box (right), WWL also has long-term contracts to use a number of strategically important terminals: Port Elizabeth in South Africa, Auckland in New Zealand, Laem Chabang in Thailand, Pyungtaek in South Korea, Singapore, Manzanillo in Mexico, Los Angeles on the US west coast, Savannah, Galveston, Tampa and Jacksonville on the US east coast, Santos and Rio Grande in Brazil, Liverpool in the UK, Bremerhaven in Germany, and Vancouver-Annacis and Halifax in Canada.

WW acquired 22.5% of the Kaplan consortium which pursues various terminal and stevedoring activities in Australia during 2007. This represented an important step, which will improve terminal access and priority for the group's vessels trading in all major Australian ports. The AUD 37 million investment also extended and enhanced WW's presence in the Australian market. Figures from the consortium were included in the WW accounts with effect from May 2007. Accounting figures are included in the WW accounts one quarter in arrears.

OTHER LOGISTICS PROVIDERS

WW owns 50% of American Auto Logistics (AAL) and American Logistics Network (ALN). These US companies deliver door-to-door logistics services, including storage of private vehicles and other property, for American military personnel and government employees stationed abroad. AAL and ALN again delivered good and stable results, roughly on a par with 2006.

Glovis (owned 20% by WW) reported significantly higher revenues and operating results in the first half of 2007 compared with the same period of 2006. The increase in revenues was particularly high for car part kits (CKD – Completely Knocked Down) for assembly overseas and for second-hand car services.

As the main supplier of global logistics services to EUKOR's main customers, HMC and KMC, Glovis benefits from the expansion of these two companies outside Korea. Such growth in Europe, the USA and China has been particularly significant.

SHAPING THE MARITIME SERVICES INDUSTRY

WW's strategy of becoming a leading global provider of maritime services led to the establishment of Wilhelmsen Maritime Services (WMS) in 2005. This approach has proved effective, and WMS is contributing a steadily larger proportion of the group's income.

The market for maritime services has developed in line with that for

Tonnage position

Including the newbuilding programme, WW and its partners have some 200 car carriers and ro-ro vessels.

200 vessels

Logistics services include:

- terminal services: ensuring quick and efficient cargo handling
- technical services: readying and outfitting vehicles as well as providing quality control before delivery
- inland transport management: managing transport by road, rail or smaller vesels
- supply chain management for vehicles: providing complete management of consignments from factory to dealer

Logistics operations

Significant logistics operations are conducted at six terminals in Baltimore and Brunswick on the US east coast, Port Hueneme on the US west coast, Zeebrugge in Belgium, Southampton in the UK and Kotka in Finland. WWL has also made an investment at Tianjian in China, a key automotive and ro-ro port. Additional investments in other strategic Chinese ports are being pursued.

EUKOR's interests in Wallhamn, Sweden and Pyongtaek, South Korea, also secure WW terminal access.

shipping in recent years, with the strongest growth in Asia. This is a highly fragmented sector, where few players are able to offer products and services on a worldwide scale. At the same time, shipowners and vessel managers increasingly want to deal with a smaller number of suppliers and are seeking a new breed of providers capable of delivering added value to their supply chains. With an unparalleled global network providing services to some 20 000 vessels and more than 200 shipyards every year, WMS differentiates itself from other players in the market. Through its size and expertise, the company is positioned to shape the dynamics of its industry to the benefit of customers.

Net operating profit for 2007 came to USD 50.8 million (USD 49 million). Operating income was USD 707.3 million (USD 587.8 million). Profit before tax reached USD 44.4 million (USD 42 million).

These results were influenced by a strong sales performance, which was offset by the weakened USD. The segment receives the bulk of its income in USD while incurring its expenses in other currencies. The weakening of the USD accordingly had a negative impact on the segment's result.

FOUR BUSINESS AREAS

As the largest business area in WMS, *Wilhelmsen Ships Service* offers marine products, technical service, ship agency services and logistics to the merchant fleet. Able to serve its customers in 2 200 ports in 115 countries, Wilhelmsen Ships Service has the largest global maritime network in the industry. It works with customers through supply agreements ranging in duration from one to five years, making it possible to offer solutions tailored to a customer's unique requirements.

The ships service business serves an expanding merchant fleet and has increased its share of this growing market.

Wilhelmsen Ship Management is one of the world's largest providers of third-party ship management services and has solutions for all major vessel types.

Through its global crew sourcing network, Wilhelmsen Ship Management is well positioned to handle the challenges posed by the predicted shortage of qualified officers in the years to come.

Wilhelmsen Ships Equipment comprises Wilhelmsen Marine Systems, TI Marine Contracting and Yarwil.

It delivers safety and environmental systems to the newbuilding and retrofit sectors of the marine and offshore markets.

TI Marine Contracting specialises in low-temperature cargo tank insulation for liquefied natural gas and liquefied petroleum gas carriers, and in insulation for land-based gas pipelines.

Yarwil, the joint venture established between Yara International and WMS in August 2007, will industrialise a solution to remove more than 95% of nitrogen oxide emissions from ships. This will contribute to a cleaner environment and provide a good supplement to the WMS range.

Under an exclusive distribution agree-ment signed in October 2007, WMS will offer sulphur oxide and particle scrubber systems from BP's partly-owned Krystallon to the marine sector.

Focusing on newbuildings and retrofits, this business area is benefiting from positive developments in the newbuilding sector.

A stronger WW identity

With effect from 1 January 2008, WMS has consolidated its leading market brands under one name and one flag. To strengthen the group's corporate identity even further, the following business areas have changed their names:

- Wilhelmsen Ships Service (previously Barwil Unitor Ships Service)
- Wilhelmsen Ship Management (previously Barber Ship Management)
- Wilhelmsen Ships Equipment (previously Unitor Ships Equipment)
- Wilhelmsen Marine Engineering (previously Callenberg group).

Four business areas

1 Wilhelmsen Ships Service offers products, technical services, ship agency and logistics to the merchant fleet.

2 Wilhelmsen Ship Management is one of the world's largest providers of third-party ship management services, and offers solutions for all major vessel types.

3 Wilhelmsen Ships Equipment delivers safety and environmental systems to the newbuilding and retrofit sectors of the marine and offshore markets.

4 Wilhelmsen Marine Engineering, is one of the leading suppliers of electrical, automation and heating, ventilation and air conditioning (HVAC) systems to the marine and offshore markets.

As part of its long-term strategy to become the shaper of the maritime service industry, WMS added the Callenberg group to its portfolio of maritime service companies under an agreement to acquire this company in October 2007. Callenberg is one of the leading independent suppliers of electrical, automation, and heating, ventilation and air conditioning (HVAC) systems to the marine and offshore markets.

Its acquisition was finalised in February 2008, and the company has been renamed *Wilhelmsen Marine Engineering*.

The acquisition provides a real example of the way growth and innovation can be combined. Studies show that, while most innovation over the past decade has been aimed at improving product performance, the rate of return on this activity in the same period was highest when it related to the innovator's business model, network and alliances.

SOCIAL RESPONSIBILITY

In accepting its social responsibility, the WW group's most important contribution is to conduct its business profitably and in accordance with the international and national regulations which govern its operations and behaviour. That creates value for society.

Social responsibility in the WW group covers financial performance, the working environment and occupational health, security, the natural environment, and initiatives aimed at the local communities in which the WW group conducts its business.

Working environment and occupational health

The group has one working environment committee with 10 members and the same number of alternates, covering parent company WW ASA and wholly-owned WMS AS. The membership represents all the wholly-owned companies at the WW group's head office. In addition to the appointed and elected members, meetings are attended by the company medical officer and a representative from the human resources department, who have the right to speak but not to vote.

The working environment committee held four meetings during the year.

Four meetings were held during 2007 by the committee for industrial democracy in foreign trade shipping, on which the employees were represented.

WW gives weight to developing a good and inspiring working environment both at sea and on land. Employees make active efforts to comply with the group's values, which are customer-centred, stewardship, empowerment, teaming and collaboration, and learning and innovation. For more information, see page 4.

Training and organisational development are actively pursued by the group. The aim is to motivate personnel and to safeguard the group's adaptability and market position.

Job reviews and climate surveys are conducted regularly to measure job satisfaction among employees. In addition, 360-degree performance assessments were conducted with senior executives in 2007. The group supplies coaching, and both individuals and teams have taken advantage of this.

The group's own educational institution, the WW Academy, organises business-related programmes and management courses for multicultural groups of learners. Around 350 employees completed courses organised by the WW Academy in 2007.

Equal opportunities for women and men are a clear policy. However, male and female representation inthe industry's recruitment base is unequal.

A positive trend can be seen in the recruitment of more women to the group. Women accounted for 42% (40%) of the 575 (574) employees in Norway at 31 December. WWL also had 143 employees in Norway (143), of whom 38% (35%) were women. The proportion of women in senior positions is continuing to rise.

Two of the five directors on the board of WW ASA are female, which complied with the legal requirement pursuant to the Norwegian Public Limited Companies Act for a minimum of 40% women directors at 1 January 2008.

Two of the nine group vice presidents on the corporate management team of parent company WW ASA are female.

Leif T Løddesøl stepped down as deputy chair of the board and was replaced by Diderik Schnitler. Sjur Galtung, alternate, also stepped down from the board.

WW practised a system of performance related bonuses in the group for the sixth year in a row. This is intended to be one of several instruments for focusing attention on the group's strategies, in which innovation, motivation and profitability are key elements.

Average sickness absence among employees in wholly-owned subsidiaries located at head office was 2.71% (3%). No injuries were reported on land during the year.

Occupational injuries on the ships are recorded in accordance with an international standard for the maritime industry. An injury which keeps the

UN Global Compact

WWL participates in and supports the UN Global Compact programme. This seeks to promote responsible corporate citizenship by advancing 10 universal principles in the areas of human rights, labour nights, the environment and anti-corruption.

Awards

WWL has received several awards for its environmental engagement, including the Thor Heyerdahl International Environmental Award in June 2007.

WW Academy

Established in 1999, the WW Academy is the WW group's strategic educational institution. It tailors learning and development programmes which help to ensure that employees can reach WW's commercial goals and satisfy customer requirements. Investing in human capital is regarded as a strategic competitive advantage, based on the conviction that companies and businesses with the ablest people are those which will succeed in the future.

The WW Academy holds courses in such centres as Oslo (Norway), Zeebrugge (Belgium), Zeist (the Netherlands), Baltimore (the USA), Dubai, Singapore and Kuala Lumpur (Malaysia).

victim off work on the following day is registered as an incident and measured per million working hours. A total of four work-related incidents were recorded on vessels owned and controlled by WW and managed by Wilhelmsen Ship Management in 2007. This yielded a lost-time injury frequency of 1.7, slightly above the overall target of 1.5. The average on vessels managed by Wilhelmsen Ship Management was 1.54.

WW works continuously with safety and has developed a programme on the ships called Aim for Number One as part of these efforts. The object is to increase the focus on shipboard safety and safety culture.

One fatality was recorded in Wilhelmsen Ship Management. This incident is regrettable, and routines are being reviewed to prevent a recurrence. The ship on which the fatal accident occurred is not part of the WW group fleets.

Natural environment

Climate change represents one of the biggest challenges facing the world community. Although shipping is regarded as the most environment-friendly way to transport commodities, it is important for the industry to contribute to overcoming environment-related challenges.

The WW group's ambition is to be a leader in environmentally-adapted shipping. Its goal is to do more than simply comply with all requirements and standards, and thereby ensure that its business activities pollute less than international regulations require.

During 2007, the group's environmental efforts focused on:

- reducing bunkers consumption
- using bunkers with a sulphur content substantially below the industry standard
- improved voyage planning
- hull treatment
- ballast water treatment systems
- newbuilding design
- systems for reducing nitrogen oxide emissions (Yarwil)
- waste treatment

WW has forged partnerships with companies inside and outside the industry, non-governmental organisations and leading educational institutions to make sure it is on top of environment-related issues. The group also supports the work being done to develop international regulations through the UN's International Maritime Organisation (IMO).

The group works actively on preventive environmental measures. Studies of the environmental impact of its operations and businesses are carried out regularly in order to identify measures which can reduce possible negative effects.

Extensive contingency planning is pursued by WW to handle possible pollution incidents. This includes training, preventive measures, crisis management and regular exercises.

See pages 74-87 for further details regarding WW's environmental challenges, achivements and solutions.

Security

Involvement in global operations means that WW must manage increasingly complex threats in order to maintain a sustainable business.

It has resolved to cooperate more closely with Wallenius Line/Soya Group in Stockholm on pooling security expertise, experience and resources. This is based on common policies and guidelines through a corporate security forum for the maritime sector, in which each relevant subsidiary and affiliated company participates.

Security on board ships and at port facilities under WW's control is based on full compliance with all the provisions of the International Ship and Port Facility Security (ISPS) code and the Safety of Life at Sea (Solas) convention.

Community engagement

The various offices in the WW group are actively involved in their local communities through collaboration agreements with a number of voluntary organisations.

Corporate governance and ethical guidelines

The WW group complies with the Norwegian code of practice for corporate governance. For more information, see pages 98-103.

Its corporate culture is based on core values and ethical guidelines which apply to all employees.

WW 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. Corruption and unethical behaviour are unacceptable and will have consequences.

POLITICAL FRAMEWORK

The introduction of the new Norwegian tonnage tax regime, which was approved by the Storting (parliament) in December 2007, forces Norwegian shipowning companies out of the previous system. Shipping companies must therefore decide whether they want to enter the new scheme.

WW is likely to reject the new tax regime for most of its previously tonnage-taxed activities. A final decision on the choice of tax regime will be taken when it submits its tax return, which is due at the end of May. The group had 17 ships in the former Norwegian tonnage tax system.

No plans exist to move the group's head office from its current location at Lysaker outside Oslo.

The group has previously warned that the Storting's changes to the Norwegian tonnage tax regime would have negative accounting consequences for its 2007 results. In this connection, it has made a provision of USD 208 million for deferred tax in the accounts.

PROSPECTS

WW and its partners will continue to reinforce their position as the leading players in their shipping niche, and to develop their involvement with logistics and maritime services.

Forecast growth in all cargo categories means that the tonnage position will remain tight. WW will therefore continue to pursue an active newbuilding programme. The logistics segment will be further developed and strengthened to support WW's core ocean transport business. A high level of activity in the world's merchant fleet and in the newbuilding market is expected to yield good results in the maritime services segment.

The main growth areas are expected to be in developing markets such as Asia, eastern Europe and the Middle East. WW expects bunkers prices to remain high and the USD to stay weak. This will affect future results.

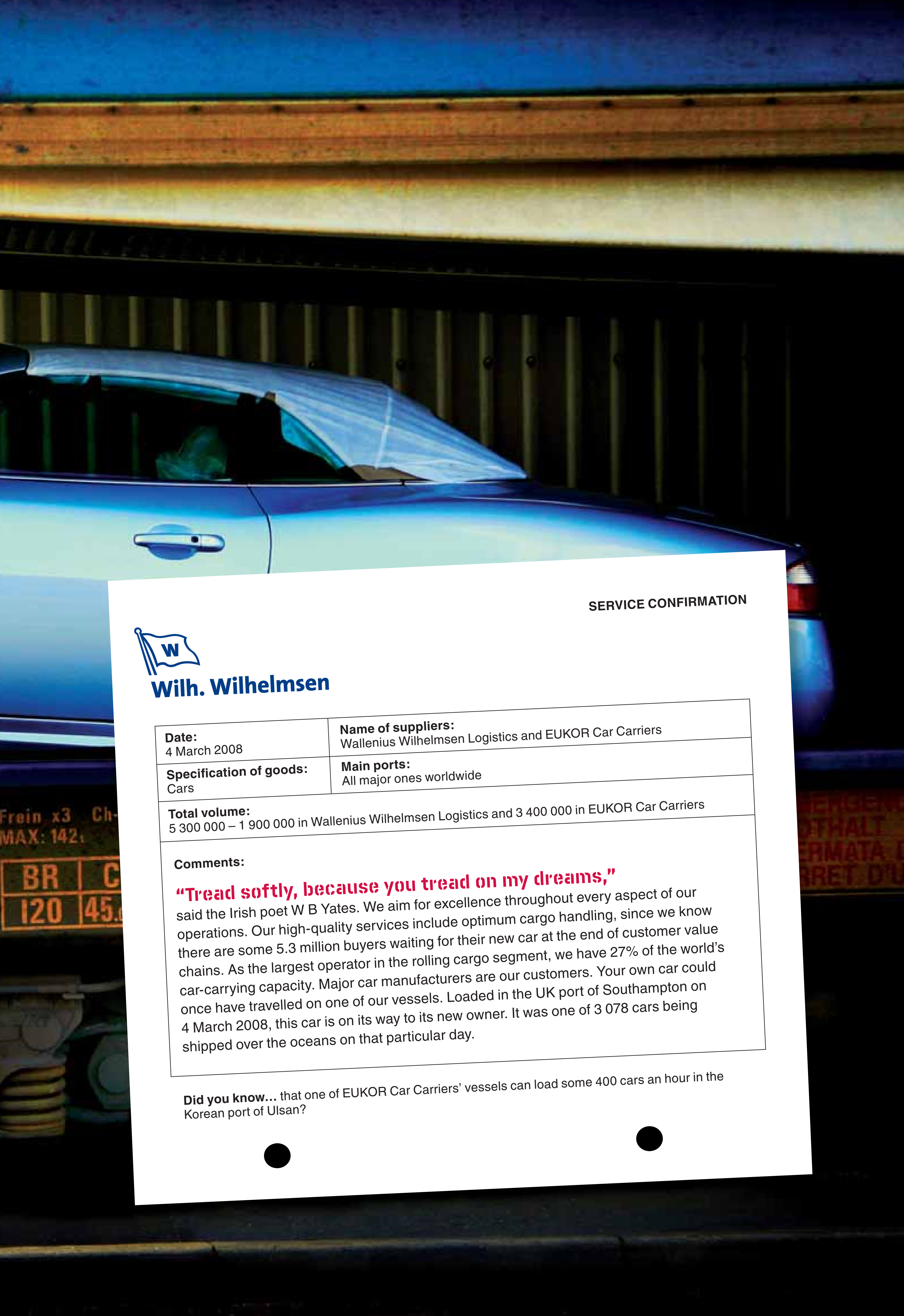
The board would express its thanks to customers and employees who have contributed to substantial value creationg by WW.

The WW board expects an operating result for 2008 which is on a par with or better than 2007.

Lysaker, 12 March 2008
The board of directors of Wilh. Wilhelmsen ASA

Wilhelm Wilhelmsen chair	Diderik Schnitler deputy chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Ingar Skaug group CEO

WE DELIVER DREAMS



SERVICE CONFIRMATION

Wilh. Wilhelmsen

Date: 4 March 2008	**Name of suppliers:** Wallenius Wilhelmsen Logistics and EUKOR Car Carriers
Specification of goods: Cars	**Main ports:** All major ones worldwide
Total volume: 5 300 000 – 1 900 000 in Wallenius Wilhelmsen Logistics and 3 400 000 in EUKOR Car Carriers	

Comments:

"Tread softly, because you tread on my dreams," said the Irish poet W B Yates. We aim for excellence throughout every aspect of our operations. Our high-quality services include optimum cargo handling, since we know there are some 5.3 million buyers waiting for their new car at the end of customer value chains. As the largest operator in the rolling cargo segment, we have 27% of the world's car-carrying capacity. Major car manufacturers are our customers. Your own car could once have travelled on one of our vessels. Loaded in the UK port of Southampton on 4 March 2008, this car is on its way to its new owner. It was one of 3 078 cars being shipped over the oceans on that particular day.

Did you know… that one of EUKOR Car Carriers' vessels can load some 400 cars an hour in the Korean port of Ulsan?

USD mill	Note	2007	2006	2005
Operating revenue	1	**983**	831	577
Other income				
Share of profits from associates and joint ventures	2/3	**80**	59	104
Gain on sale of assets	1	**18**	85	10
Total operating income		**1 080**	975	691
Operating expenses				
Voyage expenses				(3)
Vessel expenses	1	**(47)**	(39)	(35)
Charter expenses		**(21)**	(4)	(5)
Material cost		**(310)**	(247)	(104)
Pay and remuneration	4	**(279)**	(229)	(188)
Other expenses	1	**(119)**	(107)	(94)
Depreciation and write-downs	5	**(63)**	(54)	(56)
Total operating expenses		**(840)**	(681)	(485)
Net operating profit		**240**	294	206
Net financials	1	**(12)**	(21)	(5)
Profit/(loss) before tax		**228**	273	201
Tax	6	**(221)**	(43)	(10)
Net profit/(loss)		**7**	230	191
Of which: minority interests		**4**	3	3
majority interest		**3**	227	188
Earnings per share (USD)		**0.07**	4.73	3.91
Diluted earnings per share (USD)		**0.07**	4.72	3.92

BALANCE SHEET > WILH. WILHELMSEN GROUP

USD mill	Note	31.12.2007	31.12.2006	31.12.2005
ASSETS				
Fixed assets				
Deferred tax asset	6	15	44	56
Goodwill and intangible assets	5	197	171	155
Vessels, property, fixtures	5	1 134	1 098	842
Pension assets	7	3	5	5
Investments in associates and joint ventures	2/3	596	532	512
Other long-term assets	8	26	27	73
Total fixed assets		1 972	1 877	1 644
Current assets				
Inventory	9	112	91	73
Current financial investments	10	185	174	164
Other current assets	8	339	389	197
Cash and bank deposits	11	230	203	185
Total current assets		866	857	619
Total assets		2 839	2 735	2 263
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		122	126	126
Retained earnings		821	904	702
Minority interests		10	8	6
Total equity		953	1 037	834
Provisions for liabilities				
Pension liabilities	7	91	78	71
Deferred tax	6	238	62	43
Total provision for liabilities		329	140	113
Long-term liabilities				
Long-term interest-bearing debt	12/13	941	1 075	758
Other long-term liabilities		78	59	50
Total long-term liabilities		1 020	1 134	808
Current liabilities				
Tax payable	6	6	3	3
Public duties payable		18	15	14
Other current liabilities	8/12	513	405	491
Total current liabilities		537	423	508
Total equity and liabilities		2 839	2 735	2 263

Lysaker 12 March 2008

Wilhelm Wilhelmsen chair	Diderik Schnitler deputy chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Ingar Skaug group CEO

USD mill	Note	2007	2006	2005
Cash flow from operating activities				
Profit before interest and tax		**287**	321	235
Tax paid in the period		**(3)**	(3)	(3)
Interest paid in the period		**(59)**	(48)	(34)
Unrealised part of financial instruments		**(40)**	(36)	42
Loss/(gain) on sale of fixed assets			(1)	(10)
Loss/(gain) from sale of subsidiaries and other companies		**(17)**	(93)	
Depreciation and write-downs		**63**	54	56
Share of net result from associates and joint ventures		**(42)**	(6)	(49)
Difference expensed pension and premium paid		**15**	7	(2)
Changes in receivables/liabilities/bunkers		**(53)**	(15)	(66)
Change in inventories		**(21)**	(18)	
Changes in market value – trading portfolio	10	**(11)**	(10)	(40)
Change in other periodic accruals		**42**	28	30
Net cash provided by/(used in) operating activities		**161**	180	159
Cash flow from investing activities				
Proceeds from sale of fixed assets		**2**	7	89
Proceeds from sale of subsidiaries and other companies		**193**	5	
Investments in fixed assets and goodwill		**(86)**	(334)	(181)
Investments in subsidiaries and other companies		**(46)**	(49)	(240)
Changes in other investments		**1**	35	(10)
Net cash flow provided by/(used in) investing activities		**64**	(336)	(342)
Cash flow from financing activities				
Proceeds from issuance of debt		**144**	583	374
Repayment of debt		**(225)**	(333)	(93)
Purchase own shares		**(49)**	(14)	
Dividends paid		**(71)**	(64)	(58)
Net cash flow provided by/(used in) financing activities		**(201)**	172	223
Net increase/(decrease) in cash and cash equivalents		**24**	16	40
Cash and cash equivalents at 01.01		**203**	185	143
Cash and cash equivalents at 31.12		**227**	201	183
Restricted bank deposits at 31.12				
Payroll tax withholding account		**3**	2	2
Total cash and cash equivalents at 31.12		**230**	203	185

USD mill	Attributable to equity holders of the company						
	Share capital	Own shares	Total paid-in capital	Other reserves	Retained earnings	Minority interests	Total equity
Balance at 31.12.2004	131	(4)	126		606	4	736
01.01.05 Implementation effect of IAS 39					1		1
Current year's change in equity							
Valuation of financial instruments				2			2
Currency translation differences					(41)		(41)
Paid dividends to shareholders					(58)		(58)
Costs of options					3		3
Net profit					189	3	192
Balance at 31.12.2005	131	(4)	126	2	700	6	834

Own shares represented 3.2% of the share capital in nominal value at 31 December 2005.

	Attributable to equity holders of the company						
	Share capital	Own shares	Total paid-in capital	Other reserves	Retained earnings	Minority interests	Total equity
Balance at 01.01.2006	131	(4)	126	2	700	6	834
Current year's change in equity							
Acquisition of own shares		(1)	(1)		(11)		(12)
Paid dividends to shareholders					(64)		(64)
Withholding tax					(1)		(1)
Options, employees					2		2
Valuation of financial instruments				10			10
Currency translation differences					39		39
Net profit					227	3	230
Balance at 31.12.2006	131	(5)	126	12	892	8	1 037

Own shares represented 3.8% of the share capital in nominal value at 31 December 2006.

	Attributable to equity holders of the company						
	Share capital	Own shares	Total paid-in capital	Other reserves	Retained earnings	Minority interests	Total equity
Balance at 01.01.2007	**131**	**(5)**	**126**	**12**	**892**	**8**	**1 037**
Current year's change in equity							
Acquisition of own shares		**(5)**	**(5)**		**(47)**		**(52)**
Paid dividends to shareholders					**(70)**		**(70)**
Withholding tax					**(1)**		**(1)**
Options, employees					**3**		**3**
Valuation of financial instruments				**(12)**			**(12)**
Purchase of associate					**4**		**4**
Tax directly against equity					**(3)**		**(3)**
Currency translation differences					**40**	**(1)**	**39**
Net profit					**3**	**4**	**7**
Balance at 31.12.2007	**131**	**(9)**	**122**	**0**	**821**	**10**	**953**

Own shares represented 6.3% of the share capital in nominal value at 31 December 2007.

See note 11 in the parent company accounts for information regarding the number of shares.

Dividend paid in 2005 was NOK 4 per share in May and NOK 4 per share in November. Dividend paid in 2006 was NOK 5 per share in May and NOK 3.50 per share in November. Dividend paid in 2007 was NOK 5.50 per share in May and NOK 3.50 per share in November.

The proposed dividend for fiscal 2007 is NOK 5.50 per share, payable in May 2008. A decision on this proposal will be taken by the annual general meeting on 8 May 2008. Suggested dividend is not included in the year-end balance sheet.

ACCOUNTING PRINCIPLES

Wilh. Wilhelmsen ASA (referred to as the parent company) is domiciled in Norway. The company's consolidated accounts for fiscal 2007 embrace the company and its subsidiaries (referred to collectively as the group) and the group's share of associated companies and joint ventures.

The annual accounts for the group and the parent company were adopted by the board of directors on 12 March 2008.

BASIC PRINCIPLES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as specified by the European Union. The parent company accounts have been presented in accordance with the simplified IFRS since 1 January 2007. Restatement of the parent company's accounts from Norwegian generally accepted accounting principles (NGAAP) to the simplified IFRS has not resulted in any significant restated figures for 2007 and the comparative years.

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

The accounts are presented in US dollars (USD), rounded off to the nearest whole million. This is because the bulk of transactions in the group's international operations are denominated in USD. In addition, the bulk of the group's financing is in USD and the required rate of return is stated in this currency. The parent company's functional currency is USD.

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.

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 principles 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. These calculations form the basis for assessing the capitalised value of assets and liabilities which do not find clear expression from other sources. The actual result can vary from these estimates. Areas which contain a number of these assessments or are complex, or areas where assumptions and estimates are significant for the consolidated accounts, are described in more detail below in the section on important accounting estimates and assumptions.

The accounting principles outlined below have been applied consistently for all the periods presented in the accounts, and in the group's IFRS opening balance sheet at 1 January 2004 in connection with the conversion to the IFRS for the group and the conversion to simplified IFRS at 1 January 2007 for the parent company.

Standards, changes and interpretations

Changes to published standards which came into force in 2007

> IFRS 7 Financial instruments – information: new supplementary information relating to the presentation of financial assets and liabilities. The group has implemented the standard without this having any effect on the classification and valuation of financial instruments.
>
> IFRIC 10 Interim reporting and impairment – it is not permitted to reverse an impairment loss incorporated in a previous interim period relating to goodwill or an investment in an equity instrument/financial instrument carried at cost. This interpretation does not affect the group's consolidated accounts.

