



SHIPPING  
LOGISTICS  
MARITIME  
SERVICES



# Tuned for change

WW group Capital Markets Day

Lysaker, 4 September 2008

Group vice president shipping, Thomas Wilhelmsen





## > Disclaimer

The presentations during this Capital Markets Day will contain forward-looking expectations which are subject to risks and uncertainties related to i.a. economic and market conditions in relevant markets, oil prices, currency exchange fluctuations etc. Wilh. Wilhelmsen group undertake no liability and make no representation or warranty for the information and expectations given in the presentations.



## >: Agenda

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