Standards, changes and interpretations which came into force in 2007 but which are not relevant for the group

The following standards, changes and interpretations are mandatory for annual accounts from 1 January 2007 or later, but are not considered to be relevant for the group:

> IFRS 4 Insurance contracts
>
> IFRIC 7 Application of the method for inflation adjustment pursuant to IAS 29 Financial reporting in hyper inflationary economies
>
> IFRIC 8 Area of application for IFRS 2
>
> IFRIC 9 Revaluation of embedded derivatives

Standards and interpretations of existing standards which have not come into force and which the group has chosen not to apply early

The following standards and interpretations of existing standards will be mandatory for accounting periods from 1 January 2008 or later, but the group has chosen not to apply them early:

> IAS 23 Borrowing costs
>
> IFRS 8 Operating segments
>
> IFRIC 11 IFRS 2 – group and treasury share transactions
>
> IFRIC 14 IAS 19 – guidance on calculating the limit for recognising net pension liabilities as an asset

The group will apply the above-mentioned standards, changes and interpretations from the date they come into force, and they are not expected to affect the group accounts to any significant extent.

Interpretations of existing standards which have not come into force and which are not relevant for the group

The following interpretations of existing standards will apply for accounting periods from 1 January 2008 and later, and are not relevant for the group's operations.

> IFRIC 12 Service concession arrangements: effective from 1 January 2008 and later, but not relevant for the group because the companies in the group do not provide services directed at the public sector.
>
> IFRIC 13 Customer loyalty programmes: effective from 1 January 2008 and later, but not relevant for the group because none of the companies in the group have customer loyalty programmes.

CONSOLIDATION PRINCIPLES

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 purchase method of accounting is used to account for the acquisition of subsidiaries which fall within the definition of business pursuant to IFRS 3. Subsidiaries not covered by IFRS 3 are attributed proportionally to the cost of acquisition in accordance with the fair value of the individual assets without regard to deferred tax. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, liabilities incurred or assumed at the date of exchange, and costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of net identifiable assets in the subsidiary is capitalised as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

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

- the balance sheet is translated at the closing exchange rate on the balance sheet date
- the income statement is translated at the average exchange rate
- the translation difference is recognised directly in group equity/ minority interests

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

Associates and joint ventures

Associates and joint ventures are entities over which the group has significant influence or joint control respectively but does not control alone. Significant influence generally accompanies investments where the group has 20-50% of the voting rights. Investments in associates and joint ventures 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 the income statement in associates and joint ventures is recognised in the income statement, and is added to the capitalised value of the investments together with its share of equity movements not recognised in the income statement. Dilution of the share of associate companies is recognised in the income statement when the transactions occur for the group.

Unrealised gains on transactions between the group and its associates/ joint ventures are eliminated.

Minority interests

Minority interests have been disclosed as a part of equity. Minority interests include the minority's share of the carrying amount of subsidiaries, including the share of identified additional value at the time of acquisition. Gain on dilution of minority interests is recognised in equity.

SEGMENT REPORTING

A business segment is a part of the business engaged in providing services or products which are subject to risks and returns that differ from those of other business segments. A geographical segment is engaged in providing products or services within a particular geographical area which is subject to risks and returns that differ from those of segments operating in other geographical markets.

The shipping segment offers a global service covering major global trade routes and ports. Revenue is allocated to geographical segments on the basis of the cargo's loading port. The group does not provide other data broken down geographically, since the reliability measurement criterion cannot be met.

The group has three core business segments:

Shipping

This segment 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 capital-intensive segment.

Logistics

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

Maritime services

Wilhelmsen Maritime Services offers ship management, crewing, ships equipment, port agency and related services through a worldwide network of more than 330 offices in 72 countries.

Holding

This segment includes shipping activities which fail to meet the definition for other core activities. It also includes corporate WW activities and expenses as well as the effect of eliminating inter-company transactions between the segments.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The financial statements of the group's entities are denominated in the currency principally used by the entity (the functional currency). The financial statements are presented in USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. If the currency position is regarded as cash flow hedging, gains and losses are recognised directly in equity.

Translation differences on other non-monetary items (both assets and liabilities) are reported as part of the fair-value gain or loss when assessing fair value. Translation differences on non-monetary items, such as equities held at fair value through the income statement, are reported as part of the fair-value gain or loss when assessing fair value. Translation differences on non-monetary items are included in equity as part of the fair value reserve.

Group companies and the parent company
The results and financial position of all the group entities with a functional currency different from the presentational currency are translated into USD. The balance sheet is translated at the closing rate on the balance sheet date for each period. Income and expenses for each income statement are translated at average exchange rates, and all resulting exchange differences related to translation of the balance sheet and the income statement are recognised as a separate equity component.

TANGIBLE FIXED ASSETS
Property, fixtures and vessels acquired by group companies are stated at historical cost. Depreciation is calculated on a straight-line basis. A scrap value is calculated for ships which reduces the deprecation base.

The carrying value of fixed assets equals the historical cost less accumulated depreciation and any impairment charges.

The group capitalises loan costs related to ships 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 ships are capitalised on a continuous basis.

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 part 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 decomposed, 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. Changes are recorded from the quarter after the estimates are changed.

INTANGIBLE FIXED 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 cost of acquisition over the fair value of acquired assets less liabilities of the acquired subsidiary, joint venture or associate at the date of acquisition. 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. Goodwill is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gain or loss in the sale of a business includes the carried amount of goodwill related to the sold business.

Goodwill is allocated to relevant cash-generating units for the purpose of later impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units which are expected to benefit from the acquisition.

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

Computer software
Computer software and start-up licences are capitalised in the balance sheet. Costs related to software licences, development or maintenance are 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 embrace 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.

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

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

Finance 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 long-term 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.

Finance 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.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, fixtures, vessels and intangible assets are reviewed for potential impairment whenever changes in circumstances or events indicate that the book value of assets may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest level for which identifiable independent cash inflows exist (cash-generating units). Impairment testing of vessels with a similar design, organised and operated as a fleet, are evaluated for impairment on the basis that the whole fleet is the lowest cash-generating unit. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less sales costs and its value in use. The value in use is the present value of the future cash inflows expected to be derived from the asset.

An impairment loss recognised in prior periods will be reversed if a change has occurred in the estimates used to determine the recoverable amount of the asset. A loss in the event of a change in value is only reversed to the extent that the asset's carrying amount does not exceed the carrying value which would have been determined, net of depreciation or amortisation, had no impairment charge been recognised in prior periods. Impairment losses related to goodwill cannot be reversed.

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 and loans and receivables. The classification depends on the purpose of the asset. Management determines the classification of financial assets at their initial recognition.

Trading financial assets at fair value through the income statement

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. 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 long-term assets in the balance sheet.

Transactions costs

Financial assets carried at fair value through the profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are deducted 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.

BUNKERS AND INVENTORIES

Bunkers are stated at cost, which is attributed using the first-in, first-out (Fifo) method.

Inventories of purchased goods and goods in progress are valued at cost in accordance with the standard cost method. Impairment losses are recognised if the fair value (sales price less sales costs) is lower than the cost price. Sales costs include all remaining sales, administrative and storage costs.

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.

RECEIVABLES

Receivables are recognised at face value less provision for bad debts. Provision for bad debts is made on the basis of significant uncertainty related to specified outstanding items.

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 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 shareholders' equity.

DIVIDEND

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 are approved by the general meeting. Proposed dividend for the parent company's shareholders is shown in the parent company accounts as a liability at 31 December.

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 has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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 substantially 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 the Norwegian tonnage tax regime, the tonnage tax is recognised as an operating cost.

For companies which are separately liable for tax and which are consolidated using the equity method, the value recognised in the income statement and balance sheet will already be net of tax.

PROVISIONS

The group and the parent company make provisions for restructuring costs and 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.

REVENUE RECOGNITION

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 at the delivery date. Services are recognised as they are rendered.

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

Freight revenue on 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.

SHARE-BASED COMPENSATION

The group had an option programme for senior management. The granting date was 1 January 2005 and the options were then fully earned. The option scheme was expensed at the earning date. The counterpart entry was an increase in equity.

Participants in the programme could elect to exercise the options granted unconditionally, provided they remained employed by the group, at any time up to 31 December 2007.

FINANCIAL INSTRUMENTS

Derivatives are usually recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured on a continuous basis at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either hedges of fair value of recognised assets and liabilities (fair value hedge), or hedges of highly probable forecast transactions (cash-flow hedges). The parent company designates derivatives as current financial assets/liabilities.

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 real 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 13 to the group accounts. Changes in the hedging equity item are shown in the equity reconciliation.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments 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.

Fair value hedges

Changes in the fair value of derivatives which are designated and qualify as fair value hedges are recognised in the income statements, together with any changes in fair value which can be attributed to the hedged asset or liability.

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.

Derivatives which do not qualify for hedge accounting

Certain 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.

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.

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. The recommendation on pension assumptions made in the Norwegian Accounting Standards Board is applied.

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% per cent 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.

For defined contribution plans, the group and the parent company pay contributions to 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.

IMPORTANT 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 control. This presents a substantial risk that actual conditions will vary from the estimates.

Estimated value of goodwill

The group performs annual tests to ensure that the stated value can be justified. Goodwill is allocated to units which generate cash flows and the value in the balance sheet must as a minimum reflect the fair value of these cash flows. The group has financial models which calculate and determine the fair value 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 estimated.

Impairment is assessed by comparing the carried acquisition cost with the estimated recoverable amount for the cash-generating unit. The recoverable amount corresponds to fair value less sales costs or value in use. Calculation of the recoverable amount utilises a cash flow budget based on a business plan. The business plan is based on previous experience and expectations of future market trends. 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, use is made of a growth factor which varies between 0% and 5%, with an expectation that gross margins will not weaken substantially over time. A sensitivity analysis is also conducted of such factors as the gross margin, currency exposure and the discount rate.

Income tax

The group is subject to income tax in many jurisdictions. Variant 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. Deferred tax and deferred tax asset are presented net in the balance sheet.

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.

RELATED PARTIES

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

See note 8 to the group accounts for loans to associates and joint ventures.

See note 4 to the group accounts concerning remuneration of senior executives in the group, and note 2 in the parent company accounts for information concerning loans and guarantees for employees.

COMPARATIVE FIGURES

When necessary, comparative figures have been adjusted to conform to changes in presentation for the current year.

Note 1 > COMBINED ITEMS, INCOME STATEMENT

USD mill	2007	2006	2005
OPERATING REVENUE			
Freight revenue	**286**	246	239
Ship service revenue	**501**	434	265
Ships equipment revenue	**146**	102	20
Ship management and crewing	**32**	37	23
Other revenue	**18**	12	30
Total operating revenue	**983**	831	577
GAIN ON SALES OF ASSETS			
Gain on sales of vessels			9
Gain on sales of associates and joint ventures	**17**	83	
Gain on sales of other assets	**1**	2	1
Total gain on sales of assets	**18**	85	10
VESSEL EXPENSES			
Lub oil	**(7)**	(5)	(4)
Stores (water, safety, chemcials, ropes etc)	**(5)**	(3)	(3)
Maintenance of vessels	**(21)**	(14)	(14)
Insurance	**(6)**	(5)	(5)
Others	**(8)**	(12)	(7)
Total vessel expenses	**(47)**	(39)	(35)
OTHER EXPENSES			
Loss on sales of assets	**(1)**		
Bad debts	**(4)**	(1)	(2)
Rent expenditures	**(26)**	(28)	(14)
Communication and IT expenses	**(20)**	(19)	(21)
External services	**(23)**	(14)	(9)
Travel ang meeting expenses	**(18)**	(16)	(12)
Marketing expenses	**(10)**	(9)	(6)
Other administration expenses	**(17)**	(19)	(31)
Total other expenses	**(119)**	(107)	(94)
FINANCE			
Financial income			
Interest income	**18**	17	13
Return on current financial investments	**17**	13	22
Net currency gain			36
Other financial income		4	1
Total financial income	**35**	34	72
Financial expenses			
Interest expenses	**(59)**	(48)	(34)
Net currency loss	**(42)**	(52)	
Other financial expenses	**(2)**	(2)	(2)
Total financial expenses	**(103)**	(102)	(36)
Financial instruments			
Realised (loss)/gain related to currency hedging	**13**	6	1
Realised (loss)/gain related to interest rate hedges	**4**	7	
Unrealised (loss)/gain related to interest rate hedges	**55**	32	(49)
Unrealised (loss)/gain related to currency and interest rate hedges	**(15)**	4	6
Total financial instruments	**57**	48	(41)
Net financial items	**(12)**	(21)	(5)

See note 13 on financial risk and the section of the accounting principles concerning financial instruments.

Note 2 > INVESTMENTS IN JOINT VENTURES

USD mill	Business office, country	2007	2006	2005
		Voting share/ownership		
Shipping				
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	**50.0%**	50.0%	50.0%
Mark I Shipping Pte Ltd	Singapore	**50.0%**	50.0%	50.0%
American Roll-on Roll-off Carrier LLC	New Jersey, USA	**50.0%**	50.0%	50.0%
Fidelio Inc	New Jersey, USA	**50.0%**	50.0%	50.0%
Fidelio Limited Partnership	New Jersey, USA	**50.0%**	50.0%	50.0%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	**40.0%**	40.0%	40.0%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	**40.0%**	40.0%	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	**40.0%**	40.0%	40.0%
Logistics				
American Shipping & Logistics Inc	New Jersey, USA	**49.9%**	49.9%	49.9%
American Logistics Network LLC	New Jersey, USA	**49.9%**	49.9%	49.9%
Holding				
Express Offshore Transport Pte Ltd	Singapore	**0%**	50.0%	100.0%

	2007	2006	2005
Summarised financial information			
Share of operating income	**1 580**	1 568	1 591
Share of operating expenses	**(1 498)**	(1 462)	(1 491)
Share of net financial items	**(12)**	(78)	(18)
Share of tax	**(14)**	5	(8)
Share of profit/(loss) for the period	**57**	33	74
Share of fixed assets	**876**	831	858
Share of current assets	**377**	328	448
Total assets	**1 253**	1 159	1 306
Share of equity 01.01	**396**	341	264
Share of profit/(loss) for the period	**57**	33	74
Change in equity	**(30)**	54	47
Dividend received	**(31)**	(39)	(22)
Currency translation differences	**3**	6	(22)
Share of equity 31.12	**395**	396	341
Share of long-term liabilities	**531**	557	653
Share of current liabilities	**326**	206	312
Total liabilities	**858**	763	964
Total equity and liabilities	**1 253**	1 159	1 306
Share of equity			
Book value	**384**	385	331
Added value	**11**	11	11
Added value includes			
Goodwill	**11**	11	11
Share of profit/(loss) from joint ventures	**57**	33	74
Share of profit/(loss) from associates, see note 3	**23**	26	30
Share of profit/(loss) from joint ventures and associates	**80**	59	104
Share of equity from joint ventures	**395**	396	341
Share of equity from associates, see note 3	**201**	135	171
Share of equity from joint ventures and associates	**596**	532	512

The value related to the underlying assets in the French joint venture company Global Automotive Logistics (owner of French logistics company Compagnie d'Affrètement et de Transport), was written down by USD 25.3 million to zero in the second quarter of 2006.
The establishment of Express Offshore Transport Pte Ltd as a joint venture on 1 February 2006 had a positive effect on net operating income through an accounting gain of roughly USD 9.5 million.
Express Offshore Transport Pte Ltd was sold in July 2007. This sale contributed a gain corresponding to USD 17 million to profit before tax.

Note 3 > INVESTMENTS IN ASSOCIATES

USD mill	Business office/country	2007	2006	2005
			Voting/control share	
Shipping				
Eidsiva Rederi ASA	Oslo, Norway	**21.5%**		
Logistics				
Glovis Co Ltd	Seoul, Republic of Korea	**20.0%**	20.0%	20.0%
KFM Logistics Investments 1 Pty Ltd	Sydney, Australia	**22.5%**		
KFM Logistics Investments 3 Pty Ltd	Sydney, Australia	**22.5%**		
KFM Logistics Investments 6 Pty Ltd	Sydney, Australia	**22.5%**		
Holding				
Dockwise Transport NV	Netherlands Antilles	**0%**	0%	21.3%
			Profit sharing agreements*	
Maritime services – companies with significant shares of profits				
Almoayed Barwil Ltd	Bahrain	50.0%	50.0%	50.0%
Barwil - QC Agencies Ltd	Bangladesh	50.0%	50.0%	50.0%
Barwil Unimasters Ltd	Bulgaria	50.0%	50.0%	50.0%
Huayang Shipping Agencies Co Ltd	China	50.0%	50.0%	50.0%
Barwil Huayang Shipping Service Co Ltd	China	50.0%	50.0%	50.0%
Transocean Oy Ab	Finland			50.0%
Barwil Georgia Ltd	Georgia	50.0%	50.0%	50.0%
Barklav (Hong Kong) Ltd	Hong Kong	50.0%	50.0%	50.0%
Seawilh Limited	Hong Kong			50.0%
Barwil Pars Ltd	Iran	50.0%	50.0%	50.0%
Barwil Tehran Company Ltd	Iran	50.0%	50.0%	50.0%
Barwil Si.Mar SRL	Italy	49.0%	49.0%	49.0%
Barwil Zaatarah Agencies Ltd	Jordan	48.8%	48.8%	48.7%
Alghanim Barwil Shipping Co Kutayba Yusuf Ahmed & Partner WLL	Kuwait	49.0%	49.0%	40.0%
Barwil-Andersson Agencies Ltd	Latvia	49.0%	49.0%	40.0%
Barwil Agencies Lebanon S.A.L.	Lebanon	49.0%	49.0%	49.0%
Barber Moss Ship Management AS	Norway	50.0%	50.0%	50.0%
CMA CGM Scandinavia AS	Norway	49.0%	49.0%	49.0%
Towell Barwil Co LLC	Oman	30.0%	30.0%	30.0%
Barwil Shipping (Pvt) Ltd	Pakistan	50.0%	50.0%	50.0%
Barwil Agencies SA	Panama	47.0%	47.0%	35.0%
Lonemar SA	Panama	47.0%	47.0%	47.0%
Barwil-Smith Bell Shipping Inc	Philippines	40.0%	40.0%	40.0%
Barwil Hyop Woon Agencies Ltd	Republic of Korea	50.0%	50.0%	50.0%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.0%	20.0%	20.0%
Barwil Star Agencies SRL	Romania	50.0%	50.0%	50.0%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.0%	50.0%	50.0%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	49.6%	49.6%	49.6%
Barber-CS Marine (Singapore) Pte Ltd	Singapore			50.0%
Baasher Barwil Agencies Ltd	Sudan	50.0%	50.0%	50.0%
National Company For Maritime Agencies Ltd	Syrian Arab Republic	50.0%	50.0%	50.0%
CMA CGM & ANL (Taiwan) Ltd	Taiwan	40.0%	40.0%	40.0%
Barwil Universal Denizcilik Tasimacilik Ticaret AS	Turkey	50.0%	50.0%	50.0%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	50.0%	50.0%	50.0%
Barwil Dubai LLC	United Arab Emirates	50.0%	50.0%	50.0%
Barwil Ship Services LLC	United Arab Emirates	42.5%	42.5%	42.5%
Triangle Shipping Agencies Co LLC	United Arab Emirates	50.0%	50.0%	50.0%
Denholm Barwil Ltd	United Kingdom	40.0%	40.0%	40.0%
Knight Transport LLC	USA	33.3%	50.0%	50.0%

* 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.

Cont note 3 > INVESTMENTS IN ASSOCIATES

USD mill	2007	2006	2005
Summary financial information on associates - according to the group's ownership			
Assets	**347**	248	373
Liabilities	**146**	112	202
Equity	**201**	135	171
Operating income	**612**	490	526
Net profit/(loss)	**23**	26	30
Share of profit/(loss) in material associates			
Glovis Co Ltd	**13**	6	12
Dockwise Transport NV (including 22 December 2006)		13	10

Dockwise Transport NV was sold on 22 December 2006. This sale contributed a gain corresponding to USD 83.1 million in net profit.
Glovis Co Ltd acquired a stock market listing on 23 December 2005, and the group's equity interest had a stock market value at 31 December of USD 509 million (2006: USD 226 million).

	2007	2006	2005
Specification of share of equity and profit/loss			
Share of equity 01.01	**135**	171	161
Share of profit/(loss) for the period	**23**	26	30
Addition shipping	**16**		
Addition logistics	**30**		
Addition maritime services	**1**	1	1
Addition holding		11	
Disposal logistics		(1)	(1)
Disposal maritime services	**6**	(8)	(6)
Disposal holding		(68)	(7)
Currency translation differences/equity adjustments	**1**	3	(7)
Share of equity 31.12	**201**	135	171
Share of equity			
Book value	**163**	105	130
Added value	**38**	30	42
Added value includes			
Goodwill	**30**	30	30
Intangible assets			8
Tangible assets – added value	**8**		4

Note 4 > PAY AND REMUNERATION

USD mill	2007	2006	2005
Pay	**165**	138	107
Payroll tax	**18**	15	17
Pension cost	**21**	18	13
Pay and remuneration seagoing personnel	**35**	27	23
Other remuneration	**40**	31	28
Total pay and remuneration	**279**	229	188
Number of employees			
Group companies in Norway	**550**	556	623
Group companies abroad	**4 962**	4 212	4 163
Seagoing personnel Barber International	**8 603**	8 675	8 700
Total employees	**14 115**	13 443	13 486
Average number of employees	**13 779**	13 465	11 682

REMUNERATION OF SENIOR EXECUTIVES (USD 1 000)

	Pay/fees/pensions	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2007						
Working chair	**525**			**19**	**544**	**3 184**
Deputy chair **	**265**			**26**	**290**	**1 700**
Group CEO	**830**	**256**	**50**	**34**	**1 171**	**6 857**
Deputy group CEO	**519**	**142**	**58**	**30**	**748**	**4 382**
Group CFO	**314**		**29**	**21**	**363**	**2 128**
Group senior vice president shipping & logistics	**207**	**95**	**4**	**189**	**495**	**2 897**
Group vice president shipping	**175**		**9**	**128**	**312**	**1 827**
Group vice president logistics *	**293**			**82**	**375**	**2 197**
President & CEO WMS	**555**	**135**	**25**	**185**	**899**	**5 266**
2006						
Working chair	461			17	479	3 070
Deputy chair **	280			23	303	1 942
Group CEO	510	181	253	299	1 242	7 960
Deputy group CEO/CFO	318	60	35	94	507	3 249
Group senior vice president shipping & logistics	254	50	29	38	371	2 378
President & CEO WMS	368	67	19	38	491	3 147
2005						
Working chair	442	213		17	673	4 336
Deputy chair **	242			17	259	1 669
Group CEO	468	213	352	32	1 064	6 855
Deputy group CEO/CFO	304	71	44	124	544	3 505
Group senior vice president shipping & logistics	235	58	35	20	348	2 242
President & CEO WMS	291	18	17	27	354	2 281

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.

* Group vice president logistics Stephen P Cadden has been seconded to WW ASA from a US subsidiary on an expatriate basis for a fixed time period.
** Remuneration consist of directors' fee and pension.

Board of directors
Wilhelm Wilhelmsen – working chair
Leif T Løddesøl – deputy chair until 31 December 2007
Remuneration of the other four directors totalled USD 231 for 2007, USD 156 for 2006 and USD 155 for 2005.

Senior executives
Ingar Skaug – group CEO
Sjur Galtung – deputy group CEO, CFO until 31 March 2007
Nils Petter Dyvik – CFO from 1 April 2007
Arild B Iversen – group senior vice president shipping & logistics until 31 March 2007
Thomas Wilhelmsen – group vice president shipping from 1 April 2007
Stephen P Cadden – group vice president logistics from 1 April 2007
Dag Schjerven – president & CEO Wilhelemsen Maritime Services AS

See note 2, Pay and remuneration, in the parent company accounts.

OPTION PROGRAMME FOR SENIOR EXECUTIVES

The board of directors of Wilh. Wilhelmsen ASA (WW) resolved at a board meeting on 28 October 2004 to renew the option programme for employees at management level in the company and in its associated subsidiaries. This programme was originally introduced in February 2000 and expired in 31 December 2004.

The board initially allocated 335 000 class A shares in WW, currently owned by the company, to the programme and authorised the group chief executive to decide who should be offered an option to purchase shares under the programme. The group chief executive decided to use the authority granted and, in a letter of 3 December 2004, offered a select group of employees the opportunity to participate in the programme.

The options had to be exercised in the period from 1 January 2005–31 December 2007. The strike price was the average market price for class A shares on the Oslo Stock Exchange in the month of December 2004, which was NOK 148 per share. A new average market price closer to the option grant date was established for personnel who joined the programme at a later date.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows

	2007		2006		2005	
	Average exercise price NOK per share	Number of options granted	Average exercise price NOK per share	Number of options granted	Average exercise price NOK per share	Number of options granted
At 01.01		**144 000**		239 000		
Granted		**52 500**		15 000		320 000
Repealed		**(77 500)**		(5 000)		
Exercised	**212.00**	**(119 000)**	229.00	(105 000)	203.50	(81 000)
Outstanding options 31.12		**0**		144 000		239 000

The real value of the options granted during the period has been calculated with aid of the Black-Scholes option pricing model. This calculation assumes that the options will be exercised after 12 months. Volatility measured by the standard deviation for the expected share yield is based on a statistical analysis of the average daily share price over the next three years.

The cost will be allocated over the earning period. Since the options granted can be exercised from day one, USD 1.9 million was recognised directly in the accounts as the total cost for 2005. For options granted in 2006 USD 50 000 was recognised directly in the accounts. The corresponding amount for 2007 was USD 174 000.

The programme had ended at 31 December 2007.

AUDIT

USD mill	2007	2006	2005
Audit fees	**2.5**	1.8	1.5
Consultant fee to auditors – agreed services	**0.1**	0.6	0.4
Consultant fee to auditors – tax services	**1.8**	1.2	0.9
Consultant fee to auditors – other	**0.6**	0.6	0.3
Total audit	**5.0**	4.1	3.2

Note 5 > FIXED ASSETS, GOODWILL AND INTANGIBLE ASSETS

USD mill	Property	Fixtures	Vessels	Newbuilding contracts	Total fixed assets
FIXED ASSETS					
Cost price 01.01.2005	76	33	1 048	53	1 209
Additions		4	165	40	209
Acquisitions through business combination	51	101			151
Disposals		(5)	(125)	(32)	(162)
Currency translation differences	(1)	(4)			(5)
Cost price 31.12.2005	125	128	1 088	61	1 402
Accumulated depreciation and impairment losses 01.01.2005	(19)	(22)	(468)		(509)
Depreciation	(2)	(5)	(41)		(49)
Acquisitions through business combination	(13)	(48)			(61)
Reversal on disposal		4	48		52
Currency translation differences	3	3			6
Accumulated depreciation and impairment losses 31.12.2005	(31)	(69)	(461)		(561)
Carrying amounts 31.12.2005	94	60	627	61	842
Economic lifetime	Up to 50 years	3–10 years	25–35 years		
Depreciation schedule	Straight line	Straight line	Straight line		
Cost price 01.01.2006	125	128	1 088	61	1 402
Additions	5	33	233	85	357
Disposals	(2)	(22)		(46)	(70)
Reversal on disposal of subsidiaries			(34)		(34)
Currency translation differences	10	10			20
Cost price 31.12.2006	138	149	1 288	101	1 676
Accumulated depreciation and impairment losses 01.01.2006	(31)	(69)	(461)		(561)
Depreciation	(3)	(13)	(33)		(49)
Reversal on disposal		18			18
Reversal on disposal of subsidiaries			23		23
Currency translation differences	(2)	(5)			(8)
Accumulated depreciation and impairment losses 31.12.2006	(37)	(70)	(471)		(578)
Carrying amounts 31.12.2006	101	80	817	101	1 098
Economic lifetime	Up to 50 years	3–10 years	25–35 years		
Depreciation schedule	Straight line	Straight line	Straight line		
Cost price 01.01.2007	**138**	**149**	**1 288**	**101**	**1 676**
Additions	**7**	**43**	**23**	**5**	**77**
Disposals		**(9)**			**(9)**
Currency translation differences	**17**	**15**			**32**
Cost price 31.12.2007	**162**	**198**	**1 311**	**105**	**1 776**
Accumulated depreciation and impairment losses 01.01.2007	**(37)**	**(70)**	**(471)**		**(578)**
Depreciation	**(4)**	**(12)**	**(39)**		**(55)**
Reversal on disposal		**5**			**5**
Currency translation differences	**(4)**	**(9)**			**(14)**
Accumulated depreciation and impairment losses 31.12.2007	**(45)**	**(86)**	**(510)**		**(640)**
Carrying amounts 31.12.2007	**117**	**112**	**800**	**105**	**1 134**
Economic lifetime	Up to 50 years	3–10 years	25–35 years		
Depreciation schedule	Straight line	Straight line	Straight line		

The group has a leaseback agreement for 11 vessels in the shipping segment. Those car carriers covered by the lease had a book value at 31 December of USD 373.5 million (2006: USD 385.6 million, 2005: USD 228.6 million), and depreciation for the year came to USD 14 million (2006: USD 11 million, 2005: USD 13.6 million). The leasing commitment is classified as a long-term liability. See note 12.
Finacial expenses of USD 4.8 million relating to newbuilding contracts were capitalised in 2007 (2006: USD 4.8 million, 2005:USD 1.8 million). To secure further new and modern tonnage, WW and its partners will continue to be active in the newbuilding market. During 2007, 9 new vessels were delivered. All have joined the WWL and EUKOR fleets. From 2008 to 2012, 45 new car carriers are due for delivery, of which 12 are for WW's account.

USD mill	Goodwill	Software licences	Total
INTANGIBLE ASSETS			
2005			
Cost price 01.01.2004	18	12	30
Accumulated depreciation and impairment losses		(5)	(5)
Acquisition/disposal	(6)	4	(1)
Acquisition through business combinations	121	17	138
Amortisation and impairment losses for the year	(2)	(4)	(6)
Balance 31.12.2005	131	24	155
Cost 31.12.2005	133	33	166
Amortisation and impairment losses for the year	(2)	(9)	(11)
Carrying amounts 31.12.2005	131	24	155
2006			
Acquisition/disposal	2	16	18
Reversal on disposal	3		3
Amortisation and impairment losses for the year		(5)	(5)
Currency translation differences	5	(6)	(1)
Balance 31.12.2006	141	30	171
Cost 31.12.2006	135	49	185
Accumulated depreciation and impairment losses		(14)	(14)
Currency translation differences	5	(5)	
Carrying amounts 31.12.2006	141	31	171
2007			
Acquisition/disposal		**10**	**10**
Amortisation and impairment losses for the year		**(10)**	**(10)**
Currency translation differences	**26**	**1**	**27**
Balance 31.12.2007	**167**	**31**	**197**
Cost 31.12.2007	**141**	**54**	**195**
Accumulated depreciation and impairment losses		**(24)**	**(24)**
Currency translation differences	**26**	**1**	**27**
Carrying amounts 31.12.2007	**167**	**31**	**197**

Segment-level summary of the goodwill allocation:	2007	2006	2005
Wilhelmsen Maritime Services (Wilhelmsen Ships Service)	**161**	135	125
Shipping	**6**	6	6
Total	**167**	141	131

Impairment testing of goodwill
USD 154 million of goodwill in the WMS segment, originally calculated in NOK, relates to the acquisition of Unitor ASA. This goodwill has not been allocated down to the operating units, since the former Unitor group is regarded as a single cash-generating unit.

When calculating net present value, the following assumptions have been applied with a five-year time frame:

USD/NOK	5,86
Growth rate	5%
Increase in material cost	5%
Increase in pay and remuneration	3%
Increase in other expenses	7%

Given a net present value with a 7% discount rate
a 1% change in discount rate yields a change of USD 46 million in net present value
a 1% change in gross margin yields a change of USD 75 million in net present value
a 10% change in the exchange rate between the USD and the NOK yields a change of USD 62 million in net present value.

No impairment was necessary for goodwill at 31 December.

Note 6 > TAX

Change in the tonnage tax regime
The previous tonnage tax regime in Norway was abolished with effect from 1 January 2007 during the fourth quarter of 2007. At the same date, a new tonnage tax regime was introduced which exempts shipping company profits from corporation tax. Transitional rules were adopted for companies embraced by the previous tonnage tax regime which wish to enter the new scheme, which means that untaxed equity will be subject to taxation on a straight-line basis over a 10-year period. Subject to certain conditions, a third of the transitional tax can be offset against future environmental costs up to 2016.
For companies which do not transfer to the new tonnage tax regime, the Ministry of Finance has assumed that the tax rules for voluntary exit will apply. These rules involve the taxation of untaxed equity in the company and the unrealised increase from the carried amount of assets to their market value. The exit gain calculated in accordance with these rules is taxed over a gain account with an income recognition of 20% per annum. The market value of assets (ships) will become the new opening value for tax assessment in accordance with the ordinary taxation rules.
At 1 January 2007, the WW group had two companies which were assessed under the tonnage tax regime – Wilhelmsen Lines Shipowning AS and Wilhelmsen Shipping AS. As a result of the changes in the tonnage tax rules, a decision must be taken on whether these two companies should enter the new scheme or become subject to exit tax when transferring to the ordinary tax system. Wilhelmsen Shipping AS will probably enter the new tax regime, while Wilhelmsen Lines Shipowning AS will transfer to ordinary taxation. This decision will be taken when the tax returns are submitted at the end of May 2008.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 28% of net profit. Norwegian limited companies are embraced by the exemption method for earnings on shares. With this method, share dividends and gains are free of tax for shareholders in the company. Corresponding losses on shares are not deductible. The exemption method does not apply to earnings on shares in tax havens outside the European Economic Area (EEA) and on holdings of less than 10% outside the EEA. Companies with taxable profits can eliminate the profit against companies with tax-deductible losses and losses for carrying forward within the same country and tax regime. For 2007, the Norwegian part of the WW group was not in a tax-paying position as a result of losses for carrying forward in the 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.

Tonnage tax
Companies subject to the tonnage tax regime are exempt from tax on their shipping income, while financial income has been taxable on defined terms. The Wilh. Wilhelmsen group had three wholly owned companies in 2007 which were taxed under special tonnage tax regimes in Norway and the UK. Net financial income is basically taxed in Norway in accordance with the ordinary tax rules, while financial income related to operations is basically free of tax for companies in the UK tonnage tax regime.

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 can be incurred. This generally applies to dividends paid by companies domiciled outside the EEA.
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 Wilhelmsen Maritime Services 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. No plans exist at present to dispose of such companies.

USD mill

	2007	2006	2005
Distribution of tax expenses for the year			
Payable tax in Norway, ordinary taxation			
Payable tax, tonnage tax companies			
Payable tax foreign	**13**	8	5
Change in deferred tax	**(71)**	7	(7)
Exit tax/changes in tonnage tax scheme	**279**	28	12
Total tax	**221**	43	10
Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 28%			
Profit before tax	**228**	268	201
28% tax	**64**	75	56
Tax effect from			
Permanent differences	**3**	2	3
Non-taxable income	**(22)**	(44)	(29)
Share of profits from associates and joint ventures	**(22)**	(17)	(29)
Exit from the tonnage tax scheme	**208**	28	12
Currency translation differences	**(7)**	(3)	
Other	**(3)**	1	(3)
Calculated tax for the group	**221**	(43)	10
Effective tax rate for the group	**96.75%**	15.94%	5.19%

Cont note 6 > TAX

USD mill	2007	2006	2005
Deferred tax assets to be recovered after more than 12 months	**9**	33	51
Deferred tax assets to be recovered within 12 months	**6**	11	5
Total deferred tax assets	**15**	44	56
Deferred tax to be recovered after more than 12 months	**(201)**	(62)	(40)
Deferred tax to be recovered within 12 months	**(37)**		(3)
Total deferred tax	**(238)**	(62)	(43)
Net	**(223)**	(18)	13
Net deferred tax assets/(deferred tax) at 01.01	**(18)**	13	11
Currency translation differences	**3**	(5)	1
Acquisition of subsidiary			7
Tax charged to equity		(1)	(1)
Income statement charge	**(208)**	(35)	(5)
Net deferred tax assets/(deferred tax) at 31.12	**(223)**	(18)	13

	2007		2006		2005	
	Deferred tax assets	Deferred tax	Deferred tax assets	Deferred tax	Deferred tax assets	Deferred tax
Fixed assets	**21**			(24)		(10)
Other items		**(290)**		(45)		(11)
Long-term assets and liabilities	**67**		14		24	
Total long-term items	**88**	**(290)**	14	(68)	24	(21)
Current assets and liabilities		**(75)**	10		2	(4)
Tax losses carried forward	**53**		26		12	
Total deferred tax assets/(deferred tax)	**142**	**(365)**	51	(68)	38	(25)
Net	**(223)**		(18)		13	

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 Wilhelmsen Maritime Services 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. No plans exist at present to dispose of such companies.

Description of the pension scheme

> The WW group has always had a good defined benefit plan for its employees in Norway. For many years, this plan was organised as a collective policy in a life insurance company.
> 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 entitlement 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 National Insurance and other social security payments.
> It was resolved in the first quarter of 2005 that WW 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.
> Unitor ASA was acquired in the second quarter of 2005. Unitor with associated companies had a defined benefit plan for its employees. A harmonisation process has been pursued in a number of areas, but the existing arrangements were maintained unchanged up to 31 December 2006.
> It was resolved in November 2006 that former Unitor employees would be offered a free choice of whether to continue with the defined benefit scheme, which would mean the termination of collective pension provision with the issue of paid-up policies followed by entry into WW Pensjonskasse, or to transfer to the defined contribution scheme. The information and election process has been completed, and the change occurred at 1 January 2007.
> 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 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.
> Subsidiaries outside Norway have separate schemes for their employees which accord with local rules.

	Funded			Unfunded		
Number of people covered by pension schemes at 31.12	2007	2006	2005	2007	2006	2005
In employment	**856**	869	722	**259**	270	293
On retirement (inclusive disability pensions)	**515**	561	547	**747**	733	704
Total number of people covered by pension schemes	**1 371**	1 430	1 269	**1 006**	1 003	997

	Expenses			Commitments		
Financial assumptions for the pension calculations	2007	2006	2005	31.12.07	31.12.06	31.12.05
Discount rate	**5.5%**	5.0%	5.5%	**6.0%**	5.5%	5.0%
Rate of return on assets in pension plans	**4.5%**	4.0%	4.5%	**5.0%**	4.5%	4.0%
Anticipated inflation	**2.0%**	2.0%	2.0%	**2.25%**	2.0%	2.0%
Anticipated pay regulation	**4.5%**	3.0%	3.0%	**4.5%**	4.5%	3.0%
Anticipated increase in National Insurance base amount (G)	**4.2%**	3.0%	3.0%	**4.0%**	4.2%	3.0%
Anticipated regulation of pensions	**1.6%**	2.0%	2.0%	**2.25%**	1.6%	2.0%

The discount rate is determined by reference to market yields at the balance sheet date on 10-year government bonds, plus an addition which takes into account that the terms of the commitments are longer than 10 years. The addition equals the yield differential between 10- and 30-year government bonds in international markets. The type of pension fund investment and historical returns determine the expected return on pension funds. In the past, the average return on pension funds has been higher than the risk-free rate of interest since part of the pension funds have normally been placed in securities with higher risk than government bonds. In the long term, the return on pension funds is estimated to be one percentage point above the risk-free rate of interest. See breakdown of pension funds at 31 December.

Actuarial assumptions: costs for 2007 and earlier years are based on the K63 mortality tariff. The carried amount of pension liability at 31 December 2007 is calculated on the basis of the K2005 mortality tariff, rather than the K63 used in earlier years. The disability tariff is unchanged and based on the KU table.

Pension funds investments (in %)	31.12.07	31.12.06	31.12.05
Short-term bonds	**29.0%**	14.7%	16.0%
Bonds held in maturity	**37.0%**	43.2%	43.4%
Money market	**2.0%**	12.5%	9.8%
Equities	**31.0%**	24.8%	27.4%
Other	**1.0%**	4.8%	3.4%
Total	**100.0%**	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 5.19% for 2007. The recorded return amounted to 7.17% for 2006 and 9.04% for 2005.
The increase in short-term bonds and reductions in the money market for 2007 reflect the fact that bonds with a short term (less than one year) to maturity have earlier been classified as money market.

USD mill

Pension expenses

	2007			2006			2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	12	2	14	8	1	9	6	1	7
Interest expenses on pension commitments	5	4	9	5	3	8	5	3	8
Anticipated return on pension fund	(6)		(6)	(6)		(6)	(5)		(5)
Amortisation of changes in estimates not recorded in the accounts		2	2	1	1	2	2		2
Accrued payroll tax, included line by line from 2007				1		1	1		1
Cost of defined contribution plan	2		2	4		4	1		1
Net pension expenses	**13**	**8**	**21**	13	5	18	9	4	13

Total pension obligations

	2007			2006			2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension obligations	133	94	227	117	72	189	96	60	156
Estimated effect of future salary regulation	13	(1)	12	13	15	28	22	12	34
Total pension obligations	**146**	**93**	**239**	130	87	217	117	72	189
Value of pension funds	137		137	118		118	107		107
Net pension obligations	**(9)**	**(93)**	**(102)**	(12)	(87)	(99)	(10)	(72)	(82)
Changes in estimates not recorded in the accounts	1	14	14	10	23	33	10	12	22
Accrued payroll tax, included in accrued pension obligations from 2007			(1)	(6)	(7)		(6)	(6)	
Recorded pension obligations	**(8)**	**(79)**	**(88)**	(3)	(70)	(73)	(0)	(65)	(66)

Pension obligations	2007	2006	2005
Opening balance	**217**	189	167
Currency	**10**	15	(17)
Accumulated pension entitlements	**16**	9	7
Interest expenses	**10**	8	7
Pension payments	**(13)**	(11)	(9)
Changes in pension schemes	**(1)**		
Buying and selling	**8**		16
Changes in estimates not recorded in the accounts	**(9)**	7	18
Balance 31.12	**239**	217	189

Gross pension funds	2007	2006	2005
Opening balance	**118**	107	86
Currency	**5**	8	(8)
Anticipated returns	**6**	6	5
Premium transfers	**7**	6	5
Pension payments	**(5)**	(5)	(4)
Buying and selling	**9**		15
Changes in estimates not recorded in the accounts	**(2)**	(4)	8
Balance 31.12	**138**	118	107

Premium transfers in 2008 are expected to be USD 5 million. Payments from operations are estimated at USD 6 million.

Historical developments	31.12.07	31.12.06	31.12.05	31.12.04
Gross pension commitments, including payroll tax	**(239)**	(224)	(195)	(173)
Gross pension funds	**138**	118	107	86
Commitments not recorded in the accounts	**14**	33	22	21
Net recorded pension commitments	**(88)**	(73)	(66)	(65)

Note 8 > COMBINED ITEMS, BALANCE SHEET

USD mill	2007	2006	2005
OTHER LONG-TERM ASSETS			
Loans to joint ventures	**7**	8	45
Loans to associates			8
Long-term share investment	**2**	3	4
Other long-term assets	**17**	16	16
Total other long-term assets	**26**	27	73
Of which long-term debtors falling due for payment later than one year			
Loans to joint ventures	**6**	6	43
Loans to associates			
Long-term share investment	**2**	3	4
Other long-term assets	**17**	16	16
Total other long-term assets due after one year	**25**	25	62
OTHER CURRENT ASSETS			
Bunkers/lub oil	**2**	2	2
Accounts receivable	**201**	173	128
Financial instruments	**72**	29	8
Outstanding settlement from sale of associate		141	
Other current receivables	**64**	44	60
Total other current assets	**339**	389	197
OTHER CURRENT LIABILITIES			
Accounts payable	**167**	134	100
Next year's instalment on interest-bearing debt	**198**	164	151
Long-term debt – reclassifed owing to breach of covenant 31.12			89
Financial instruments	**15**	3	24
Other current liabilities	**133**	104	127
Total other current liabilities	**513**	405	491

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 amountMaximum credit exposure at the balance sheet date was equal to the fair value of the receivables. The group has no hedges related to the receivables.

ACCOUNTS PAYABLE

At 31 December 2007, USD 80 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:

Aging of trade receivables past due but not impaired	2007	2006	2005
Up to 90 days	**59**	60	84
90–180 days	**15**	15	4
Over 180 days	**6**	5	1

Movements in group provision for impairment of trade receivables are as follows			
At 01.01	**1.8**	2.0	1.3
Provision for receivable impairment	**2.7**		0.8
Receivables written off during the year as uncollectible			
Unused amounts reversed		(0.3)	
Currency translation differences	**0.2**	0.1	(0.1)
Balance 31.12	**4.7**	1.8	2.0

Note 9 > INVENTORIES

USD mill	2007	2006	2005
Inventories			
Raw materials	**5**	4	4
Goods/projects in process	**21**	8	4
Finished goods/products for onward sale	**85**	78	65
Total inventories	**112**	91	73
Accrual obsolete inventory	**1**	1	1

Note 10 > CURRENT FINANCIAL INVESTMENTS

USD mill	2007	2006	2005
Market value asset management portfolio			
Norwegian listed stocks		7	14
Foreign listed stocks	**14**		
Bonds NOK	**43**	51	32
Bonds USD	**86**	101	97
Structured products NOK	**2**	2	4
Structured products USD	**24**	11	11
Other financial instruments	**14**	2	6
Total current financial investments	**185**	174	164

Note 11 > RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2007	2006	2005
Payroll tax withholding account	**3**	2	2

Wilhelmsen Maritime Services AS, Unitor Chemicals AS and Marine Contracting AS do not have a payroll tax withholding account, but a bank guarantee for USD 2 million.

	2007	2006	2005
Undrawn committed drawing rights	**310**	201	236
Including backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.	**28**	83	71

Note 12 > INTEREST-BEARING DEBT

USD mill	2007	2006	2005
Interest-bearing debt			
Mortgages	**176**	221	201
Leasing commitments	**364**	382	231
Bonds	**340**	370	325
Certificate loans		32	25
Bank loan	**90**		
Bank overdraft	**10**		
Other interest-bearing debt	**160**	234	216
Total interest-bearing debt	**1 139**	1 239	998
Book value of mortgaged assets			
Property			1
Vessels	**780**	809	609
Total	**780**	809	609
Repayment schedule for interest-bearing debt			
Due in year 1	**198**	164	151
Due in year 2	**45**	148	103
Due in year 3	**88**	47	145
Due in year 4	**265**	110	137
Due in year 5 and later	**543**	770	462
Total interest-bearing debt	**1 139**	1 239	998

> Bank loans accounted for roughly 30% of total interest-bearing debt in the group in 2007. Leasing obligations and borrowing in the Norwegian certificate market accounted for about 70%. A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 310 million at 31 December.

> Of the group's total leasing commitments, USD 362.6 million relates to a sale/leaseback agreement for 11 car carriers, while the remaining commitments cover office rental and leasing of equipment. The leasing agreement for 2 car carriers runs until 2008 with options for repurchase/extensions, the leasing agreement for 3 car carriers runs until 2013 with options for repurchase, and the leasing agreement for 6 car carriers runs until 2011 (1), 2012 (2) and 2013 (3) with an option for extension. The charter for 5 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 the five ships on fixed interest rates had a fair value of about USD 86 million as against a carrying amount of USD 79 million at 31 December 2007. The fair value is calculated on the basis of cash flows discounted by a weighted average cost of capital (WACC) of 6%. All other long-term liabilities have floating interest rates. Fair value will be virtually the same as the carried amount.

> Loan agreements entered into by the group contain financial covenants relating to value-adjusted equity, free liquidity and cash flow. The group was in compliance with these covenants at 31 December 2007 (analogous for 2006 and 2005).

> Unitor AS was in breach of certain of its loan covenants at 31 December 2005. This means that USD 89 million has been reclassified in the balance sheet from long-term liabilities to other current liabilities. The company received a waiver from the banks in early 2006 so that the term/maturity date and other terms of the loan are unaffected. As a result, the reclassification has only been made in the balance sheet.

> 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.

	2007	2006	2005
Guarantee commitments			
Guarantees for group companies	**367**	371	147
The carrying amounts of the group's borrowings are denominated in the following currencies			
USD	**677**	707	496
NOK	**340**	403	353
GBP	**123**	129	123
Other currencies			26
Total	**1 139**	1 239	998
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	**1 062**	1148	893

See otherwise note 13 for information on financial instruments (interest rate and currency hedges) relating to interest-bearing debt.

Note 13 > FINANCIAL RISK

The group's ordinary operations expose it to risks associated with fluctuations in exchange rates, interest rates and the price of bunkers. Hedging strategies (financial hedges) have been established to reduce the effect on the results of fluctuations in these markets. Financial instruments are not recognised as accounting hedges as specified in IAS 39, with changes in fair value recorded directly against equity unless otherwise specified.

Companies owned 50% or less by WW hedge their own activities. These are recorded in the accounts in accordance with the equity method, so that financial instruments in these companies are included in the line "share of profit/(loss) from associates and joint ventures" in the accounts.

FOREIGN EXCHANGE RISK

Cash flow hedging

The group's foreign exchange strategy is to hedge 25-75% of its net transaction risk on a four-year rolling basis. The hedging will gradually reduce over the four-year period. The bulk of the group's foreign exchange exposure is USD against NOK. Exposure against other currencies, such as the SEK, the EUR, the GBP, the JPY and the KRW, is hedged on an ad-hoc basis. Group accounts are compiled in USD. The foreign exchange exposure is primarily hedged through forward contracts and option structures, but weight is also given to balancing revenues and expenses in each currency.

The group realised a gain of USD 7.3 million on these hedging contracts in 2007 because of a falling USD during the period. The whole estimated NOK exposure was hedged at 31 December, when the hedging portfolio had a positive market value of about USD 17 million. Of this, a negative USD 0.5 million related to currencies other than the NOK. Wholly-owned subsidiaries hedge a large part of their exposure against the parent company, primarily in NOK. Contracts between the parent company and subsidiaries are recorded net in the consolidated accounts.

At 31 December, the hedge portfolio in Wilhelmsen Maritime Services (WMS) comprised the sale of USD against the NOK. These contracts had a positive market value of just over USD 2 million at 31 December.

Balance sheet hedging

The parent company has met a significant part of its financial requirements in the Norwegian bond market (USD 340 million). Since the parent company has the USD as its functional currency, the bulk of this debt has been hedged in USD. The weaker USD exchange rate has meant a positive change in value of just over USD 30 million on these currency contracts. At 31 December, the contracts had a positive market value of USD 34.3 million. Furthermore, Wilhelmsen Lines Car Carriers Ltd contains currency hedges (GBP/USD) tied to the USD-denominated tax leases for three car carriers. Collectively, these contracts had a positive market value of USD 17 million at 31 December (a positive change in value for the year of USD 5 million).

The group has opted for the moment not to hedge its investments in Korean won (KRW).

INTEREST RATE RISK

The group's long-term interest rate strategy is to ensure that a minimum of 30% and a maximum of 67% of the interest-bearing debt portfolio have a fixed interest rate which reflects the average term to maturity of the existing loan portfolio.

Interest hedge contracts held by the group corresponded to about 55% of its outstanding long-term liabilities at 31 December 2007. This level is expected to be maintained for the next few years.

At 31 December, the overall portfolio of loan hedging instruments had an additional value of USD 13.8 million.

USD 148 million in hedging instruments fall due in 2008, USD 6 million in 2009, USD 24 million in 2010, USD 155 million in 2011, USD 165 million in 2012 and USD 230 million from 2015 and beyond. To replace interest hedge contracts falling due, the group has secured about USD 180 million in such instruments which commence at a future date. These instruments commence in 2008 and 2011, and run to the 2008–2017 period. This means that the group expects to maintain its hedged proportion at today's level over the next few years. The average remaining term of the existing loan portfolio is just over four years.

The group's interest rate sensitivity is moderate. Of a total debt of about USD 1.1 billion, roughly USD 600 million was hedged at 31 December. This means that an average rise of 1% in interest rates during 2008 would increase interest expenses by about USD 5 million.

BUNKERS EXPOSURE

The group's strategy for bunkers is to secure bunkers adjustment clauses (BAF/EFAF) in contracts of affreightment.

Various forms of BAF/EFAF are included in most of the contracts of affreightment held by both Wallenius Wilhelmsen Logistics (WWL) and EUKOR Car Carriers.

The WW group's share of these contracts will be about 50%, corresponding to its share of earnings in WWL. The WW group's share of the capitalised value relating to bunkers contracts held by WWL came to USD 8 million at 31 December.

Cont note 13 > FINANCIAL RISK

MARKET VALUE OF CAPITALISED FINANCIAL INSTRUMENTS

USD mill	2007	
	Assets	Liabilities
Interest rate hedges		
Wilh. Wilhelmsen ASA		5.4
Wilhelmsen Lines Shipowning AS	1.0	
Wilhelmsen Lines AS		1.7
Wilhelmsen Lines Car Carriers Ltd *		7.7
Total interest rate hedges	1.0	14.8
Currency cash flow hedges		
Wilh. Wilhelmsen ASA	17.8	0.5
Wilhelmsen Maritime Services	2.3	
Total currency cash flow hedges	20.1	0.5
Currency real value hedges (basis swaps)		
Wilh. Wilhelmsen ASA	34.3	
Wilhelmsen Lines Car Carriers Ltd	17.1	
Total currency real value hedges (basis swaps)	51.4	
Total	72.0	14.8

* Qualifies for hedge accounting in accordance with IAS 39.

FINANCIAL MANAGEMENT
The group has centralised its financial management in the parent company. Management of funds currently contained in the shipowning companies has been split off into a separate management area with a low risk profile. The portfolio in the parent company will be managed with a higher risk profile, with shares and bonds accounting for the bulk of its holdings. A maximum of 60% of the portfolio can be invested in shares. The company also takes positions in the commodity (petroleum), currency and interest rate markets through the use of derivatives. Through correct positioning in financial markets, the group achieved a total yield of about 8% in 2007, with a standard deviation of just over 6%.

CREDIT RISK
The shipping segment is considered to have a low credit risk. No special hedging was undertaken for this type of risk during 2007.

In WMS, the customer risk relates primarily to the ship's service, ship's gear and bunkers activities. The companies have strict credit routines which reduce the risk. Continuous provisions are made for bad debts, and the proportion of bad debts has historically been low. No special hedging was undertaken for this type of risk in 2007.

The proportion of bad debts has historically been low because of good follow-up routines and the strong remedy provided by the ability to arrest ships.

LIQUIDITY RISK
The group's liquidity risk is regarded as low in that it possesses significant liquid assets in addition to credit facilities with the banks for liquidity purposes. At 31 December, the group had about USD 250 million in liquid assets which can be realised over a three-day period in addition to USD 282 million in spare capacity under its bank facilities.

Note 14 > PROVISIONS

Restructuring costs

As a result of the acquisition of Unitor in 2005, a provision of USD 28 million was made in the third quarter for restructuring costs. The estimated costs are based on a specific plan. This restructuring was due to be effectuated by the end of 2006. The remaining provision at 31 December 2007 was USD 156 000 (2006: USD 1.5 million, 2005: USD 13.7 million).

Note 15 > INVESTMENT HELD FOR SALE

USD mill

TeamTec AS was sold at 31.01.2006.

Group accounts include the following amounts related to TeamTec AS

	31.12.2005
Total assets	11
Total liabilities	6
Net pofit/(loss)	2

In addition, BASS Group and the Wilh. Wilhelmsen terminal in Riga were disposed of in 2005. The net result was USD 1 million.

Note 16 > EVENTS AFTER THE BALANCE SHEET DATE

No material additional 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.

The size and global activities of the WW 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. Any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

Note 17 > KEY FIGURES BUSINESS SEGMENTS

USD mill	Total			Shipping (1)			Logistic (2)			Maritime services (3)			Holding (4)		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
INCOME STATEMENT															
Operating income other business segments										**8**	6	10	**(8)**	(6)	(10)
Operating income external customers	**983**	832	577	**285**	245	231				**689**	573	321	**9**	14	25
Gain on sales of assets	**17**	94	9			8					1		**17**	93	1
Share of profits from associates and JVs	**80**	50	104	**38**	40	83	**32**	(13)	3	**10**	8	8		16	10
Total operating income	**1 080**	975	691	**323**	285	322	**32**	(13)	3	**707**	588	339	**18**	115	26
Primary operating profit	**303**	348	261	**211**	209	262	**32**	(13)	3	**72**	67	2	**(12)**	84	(6)
Depreciation and amortisation	**(63)**	(54)	(56)	**(39)**	(34)	(40)				**(21)**	(18)	(11)	**(3)**	(1)	(5)
Net operating profit	**240**	294	206	**172**	175	222	**32**	(13)	3	**51**	49	(10)	**(15)**	83	(10)
Net financials	**(12)**	(21)	(5)	**(28)**	(11)	(6)				**(7)**	(7)		**23**	(4)	1
Profit/(loss) before tax	**228**	273	201	**144**	165	216	**32**	(13)	3	**44**	42	(10)	**8**	80	(9)
Tax	**(221)**	(43)	(10)	**(220)**	7	(11)				**(4)**	(17)	4	**3**	(34)	(3)
Net profit/(loss)	**7**	230	191	**(76)**	172	205	**32**	(13)	3	**40**	25	(6)	**11**	46	(12)
Minorities	**4**	3	3							**4**	3	3			
BALANCE SHEET	31.12.07	31.12.06	31.12.05	31.12.07	31.12.06	31.12.05	31.12.07	31.12.06	31.12.05	31.12.07	31.12.06	31.12.05	31.12.07	31.12.06	31.12.05
Fixed assets	**1 331**	1 269	997	**911**	1 000	683				**367**	301	264	**54**	(32)	50
Investments in associates and JVs	**596**	532	512	**334**	310	269	**237**	174	183	**25**	20	16		29	44
Long-term receivables/investments	**44**	76	134	**167**	36	186				**20**	42	52	**(143)**	(2)	(103)
Current assets	**866**	857	619	**126**	157	132				**511**	410	333	**229**	291	153
Total assets	**2 839**	2 735	2 263	**1 538**	1 502	1 270	**237**	174	183	**923**	773	665	**140**	285	144
Equity	**953**	1 037	834	**672**	756	621	**237**	174	183	**270**	207	35	**226**	(100)	(6)
Long-term liabilities	**1 349**	1 274	1 010	**650**	674	551				**341**	318	378	**368**	283	81
Current liabilities	**537**	424	419	**216**	72	98				**312**	249	252	**(2)**	102	69
Total equity and liabilities	**2 839**	2 735	2 263	**1 538**	1 502	1 270	**237**	174	183	**923**	773	665	**140**	285	144
Investments in tangible fixed assets	**77**	312	369	**28**	273	154				**44**	33	213	**5**	5	1

1) Sales gains of USD 8.2 million related to vessels in the third quarter of 2005 from the sale of Resolve (former Tanabata) from Wilhelmsen Lines AS (100%) and Takasago from Wilhelmsen Lines Shipowning AS (100%) to Fidelio Limited Partnership (50% ownership).

2) The value related to the underlying assets in the French joint venture company Global Automotive Logistics (owner of French logistics company Compagnie d'Affrètement et de Transport) was written down by USD 25.3 million to zero in the second quarter of 2006.

3) Sales gains of USD 1.2 million related to sale of office building in the first quarter of 2006.

4) Express Offshore Transport Pte Ltd was sold in July 2007. This sale contributed a gain corresponding to USD 17 million in profit before tax. Sales gains of USD 83.1 million related to the sale of Dockwise Transport NV in the fourth quarter of 2006. The establishment of Express Offshore Transport Pte Ltd as a joint venture had a positive effect on net operating income through an accounting gain of roughly USD 9.5 million for 2006. USD 0.9 million in sales gains related to crew vessels is included in the fourth quarter of 2004, and USD 0.7 million in the fourth quarter of 2005.

KEY FIGURES GEOGRAPHICAL AREAS

USD mill	Total			Europe			Americas			Asia & Africa			Oceania			Other		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Operating income	**1 080**	975	690	**386**	369	135	**122**	112	69	**272**	235	235	**16**	12	13	**284**	248	239
Total assets	**2 839**	2 735	2 263	**981**	1 119	575	**38**	30	57	**356**	298	296	**57**	22	65	**1 407**	1 265	1 270
Investment in tangible fixed assets	**77**	312	369	**21**	20	198		1	5	**27**	16	12	**1**	1		**28**	273	154

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.

Russia is defined as Europe.

Operating income
Segment operating income is based on the geographical location of the company and includes sales gains.

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 income from associates and joint ventures 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 tangible fixed assets
Segment capital expenditure is based on the geographical location of the assets.

Note 18 > BUSINESS COMBINATIONS

WW ASA reached agreement on 19 June 2005 on acquiring 90.4% of the shares in Unitor ASA. This agreement meant that WW could secure the remainder of the shares in the company. The purchase price for all the Unitor shares was about USD 209 million.

Unitor was a leading global provider of services and products for the maritime industry. The company comprised two divisions. Unitor Ships Service delivered services and products to ships in service through a network of 70 offices of its own and 154 agents in 75 countries. Unitor Ships Equipment supplied equipment and systems for fire protection, safety, incinerators and insulation to the global shipbuilding industry. At 31 December 2004, the company had 1 439 employees. Unitor complemented the range of services in WMS through its leading position in the chemicals, safety, maintenance and repair product areas.

Unitor ASA contributed sales of USD 185 million and a net profit of USD 3 million for the period from 15 July 2005 to 31 December 2005.

If the shares had been acquired with effect from 1 January 2005, the group would have secured a total gross operating income of USD 392 million and a net profit after tax of USD 10 million.

Assets and liabilities related to the acquisition

USD mill	Fair value	Acquiree's carrying amounts
Deferred tax assets	9	9
Goodwill and intangible assets	11	26
Vessels, property, fixtures	90	84
Other long-term assets	9	9
Other current assets	76	76
Inventories	66	66
Cash and bank deposits	20	20
Other provisions	(3)	
Other long-term debt	(97)	(97)
Other long-term liabilities	(87)	(87)
Net identifiable assets	94	106

Minority interest (9%)	5
Net assets acquired	89
Goodwill on aquisition	116
Consideration paid, satisfied in cash*	209
Cash and cash equivalents in subsidiary acquired	15
Net cash outflow	194

* Including legal fees amounting to USD 0.3 million

Financing

Interest-bearing debt	100
Drawn on liquid resources	109
Total	209

There were no other material acquisitions in the period 1 January 2005 to 31 December 2007.

Note 19 > PROPORTIONATE METHOD PER BUSINESS SEGMENTS*

To present a more complete picture of activities in the group, joint ventures in the shipping and logistics segments are shown with proportional consolidation.

USD mill	Total			Shipping (1)			Logistics (2)			Maritime services (3)			Holding (4)		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
INCOME STATEMENT															
Total operating income	**2 604**	2 511	2 207	**1 650**	1 436	1 330	**251**	386	531	**707**	588	339	**(4)**	101	7
Primary operating profit**	**417**	539	397	**312**	357	357	**45**	28	43	**72**	67	2	**(12)**	87	(6)
Depreciation and amortisation	**(151)**	(171)	(165)	**(122)**	(116)	(120)	**(5)**	(34)	(29)	**(21)**	(18)	(11)	**(3)**	(4)	(4)
Net operating profit	**266**	368	232	**190**	241	238	**40**	(6)	15	**51**	49	(10)	**(15)**	83	(10)
Net financials	**(24)**	(100)	(23)	**(41)**	(87)	(20)	**1**	(2)	(5)	**(7)**	(7)		**23**	(3)	2
Profit/(loss) before tax	**242**	268	209	**149**	154	218	**41**	(7)	10	**44**	42	(10)	**8**	80	(9)
Tax	**(235)**	(38)	(18)	**(225)**	18	(13)	**(9)**	(6)	(7)	**(4)**	(17)	4	**3**	(34)	(3)
Net profit/(loss)	**7**	230	191	**(76)**	172	205	**32**	(13)	3	**40**	25	(6)	**11**	46	(12)
Minorities	**4**	3	3							**4**	3	3			

1) Sales gains of USD 8.2 million related to vessels in the third quarter of 2005 from the sale of Resolve (former Tanabata) from Wilhelmsen Lines AS (100%) and Takasago from Wilhelmsen Lines Shipowning AS (100%) to Fidelio Limited Partnership (50% ownership).

2) The value related to the underlying assets in the French joint venture company Global Automotive Logistics (owner of French logistics company Compagnie d'Affrètement et de Transport) was written down by USD 25.3 million to zero in the second quarter of 2006.

3) Sales gains of USD 1.2 million related to sale of office building in the first quarter of 2006.

4) Express Offshore Transport Pte Ltd was sold in July 2007. This sale contributed a gain corresponding to USD 17 million in profit before tax. Sales gains of USD 83.1 million related to the sale of Dockwise Transport NV in the fourth quarter of 2006. The establishment of Express Offshore Transport Pte Ltd as a joint venture had a positive effect on net operating income through an accounting gain of roughly USD 9.5 million for 2006. USD 0.9 million in sales gains related to crew vessels is included in the fourth quarter of 2004, and USD 0.7 million in the fourth quater of 2005.

* Proportionate method used for joint jentures.
** Cash-settled portion of bunker hedge swaps is included in primary operating profit.

INCOME STATEMENT > WILH. WILHELMSEN ASA

USD mill	Note	2007	2006	2005
Operating income	1	**4**	4	9
Operating expenses				
Pay and remuneration	2	**(24)**	(17)	(18)
Depreciation and write-downs	3/6	**(1)**		(1)
Other operating expenses	4	**(48)**	(12)	(14)
Total operating expenses		**(73)**	(30)	(33)
Net operating profit/(loss)		**(69)**	(26)	(25)
Financial income and expenses				
Financial income	4	**408**	100	58
Financial expenses	4	**(66)**	(52)	(14)
Net financials		**342**	48	45
Profit/(loss) before tax		**273**	22	20
Tax	5	**(12)**	(3)	(1)
Net profit/(loss)		**261**	18	19
Transfers and allocations				
(To)/from equity		**(180)**	25	20
Fund for unrealised gains		**(32)**		
Dividends		**(49)**	(44)	(38)
Total transfers and allocations		**(261)**	(18)	(19)

BALANCE SHEET > WILH. WILHELMSEN ASA

USD mill	Note	31.12.2007	31.12.2006	31.12.2005
ASSETS				
Fixed assets				
Deferred tax asset	5	**9**	19	19
Intangible assets	3	**2**		
Fixtures	3	**4**	2	1
Investments in subsidiaries	6	**521**	380	268
Investments in joint ventures and associates	7	**262**	231	232
Other long-term assets	8	**109**	119	182
Total fixed assets		**906**	751	702
Current assets				
Current financial investments	9	**129**	103	75
Other current assets	8	**144**	45	34
Cash and bank deposits	10	**46**	33	53
Total current assets		**319**	181	163
Total assets		**1 225**	932	864
EQUITY AND LIABILITIES				
Equity				
Paid-in capital	11	**131**	131	131
Own shares	11	**(9)**	(5)	(4)
Fund for unrealised gains	11	**32**		
Retained earnings	11	**285**	181	242
Total equity		**440**	308	369
Provisions for liabilities				
Pension liabilities	12	**63**	54	47
Total provisions for liabilities		**63**	54	47
Long-term liabilities				
Long-term interest-bearing debt	13	**312**	319	378
Other long-term liabilities	8	**284**	86	14
Total long-term liabilities		**596**	404	391
Current liabilities				
Tax payable	5			
Public duties payable		**1**	2	2
Other current liabilities	8/13	**126**	163	54
Total current liabilities		**127**	166	56
Total equity and liabilities		**1 225**	932	864

Lysaker, 12 March 2008

Wilhelm Wilhelmsen chair	Diderik Schnitler deputy chair	Helen Juell	Odd Rune Austgulen	Bettina Banoun	Ingar Skaug group CEO

CASH FLOW STATEMENT > WILH. WILHELMSEN ASA

USD mill	2007	2006	2005
Cash flow from operating activities			
Profit/(loss) before tax	**273**	22	20
Tax paid in the year			
Depreciation and write-downs	**34**		1
Changes in current financial investments	**(78)**	(17)	(6)
Changes in bunker reserves/current receivables/liabilities	**(46)**	(15)	(11)
Difference expensed pension and premium paid	**8**	3	(1)
Change in other periodic accruals	**(41)**	159	(29)
Net cash provided by/(used in) operating activities	**151**	151	(26)
Cash flow from investing activities			
Proceeds from sale of fixed assets	**1**		1
Investments in fixed assets	**(4)**	(1)	(1)
Proceeds from investment in subsidiaries and other companies	**(229)**	41	
Payment for investment in subsidiaries and other companies		(157)	(4)
Net cash flow provided by/(used in) investing activities	**(233)**	(116)	(4)
Cash flow from financing activities			
Proceeds from issuance/(repayment) of debt	**202**	12	127
Purchase of own shares	**(29)**	(4)	(4)
Paid-in equity	**3**	2	
Dividends paid	**(80)**	(66)	(61)
Net cash flow provided by/(used in) financing activities	**96**	(56)	63
Net increase/(decrease) in cash and cash equivalents	**12**	(21)	33
Cash and cash equivalents at 01.01	**33**	53	19
Cash and cash equivalents at 31.12	**45**	33	52
Restricted bank deposits at 31.12			
Payroll tax withholding account	**1**	1	1
Total cash and cash equivalents at 31.12	**46**	33	53

Note 1 > GROSS INCOME

USD mill	2007	2006	2005
Operating income			
Inter-company income	**4**	4	9
Other external income			
Total operating income	**4**	4	9

Note 2 > PAY AND REMUNERATION

USD mill	2007	2006	2005
Pay	**11**	8	9
Payroll tax	**2**	1	3
Pension cost	**6**	4	4
Other remuneration	**4**	3	3
Total pay and remuneration	**24**	17	18
Average number of employees	**77**	67	54

REMUNERATION OF SENIOR EXECUTIVES (USD 1 000)

	Pay/fees/pensions	Bonus	Pension premium	Other remuneration	Total	Total in NOK
2007						
Working chair	**525**			**19**	**544**	**3 184**
Deputy chair **	**265**			**26**	**290**	**1 700**
Group CEO	**830**	**256**	**50**	**34**	**1 171**	**6 857**
Deputy group CEO	**519**	**142**	**58**	**30**	**748**	**4 382**
Group CFO	**314**		**29**	**21**	**363**	**2 128**
Group senior vice president shipping & logistics	**207**	**95**	**4**	**189**	**495**	**2 897**
Group vice president shipping	**175**		**9**	**128**	**312**	**1 827**
Group vice president logistics *	**293**			**82**	**375**	**2 197**
2006						
Working chair	461			17	479	3 070
Deputy chair **	280			23	303	1 942
Group CEO	510	181	253	299	1 242	7 960
Deputy group CEO/CFO	318	60	35	94	507	3 249
Group senior vice president shipping & logistics	254	50	29	38	371	2 378
2005						
Working chair	442	213		17	673	4 336
Deputy chair **	242			17	259	1 669
Group CEO	468	213	352	32	1 064	6 855
Deputy group CEO/CFO	304	71	44	124	544	3 505
Group senior vice president shipping & logistics	235	58	35	20	348	2 242

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.

* Group vice president logistics Steve P Cadden has been seconded to WW ASA from a US subsidiary on an expatriate basis for a fixed time period.
** Remuneration consist of directors' fee and pension.

Remuneration of the other four directors totalled USD 231 in 2007, USD 156 for 2006 and USD 155 for 2005.

- > The group CEO has a bonus scheme which gives him the right to a maximum of six monthly salary payments.
- > The group CEO has the right to a life-long pension constituting 66% of his annual salary at retirement.
- > The chair has the right to a life-long pension constituting 66% of his remuneration at retirement.
- > The group CEO has an agreement on reducing his workload between the ages of 63 and 67, without cutting the pension entitlement outlined above, with a corresponding reduction in salary to 66% of his final salary at the age of 67.
- > The group CEO has an agreement on severance pay which gives him the right to receive 75% of his annual salary for 18 months after he leaves the company as the result of a merger, substantial changes in ownership or a decision by the board of directors. Possible other income received during the period will reduce this severance pay by 50%. Such a reduction would come into force six months after his departure.

Loans and guarantees (USD 1 000)	Employees	Board	Chair	Group CEO	Related parties
Total loans	43				

Employees are charged 3% interest. No security has been provided for the loans.

SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSEN ASA AT 31 DECEMBER 2007

Name	A shares	B shares	Total	Part of total share	Part of voting stock
Board of directors					
Wilhelm Wilhelmsen (working chair)	20 295 940	2 540 344	22 836 284	46.01%	55.07%
Leif T Løddesøl (deputy chair to 31 December 2007)	1 152		1 152		
Odd Rune Austgulen	136	40 000	40 136		
Bettina Banoun	100	1 000	1 100		
Helen Juell	20 188		20 188		
Diderik Schnitler (deputy chair from 1 January 2008)	2 000		2 000		
Senior executives					
Ingar Skaug (group CEO)	30 077	1 550	31 627		
Sjur Galtung (deputy group CEO, CFO to 31 March 2007)	58 446	24 478	82 924		
Nils P Dyvik (group CFO from 1 April 2007)	4 492	5 000	9 492		
Arild B Iversen (group senior vice president shipping & logistics to 31 March 2007)					
Thomas Wilhelmsen (group vice president shipping from 1 April 2007)	22 100	750	22 850		
Stephen P Cadden (group vice president logistics from 1 April 2007)					

OPTION PROGRAMME FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT

> The board of directors of Wilh. Wilhelmsen ASA (WW) resolved in a board meeting on 28 October 2004 to renew the stock option programme for employees at a specified level of management in the company, and in its associated subsidiaries. This programme was originally introduced in February 2000 and expired in 31 December 2004.

> The board initially allocated 335 000 class A shares in WW, currently owned by the company, to the programme, and authorised the group CEO to decide who should be offered an option to purchase shares under the programme. The group CEO decided to use the authority granted and, in a letter of 3 December 2004, offered a select group of employees the opportunity to participate in the programme.

> The options had to be exercised in the period from 1 January 2005 to 31 December 2007.

> The strike price was the average market price for class A shares on the Oslo Stock Exchange in the month of December 2004, which was NOK 148 per share. A new average market price closer to the option grant date was established for personnel who joined the programme at a later date.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows

	2007		2006		2005	
	Average exercise price NOK per share	Number of options granted	Average exercise price NOK per share	Number of options granted	Average exercise price NOK per share	Number of options granted
At 01.01		**144 000**		239 000		
Granted		**52 500**		15 000		320 000
Repealed		**(77 500)**		(5 000)		
Exercised	**212.0**	**(119 000)**	229.0	(105 000)	203.5	(81 000)
Outstanding options 31.12		**0**		144 000		239 000

The real value of the options granted during the period has been calculated with aid of the Black-Scholes option pricing model. This calculation assumes that the options will be exercised after 12 months. Volatility measured by the standard deviation for the expected share yield is based on a statistical analysis of the average daily share price over the next three years.

> The cost will be allocated over the earning period. Since the options granted could be exercised from day one, the total cost has been recognised directly in the accounts.

> For options awarded in 2005, the cost was USD 1.9 million.

> For options awarded in 2006, the cost was USD 50 000.

> For options awarded in 2007, the cost was USD 174 000.

The programme had ended at 31 December 2007.

Cont note 2 > PAY AND REMUNERATION

Options senior executives

	Group CEO	Deputy group CEO/CFO	Group senior vice president shipping & logistics	Group vice president shipping	The board/chair
Options awarded	**20 000**	**15 000**	**10 000**	**10 000**	
Exercised 2005		**(10 000)**			
Exercised 2006	**(20 000)**	**(5 000)**			
Exercised 2007			**(10 000)**	**(10 000)**	
Unexercised 31 December 2007	**0**	**0**	**0**	**0**	**0**
Exercise price 2005		215			
Exercise price 2006	235	235			
Exercise price 2007			**255**	**236**	

AUDIT (USD 1 000)	2007	2006	2005
Statutory audit fee	**136**	129	88
Consultant fee to auditors – agreed services	**142**	98	153
Consultant fee to auditors – tax and other	**246**	300	237
Total audit	**524**	528	478

Note 3 > INTANGIBLE AND FIXED ASSETS

USD mill	Intangible assets	Fixed assets
Cost price 01.01.2005	0.6	3.9
Additions	0.1	1.0
Disposals	(0.4)	(2.1)
Cost price 31.12.2005	0.3	2.9
Accumulated ordinary depreciation 01.01.2005	0.4	1.9
Accumulated ordinary depreciation 31.12.2005	0.1	1.5
Book value 31.12.2005	0.1	1.4
Year's depreciation	0.2	0.8
Cost price 01.01.2006	0.3	2.9
Additions	0.1	0.8
Disposals		(0.8)
Cost price 31.12.2006	0.4	3.0
Accumulated ordinary depreciation 01.01.2006	0.1	1.5
Accumulated ordinary depreciation 31.12.2006	0.1	1.2
Book value 31.12.2006	0.3	1.8
Year's depreciation	0.1	0.2
Cost price 01.01.2007	**0.4**	**3.0**
Additions	**1.7**	**2.7**
Disposals	**(0.1)**	**(0.5)**
Cost price 31.12.2007	**2.0**	**5.2**
Accumulated ordinary depreciation 01.01.2007	**0.1**	**1.2**
Accumulated ordinary depreciation 31.12.2007	**0.3**	**1.5**
Book value 31.12.2007	**1.7**	**3.7**
Current year's depreciation	**0.2**	**0.5**
Economic lifetime	Up to 3 years	3–10 years
Depreciation schedule	Straight line	Straight line

Note 4 > COMBINED ITEMS, INCOME STATEMENT

USD mill	2007	2006	2005
OTHER OPERATING EXPENSES			
Inter-company expenses	**(4)**	(1)	
Other sales and administration expenses	**(10)**	(12)	(14)
Write-downs on shares in subsidiaries *	**(34)**		
Total other operating expenses	**(48)**	(12)	(14)
FINANCIAL INCOME			
Dividend from subsidiaries and group contribution	**207**	47	49
Dividend	**6**	1	2
Interest income	**24**	5	3
Interest income from subsidiaries	**5**	9	7
Net currency gain			18
Financial instruments	**64**	24	(40)
Return on current financial investments	**8**	13	20
Other financial income	**94**		
Total financial income	**408**	100	58
FINANCIAL EXPENSES			
Interest expenses	**(21)**	(23)	(13)
Interest expenses to subsidiaries	**(9)**	(5)	
Net currency loss	**(34)**	(23)	
Other financial expenses	**(2)**		
Total financial expenses	**(66)**	(52)	(14)

* See note 6 Investments in subsidiaries

Note 5 > TAX

USD mill	2007	2006	2005
Distribution of tax expenses			
Payable tax			
Change in deferred tax	**12**	3	1
Total tax	**12**	3	1
Basis for tax computation			
Profit/(loss) before tax	**274**	22	20
28% tax	**77**	6	6
Tax effect from			
Permanent differences	**2**	3	2
Change remuneration earlier years		(1)	
Non-taxable income	**(67)**	(5)	(6)
Calculated tax	**12**	3	1
Effective tax rate	**4.2%**	12.7%	7.2%
Deferred tax			
Tax effect of temporary differences			
Fixtures			3
Current assets	**16**	2	(3)
Long-term liabilities/provisions for liabilities	**(11)**	(15)	(13)
Tax losses carried forward	**(14)**	(6)	(6)
Total deferred tax/(deferred tax assets)	**(9)**	(19)	(19)
Composition of deferred tax and changes in deferred tax			
Deferred tax 31.12 previous year	**19**	19	21
Change in deferred tax credited to the income statement	**(12)**	(3)	(1)
Currency translation adjustments	**2**	3	(1)
Deferred tax/(deferred tax assets) 31.12	**9**	19	19

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 write-down to net realisable value is recorded.

USD 1 000	Business office country	Voting share ownership share	Book value
Njord Insurance Company Ltd	Hamilton, Bermuda	100%	**475**
Wilh. Wilhelmsen (Asia) Sdn Bhd	Kuala Lumpur, Malaysia	100%	**247**
Wilh. Wilhelmsen (Hong Kong) Ltd	Hong Kong	100%	**7**
Wilh. Wilhelmsen Netherlands BV *	Breda, Netherlands	100%	**174**
Wilhelmsen Insurance Services AS	Lysaker, Norway	100%	**7**
Wilhelmsen Lines AS	Lysaker, Norway	100%	**372 566**
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	**158 016**
Wilhelmsen Offshore & Chartering AS	Lysaker, Norway	100%	**12 300**
WilService AS	Lysaker, Norway	100%	**1 114**
Strandveien 20 ANS	Lysaker, Norway	99%	**18 367**
Deferred income intragroup transaction			**(42 380)**
Total investments in subsidiaries			**520 892**

* The shares in WW Netherlands have been written down in line with the residual value in the company after the sale of Dockwise in 2006.

Note 7 > INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates are recorded at cost. Where a reduction in the value of shares is considered to be permanent and significant, a write-down to net realisable value is recorded.

USD 1 000	Business office country	Voting share ownership share	Book value
Joint ventures			
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%	**131 289**
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%	**24**
EUKOR Shipowning Singapore Pte Ltd	Singapore	40%	**14**
Associates			
Glovis Co Ltd	Seoul, Republic of Korea	20%	**100 000**
KFM Logistic Investment Pty Ltd (Companies 1, 3, 6)	Sydney, Australia	22.5%	**30 267**
Total investments in joint ventures and associates			**261 595**

Note 8 > COMBINED ITEMS, BALANCE SHEET

USD mill	2007	2006	2005
OTHER LONG-TERM ASSETS			
Loans to subsidiaries	**104**	114	177
Other long-term assets	**5**	5	4
Total other long-term assets	**109**	119	182
Of which long-term debitors falling due for payment later than one year			
Loans to subsidiaries	**3**	93	172
Other long-term assets		5	5
Total other long-term assets due after one year	**3**	98	177
OTHER CURRENT ASSETS			
Inter-company receivables	**91**	37	31
Other current receivables	**53**	8	3
Total other current assets	**144**	45	34
OTHER LONG-TERM LIABILITIES			
Loans from subsidiaries	**284**	86	11
Other long-term liabilities			3
Total other long-term liabilities	**284**	86	14
OTHER CURRENT LIABILITIES			
Dividend	**49**	44	37
Inter-company payables	**14**	7	3
Other current liabilities	**63**	113	15
Total other current liabilities	**126**	163	54

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

		Market value	
USD mill	2007	2006	2005
Norwegian listed stocks	**14**	7	14
Bonds NOK	**43**	45	21
Bonds USD	**31**	37	23
Structured products NOK	**2**	2	4
Structured products USD	**27**	11	11
Other financial instruments	**11**		2
Total current financial investments	**129**	103	75

Note 10 > RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

USD mill	2007	2006	2005
Payroll tax withholding account	**1**	1	1
Undrawn committed drawing rights	**180**	182	175
Including backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	**28**	83	71

Note 11 > EQUITY

USD mill	Share capital	Own shares	Fund	Retained earnings	Total
Change in equity 2005					
Equity 01.01.2005	131	(4)		295	422
Options employees				(2)	(2)
Withholding tax				(1)	(1)
Group contribution				(3)	(3)
Proposed dividend				(36)	(36)
Dividend paid – November				(29)	(29)
Net profit				18	18
Equity 31.12.2005	131	(4)		242	369
Change in equity 2006					
Purchase of own shares		(1)		(11)	(12)
Options employees				2	2
Withholding tax					
Group contribution				8	8
Proposed dividend				(47)	(47)
Dividend paid – November				(30)	(30)
Net profit				18	18
Equity 31.12.2006	131	(5)		181	308
Current year's change in equity					
Purchase of own shares		**(5)**		**(48)**	**(53)**
Options employees				**3**	**3**
Withholding tax					
Proposed dividend				**(49)**	**(49)**
Dividend paid – November				**(30)**	**(30)**
Net profit			**32**	**229**	**261**
Equity 31.12.2007	**131**	**(9)**	**32**	**285**	**440**

A total of 119 000 A shares were utilised in 2007 for options exercised by employees. The strike price for these options is between NOK 202 and NOK 255.

At 31 December 2007, Wilhelmsen Lines Shipowning AS owned 1 593 376 Class A shares and 623 700 Class B shares, while Wilh. Wilhelmsen ASA owned 626 000 Class A shares and 290 600 Class B shares. The total purchase price of these shares is approximately USD 58 million.

The company's share capital comprises 36 856 468 Class A shares and 12 781 032 Class B shares, totalling 49 637 500 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.

Dividend paid
Dividend paid in 2005 was NOK 4 per share in May and NOK 4 per share in November.
Dividend paid in 2006 was NOK 5 per share in May and 3.50 per share in November.
Dividend paid in 2007 was NOK 5.50 per share in May and 3.50 per share in November.

The proposed dividend for fiscal 2007 is NOK 5.50 per share, payable in May 2008. A decision on this proposal will be taken by the annual general meeting on 8 May 2008.

The largest shareholders at 31 December 2007

Shareholders	A shares	B shares	Total number of shares	% of total shares	% of voting stock
TALLYMAN AS	19 788 156	2 281 044	22 069 200	44.46	53.69
VERDIPAPIRFOND ODIN NORDEN		2 488 053	2 488 053	5.01	
WILHELMSEN LINES SHIPOWNING AS	1 593 376	623 700	2 217 076	4.47	4.32
VERDIPAPIRFOND ODIN NORGE		1 747 600	1 747 600	3.52	
PARETO AKSJE NORGE	1 301 738	419 550	1 721 288	3.47	3.53
FOLKETRYGDFONDET	855 050	610 100	1 465 150	2.95	2.32
SKAGEN VEKST	1 000 000		1 000 000	2.01	2.71
STATE STREET BANK AND TRUST CO	987 490	1 736	989 226	1.99	2.68
WILH. WILHELMSEN ASA	626 000	290 600	916 600	1.85	1.70
PARETO AKTIV	572 250	190 400	762 650	1.54	1.55
STIFTELSEN TOM WILHELMSEN	370 400	236 000	606 400	1.22	1.00
SIS SEGAINTERSETTLE AG 5 PCT NOM	589 800		589 800	1.19	1.60
SKANDINAVISKA ENSKILDA BANKEN	32 132	428 975	461 107	0.93	0.09
JPMORGAN CHASE BANK	39 900	385 000	424 900	0.86	0.11
PICTET & CIE BANQUIERS	388 877		388 877	0.78	1.06
NORDEA BANK PLC FINLAND NIFC	97 550	229 350	326 900	0.66	0.26
DNB NOR NAVIGATOR	156 468	114 870	271 338	0.55	0.42
VERDIPAPIRFOND ODIN MARITIM	25 000	245 000	270 000	0.54	0.07
CITIBANK N.A.	251 468		251 468	0.51	0.68
VERDIPAPIRFONDET NORDEA VEKST	213 850	20 000	233 850	0.47	0.58
Other	7 966 963	2 469 054	10 436 017	21.02	21.62
Total	**36 856 468**	**12 781 032**	**49 637 500**	**100.00**	**100.00**

Shares owned by foreigners
At December 2007 – 4 195 723 (11.38%) A shares and 1 745 785 (13.66%) B shares.
Corresponding figures at 31 December 2006 – 3 572 188 (9.69%) A shares and 1 881 010 (14.72%) B shares.
Corresponding figures at 31 December 2005 – 3 590 063 (9.74%) A shares and 1 771 431 (13.86%) B shares.

Note 12 > PENSIONS

USD mill	Funded			Unfunded		
	2007	2006	2005	2007	2006	2005
Number of people in pension plans at 31.12						
Employees (including disabled)	**71**	71	70	**231**	231	249
Retired employees	**222**	222	229	**686**	686	664
Total	**293**	293	299	**917**	917	913

	2007	2006	2005
Financial assumptions for the pension calculations			
Expected rate of return on assets in pension plans	**5.50%**	5.50%	5.00%
Discount rate	**4.48%**	4.50%	4.00%
Annual pay regulation	**4.50%**	4.50%	3.00%
Annual regulation of National Insurance base amount (G)	**4.20%**	4.20%	3.00%
Annual regulation of pensions	**2.50%**	2.50%	2.00%
Spesification of pension expense for the year			
Net present value of current year's service expense	**3**	2	2
Interest expenses related to service expense	**5**	4	4
Return on assets in pension plans	**(2)**	(2)	(2)
Recognised changes in estimates and variances	**1**		
Costs of defined contribution plan		1	
Net pension expense	**6**	4	4
Specification of net pension liabilities reflected in the balance sheet at 31.12			
Present value of funded obligations	**(45)**	(37)	(33)
Fair value of plan assets	**49**	39	33
Net	**4**	1	(1)
Present value of unfunded obligations	**(74)**	(63)	(52)
Unrecognised actuarial losses	**8**	12	9
Accrued social security tax		(4)	(4)
Net recognised pension liabilities	**(63)**	(54)	(47)

Note 13 > INTEREST-BEARING DEBT

USD mill	2007	2006	2005
Interest-bearing debt			
Mortgage debt	**20**	18	25
Bond loan	**340**	370	352
Certificate loan		32	
Total interest-bearing debt	**360**	421	378
Repayment schedule for interest-bearing debt			
Due in year 1	**48**	102	
Due in year 2	**13**		46
Due in year 3	**24**	12	
Due in year 4	**69**	24	69
Due in year 5 and later	**207**	284	263
Total interest-bearing debt	**360**	421	378

FINANCIAL RISK

See note 13 to the group accounts for further information on financial risk, and note 12 to the group accounts concerning the fair value of interest-bearing debt.

Note 14 > EVENTS AFTER THE BALANCE SHEET DATE

No material additional 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 15 > DECLARATION ON THE DETERMINATION OF PAY AND OTHER REMUNERATION FOR SENIOR EXECUTIVES

This declaration applies for fiscal 2008 and has been adopted by the board of Wilh. Wilhelmsen ASA (WW ASA) at its meeting of 12 March 2008 pursuant to section 6-16a of the Norwegian Act on Public Limited Companies.

General

The board of WW 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 regarded as senior executives for the purposes of this declaration are: Ingar Skaug, group president and CEO, Sjur Galtung, deputy group CEO, Nils P Dyvik, group CFO, Thomas Wilhelmsen, group vice president shipping, Stephen P Cadden, group vice president logistics, and Dag Schjerven, president of Wilhelmsen Maritime Services AS.

Salary

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

See note 2 concerning pay and remuneration for senior executives of the parent company and note 4 of the group accounts concerning senior executives of the group.

Benefits in kind

The senior executives are provided with a company car and receive free newspapers, free telephone, free mobile phone and coverage of the cost of broadband communication to specified standards.

Bonus

The senior executives participate in a bonus system in WW. This comprises two components – a team bonus covering all employees in Norway, and a performance-oriented bonus for employees at a specified level of management. The team bonus is maximised at a month's pay, while the performance-oriented bonus for senior executives varies from one to five months pay if the company achieves a return on capital employed in excess of a predetermined level and if the person concerned achieves their individual targets.

Options

The senior executives participate in an option programme approved by the company's general meeting, under which a number of option rights have been awarded. These are tied to the average closing price for WW A shares over the seven trading days preceding the offer of option rights, corresponding to NOK 212.

These option rights can be exercised by 31 December 2010 at the latest, when the difference between the share price at the strike date and NOK 212 will be paid. The option holder must also purchase WW A shares for one-third of the gain before tax, and own at least a corresponding number of shares for three years from the strike date.

The group CEO has the opportunity to acquire 20 000 shares, Sjur Galtung can purchase 15 000 shares, and Nils P Dyvik, Thomas Wilhelmsen, Stephen P Cadden and Dag Schjerven can buy 10 000 shares.

Shares in WW

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

Pension scheme

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 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 early retirement are financed from operations.

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 six months after departure.

Guidelines for pay determination, etc, in 2008–2009

The group CEO's pay for 1 July 2008 to 30 June 2009 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 working internationally.

Statement on senior executive pay in 2007

Pay policy for senior executives in the previous fiscal year built on the same principles as those described above for 2008-09, except for the introduction of a new bonus scheme as described above.

Effect on the company of senior executive pay agreements concluded in 2007

No new pay agreements for senior executives were concluded nor changes made to existing agreements in the previous fiscal year, except from option scheme mentioned above.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers AS
Postboks 748
NO-0106 Oslo
Telephone +47 02316
Telefax +47 23 16 10 00

To the Annual Shareholder's Meeting of Wilh. Wilhelmsen ASA

Auditor's report for 2007

We have audited the annual financial statements of Wilh. Wilhelmsen ASA as of December 31, 2007, showing a profit of USD 261 million for the parent company and a profit of USD 7 million for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statement of the parent company comprises the balance sheet, the statements of income and cash flows and the accompanying notes. The financial statement of the group comprises the balance sheet, the statement of income and cash flows and the accompanying notes. Simplified IFRS according to the Norwegian accounting act § 3–9 have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's board of directors and managing director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as of December 31, 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with simplified IFRS according to the Norwegian accounting act § 3–9
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of December 31, 2007,and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, March 12 2008
PricewaterhouseCoopers AS

Erling Elsrud
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

SERVICE CONFIRMATION

Wilh. Wilhelmsen

Date: 4 March 2008	**Name of supplier:** Wilhelmsen Ship Management	**Maritime personnel:** 8 600 at sea and some 400 on land

Specification of services:
Technical management, crew management and training, technical consultancy, insurance, commercial management, engineering consultancy and IT solutions.

Certifications:
Certified to operate ships in accordance with the ISM Code, and to the ISO 9001:2000 and ISO 14001:2004 standards for quality and environmental assurance respectively.

Recruitment and training:
Seafarers recruited and trained in 24 countries, including Norway, Sweden, India, Indonesia, the Philippines, Russia, Poland and other countries in eastern Europe, Asia, and Central and South America.

Comments:

Commitment to safe, profitable and secure operation of ships

Knowing what to do in a crisis is just one of the many skills we at Wilhelmsen Ship Management ensure that crews learn through our training programmes on land and at sea. As one of the world's largest providers of third-party ship management services, we have an uncompromising commitment to safe, profitable and secure operation of ships on behalf of demanding owners. With an extensive range of solutions for all vessel segments worldwide, we can offer the management services you want – when and where you need them.

Reynaldo L Golez (left), bosun on m/v Toronto, and able seaman Cesar B Gozar Jr conduct an emergency drill required by the UK Maritime Coast Guard Authority. This forms part of intermediate verification by the flag state under the ISPS and ISM codes.

Did you know… that we pursue vessel management from Oslo (head office), Kuala Lumpur, Mumbai, Houston, Singapore, Southampton, Pusan, Dubai and Hamburg?

WE DELIVER EXPERTISE

ENVIRONMENTAL CHALLENGES AND SOLUTIONS

The modern world has a growing demand for ocean transport. However, shipping is considered the most environment-friendly way of moving goods around the world, considerable challenges must be overcome to ensure that this form of transport takes even better account of environmental considerations.

As a company dedicated to ocean transport and logistics, WW's aim is to reduce the impact of its cargo-carrying operations. Its vision is to improve operations continuously in seeking to achieve zero emissions, and thereby contribute to a cleaner global environment.

Emissions to the air

WW aims to cut fuel consumption by its fleet in order to reduce the group's impact on the global environment. The long-term ambition is a zero-emission operation, as symbolised by the Orcelle concept vessel, which utilises wind, solar and wave power.

Carbon dioxide (CO_2) and nitrogen oxides (NO_x) are produced from the combustion of fossil fuels such as bunkers. Burning bunkers containing sulphur also generates gases which contain harmful sulphur oxides (SO_x). Emissions of sulphur oxides partly reflect the percentage of sulphur contained in the heavy oil used on ships.

While carbon dioxide is to be regarded as a greenhouse gas on a global basis, nitrogen and sulphur oxide emissions will be more local in character and primarily affect the immediate environment – particularly in coastal districts. These gases lead to eutrophication and acidification of soil and water, and could be harmful to human beings. This effect will obviously be strongest in ports, even though acid precipitation is also known from more distant areas to which sulphur oxides and nitrogen oxides are carried by the wind.

FUEL SAVING REDUCES CARBON EMISSIONS

Carbon emissions from vessels controlled by WW and operated by WWL were reduced by 1.6% from 2005/2006 to 2007, measured per tonne of cargo shipped per nautical mile sailed during the time spent at sea. This was achieved despite an extremely tight market position, which prevented implementation of several measures available to control speed and consumption performance.

These vessels also managed to cut fuel consumption in general. Using 2.6% less bunkers in 2007 compared with 2006 reduced carbon emission by 32 000 tonnes. The vessels carried 8% more cargo in 2007. Efforts made to deploy the tonnage efficiently, including coastal movements and time in port, have helped to cut bunkers consumption by 10% per tonne of cargo.

Predictions indicate that ocean transport will remain dependent on hydrocarbon fuels in the foreseeable future. Since no satisfactory technology is currently available for cutting carbon

Key figures

- 31.7% reduction in nitrogen oxides in 1999-2007, and 10.9% in 2006-07.
- 53.5% reduction in sulphur oxides in 2000-07, and 19.25% in 2006-07.
- 2.6% reduction in bunkers consumption from 2006-07.

dioxide released from ship's engines, WW sees fuel reduction as the essential means for curbing these emissions.

Fuel-related measures will again focus in 2008 on obtaining both lower consumption and reduced emissions. To reach its zero emission vision, WW will also continue to collaborate both with universities and with other companies to develop alternative fuels and new propulsion technology.

WW is implementing five specific fuel and emission reducing projects:

■ Ambitious newbuildings: reduced fuel consumption combined with higher cargo capacity cuts emissions per cargo unit by 10-15% on the new ro-ro vessels on order compared with the former generation of such carriers. A turbo generator will turn exhaust heat into electricity.

■ Innovative partnership: together with Shell Marine Fuel and Det Norske Veritas, WW has taken the lead in a joint industry project for sustainable propulsion. The project targets are ambitious: reductions of 30% in carbon dioxide, 50% in nitrogen oxides and 90% in sulphur oxides for existing pure car and truck carriers (PCTCs). WW's 10 newest PCTCs from Mitsubishi will serve as a test laboratory.

■ Energy management system to save fuel: WW is testing a decision-making tool, which will help crew to find optimum realtime sailing conditions. A pilot installation has been tested on one vessel, with an estimated 3-5% fuel reduction. Four new installations are expected in 2008.

■ Fuel-saving campaign: in 2008, WW will launch a campaign on its vessels for reducing fuel consumption at sea.

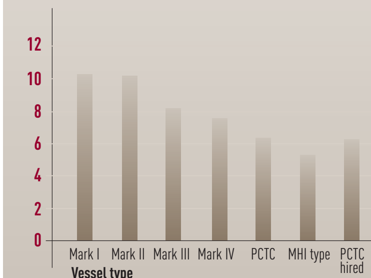
■ Keeping a smooth hull: a completely non-toxic silicon-based antifouling expected to provide a 5% reduction in fuel consumption, is under extensive testing.

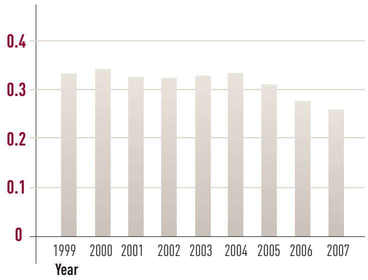
Did you know that...

- WW reduced its bunkers consumption by 2.6% in 2007, cutting 32 000 tonnes in carbon emissions.
- For every tonne of bunkers saved, carbon emissions are reduced by three tonnes
- WW transported 8% more cargo in 2007, but used 10% less bunkers per tonne of cargo.

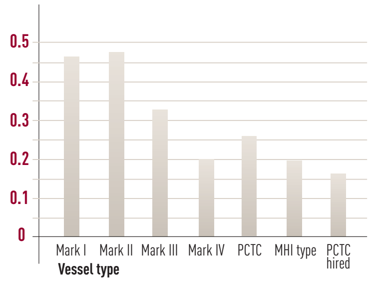
Regulations:
No international agreements currently restrict the release of carbon dioxide from international shipping. However, the IMO encourages voluntary reporting of such emissions.

Average carbon emissions (g/t-km) per vessel type based on main engine kW at 85% load at cargo capacity.





Average nitrogen oxide emissions (g/t-km) by 31 Dec.



Average nitrogen oxide emissions (g/t-km) by vessel type

Fleet renewal and machinery optimisation cut nitrogen oxide emissions

WW established a goal in 1999 of a 25% reduction in nitrogen oxide emissions by 2008. This target was met in 2007, when WW-controlled vessels operated by WWL recorded a reduction of 31.7% in emissions from 1999. If vessels operated by Mark 1 Shipping (owned 50% by WW) are included, the target for 2007 was a 22.3% reduction.

Cutting fuel consumption makes an important contribution to releasing fewer nitrogen oxides to the air. Newer vessels use significantly less bunkers than older ships, since various measures such as hull and propulsion design reduce consumption considerably. Emissions can also be cut to some extent with the aid of engine technology solutions which improve the combustion process.

The market for carrying cars and rolling cargo is tight, and phasing out older tonnage has not been possible. However, WW has introduced several newbuildings to its fleets with reduced nitrogen oxide emissions.

On older tonnage, WW is striving to make technical improvements to existing engines which also help to cut emissions. One example is the modification of slide valves on ro-ro vessels delivered in 2000-01 (Mark IV).

WW is also developing a technology through the Yarwil joint venture which will reduce nitrogen oxide emission by up to 95%. This technology is primarily intended for smaller engines rather than the slow-speed main engines used on WW's vessels. It will be developed further to be applicable on these engines. For more information, see page 84.

WW expects nitrogen oxide emissions to decline gradually towards zero as new vessels are introduced to the fleets and innovative technology is developed.

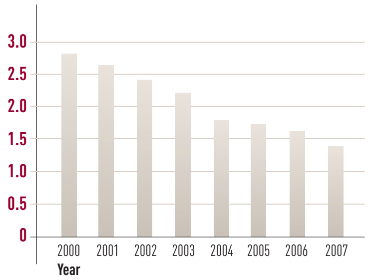
Did you know that...

A 31.7% reduction in nitrogen oxide emissions was achieved on WW-controlled vessels operated by WWL between 1999 and 2007.

Three important initiatives to cut nitrogen oxide emissions:

1) Fleet renewal
2) Machinery optimisation
3) Introducing a new technology through Yarwil which can reduce nitrogen oxide emissions by as much as 95%

Regulations:
Emissions of nitrogen oxides at sea are limited by the IMO through Marpol Annex VI to 17 grams per kilowatt-hour for the type of slow-speed main engines used on WW's vessels. These regulations apply only to tonnage built after 2000. In addition, taxes are increasingly being introduced for specific geographical areas to limit emissions further.



Average per cent sulphur in bunkers for WW vessels operated by WWL

Reducing sulphur content cuts sulphur oxide emissions

WW-controlled vessels in WWL consumed some 386 000 tonnes of bunkers in 2007. The average sulphur content of this fuel was 1.37%, which is considerably better than the group's 1.5% goal and 15% down from 1.61% in 2006.

WW's fleet makes considerable use of low-sulphur bunkers. The group accepted an additional cost of about USD 10.5 million in 2007 from buying such fuel.

The goal for 2008 is still to use bunkers with a sulphur content of less than 1.5% worldwide.

Emissions of sulphur oxides can be cut by using low-sulphur bunkers or by scrubbing exhaust gases when this yields a corresponding effect on emissions. WW distributes Krystallon's scrubber system for sulphur oxides and particulate matter, which can cut emissions by up to 98%. For more information, see page 84.

Did you know that...

- The average sulphur content was a low 1.37% in bunkers used by WW-controlled vessels operated by WWL in 2007, down by 15% since 2006
- Using low-sulphur fuel incurred an additional cost of USD 10.5 million for WW in 2007.

Regulations:
Emissions of sulphur oxides are regulated by the IMO through Marpol to 4.5% and by the introduction of geographical areas where the release of sulphur is restricted to 1.5%.

The average sulphur content was a low
1.37%
in 2007.

Leaks from refrigeration and fire systems

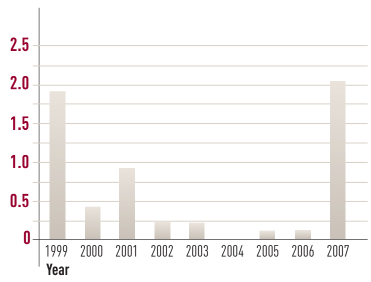
Reducing refrigerant leaks has a high priority, since such escapes can release hazardous gases. A cut of 27.16% was achieved from 2004-2007.

WW continuously monitors refrigerant emissions on the basis of quantities purchased and stocks on each vessel. Old refrigerants on ships are being replaced with a more environment-friendly medium.

Refrigerating systems on WW's ships are used to keep provisions cold and for air conditioning in the crew quarters. None of its vessels have refrigerating systems on their cargo decks. The environmental impact of its fleet is accordingly limited. Systems are subject to systematic maintenance to prevent leaks. WW is replacing old refrigerants to more environmentally friendly solutions on board the vessels.

Older refrigeration systems use refrigerants which contain hydrochlorofluorocarbons (HCFCs), while older firefighting systems often contain halon. Both these gases help to deplete the ozone layer. For more information, see page 86.

DISCHARGES TO WATER



Fleet oil spills (litres)

Ballast water

Ballast water treatment will be installed in WW's fleet once it is commercially available and the regulations are clear. WW's fleet satisfies the applicable regulations for ballast water.

Through one of its subsidiaries, WW has initiated a project to develop a ballast water treatment solution which avoids transferring marine organisms from one region to another. See page 83. One system will be installed and tested during 2008.

Ballast water is often needed when ships are not filled with cargo in order to keep the propeller submerged and to provide sufficient stability. Should WW ships need to take on or discharge ballast for such stability reasons, this is done in the open sea far from land as specified in current regulations. In addition to minor adjustments, that could also apply to internal transfers between ballast tanks.

Bilge water and oil spills

Bilge water from WW's fleet should contain a maximum of five parts per million of oil, and the relevant systems are being gradually upgraded.

Three minor oil spills were registered in 2007, all originating from failures in stern ramp hydraulic hoses. One 200-litre spill of hydraulic oil onto the pier surface was satisfactorily contained and cleaned up with no seepage to the water. Two other leaks, of 0.2 and three litres respectively, were cleaned up by the ship's spill collection equipment to the satisfaction of the local authorities without causing any damage to the environment.

As a future preventive measure, ship managers will be identifying suppliers of double-lined hoses with integral leak detection. Until such equipment can be installed, extra monitoring will be done by vessel crews to check hose integrity.

The group has installed measuring equipment to ensure better registration and improved safety if bilge water must be discharged. On new tonnage and when replacing existing systems, WW assesses separators and other equipment which can reduce discharges below applicable regulatory requirements.

Discharging oily water and oil spills are important issues at the officer conferences held regularly by WW.

Polluted oily water will always occur on a ship as a result of cleaning engine rooms and machinery components, exhaust boilers and the like. A bilge water separator ensures that oily waste from the engines is separated from other water in the ship's bilge system. IMO regulations specify that the maximum permissible level of oil in the bilge is 15 ppm.

Antifoulings

All WW's vessels have been coated with tin-free antifouling since 2002. Antifouling coatings are applied to the hull below the waterline to prevent marine growth. Keeping a hull as smooth as possible reduces fuel consumption and thereby exhaust fumes. IMO regulations specify that all vessels must be coated with a tin-free product from 2008.

A completely non-toxic silicon-based antifouling, expected to provide a 5% reduction in fuel consumption, is under extensive testing. Two vessels were coated in 2007 and a third will follow during 2008. If these trials are successful, WW will consider using the product to coat all the vessels controlled by WW and operated by WWL.

Keeping a hull as smooth as possible reduces fuel consumption and thereby exhaust fumes. IMO regulations specify that all vessels must be coated with a tin-free product from 2008.

Did you know that...

- WW is exploring available ballast water treatment systems
- Bilge water from WW's fleet should contain a maximum of 5 ppm of oil and systems are being gradually upgraded.

5 ppm

WW's vessels are coated with tin-free antifouling.

OTHER DISCHARGES

WASTE FROM OPERATIONS

All WW's vessels comply with international regulations and local restrictions for handling both solid and liquid waste. Refuse and oil residues not burnt in shipboard waste incinerators are delivered to land. The incinerators comply with international technical requirements.

In 2006, a waste management programme was launched in cooperation with Norway's Bellona environmental foundation. A new recycling system will therefore be implemented on all WW ships in 2008. For more information on waste management, see page 85.

LIFE-CYCLE ANALYSES

A life-cycle analysis of WW's vessels was completed in 2007. This identified the environmental burdens which these vessels represent and where in their life cycle such impacts occur. In addition to energy consumption, the analysis covers construction and maintenance materials as well as emissions, waste and dismantling. The results will be used when designing future vessels.

CHEMICALS

WW is concerned to use the least harmful product where such an option exists, and cooperates closely with Bellona in this area. An improved list of chemicals was distributed to the vessels in 2007. WW wants to reduce the quantities of chemicals used, and keeps statistics of its purchases and consumption.

Various types of chemicals are used on the ships, including substances required for special cleaning of machinery components or as additives in boiler water. For more information, see page 86.

US and Korean companies

The figures reported above are from WW-controlled vessels in WWL. WW also owns EUKOR Car Carrier (40%) in Korea and the US-based American Roll-on Roll-off Carrier (50%). Below are some of the focus areas regarding environmental challenges in these companies:

- Fuel reduction is focused, and limiting speed is one of the measures used.
- Low sulphur fuel is used as often as possible to reduce sulphur emissions.
- Oily water separators capable of reaching the 5 ppm target are being installed on the vessels
- Combating ballast water challenges has been another priority area for EUKOR, which has installed treatment systems on its vessels.
- Last but not least, EUKOR is changing to more environmentally adapted refrigerants, as well as silicon antifouling.

ENVIRONMENTAL ACCOUNTING FOR VESSELS OWNED BY WW AND OPERATED BY WWL

	2005	2006	2007
Number of vessels in the statistics (where not specified)	24	25	**23**
Fuel consumption in tonnes	392 780	395 703	**385 998**
Average percentage sulphur content in fuel	1.72	1.61	**1.37**
Sulphur emissions in tonnes	6 587	6 283	**5 306**
Carbon emissions based on IMO formula in tonnes	1 206 409	1 232 990	**1 202 153**
Nitrogen oxide emissions in tonnes	44 872	47 979	**46 096**
Refrigerant leakage reduction, year on year		0.81%	**27.1%**

TARGETS ACHIEVED IN 2007 AND TARGETS FOR 2008

Item	Target 2007	Achieved 2007	Target 2008
Fuel consumed per cargo transported	Reduction	**Reduced 9.95%**	Launch fuel-saving campaign
Fuel consumed per cargo transported per distance reduction from 2005/2006 average	2%	**1.6%**	4%
Reduction in NO_x emissions 1999-2007 accumulated	25% by 2008	**22.3%**	New target in progress
Refrigerant leakage reduction 2004-2009 accumulated	25%	**27.6%**	25%
Ballast water treatment	Select supplier	**Supplier selected**	One trial installation
Fuel-reducing antifouling	Decide on type	**Decided, coated two vessels**	Coat one vessel
Global waste management	Project and implement	**Implementation launched**	Install compactors on all vessels
Bilge water treatment system, 5 ppm	Replace two oily water separators	**Replaced two oily water separators**	Install filters on remaining vessels
Green passport on all vessels	By end 2010	**Two**	
Sulphur content in fuel	1.5%	**1.37%**	1.5%
Onboard electronic decision-making support tool (Marorka)		**One trial installation**	Four installations

GETTING A GRIP ON SOME THORNY ISSUES

Ship's engines produce gases which are harmful to the marine environment. Vessels produce a lot of waste. Is there an "environmental" way to dispose of it? Many of the world's seas are swarming with harmful organisms which arrived in ballast water. Is there a solution in sight? Wilhelmsen Maritime Services is making important progress with these thorny issues.

ELIMINATING NITROGEN OXIDE EMISSIONS

Wilhelmsen Maritime Services (WMS) has formed a 50-50 joint venture with Yara International to develop and market the first complete solution for eliminating polluting nitrogen oxide (NO_x) emissions from ships. The new company, Yarwil, will develop solutions based on technology already in use by land-based industry and transport and on a number of coastal cargo and ferry vessels in Norway and Sweden.

The system is based on adding a special quality of urea solution to the hot exhaust fumes. The mix passes through a special catalytic converter where nitrogen oxides from the exhaust reacts with the urea solution and is turned into harmless water vapour and nitrogen. Yarwil's technology will initially be offered where nitrogen oxide emissions are governed by official regulations. This includes vessels engaged in trades typically conducted close to land, such as ferries, fishing vessels and supply ships. Cruise liners will also employ the technology.

Yarwil's nitrogen oxide reduction will be tailored to vessel type and size and include customer follow-up, from design and engineering to production, installation, onboard training and support.

CUTS SULPHUR OXIDE EMISSIONS

WMS has signed an agreement with BP and Kittiwake's joint venture company Krystallon to market its sulphur oxide (SO_x) and particle matter scrubber solutions. These systems can reduce sulphur emissions from ships by up to 98%. The process also removes around 80% of the particles remaining after combustion.

Operation is based on a scrubber system installed in the ship's funnel. Seawater is pumped into the scrubber, where the calcium carbonate in the water absorbs the sulphur oxides from the exhaust gas to produce harmless calcium sulphate. The system discharges water with very close to natural values and free of oil contamination. The scrubber system will enable shipowners to comply with current and future legislation aimed at limiting sulphur oxide emissions from ships. By using the scrubber system, vessels can burn high sulphur fuel and still fully comply in areas with sulphur emission restrictions.

THE ENVIRONMENT REPRESENTS BOTH SIGNIFICANT CHALLENGES AND SIGNIFICANT BUSINESS OPPORTUNITIES.

REDUCES NEED TO OPERATE DIESEL GENERATORS IN PORT

Wilhelmsen Marine Engineering's experience in the marine business has given birth to entirely new products, like the Shore Connection System for medium voltage. This intelligent connection system, developed for cruise liners and yachts, makes it possible to switch the vessel's electrical system over to the land utility without a blackout. At the same time, the harbour environment is improved since vessels do not have to run their auxiliary diesel generators.

TURNING SHIPBOARD WASTE INTO VALUE

Wilhelmsen Ships Service is developing a global waste management solution for ship generated waste. Named Waste to Value, this service aims to provide a standardised, predictable and environmentally responsible solution for ship's waste.

The system works by separating and recycling the waste. Separated waste is compacted in pre-paid, colour-coded bags in accordance with international standards. The bags are easily recognised and handled by the crew and land-based waste handling companies. Wilhelmsen Ships Service will offer the necessary compacting equipment and colour-coded bags through its global supply network. The service will be based on an annual fixed fee. This will make it simpler for the owner to administer.

BALLAST WATER TREATMENT

The IMO and national maritime authorities have adopted regulations for treating ballast water. These will require future newbuildings and existing vessels to install ballast water treatment plants which neutralise harmful organisms before the ballast water is pumped overboard.

Wilhelmsen Ships Equipment has initiated a project to develop an effective and commercially viable solution to the problem of foreign organisms in ballast water. When approved and launched this year, the solution will be offered on a worldwide basis together with after sales service and support.

Did you know that...

2020

If no action is taken, nitrogen oxide emissions from ships in Europe will surpass land-based emissions by 2020.

1 379

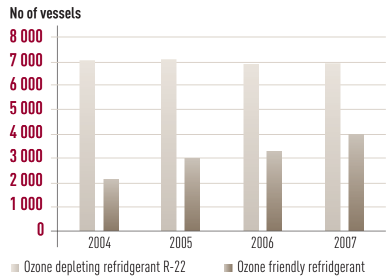
A modern car carrier produces an estimated 1 379 tonnes of nitrogen oxides per year. However, Yarwil's solution can reduce such emissions by up to 95%.

98

The Krystallon scrubber system eliminates 98% of the engine's sulphur oxide emissions.

USD 138 billion:
According to IMO, the annual cost of invasive organismes carried by ballast water in US territorial waters alone is USD 138 billion.

ENVIRONMENTALLY ADAPTED PRODUCTS



Keeping a lid on marine refrigerants

As the world's largest supplier of marine refrigerants, Wilhelmsen Ships Service works proactively with national and international regulatory bodies and leading refrigerant producers to develop and promote workable solutions for the maritime industry.

An important element is Wilhelmsen Ships Service's proactive approach to sharing knowledge on applicable environmental rules and regulations with customers while at the same time offering solutions which ensure compliance. In addition to its range of refrigerants in refillable 56 and 12.3 litre cylinders, Wilhelmsen Ships Service offers a wide range of products and services which help to minimise emissions. These include system components, compressors, refrigerant recovery packages, leak detection systems and recovery cylinders. Each is designed to satisfy the industry's stringent requirements for quality and efficiency.

The Environmental System Inspection (ESI) programme helps to ensure that refrigeration systems are operated under optimal working conditions. The Catch R-22 initiative offers an ozone-friendly alternative. The graph above to the right shows an increase in ozone-friendly alternatives of the last four years. To ensure that ozone-depleting (R-22) substances are destroyed in a legal and environmentally responsible manner, Wilhelmsen Ships Service offers the Enviro Return Management (ERM) programme, a unique waste management system for refrigerants and halons which is recognised by the United Nations Environmental Programme.

An increasing environmental focus on synthetic refrigerants such as R-22, R-404A and R-134a has led to the worldwide phase-out of CFC and HCFC refrigerants such as R-12 and R-22, with particular focus on emission control related to these substances. The Montreal and Kyoto protocols and the EU F-Gas Regulation exemplify the worldwide concern about these issues. The IMO's Marpol Annex VI and major classification societies have adapted these standards to the shipping industry. An example of this is the revision of the European Reg (EC) 2037/2000 on Substances that Deplete the Ozone Layer, where a representative from Wilhelmsen Ships Service was invited to represent the industry.

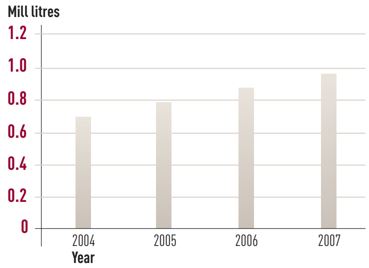
To help prevent bilge oil pollution, Wilhelmsen Ships Service has introduced the Oily Water Pod, a unique Lloyd's Register certified, post-bilge water separator polishing system which reduces the oil content to 5 ppm. It can also handle stable emulsions as now required by Marpol.

Marine chemicals: having it both ways

At Unitor Chemicals, all new environmental chemicals are at least as cost effective as the products they replace. That ensures acceptance and ultimately benefits the environment.

This commitment has led to an increased number of water-based cleaning and degreasing products to replace solvent-based products. Use of water-based chemicals has increased by nearly 19% in a only a few years (see graph to the right). It has helped make Unitor Chemicals the leader in its field.

THE MOST ENVIRONMENTALLY FRIENDLY REFRIGERATION SYSTEM IS THE LEAK-TIGHT SYSTEM.



Sales volume for Gamazyme cleaning agents, litres

The Gamazyme series of bio-enzyme cleaners is the fastest growing product group. They are based on selected, natural bacterial cultures, ideal for cleaning galleys, accommodation areas and waste systems. They replace acids and disinfectants, both of which are hazardous to health and the environment. Sales have risen by 38% in four years (see graph above).

Gamazyme chemicals combined with dosing equipment for safer cleaning of toilet systems are a priority. Some ships have already begun to test such a solution. Launch is planned for 2008.

Waterproof, a fully integrated electronic system for transmitting, analysing and storing data and condition reports from cooling and boiler water systems will also be introduced in 2008. It will ensure optimum water treatment while reducing the need for paper-based documentation.

New environmentally adapted chemicals and equipment for cleaning cargo holds will also be announced in 2008. These will improve cleaning efficiency while reducing the need for chemicals.

STAYING AHEAD OF LEGISLATION

The EU's new registration, evaluation, authorisation and restriction of chemicals (REACH) regime came into force on 1 June 2007 and will be implemented in stages over a 15-year period. It will call for the registration of some 30 000 chemical substances, meaning big changes for both manufacturers and users. The overall goal is to protect human health and the environment from risks posed by hazardous chemicals.

REACH is not currently covered by the European Economic Area (EEA) agreement, and has thus not been adopted by Norway. However, adoption is expected in 2008. Unitor Chemicals conforms to the EU implementation timetable in anticipation of this. Necessary communication with suppliers and government agencies has been established so that the factory and Wilhelmsen Ships Service, as distributor, will be in compliance.

Unitor Chemicals

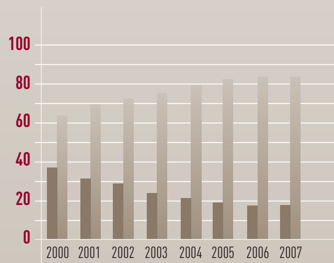
- Owned by Wilhelmsen Maritime Services
- One of the world's leading suppliers of marine chemicals
- Has an environmental management system certified to ISO 14001, specifying good practice for a precautionary approach to the company's environmental impact
- Going beyond simple regulatory compliance, Unitor Chemicals' customers are assured the most environmentally adapted products and services

34%

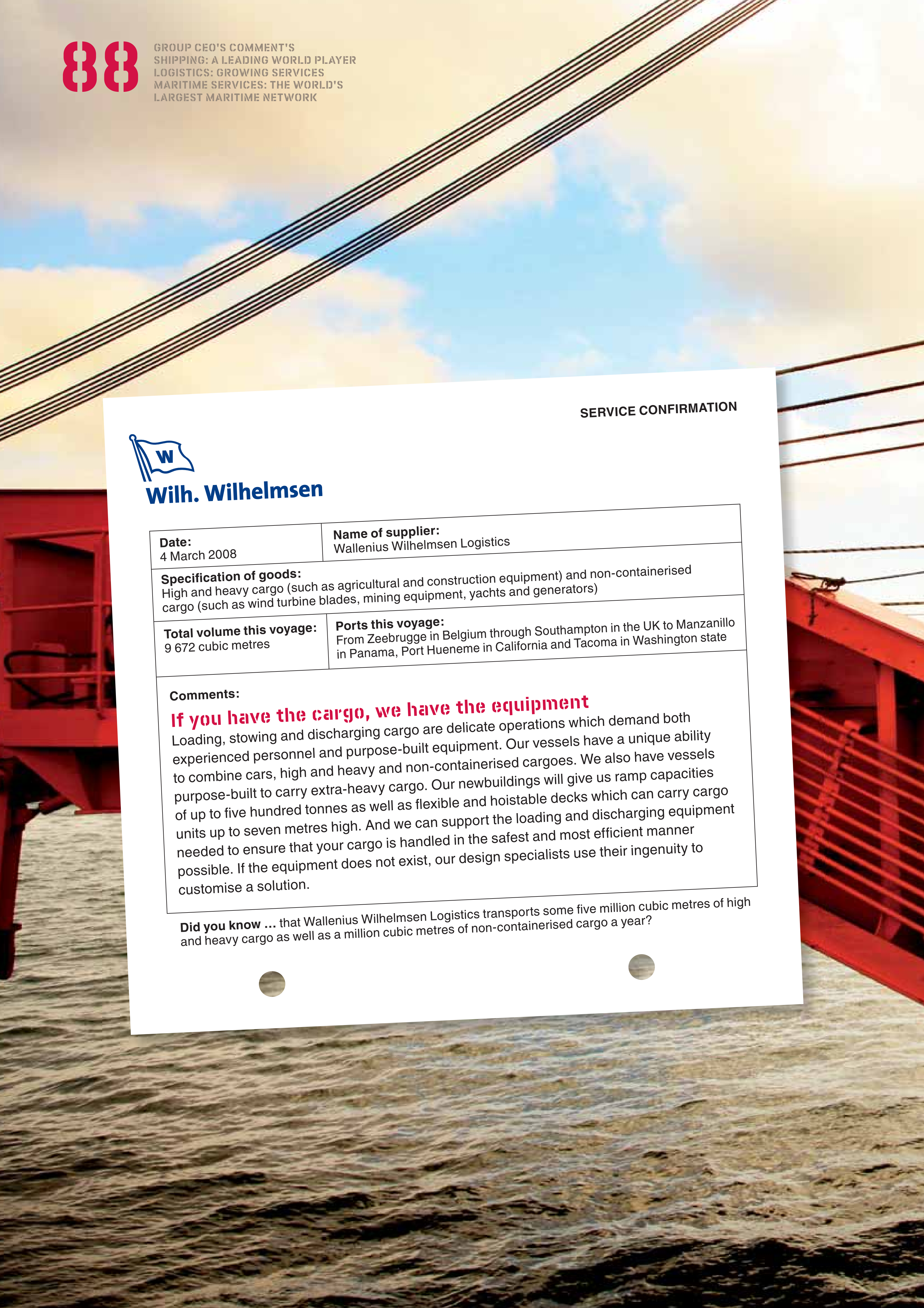
Unitor Chemicals sells to more than 14 000 ships, comprising 34% of the world fleet.

Gamazyme: are bioactive cleaning and washing agents utilising natural processes. Ideal for use when an odour-free and hygienic environment is required, such as bathrooms, toilets, waste systems and galleys. Ranks as the company's most environmentally adapted and fastest growing product group.

Percentage share of environmentally adapted product sales



A modern environmentally-adapted cleansers Conventional solvent-based degreasers:



SERVICE CONFIRMATION

Wilh. Wilhelmsen

Date: 4 March 2008	**Name of supplier:** Wallenius Wilhelmsen Logistics
Specification of goods: High and heavy cargo (such as agricultural and construction equipment) and non-containerised cargo (such as wind turbine blades, mining equipment, yachts and generators)	
Total volume this voyage: 9 672 cubic metres	**Ports this voyage:** From Zeebrugge in Belgium through Southampton in the UK to Manzanillo in Panama, Port Hueneme in California and Tacoma in Washington state

Comments:

If you have the cargo, we have the equipment

Loading, stowing and discharging cargo are delicate operations which demand both experienced personnel and purpose-built equipment. Our vessels have a unique ability to combine cars, high and heavy and non-containerised cargoes. We also have vessels purpose-built to carry extra-heavy cargo. Our newbuildings will give us ramp capacities of up to five hundred tonnes as well as flexible and hoistable decks which can carry cargo units up to seven metres high. And we can support the loading and discharging equipment needed to ensure that your cargo is handled in the safest and most efficient manner possible. If the equipment does not exist, our design specialists use their ingenuity to customise a solution.

Did you know … that Wallenius Wilhelmsen Logistics transports some five million cubic metres of high and heavy cargo as well as a million cubic metres of non-containerised cargo a year?

WE DELIVER THE DIFFERENCE

GROUP CHIEF EXECUTIVE'S COMMENTS

BIGGEST IN ROLLING CARGO

Shipping remains our largest business area, and we once again made maximum use of our tonnage in 2007. With almost 160 vessels, our operational shipping companies – Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Roll-on Roll-off Carrier – did their utmost to meet the needs of our customers for ocean transport.

Some 5.3 million cars were carried by sea last year, making us the largest player in the transport of cars and heavy rolling cargoes. The heavy demand meant that we sometimes had to send our ships back to the most important ports in ballast. We have also had to turn to landbridging, or coast-to-coast road and rail transport, particularly in the USA.

We have a very ambitious newbuilding programme. In January this year, we and our Swedish partner Wallenius Lines signed a contract for four of the world largest ro-ro carriers. With a cargo volume of no less than 138 000 cubic metres each, this new Mark V generation of vessels will be built at Mitsubishi Heavy Industries in Nagasaki, Japan, for delivery in 2011 and 2012.

Wilh. Wilhelmsen (WW) has developed from a traditional shipping company into a diversified supplier of maritime services and products. Our group is both a leading player in the transport of cars, rolling cargo and project consignments, and a provider of sophisticated logistics and terminal services.

In February, WW and Wallenius agreed to buy eight large car and truck carriers, four from Hyundai Heavy Industries and four from Daewoo Shipbuilding and Marine Engineering. These vessels will be deployed in the WWL fleet in 2011 and 2012.

Altogether, our group is involved in a newbuilding programme embracing 45 ships over the next four years. We are therefore well equipped to meet demand for more tonnage in the years to come. At the same time, we are concerned to ensure that these carriers are built with an emphasis on forward-looking technology which ensures environmentally adapted operation.

SUCCESSFUL COMMITMENT TO LOGISTICS

It is also gratifying that our strategic commitment to logistics and terminal services has helped to boost our turnover and not least our results for 2007. The logistics strategy is intended to support our ocean transport business, and we have invested recently in terminals and expanded our range of technical services in primary markets such as Australia, Korea, the USA and Japan.

We are also making a commitment to exciting development projects in countries like India and China, which will help to give us an even bigger global logistics organisation in the future. We will develop our network in tomorrow's growth markets in order to be where our customers need us.

WORLD'S LARGEST MARITIME NETWORK

Wilhelmsen Maritime Services (WMS) ranks as the world's largest network in the field of maritime services and products. With the acquisition of Sweden's Callenberg Group, it has also positioned itself as an advanced supplier of automation, heating, cooling and ventilation systems on vessels.

To achieve a clearer branding, WMS has changed the names of its business areas to Wilhelmsen Ships Service, Wilhelmsen Ship Management, Wilhelmsen Ships Equipment and Wilhelmsen Marine Engineering. We are committed to developing our range in areas with high-value technology and to making deliveries in areas where subsequent service is required.

NO RESTING ON OUR LAURELS

We have a conscious attitude towards our employees, our customers and our common environment in all our activities. During 2007, we strengthened our collaboration with other industries to find more environmentally and energy efficient ways of operating. Among specific measures, we have been using low-sulphur bunkers for a number of years in all our vessels operated in Wallenius Wilhelmsen Logistics and EUKOR. The resulting reduction in sulphur emissions from our ships from 2001-2007 corresponds to London's total annual in the same periode release of this chemical.

This gives us no cause to relax our efforts, and we are working continuously to identify new environmentally adapted solutions. These lie in such areas as vessel design, use of environment-friendly antifoulings and chemicals, and optimisation of sailing routes.

Our commitment to the environment and our pursuit of new technology were crucial reasons why we and our partner, Wallenius Lines, were awarded the prestigious Thor Heyerdahl Environmental Award for 2007. We will maintain our efforts in this sector, and develop products both for our own use and for sale to other shipping companies and land-based customers.

In addition, we established a joint venture during 2007 with Yara International to offer catalyst solutions able to eliminate up to 95% of nitrogen oxide emissions from exhaust fumes on ships. We also concluded a distribution deal with Britain's Krystallon which will contribute to the virtual elimination of sulphur oxide emissions for our customers.

THE BEST BRAINS

Recruiting talented people and retaining the best brains represent a challenge. Competition over expertise is intense. That applies very much to the shipping sector, both on land and at sea. The world's merchant fleet is currently short of 80 000 officers and crew.

We are a well-run group, with innovation and expertise as key words. So we are committed to trainee programmes and to our own educational institution, the WW Academy. The latter provides further education courses for more than 400 of our employees every year. E-learning programmes are also available for everyone. Through our own International Maritime Training Centre, we are committed to developing and educating our seagoing crews and officers. And we conduct global working environment surveys so that we can constantly improve the ability of our employees to serve their markets.

Cooperation with external educational bodies also forms part of our strategy. The programme on innovation management in the global knowledge economy, organised by the Norwegian School of Management for our executives from every corner of the globe, led to the identification of a number of highly interesting projects and their transfer to the line organisation. These cover everything from waste management and logistics solutions to environment-friendly recycling as well as measures for our seagoing personnel and for recruitment.

FULL SPEED AHEAD

Our industry provides the arteries for the global circulation of goods and resources. Ships account for 90% of all intercontinental commodity transport. The same applies to consignments of energy in the form of oil, gas or coal. Shipping is probably more important than ever. And our large Japanese, Korean, European and American customers are producing rolling cargo on a scale we have never been close to before.

So I have great hopes for 2008. But that also calls for a good balance between accelerator and brake. We will continuously optimise our resources. We will be innovative and develop new solutions needed by our customers. And we will adopt an even clearer position on the environment. We will focus on cost-effective solutions and look at alternative locations. If we succeed with this, and run our business as rationally as possible, 2008 will be a good year for our group.

Ingar Skaug
Group CEO

REVIEW OF OPERATIONS

SHIPPING: A LEADING WORLD PLAYER

Commercial operations are channelled through three jointly owned operating companies – Wallenius Wilhelmsen Logistics (WWL), EUKOR Car Carriers and American Roll-on Roll-off Carrier (ARC). WWL, EUKOR and ARC collectively operate a fleet of 160 vessels, corresponding to 27% of the world's car carrying capacity. WWL has 12% of the market, EUKOR 14% and ARC 1%.

UNIQUE CARGO MIX

Owned 50-50 by WW and Wallenius, WWL operates some 60 vessels and is a global provider of ocean transport. It also offers integrated logistics solutions on land to support its maritime operations. See page 94 for further information.

The ocean transport business covers three main cargo categories:

- new cars, which represent the most important volume driver
- high and heavy (H&H) cargoes, such as agricultural and construction vehicles, which are an important element in WWL's cargo base and growth
- non-containerised cargoes (NCC), comprising a wide range of consignments such as generators, wind turbine blades, yachts and so forth.

WW specialises in the transport of rolling cargo and ranks together with its Swedish partner, Wallenius, as the world's leading player in this segment. They control the world's largest fleet of specialised car carriers and roll-on roll-off vessels.

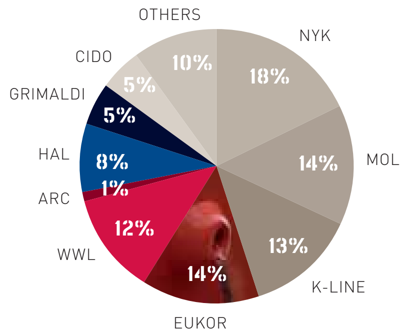
The vessels operated by WWL are specially designed and equipped to carry all three cargo categories, and the company's flexible fleet allows it to combine different types of cargo in an optimum manner in the various trades. Covering 15 trades, WWL's global transport pattern and its supplementary land-based logistics services distinguish the company from most of its competitors.

EXCLUSIVE FREIGHT CONTRACT

EUKOR is the second joint venture between WW and Wallenius, which each own 40% of this company. The remaining 20% belongs to Hyundai Motor Corporation (HMC) and Kia Motors Corporation (KMC), which also serve as the biggest customers through the exclusive contract held by EUKOR to ship new HMC and Kia cars globally from Korea. EUKOR operates some 90 vessels in 22 trades, and carried 3.4 million cars by sea in 2007.

Exports of Korean cars are forecast to grow even further in the years to come, and WW aims to take part in this expansion by continuing to offer transport solutions to HMC and KMC through EUKOR.

MARKET SHARES – EXISTING FLEET



US FLAG
ARC, owned 50-50 by WW and Wallenius, operates eight vessels in two main trades – one between the USA and Europe and the other between the USA and the Middle East. As a US flag operation, this company holds a licence to transport cargo for the US government.

SHIPOWNING COMPANIES
At March 2008, WW controlled 32 ships through wholly or partly owned subsidiaries in Norway, the UK and Singapore. Most of these vessels are commercially controlled from the UK. All are chartered to WWL and EUKOR. Vessels are also owned by Fidelio and EUKOR. See page 110 for more details.

MARKET OPPORTUNITIES
A strong freight market with a high level of fleet utilisation has characterised 2007 and preceding years. Volumes out of Asia have been particularly strong, and this trend is expected to continue with stable growth in global production. Ocean transport will consequently grow in all three cargo categories.

Some decline in US imports is expected owing to the weakening of the American economy, but this will not affect WW significantly because of the global trade pattern it offers to customers.

The short-term strategy is to retain WW's strong position in existing trades and to meet customer demand. In a longer perspective, the group aims to explore opportunities in emerging markets since both supply and demand in the rolling cargo segment are expected to grow faster in these rapidly developing economies.

RO-RO VESSELS AND LCTCS
WW's operating companies took delivery of nine vessels in 2007, with 16 more due to be handed over in 2008. Five of the latter had been delivered by March.

Beyond that, the total order book for WW and its partners currently includes 34 vessels for delivery between 2009 and 2012.

In order to ensure renewal and expansion of their fleet, WW and its partners will continue to pursue an active newbuilding strategy. This will include a large number of new vessels of various sizes and cargo capacities. WW's main strategy for tonnage renewal is to order more ro-ro carriers and large car and truck carriers (LCTCs).

Did you know that ...

WW has three operating companies:
- WWL, with 60 specialised vessels operating in 15 trades
- EUKOR, with some 90 vessels sailing in 21 trades
- ARC, with eight vessels in two trades

WW's operating companies transported

5.3 mill.

cars in 2007, not counting high and heavy and non-containerised cargoes.

27%

share of the market

WW's operating companies have a 27% share of the worlds car carrying capacity

LOGISTICS: GROWING SERVICES

ENHANCING CUSTOMER SATISFACTION

WW aims to offer its ocean transport customers the most complete service available in the market. The goal is to ensure maximum customer satisfaction.

Not only is cargo picked up from the production site and delivered to its destination, but WW also provides necessary technical services.

This total service concept includes inland transport at each end of the ocean leg, as well as ocean terminal and technical services. WW provides technical modification services to cars, lorries and agricultural equipment, for instance, in order to make these vehicles better suited to their end markets. That approach distinguishes the WW group from its competitors.

The full range of logistics services is offered through Wallenius Wilhelmsen Logistics (WWL) and its subsidiaries.

By enhancing the satisfaction of key customers, WWL forges strong and long-lasting partnerships with them. This concept is also beneficial for manufacturers, since they can concentrate on developing, manufacturing and selling their products. WWL ensures not only that the products reach dealers at the right time, but also that they have the features and quality which the customer expects.

Demand for complete logistics services is growing in the markets in which WW operates. The group can be distinguished from its competitors by offering a complete global door-to-door transport system.

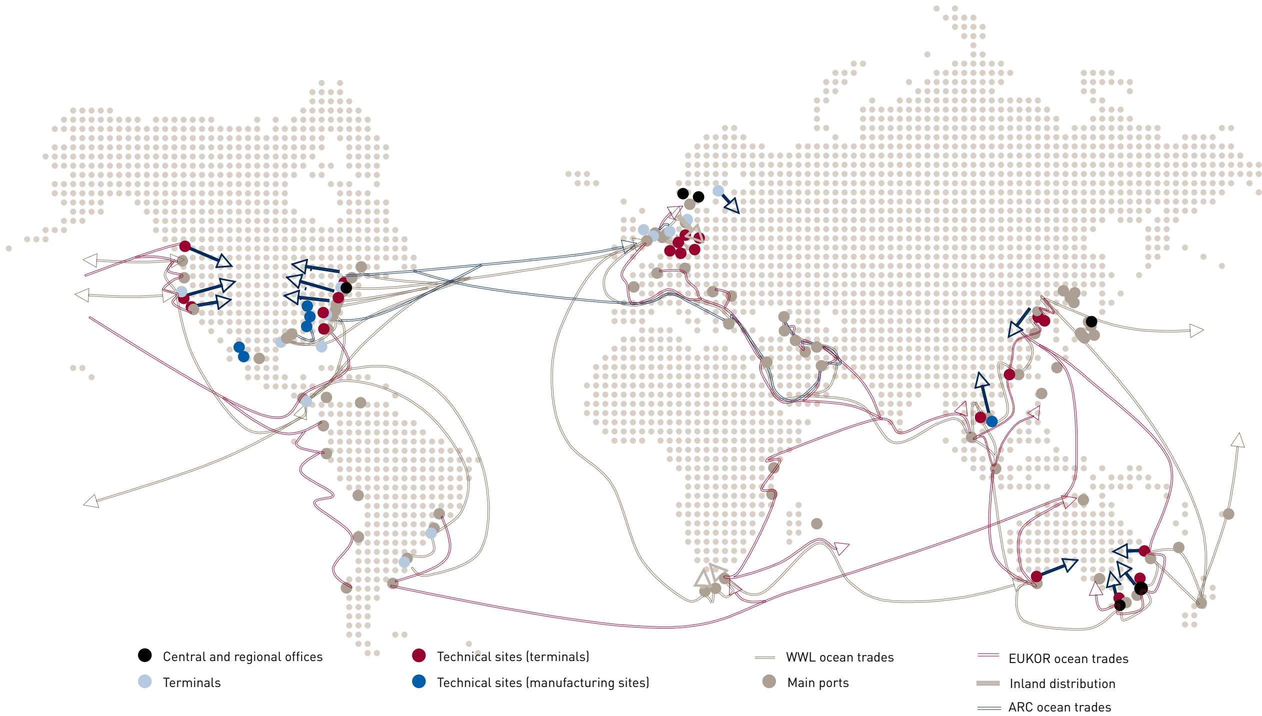
EXPERTISE AS A KEY ASSET

The most important asset in delivering extended door-to-door services is dedicated and professional people. Training staff and developing their expertise has a high priority. Hardware is easy to obtain, but expertise takes years to build and develop further through a dedicated global network which shares best practice.

FOCUS ON TERMINALS AND TECHNICAL SERVICES

The bulk of WW's logistics services is provided in or close to ocean terminals. These facilities themselves are vital for preparing and arranging cargo for shipment and for ensuring efficient loading and discharging services. The WW group has invested in a number of strategic terminals worldwide. See the map above.

Technical service facilities typically include production lines where modifications, repairs, equipment outfit-



ting and quality inspections can be carried out. Damage repair, including spray painting, is also provided. A number of these facilities are quite large and require significant investment. In providing such services, WW acts as an important link between manufacturers and dealers.

REINFORCING MARKET POSITION

Demand for logistics services is growing, particularly in emerging markets where the infrastructure for such activities is less developed. This growth is driven partly by economic development and rising car imports and partly by expanding export volumes as car manufacturers move production to low-cost locations.

Land-based logistics services add value to WW's customers, and these services will be further developed to support and enhance WW's leading world position in the rolling cargo segment. Attention will be focused on the network of terminals and other logistics infrastructure, particularly in emerging markets. Ensuring the necessary transfer and development of expertise through effective training programmes will also be high on the agenda. Synergies will be realised by implementing best practice.

The WW group offers four logistics products:

1: Terminal services

Ensuring quick and efficient cargo handling

2: Technical services

Readying and outfitting vehicles as well as providing quality control before delivery

3: Inland distribution

Managing transport by road, rail or smaller vessels

4: Supply chain management

Providing complete management of consignments from factory to dealer

Did you know that WWL...

- Owns six strategic terminals, has long term contracts with some 15 other important treminals wolrdwide and has invested in additional others in China, Korea, Sweden and Australia
- Moved 2.2 million cars on land in 2007, not counting high and heavy and non-containerised cargoes or cargo moved by EUKOR and the two logistics companies American Auto Logistics and American Logistics Network
- Handled some

  3 mill.

  vehicles at its technical service facilities
- Handled some 700 000 cars at its terminals in 2007 as well as about five million cubic metres of high and heavy cargoes and roughly one million cubic metres of non-containerised consignments.

MARITIME SERVICES: THE WORLD'S LARGEST NETWORK

Wilhelmsen Maritime Services (WMS) is the largest maritime services network in the world. Through its business areas, it offers shipyards, owners, operators and ship management companies a comprehensive range of products and services which significantly improve the efficiency of vessel operation.

USD 600 MILL IN THREE YEARS

Annual revenues from the companies which initially comprised WMS totalled USD 105 million in 2004. Three years later, this figure had grown to USD 707 million.

COMPETITIVE ADVANTAGES

WMS has two key competitive advantages. The first is an unparalleled global network able to deliver products and services at 2 200 ports in 115 countries. No competitor can match this scope. The second is its ownership and brand structure. Wilhelmsen is one of the most respected names in the industry, associated with maritime tradition, modern operation and quality.

The WMS network has the size, reach and expertise to deliver products, services and solutions for all phases of a vessel's life cycle, from the shipyard and throughout its operating life. It operates through four business areas.

SERVING THE MERCHANT FLEET

Wilhelmsen Ships Service (formerly Barwil Unitor Ships Service) offers shipowners and vessel operators a vast array of products and services selected for value and reliability in the marine environment. Unitor-branded products includes marine chemicals, refrigeration products and refrigerants, gases, products for shipboard maintenance, fire, rescue and safety equipment, sealing products, environmental equipment and marine spares.

Wilhelmsen Ships Service is also a leader for technical services which keep vessels safe and in compliance with regulations.

Traditional port agency services comprise a menu of clearly defined and standardised activities to maximise efficient operation while the vessel is in port. The business area also encompasses maritime logistics solutions for safe and efficient transport and distribution of goods on behalf of importers and exporters.

Wilhelmsen Premier Marine Fuels is also a part of the Wilhelmsen Ships Service business area. It brokered more than eight million tonnes of bunkers in 2007.

Wilhelmsen Ships Service made 195 000 product deliveries to some 20 000 vessels in 2007 and handled more than 54 000 port calls. Total revenue in 2007 was USD 514 million, or 74% of the WMS total.

SAFE AND EFFICIENT OPERATION

Wilhelmsen Ship Management (formerly Barber Ship Management) offers technical management for all major vessel segments. In addition come crewing services, training programmes, project staffing, insurance broking and claims handling, auditing and inspection services.

The ship management business signed contracts for 39 new vessels and 10 new customers in 2007. By 31 December, its fleet had grown to more than 310 vessels, of which 194 were under full technical management. Revenue was USD 37 million, or 5% of the WMS total.

MARITIME SYSTEMS AND ENVIRONMENTAL SOLUTIONS

Wilhelmsen Ships Equipment (formerly Unitor Ships Equipment) com-

NO ONE CAN MATCH THE UNPARALLELED WMS GLOBAL NETWORK.

prises Wilhelmsen Marine Systems (formerly Unitor Marine Systems), TI Marine Contracting and Yarwil.

Wilhelmsen Marine Systems offers a complete range of firefighting systems for engine rooms, decks and other spaces in a ship. It also provides inert nitrogen gas systems to protect cargo. Wilhelmsen Marine Systems delivered to 1 100 vessels at 219 shipyards in 2007.

TI Marine Contracting is experiencing increased orders for insulation services on Moss-type liquefied natural gas carriers, and has a global market share of 70% in tank insulation for liquefied petroleum gas vessels.

Yarwil, the joint venture established by Yara International and WMS in August 2007, is preparing to launch a solution to eliminate nitrogen oxide emissions from vessels. The response from the market, environmentalists and legislators has been very positive. Wilhelmsen Ships Equipment will continue to focus on business opportunities opened by the growing focus on the marine environment.

Wilhelmsen Ships Equipment's revenue totalled USD 146 million, or 21% of the WMS total. Two-thirds of this amount derived from activities in Far Eastern markets, and Wilhelmsen Marine Systems and TI Marine Contracting ended the year with a record order reserve of USD 231 million.

ELECTRICAL, AUTOMATION AND HVAC SOLUTIONS

Wilhelmsen Marine Engineering is a newly established business area which reflects the company's growth strategy of seeking acquisitions and collaboration deals when a good commercial and organisational fit is found. An agreement to acquire the Callenberg group was concluded in the fourth quarter of 2007, and this acquisition forms the basis for Wilhelmsen Marine Engineering. The Callenberg group is an independent supplier of electrical, automation, and heating, ventilation and air conditioning (HVAC) systems to the marine and offshore markets. Based at Uddevalla in Sweden, the company has 500 employees globally. Its acquisition was finalised in February 2008. Revenues in 2007 were about USD 150 million. It will be consolidated in the WMS accounts with effect from the first quarter of 2008.

Did you know that WMS can:

- Serve customers in 2 200 port in 115 countries
- Handle 195 000 product deliveries to some 20 000 vessels
- Deliver systems and equipment to 1 100 ships at some 220 shipyards
- Handle more than 54 000 port calls
- Trade eight million tonnes of bunkers

WMS also has:

- 310 vessels under management
- 5 500 shore-based personnel and a pool of 8 600 seafarers

Serve customers in

2 200 ports

WE DELIVER SERVICES

SERVICE CONFIRMATION

Wilh. Wilhelmsen

Date: Around the clock, 365 days a year	**Name of supplier:** Wilhelmsen Ships Service
Total volume: 195 000 product deliveries	**Specification of goods:** Fire, rescue and safety equipment, marine chemicals, refrigeration, environmental equipment, air tools, welding, port services, maritime logistics, marine spares and much more

Comments:

195 000 products delivered to 20 000 ships

If you divide that figure by the number of minutes in a year, Wilhelmsen Ships Service makes more than one delivery to a vessel in the global merchant fleet worldwide every three minutes. Given the limited time a vessel spends in port, making the right delivery at the right time is extremely important. With Wilhelmsen Ships Service, you get the same experience and quality anywhere in the world. The result is efficient port operations which add value to your business.

Mark Waite, a warehouse supervisor from Wilhelmsen Ships Service in Southampton, delivers a recovery unit connection kit and a refrigerant recovery package to m/v Toronto in Southampton on 4 March 2008.

Did you know … that Wilhelmsen Ships Service delivers products and services to 20 000 vessels in 2 200 ports in 115 countries around the world?

CORPORATE GOVERNANCE

AN "OBSERVE OR EXPLAIN" PRINCIPLE

A Norwegian code of practice for corporate governance was issued in December 2004 by the Norwegian Corporate Governance Board (NCGB), and has been adopted by a number of organisations. This code builds on an "observe or explain" principle, which means that grounds must be given for possible departures from the code.

The code was revised in December 2005, November 2006 and December 2007. No new principles where added in the latest revision, but some of the principles and comments were revised.

Pursuant to the regulations of the Oslo Stock Exchange, listed companies must publish an annual presentation of their corporate governance principles.

WW observes the 2007 code. However, a shareholder structure in which a majority owner controls more than 50% of the votes at the general meeting means that it would be inappropriate to implement all the code's provisions in full.

VALUES BASE

As part of its corporate culture, WW has developed and implemented the following core values: customer centred, empowerment, learning and innovation, stewardship, and teaming and collaboration. See page 4 for their definition.

Ethical guidelines are developed and published on the group's intranet, and consequently made available to all employees.

THE BUSINESS

According to WW's articles of association, its object 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. Within this object, the business concept is to be a leading international supplier of maritime services, based on expertise and a focus on customer requirements.

EQUITY AND DIVIDEND

WW has an equity which is tailored to its objectives, strategy and risk profile, and which totalled just under USD 1 billion at 31 December 2007. That corresponded to 34% of total capital.

The company's dividend policy states that shareholders will be given 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, one objective is a steady rise in dividend over time.

The board has been mandated by the general meeting to buy back up to 10% of the company's own shares. Together with subsidiary Wilhelmsen Lines Shipowning, parent company WW ASA owned 2 219 376 A shares and 914 300 B shares at 31 December.

A renewal of this mandate for a further 12 months will be considered by the annual general meeting in May 2008.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company has two share classes, comprising 36 856 468 A shares and 12 781 032 B shares respectively. Converting to a single share class is not regarded as appropriate in the present circumstances.

The group buys its own shares over the stock exchange.

Certain transactions take place between the principal shareholder and the company, and these are conducted on market terms.

Pursuant to the instructions issued for the board, directors are required to inform the board if they have a significant interest, directly or indirectly, in contracts concluded by WW.

NEGOTIABILITY
WW's shares are freely negotiable.

GENERAL MEETING
The annual general meeting is normally held at the beginning of May. Shareholders with known addresses are notified by mail, and the meeting is advertised in Oslo daily Aftenposten 14 days before it takes place. With effect from 2008, notice of the meeting as well as relevant documentation will be published on the company's website 21 days prior to the meeting.

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. The board chair attends the general meeting, and acts as its chair as specified in the 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.

NOMINATION COMMITTEE
A nomination committee is not considered appropriate with the present shareholder structure.

EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE
The company does not have a corporate assembly. The annual general meeting elects the board. The interests of the employees have been met by a committee for industrial democracy in foreign trade shipping, which has comprised six members, four from the management and two from the workforce. It has met four times a year. Issues submitted for consideration have included 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.

The company's board comprises five directors elected by the general meeting for two years at a time. Two of the directors are women. The group chief executive is an alternate member of the board. Three directors are independent of the majority owner and all five are independent of the executive management.

Information on the background and experience of the directors can be found on the company's website at www.wilhelmsen.com, which also provides a specification of the shares in the company owned by directors. The number of shares held by directors is also specified in note 2 to parent company accounts on page 62.

WORK OF THE BOARD
The board establishes an annual plan for its work. Eight regular meetings are held every year, and the board otherwise meets as and when required. One day-and-a-half strategy meeting is held. Directors are also kept regularly informed about the group's development between board meetings.

Instructions have been drawn up for the executive management and for the board itself. The board works continuously on internal control in the company as specified below.

In the absence of the chair, the deputy chair serves as chair.

The board regularly assesses its mode of working.

The board does not consider it appropriate to establish sub-committees, which would undermine the board's work and authority. The size of the board and the frequency of its meetings

> CORPORATE GOVERNANCE

mean that such committees are not required.

RISK MANAGEMENT AND INTERNAL CONTROL

WW has established in-house procedures and systems to secure and implement satisfactory risk management and internal control. These procedures are updated regularly.

They make every manager in WW responsible for risk management and internal control, and are intended to ensure:

- compliance with legal and regulatory requirements
- exploitation of commercial opportunities
- purposeful and cost-effective operation
- reliable financial reporting.

Financial reporting in the form of monthly operating reports containing financial, operational and commercial information keeps the board continuously briefed about the development of the business. The board also receives periodic reporting on the company's exposure to interest rates, currencies, bunkers and financial management.

An annual review of company strategies conducted by the board provides guidelines for the management. The strategies process is dynamic. Important strategic issues occupy a permanent place on the agenda for each board meeting, and the management provides updates of the status for each issue. Management participation in board work relating to wholly and partly owned subsidiaries meets the group's need for involvement and for an increased degree of control and supervision.

REMUNERATION OF DIRECTORS

Directors' fees are determined by the general meeting and are not dependent on the company's results. These fees reflect the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the business.

No share options have been awarded to directors, and directors perform no assignments for the company other than serving on the board.

REMUNERATION OF SENIOR EXECUTIVES

Salary and other components of the chief executive's remuneration package are detailed in note 2 to the parent company accounts. See page 62.

The board determines the chief executive's remuneration and establishes the framework for adjustments to the pay of other employees. Pay adjustments for each employee are then determined administratively within the limits set. The board carries out a broadly-based comparison with pay conditions in other Norwegian shipping companies, and gives weight to the general level of pay adjustments in Norway.

A bonus scheme has been instituted by the board for group employees in Norway. Certain subsidiaries have different arrangements. Intended to reinforce the focus on performance and results, the bonus scheme is based on the annual return on capital employed by the group and three predefined key performance indicators. A minimum of 60% of the goal must be met by each team. The board determines the annual norm for the bonus scheme.

The annual general meeting in 2007 approved the continuation of an option programme with a rather different content than the earlier option scheme. Under the 2007 arrangement, senior personnel are awarded options whose value is linked to the share price at the vesting date. When an employee exercise their options, they will receive the difference between the price of WW's A shares at the vesting and exercise dates. It has also been resolved that one-third of any gain before tax has to be applied to the purchase of WW A shares, which must be held by the purchaser for a minimum of three years.

INFORMATION AND COMMUNICATION

WW gives weight to informing the market about the development of its results, and reports to the stock market through annual and interim reports, press releases and so forth. The financial calendar, with the dates for quarterly presentations and the annual general meeting, can be found on the WW website and on page 108 of this annual report.

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 to WW's website.

The company fulfils the requirements set by the Oslo Stock Exchange for its Information and English symbols.

Extensive information about the activities of the parent company and the group is provided on the website, including an overview of share price developments, the 20 largest shareholders, dividend paid over the past five years and cash flow per share.

A Capital Markets Day is held each year. Analysts, journalists and financial institutions are invited to meet senior executives of the group, who present various aspects of WW's business in more detail than can be provided by the quarterly presentations.

TAKEOVERS

The 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 always present when the annual accounts are under consideration. 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. Should either side find it appropriate, the board can meet the auditor without the executive management being present.

The auditor's fee, broken down by audit work and other consultancy services, is specified in note 2 to the parent company accounts. See page 62.

Did you know that...

- WW follows a Norwegian code of practice for corporate governance.

40%

- Two of the five directors on the board of WW ASA are female, which complied with the legal requirement pursuant to the Norwegian Public Limited Companies Act for a minimum of 40% women directors at 1 January 2008.
- WW intends to pay dividend twice a year.
- WW fulfils the requirements set by the Oslo Stock Exchange for its Information and English symbols.

SERVICE CONFIRMATION

Wilh. Wilhelmsen

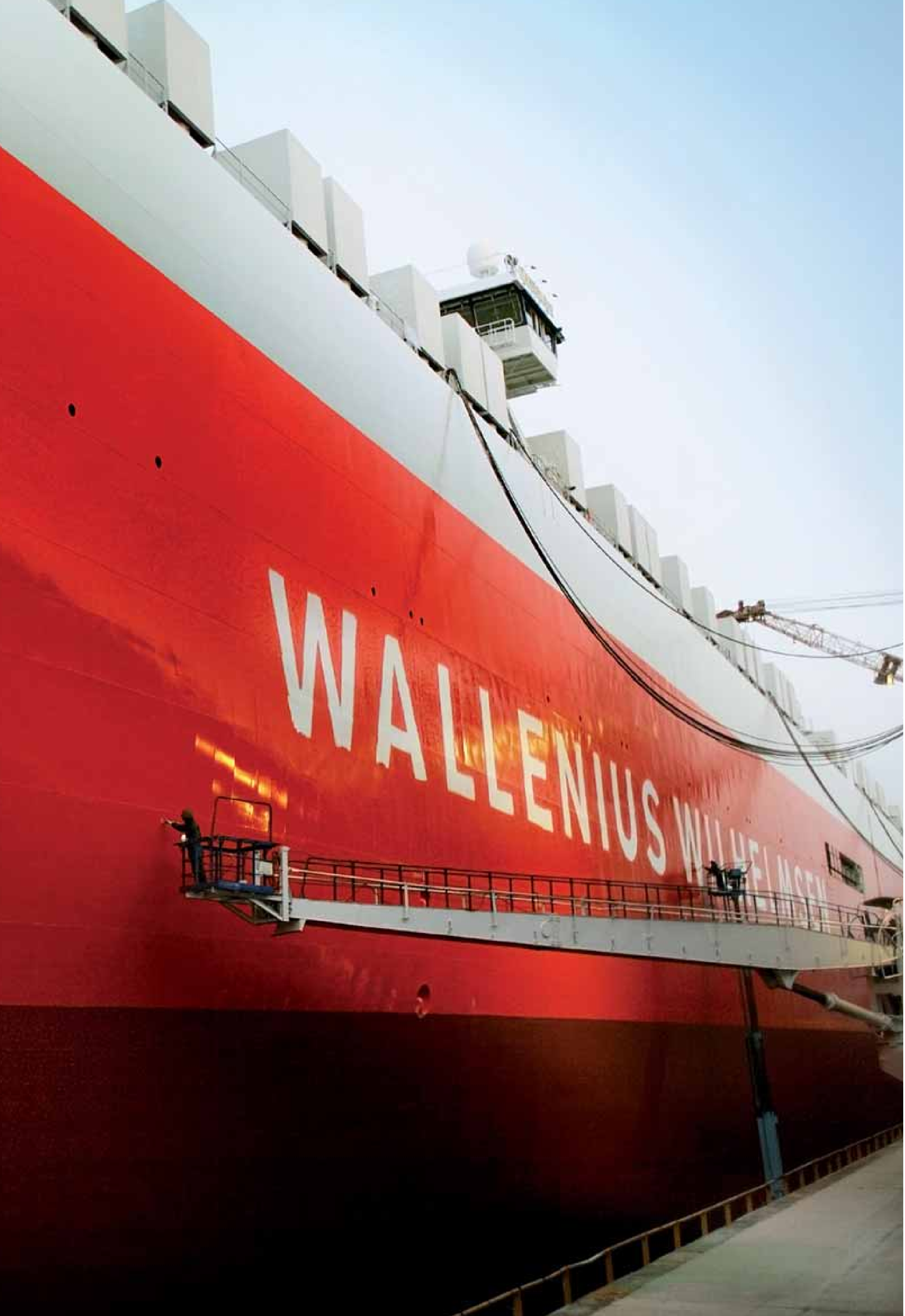
Dates: 2008, 2009, 2010, 2011 and 2012	**Name of suppliers:** Mitsubishi Heavy Industries (MHI), Hyundai Heavy Industries (HHI) and Daewoo Shipbuilding and Marine Engineering (DSME)
Specification of deliveries: Pure car and truck carriers (PCTCs), large car and truck carriers (LCTCs) and the world's largest ro-ro vessels	
Total number of vessels: WW and its partners currently have 45 newbuildings on order	**Main yards:** Nagasaki in Japan (MHI), Ulsan (HHI) and Geoje (DSME), both in the Republic of Korea

Comments:

Proof of our faith in the future, should you need it, is provided by our extensive newbuilding programme. Ninety per cent of world cargoes are moved by sea. And tonnage is already in short supply. Our large car and truck carriers will be 228 metres long and be able to carry 8 000 cars. The ro-ro vessels on order are designed for 138 000 cubic metres of cargo, 10% more than the most recent carriers of this type in our fleets. Developed in close cooperation between us and the yards, the design offers not only efficient cargo transport and handling but also the lightest environmental footprint which is technologically possible.

Did you know … that it takes some 150 people and 10 months to build a new car carrier from steel cutting to naming ceremony?

WE DELIVER FOR THE FUTURE


WALLENIUS WILHELMSEN

SHAREHOLDER INFORMATION

DIVIDEND POLICY

WW'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, one objective is a steady rise in dividend over time.

A total dividend of NOK 9.00 per share was paid by WW in 2007. The company's intention is to pay dividend twice a year, and this was achieved in 2007.

The board will propose to the general meeting that a dividend of NOK 5.50 per share to be paid in May 2008.

CORRECT MARKET PRICE

The group gives weight to keeping the stock market regularly informed about the development of its results.

By helping to enhance knowledge of the industry in general and the group in particular, WW wants the information it provides to the market to contribute to a pricing of the company's shares which is as correct as possible.

WW has received the Information and English symbols from the Oslo Stock Exchange. These are awarded to companies which satisfy the exchange's requirements for financial information on their websites. The WW website also provides all the company's reports and other information, including an overview of some of the analysts who monitor it.

SHAREHOLDER STRUCTURE

WW is listed on the Oslo Stock Exchange. At 31 December 2007, the company had a total share capital of NOK 993 million, divided between just under 37 million A shares and just under 13 million B shares.

WW had 2 982 shareholders at 31 December 2007, of whom 253 were foreign and 2 729 were Norwegian.

In recent years, the company has bought its own shares and amortised part of these (5% in 2000, 2001 and 2002). The management has been mandated to buy up to 10% of the company's own issued shares. Part of this authority has been utilised. WW owned 2 219 376 A shares and 914 300 B shares at 31 December. The company has no plans for new share issues.

BASIS FOR VALUING THE COMPANY

The management's judgement is that a valuation of WW must be based on a combination of discounted net cash flows and net asset value.

In the shipping and logistics segments, significant investments have been undertaken in vessels and other fixed assets. WW takes the view that the value of these segments is higher than the sum of the value of the various tangible fixed assets. The value of the business over time will depend primarily on the net income which the company manages to generate from the transport system developed within these segments. That encompasses both vessels and other tangible fixed assets, the established transport system, land-based activities, employee expertise and experience, established market positions, and brands and goodwill.

Glovis (owned 20% by WW) is listed on the stock exchange in Seoul, Korea.

Earnings potential is crucial for a valuation of the activities concentrated in Wilhelmsen Maritime Services (WMS). The capital commitment in the companies which collectively comprise WMS is relatively modest, although fairly large sums have been invested in company acquisitions, human resources and system infrastructures.

The value of real property is continuously subject to the valuations made

A DIVIDENDE OF NOK 9.00 PER SHARE WAS PAID BY WW IN 2007.

by the market at any given time. A valuation based on net asset value would therefore be the most relevant approach for the company's office premises at Lysaker.

A total valuation of the parent company must accordingly be based on the considerations outlined above, supplemented by the parent company's other assets less group liabilities and pension commitments.

Information on the hedging strategy for bunkers, currency and interest rates, and on sensitivity analyses, is provided in group note 13 on page 52.

For information on debt repayment, see group note 12 on page 51.

REMUNERATION OF THE GROUP'S EMPLOYEES

The remuneration system is under continuous assessment, and several new schemes have been put in place over recent years. A primary objective has been to highlight the shared financial interests of owners and employees.

A bonus scheme is provided for employees, with the financial basis for payments tied to the realised annual return on capital employed (ROCE) for the group. Return above an annually specified norm will be shared between employees and owners in accordance with an approved formula.

The ROCE was 13.2% in 2007, and the goal is to keep this figure above 8-9% over time in accordance with the equity method.

A new option programme for leading personnel was introduced in 2007 and came into effect on 1 January 2008. It strengthens the relationship between remuneration for leading personnel and the return to the owners over time.

All employees in Norway are offered an annual opportunity to acquire shares in WW at a discount.

The basis for dividend payments to shareholders is the value creation achieved in the group's business areas.

Did you know that...

Dividend policy:
WW'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, one objective is a steady rise in dividend over time.

- A total dividend of NOK 9.00 per share was paid by WW in 2007
- Share capital totalled NOK 993 million at 31 December 2007
- There were 2 982 shareholders at 31 December 2007, of whom 253 were foreign and 2 729 were Norwegian

13.2%

The return on capital employed was 13.2% in 2007

FINANCIAL CALENDAR
2008:

> **14 FEBRUARY**
Fourth quarter report 2008

> **23 APRIL**
Annual report 2007

> **7 MAY**
First quarter report 2008

> **8 MAY**
Annual general meeting

> **23 MAY**
Payment of dividend subject to approval by the AGM

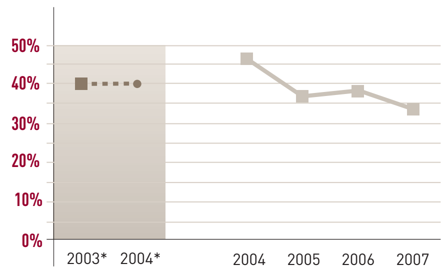
> **1 AUGUST**
Second quarter report 2008

> **SEPTEMBER**
Capital Markets Day (date to be announced)

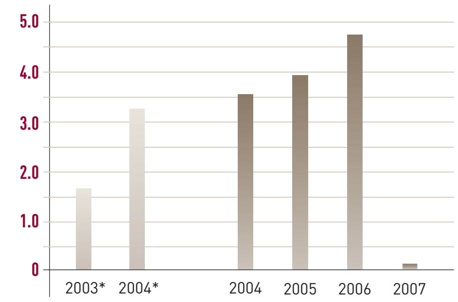
> **31 OCTOBER**
Third quarter report 2008

> **12 FEBRUARY 2009**
Fourth quarter report 2008

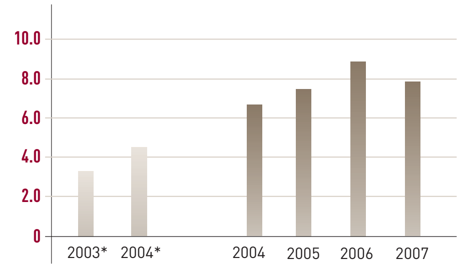
EQUITY RATIO (%)



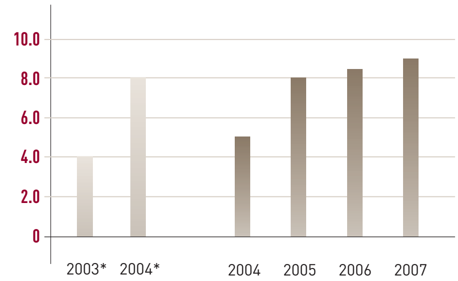
EARNINGS PER SHARE



CASH FLOW PER SHARE



DIVIDEND PER SHARE

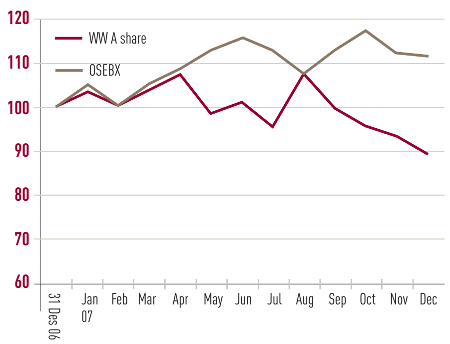


WW's GOAL IS TO PROVIDE SHAREHOLDERS WITH A HIGH RETURN OVER TIME THROUGH A COMBINATION OF RISING VALUE FOR THE COMPANY'S SHARES AND PAYMENT OF DIVIDEND.

KEY INFORMATION SHAREHOLDERS

		2007	2006	2005	2004	2004*	2003*
Face value	NOK	**20**	20	20	20	20	20
Number of shares 31 Dec	(1 000)	**49 638**	49 638	49 638	49 638	49 638	49 638
Average number of shares outstanding	(1 000)	**47 148**	47 937	47 996	47 930	47 930	47 819
Earnings per share (1)	USD	**0.07**	4.73	3.91	3.51	3.23	1.62
Diluted number of shares (2)	USD	**0.07**	4.72	3.91	3,51	3.23	1.62
Cash flow per share (3)	USD	**7.84**	8.72	7.52	6.66	4.51	3.30
Dividend per share (4)	NOK	**9.00**	8.50	8.00	5.00	8.00	4.00
RISK per share at 1 Jan	NOK	**N/A**	(4.99)	(8.35)	2.04	2.04	(1.28)
Market price 31 Dec A shares	NOK	**212**	238	249	157	157	111
Market price 31 Dec B shares	NOK	**195**	218	219	145	145	105
Market price high A shares	NOK	**256**	250	249	158	158	113
Market price high B shares	NOK	**236**	234	219	145	145	105
Market price low A shares	NOK	**201**	188	162	82	82	47
Market price low B shares	NOK	**182**	180	135	85	85	44

DEVELOPMENT OF THE WW SHARE VERSUS THE OSLO STOCK EXCHANGE



DEFINITIONS GRAPHS AND TABLES

1) Profit after minority interests, divided by average number of shares.

2) Earnings per share taking into consideration the number of shares in the period.

3) Profit for the period adjusted for change in deferred tax, depreciation and impairment of assets, divided by average number of shares.

4) Payout date under IFRS and at date of provision under NGAAP*.

* Figures in accordance with Norwegian accounting standards (not restated to IFRS)

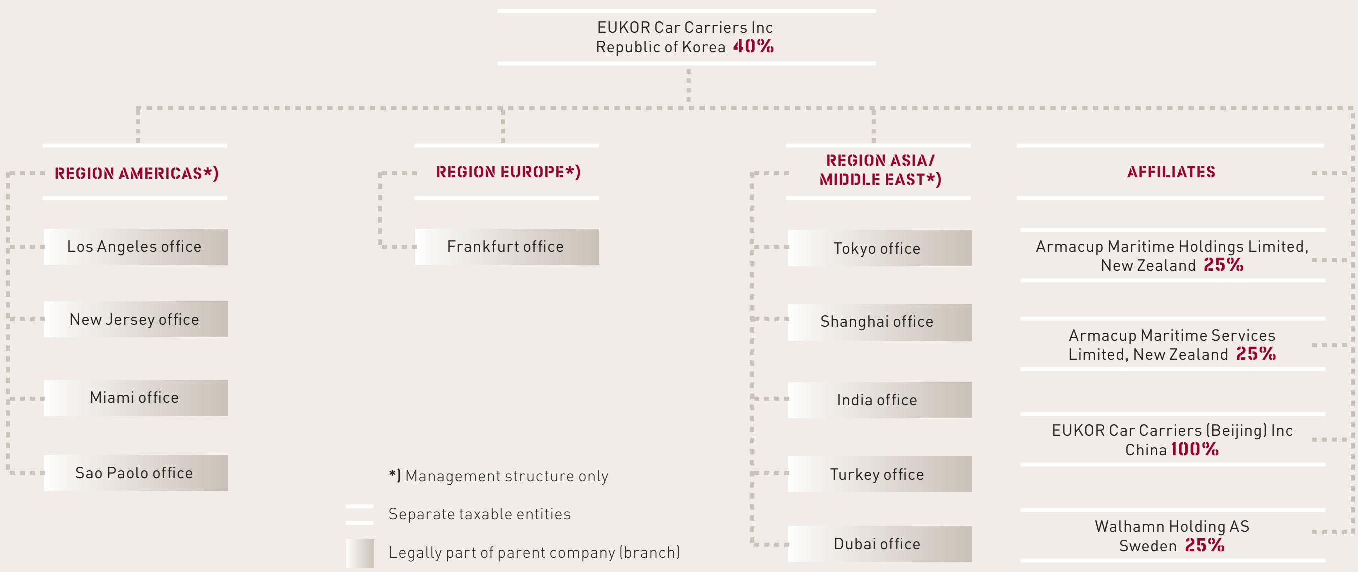
**The results are taken from the management report, which reflects the WW group`s underlaying operations in more detail than the official accounts. The IFRS accounting principles are applied in both management report and official accounts, but the former utilises a different method for consolidating the group`s most important joint ventures. The presentation in the management report reflects proportionately the WW group`s partnership based ownership structure.

COMPANY STRUCTURE 19 FEBRUARY 2008

SHIPPING > SEGMENT STRUCTURE*

* Unless otherwise stated, the company is wholly-owned.

EUKOR CAR CARRIERS > GROUP STRUCTURE*



* Unless otherwise stated, the company is wholly-owned.

LOGISTICS > SEGMENT STRUCTURE*

LOGISTICS

- Wilhelmsen Lines AS, Norway
  - Wallenius Wilhelmsen Logistics AS, Norway **50%**
  - American Logistics Network LLC, USA **49.9%**
    - AP Logistics Limited Partnership, USA **50%**
  - American Shipping & Logistics Inc, USA **49.9%**
    - American Auto Logistics Limited Partnership, USA **1%**
    - American Insurance Providers Inc, USA
      - American Auto Logistics Limited Partnership, USA **99%**
- Glovis Co Ltd, Republic of Korea **20%**
- KFM Logistics Investments 1 Pty Ltd Australia **22.5%**
- KFM Logistics Investments 3 Pty Ltd Australia **22.5%**
- KFM Logistics Investments 6 Pty Ltd Australia **22.5%**

* Unless otherwise stated, the company is wholly-owned.

WALLENIUS WILHELMSEN LOGISTICS > GROUP STRUCTURE*

WALLENIUS WILHELMSEN LOGISTICS AS
(parent company and Lysaker joint central office) **50%**

- Wallenius Wilhelmsen Logistics AB (Stockholm joint central office)

REGION AMERICAS*)

- WWL Holdings Americas, LLC
  - WW Logistics Americas LLC
  - Atlantic Ro-Ro Stevedoring, LLC
  - Pacific Vehichle Processors, Inc
  - WWL Realty Americas, LLC
  - WW Solutions, LLC
  - 2W Americas Holdings, LLC **50%**
    - WWL Vehicle Services Americas Inc (VSA)

REGION EUROPE*)

- WW Logistics AS, Norway Branch Sweden
- WW Logistics AS German Branch
- WW Logistics UK
- WW Logistics France
- WW Logistics AS Finland Branch
- WW Logistics Belgium
- CAT-WWL Logistics Pty Ltd **50%**
- WW Logistics Germany GmbH
  - WW Logistics Hakenstedt GmbH
  - WW Logistics Poland Sp.zo.o.
  - WW Logistics Iberica SL (Spain)

REGION ASIA*)

- WW Logistics AS (Asia)
- WW Logistics AS Korea Branch
- WW Logistics AS (Singapore Branch)
- WW Logistics China Ltd
  - WWL–GZL Logistics Co Ltd **55%**
- WW Vehicle Logistics (Shanghai) Ltd
- WW Logistics (Thailand) Co Ltd

REGION OCEANIA*)

- WW Logistics AS (New Zealand)
- WW Logistics AS (Australia)
  - WW Logistics Australia Pty Ltd
- Agencie Maritime Holdings Limited **25%** New Zealand
- Armacup Maritime Services Limited **25%** New Zealand

WW TERMINALS HOLDING AS

- WW Logistics Kotka Oy
- WW Logistics Zeebrugge NV
- WW Terminals North AB
- WW Terminals Central AB
- WW Terminals South AB
- WW Terminals AS
  - WW Terminals (UK)
- WW Terminals Americas, LLC
  - Mid-Atlantic Terminal, LLC
  - Pacific Ro-Ro Stevedoring, LLC

*) Management structure only

Separate taxable entities

Legally part of parent company (branches)

* Unless otherwise stated, the company is wholly-owned.

COMPANY STRUCTURE 19 FEBRUARY 2008

OTHER GROUP COMPANIES > SEGMENT STRUCTURE*

OTHER GROUP COMAPNIES

- Strandveien 20 ANS, Norway 99%
- Wilservice AS, Norway
  - Strandveien 20 ANS, Norway 1%
- Wilhelmsen Insurance Services AS, Norway
- Wilhelmsen Marine Consultants AS Norway (owned through Wilhelmsen Lines AS)
- Wilh. Wilhelmsen Netherlands BV The Netherlands
- Njord Insurance Company Ltd, Bermuda
- Wilh. Wilhelmsen (Asia) Sdn Bhd, Malaysia
- Wilh. Wilhelmsen (Hong Kong) Ltd, Hong Kong
- Wilhelmsen Forbes Energy Logistics Ltd Mauritius

Wilhelmsen Offshore and Chartering AS, Norway
- Abeer AS, Norway

* Unless otherwise stated, the company is wholly-owned.

WILHELMSEN MARITIME SERVICES > COUNTRY OVERVIEW

EUROPE

Belgium
Denmark
Finland
France
Germany
Gibraltar
Greece
Italy
Latvia
Netherlands
Norway
Poland
Portugal
Spain
Sweden
Switzerland
United Kingdom

ASIA AND OCEANIA

Australia
Bangladesh
China
Hong Kong
India
Indonesia
Japan
Malaysia
Myanmar
New Zealand
Philippines
Republic of Korea
Singapore
Sri Lanka
Taiwan
Thailand
Vietnam

MEDITERRANEAN, SOUTHERN EUROPE, MIDDLE EAST, AFRICA, BLACK SEA

Algeria
Armenia
Bahrain
Bulgaria
Croatia
Cyprus
Egypt
Georgia
Iran
Iraq
Jordan
Kenya
Kuwait
Lebanon
Malta
Netherlands Antilles
Oman
Pakistan
Qatar
Republic of South Africa
Romania
Russia
Saudi Arabia
Sudan
Syrian Arab Republic
Tanzania
Turkey
Ukraine
United Arab Emirates
Yemen

AMERICAS

Argentina
Bermuda
Brazil
Canada
Chile
Colombia
Cuba
Ecuador
Honduras
Mexico
Panama
Peru
Puerto Rico
United States
Venezuela

WILHELMSEN MARITIME SERVICES > GROUP COMPANIES

COMPANY NAME	COUNTRY	OWNERSHIP %
Barwil Algeria SPA	ALGERIA	90.0%
Unitor Argentina SA	ARGENTINA	100.0%
Wilhelmsen Ships Service Pty Ltd (formerly known as Barwil Agencies Australia Pty Ltd)	AUSTRALIA	100.0%
New Wave Maritime Services Pty. Ltd. (formerly known as Dockwise Australia Pty Ltd)	AUSTRALIA	100.0%
WLB Shipping Pty Ltd	AUSTRALIA	100.0%
Wilh. Wilhelmsen Oceania Pty Ltd	AUSTRALIA	50.0%*
Wiltrading (Darwin) Pty Ltd	AUSTRALIA	50.0%*
Almoayed Barwil Ltd	BAHRAIN	40.0%*
Barwil - QC Agencies Ltd	BANGLADESH	50.0%
Unicorn Shipping Services Ltd	BANGLADESH	51.0%
Barwil Benelux NV	BELGIUM	100.0%
Unitor Ships Service NV	BELGIUM	100.0%
International Tanker Management Ltd	BERMUDA	100.0%
International Tanker Management Holding Ltd	BERMUDA	100.0%
Unitor Ships Service Equipamentos Maritimos Ltda	BRAZIL	100.0%
Barwil Brasil Agencias Maritimas Ltda	BRAZIL	49.0%*
Barber Manning Ltd	BULGARIA	100.0%
Barwil Unimasters Ltd	BULGARIA	50.0%
Barwil Agencies (NA) Inc - Legal Branch	CANADA	100.0%
Unitor Ships Service Canada Ltd	CANADA	100.0%
Callenberg Marine Services Inc	CANADA	100.0%
Barwil Chile S.A.	CHILE	50.0%
Ti China Co Ltd	CHINA	100.0%
Unitor (China) Co Ltd	CHINA	100.0%
Unitor Production (China) Co Ltd	CHINA	100.0%
Barwil Huayang Shipping Service Co Ltd	CHINA	50.0%
Shanghai Barwil Huayang Shipping Agencies Co Ltd	CHINA	49.0%
Barwil Huayang Shipping Services Co Ltd - Shanghai Branch	CHINA	49.0%
Callenberg Marine Electrical Technology (Wuhu) Co Ltd	CHINA	100.0%
Callenberg Electro AB - Shanghai Representative Office	CHINA	100.0%
Barwil Colombia SA	COLOMBIA	50.0%
Barber International doo	CROATIA	100.0%
Unitor (Cyprus) Ltd	CYPRUS	100.0%
Unitor Denmark A/S	DENMARK	100.0%
Callenberg A/S	DENMARK	100.0%
Barwil Ecuador SA	ECUADOR	50.0%
Barwil Arabia Shipping Agencies SAE	EGYPT	35.0%
Barwil Egytrans Shipping Agencies SAE	EGYPT	70.0%
ScanArabia Shipping Agencies SAE	EGYPT	70.0%
Unitor Ships Service Oy Ab	FINLAND	100.0%
Agences Maritimes Barwil Pomme SAS	FRANCE	100.0%
Auxiliaire Maritime SAS	FRANCE	100.0%
Unitor Trading France SAS	FRANCE	100.0%
B&P Ltd	GEORGIA	25.0%
Barwil Georgia Ltd	GEORGIA	50.0%
Barwil Agencies GmbH	GERMANY	100.0%
International Tanker Management (Germany) GmbH	GERMANY	100.0%
Unitor GmbH	GERMANY	100.0%
Wiltrans (Gibraltar) Ltd	GIBRALTAR	100.0%
Wiltrans (2000) Limited	GIBRALTAR	100.0%
Barber Ship Management Ltd - Legal Branch	GREECE	100.0%
Uniref SA	GREECE	100.0%
Unitor Hellas SA	GREECE	100.0%
Barwil Hellas Ltd	GREECE	60.0%
International Manning Services (Honduras) SA	HONDURAS	100.0%
Wilhelmsen Ship Management Holding Limited (formerly known as Barber International Ltd)	HONG KONG	100.0%
Wilhelmsen Ship Management Limited (formerly known as Barber Ship Management Ltd)	HONG KONG	100.0%
Wilhelmsen Ships Service Limited (formerly known as Barwil Agencies Ltd)	HONG KONG	100.0%
Intertransport (Hong Kong) Ltd	HONG KONG	100.0%
Unitor Ships Service (Hong Kong) Ltd	HONG KONG	100.0%
Barklav (Hong Kong) Ltd	HONG KONG	50.0%
Wilhelmsen Ship Management (India) Pvt Ltd (formerly known as Barber Ship Management (India) Pvt Ltd)	INDIA	100.0%
ITM Tanker Management Pvt Ltd	INDIA	100.0%
Wilhelmsen Maritime Services Limited (formerly known as Barwil Forbes Shipping Services Ltd)	INDIA	50.0%
Wiltrans Logistics & Shipping Company Limited (formerly known as Warrior Logistics and Shipping Ltd)	INDIA	100.0%

COMPANY NAME	COUNTRY	OWNERSHIP %
P.T. Tirta Samudera Caraka LLC	INDONESIA	0.0%*
P.T Tirta Sarana Banjar	INDONESIA	0.0%*
P.T Tirta Sarana Borneo	INDONESIA	0.0%*
P.T Tirta Sarana Dermaga	INDONESIA	0.0%*
P.T Tirta Sarana Jasatama	INDONESIA	0.0%*
P.T Cipta Wira Tirta	INDONESIA	0.0%*
Barwil Pars Ltd	IRAN	50.0%
Barwil Tehran Co Ltd	IRAN	49.0%
Barwil For Maritime Services Co Ltd	IRAQ	75.0%
Wilhelmsen Ships Service SpA (formerly known as Barwil Unitor Ships Service Italia S.p.A.)	ITALY	100.0%
Barwil Si. Mar. SRL	ITALY	49.0%
Wiltrans SRL	ITALY	100.0%
Unitor Ships Service (Japan) Co Ltd	JAPAN	100.0%
Aall Barwil Pte Ltd - Legal Branch	JAPAN	51.0%
Barwil Zaatarah Agencies Ltd	JORDAN	48.8%
Bat-Haf Barwil Agencies Ltd	KENYA	50.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partners WLL	KUWAIT	49.0%
Barwil-Andersson Agencies Ltd	LATVIA	49.0%
Barwil Agencies Lebanon S.A.L.	LEBANON	49.0%
Barber Marine Team Sdn Bhd (In Members' Voluntar Liquidation)	MALAYSIA	100.0%
Barwil Unitor Ships Service (Holdings) Sdn Bhd (formerly known as Barwil Holdings Sdn Bhd)	MALAYSIA	100.0%
Wilhelmsen Freight & Logistics Sdn Bhd (formerly known as BFL Worldwide Sdn Bhd)	MALAYSIA	100.0%
NBM Agencies Sdn Bhd	MALAYSIA	100.0%
Barwil Agencies Sdn Bhd (formerly known as Port Klang Multipurpose Terminal Sdn Bhd)	MALAYSIA	100.0%
Wilhelmsen Ships Service Trading Sdn Bhd (formerly know as Unitor Trading (Malaysia) Sdn Bhd)	MALAYSIA	100.0%
Wilhelmsen Ship Management Sdn Bhd (formerly known as Wilhelmsen Maritime Services (Asia) Sdn Bhd)	MALAYSIA	100.0%
Wiltrans Logistics (M) Sdn Bhd	MALAYSIA	0.0%*
Wilhelmsen Ships Service Malaysia Sdn Bhd (formerly known as Barwil Agencies Sdn Bhd)	MALAYSIA	30.0%*
Barwil Westext Sdn Bhd	MALAYSIA	25.0%*
Barwil Malta Ltd	MALTA	100.0%
Unicorn Shipping Services Ltd	MAURITIUS	51.0%
Unitor De Mexico. SA de CV	MEXICO	100.0%
Makara Marine Contractors Co Ltd	MYANMAR	100.0%
Barwil Benelux BV	NETHERLANDS	100.0%
Unitor Ships Service BV	NETHERLANDS	100.0%
Unitor Ships Service NV	NETHERLANDS ANTILLES	100.0%
Wilhelmsen Ships Service Limited (formerly know as Barwil Agencies (New Zealand) Limited)	NEW ZEALAND	100.0%
Wilh. Wilhelmsen (New Zealand) Limited	NEW ZEALAND	100.0%
Wilhelmsen Premier Marine Fuels AS	NORWAY	60.0%
Wilhelmsen Ship Management AS (formerly know as Barber Ship Management AS)	NORWAY	100.0%
Barwil Agencies AS	NORWAY	100.0%
Marine Transactions Services AS	NORWAY	100.0%
Wilhelmsen Marine Personnel AS (formerly know as Norsk Bemanning AS)	NORWAY	100.0%
SIS Consult AS	NORWAY	100.0%
TI Marine Contracting AS	NORWAY	100.0%
Unitor Chemicals AS	NORWAY	100.0%
Wilhelmsen Agencies AS	NORWAY	100.0%
Wilhelmsen Ships Service AS (formerly known as Wilhemsen Maritime Services AS)	NORWAY	100.0%
Wilhelmsen Maritime Services AS (formerly known as Wilhemsen Maritime Services Holding AS)	NORWAY	100.0%
CMA CGM Scandinavia AS	NORWAY	49.0%
Barber Moss Ship Management AS	NORWAY	50.0%
Scandinavian Reefer Services AS	NORWAY	52.0%
AC Marine AS	NORWAY	100.0%
Towell Barwil Co LLC	OMAN	30.0%
Barwil Shipping (Pvt) Ltd	PAKISTAN	50.0%
International Manning Services (Panama) SA	PANAMA	100.0%
OOPS (Panama) SA	PANAMA	100.0%
Barwil Agencies SA	PANAMA	47.0%
Isthmian Surveyors SA	PANAMA	47.0%
Lonemar SA	PANAMA	47.0%
Lowill SA	PANAMA	47.0%
Scan Cargo Services SA	PANAMA	47.0%
Transcanal Agency SA	PANAMA	47.0%
Wekol SA	PANAMA	47.0%
Unitor Panama SA	PANAMA	99.6%*
Barwil Peru SA	PERU	50.0%
Barber Ship Management Ltd - Representative Office	PHILIPPINES	100.0%
Wilhelmsen Ships Service Philippines Inc (formerly know as Unitor Ships Service Philippines Inc)	PHILIPPINES	100.0%
Barber-Smith Bell Manning Inc	PHILIPPINES	25.0%*
Barwil-Smith Bell Shipping Inc	PHILIPPINES	40.0%*
Barwil-Smith Bell (Subic) Inc	PHILIPPINES	50.0%
Barber (Pol) Ltd Sp. z o. o.	POLAND	100.0%
Barwil Agencies Poland Sp. z o. o.	POLAND	100.0%
Polish Manning Services Sp. z o. o.	POLAND	100.0%
Unitor Ltd Sp. z o. o. (formerly known as Unitor Polska Ltd Sp.z o.o.)	POLAND	100.0%
Unitor - Equipamentos Maritimos Lda	PORTUGAL	98.8%*
Argomar-Navegacao e Transportes SA	PORTUGAL	70.0%
Barwil - Knudsen. Agente de Navegacão Lda	PORTUGAL	70.0%
Unitor de Portugal - Equipamentos Navais e Industriais. Lda	PORTUGAL	100.0%
Barwil Qatar Ltd	QATAR	75.0%*
Wilhelmsen Ship Management Korea Ltd (formerly know as Barber Ship Management Korea Ltd)	REPUBLIC OF KOREA	100.0%
Unitor Ships Service Korea Co Ltd	REPUBLIC OF KOREA	100.0%
Haeyoung Maritime Services Co Ltd	REPUBLIC OF KOREA	20.0%
Barwil Hyop Woon Agencies Ltd	REPUBLIC OF KOREA	50.0%
Wilhelmsen Premier Marine Fuels Pty Ltd	REP OF SOUTH AFRICA	60.0%
Barwil (South Africa) Pty Ltd	REP OF SOUTH AFRICA	100.0%

COMPANY NAME	COUNTRY	OWNERSHIP %
Unitor (Proprietary) Ltd	REP OF SOUTH AFRICA	100.0%
Krew-Barwil (Pty) Ltd	REP OF SOUTH AFRICA	49.0%
Barwil Ships Services (Pty) Ltd	REP OF SOUTH AFRICA	70.0%
Barklav SRL	ROMANIA	50.0%
Barwil Star Agencies SRL	ROMANIA	50.0%
Barber Manning Ltd	RUSSIA	100.0%
Barwil Novorossiysk Ltd	RUSSIA	100.0%
Barwil St Petersburg Ltd	RUSSIA	75.0%*
Barwil Vostok Ltd	RUSSIA	99.0%*
Nagliyat Al-Saudia Co Ltd	SAUDI ARABIA	49.6%
Binzagr Barwil Maritime Transport Co Ltd	SAUDI ARABIA	50.0%
Barwil Agencies Ltd For Shipping	SAUDI ARABIA	70.0%
Wilhelmsen Premier Marine Fuels Pte Ltd	SINGAPORE	60.0%
Wilhelmsen Ship Management Singpaore Pte Ltd (formerly known as Barber Ship Management Singapore Pte Ltd)	SINGAPORE	100.0%
Barwil Agencies Pte Ltd	SINGAPORE	100.0%
International Tanker Management Pte Ltd	SINGAPORE	100.0%
Intertransport International Pte Ltd	SINGAPORE	100.0%
Unitor Cylinder Pte Ltd	SINGAPORE	100.0%
Wilhelmsen Ships Service Singapore Pte Ltd (formerly know as Unitor Ships Service (S) Pte Ltd)	SINGAPORE	100.0%
Wilhelmsen Technical and Operational Solutions Pte Ltd	SINGAPORE	100.0%
Aall Barwil Pte Ltd	SINGAPORE	51.0%
Callenberg Engineering Pte Ltd	SINGAPORE	100.0%
Barwil Ships Services SL	SPAIN	100.0%
Nave Port Algeciras SL	SPAIN	100.0%
Barwil Unitor Servicios Navales Canarias, SA	SPAIN	100.0%
Unitor Servicios Navales SA	SPAIN	100.0%
Barwil Meridian Navigation Ltd	SRI LANKA	40.0%
Baasher Barwil Agencies Ltd	SUDAN	50.0%
Unitor Ships Service AB	SWEDEN	100.0%
Wilhelmsen Marine Engineering AB (formerly Callenberg Group Holding AB)	SWEDEN	100.0%
Callenberg Group AB	SWEDEN	100.0%
Callenberg Flakt Marine AB	SWEDEN	100.0%
Callenberg Electro AB	SWEDEN	100.0%
Rochem Holding AG	SWITZERLAND	100.0%
National Company For Maritime Agencies Ltd	SYRIAN ARAB REPUBLIC	50.0%
Barwil Inc	TAIWAN	0.0%*
Formosa Shipping Agencies Inc	TAIWAN	0.0%*
CMA CGM & ANL (Taiwan) Ltd	TAIWAN	0.0%*
Scan Shipping Agencies Ltd	TANZANIA	49.0%*
International Manning Services (Thailand) Ltd	THAILAND	90.0%
Wilhelmsen Ships Service Thailand Ltd (formerly Barwil Unitor Thailand Ltd)	THAILAND	51.0%
Barwil Universal Denizcilik Tasimacilik Ticaret AS	TURKEY	50.0%
Wilhelmsen Denizcilik Hizmetleri Ltd Sirketi	TURKEY	99.0%*
Crewing Agency "Barber Manning"	UKRAINE	75.0%
Barwil Ukraine Ltd	UKRAINE	75.0%
Barwil Azov Ltd	UKRAINE	75.0%
Barwil Crimea Ltd	UKRAINE	75.0%
Barwil Theodosia Ltd	UKRAINE	75.0%
Barwil Nilolayev Ltd.	UKRAINE	75.0%
Mundial Shipping Services Ltd	UKRAINE	50.0%*
MSC Ukraine Ltd	UKRAINE	45%
International Tanker Management Ltd -DBX - Legal Branch	UNITED ARAB EMIRATES	100.0%
Barwil Ship Services (UAE) LLC	UNITED ARAB EMIRATES	42.5%
Barwil Abu Dhabi Ruwais LLC	UNITED ARAB EMIRATES	25.0%*
Barwil Dubai LLC	UNITED ARAB EMIRATES	50.0%
Triangle Shipping Agencies LLC	UNITED ARAB EMIRATES	50.0%
Barber Ship Management (UK) Ltd	UNITED KINGDOM	100.0%
Barwil Agencies (UK) Ltd	UNITED KINGDOM	100.0%
Ticon Insulation Ltd	UNITED KINGDOM	100.0%
Unitor UK Ltd	UNITED KINGDOM	100.0%
Denholm Barwil Ltd	UNITED KINGDOM	40.0%
Wilhelmsen Premier Marine Fuels Ltd	UNITED KINGDOM	60.0%
Unitor Holding Inc	UNITED STATES	100.0%
Wilhelmsen Ship Management (USA) Inc (formerly known as Barber International (USA) Inc)	UNITED STATES	100.0%
Wilh. Wilhelmsen (USA) Inc	UNITED STATES	100.0%
Unitor Ships Service Inc	UNITED STATES	100.0%
Knight Transport Ltd	UNITED STATES	33.33%
Callenberg Engineering Inc	UNITED STATES	100.00%
Callenberg Engineering California Inc	UNITED STATES	100.00%
Barwil de Venezuela CA	VENEZUELA	50.0%
Wilhelmsen - Sunnytrans Co Ltd (formerly known as Barwil-Sunnytrans Ltd)	VIETNAM	50.0%
International Shipping Co Ltd	YEMEN	0.0%*

* Additional profit share agreements

FLEET LIST

VESSELS > CONTROLLED BY WW ASA AND PARTIALLY OWNED COMPANIES AT 31 MARCH 2008

VESSEL NAME	OWNERSHIP	YEAR BUILT	FLAG	DWT	CAPACITY*
Vessels controlled by WW's ship owning companies. Mainly deployed in Wallenius Wilhelmsen Logistics					
Ro-ro vessels					
Tamerlane	100	2001	NIS	39 400	125 000 cu.m
Tamesis	100	2000	NIS	39 400	125 000 cu.m
Talisman	100	2000	NIS	39 400	125 000 cu.m
Tarago	100	2000	NIS	39 400	125 000 cu.m
Taronga	100	1996	NIS	47 144	142 000 cu.m
Taiko	100	1984	NIS	41 000	119 000 cu.m
Tampa	100	1984	NIS	41 000	119 000 cu.m
Texas	100	1984	NIS	41 000	119 000 cu.m
Talabot	50	1979	SIN	34 605	101 000 cu.m
Tampere	50	1979	SIN	35 098	101 000 cu.m
Toba	50	1979	SIN	34 310	101 000 cu.m
Tapiola	50	1978	SIN	33 702	101 000 cu.m
Tourcoing	50	1978	SIN	33 719	101 000 cu.m
Pure car carriers (PCC) / pure car and truck carriers (PCTC)					
Morning Concert	100	2006	UK	20 600	6 500
Tagus	100	1985	NIS	21 900	5 409
Tasco	100	1985	NIS	21 900	5 409
Takayama	100	1983	NIS	10 599	3 087
Terrier	100	1982	NIS	17 863	5 537
Tellus	50	1978	US	17 406	5 460
Chartered vessels					
Taipan	Time charter	2006	BAH	21 000	6 400
Talia	Time charter	2006	BAH	21 000	6 400
Tarifa	Time charter	2007	BAH	21 000	6 400
Tortugas	Bareboat	2006	UK	19 628	6 350
Tombarra	Bareboat	2006	UK	19 628	6 350
Topeka	Bareboat	2006	UK	19 628	6 350
Toronto	Bareboat	2005	UK	19 628	6 350
Toledo	Bareboat	2005	UK	19 628	6 350
Torrens	Bareboat	2004	UK	19 628	6 350
Tancred	Bareboat	1987	NIS	15 571	5 720
Trianon	Bareboat	1987	NIS	15 528	5 828
Trinidad	Bareboat	1987	NIS	15 528	5 828
Tai Shan	Bareboat	1986	NIS	15 577	5 720
Takara	Bareboat	1986	NIS	15 546	5 720
Newbuilding programme					
Mitsubishi hull no 2237	100	2008		19 628	6 350
Daewoo hull no 4451	100	2008			8 000
Mitsubishi hull no 2238	100	2008		19 628	6 350
Mitsubishi hull no 2244	100	2009		19 628	6 350
Mitsubishi hull no 2245	100	2009		19 628	6 350
Daewoo hull no 4452	100	2009			8 000
Mitsubishi hull no 2262	100	2011			138 000 cu.m
Mitsubishi hull no 2264	100	2012			138 000 cu.m
Daewoo hull no TBA	100	2011			8 000
Daewoo hull no TBA	100	2011			8 000
Hyundai Heavy Industries hull no TBA	100	2011			8 000
Hyundai Heavy Industries hull no TBA	100	2012			8 000

* Capacity in RT-43 unless other stated. RT-43 is a car which is 4 125 m long, 1 550 m wide and 1 420 m high.

VESSEL NAME	OWNERSHIP	YEAR BUILT	FLAG	DWT	CAPACITY*
Vessels controlled by operating companies					
American Roll-on Roll-off Carrier (50% owned by WW)					
Freedom	50	1997	US	19 844	5 728
Honor	50	1996	US	19 844	5 728
Resolve	50	1994	US	20 082	5 741
Independence	50	1994	US	22 862	5 846
Integrity	50	1992	US	29 152	5 905
Courage	50	1991	US	29 213	5 869
Patriot	50	1987	US	15 681	5 453
Liberty	50	1985	US	28 509	5 432
EUKOR Car Carriers (40% owned by WW)					
Owned vessels	12	vessels			
Bareboat	7	vessels			
Time charter	73	vessels			
Total	92	vessels			
On order	23	vessels			

www.wilhelmsen.com

Wilh. Wilhelmsen

Wilh. Wilhelmsen ASA
P O Box 33
NO-1324 Lysaker, NORWAY
Tel: +47 67 58 40 00 Fax: +47 67 58 40 80
E-mail: ww@wilhelmsen.com
www.wilhelmsen.com

Org no 930686344 MVA

Design: Dinamo Red. → Photos: Dag Spant and Ole Musken (page 104) → Printed by Kampen Grafiske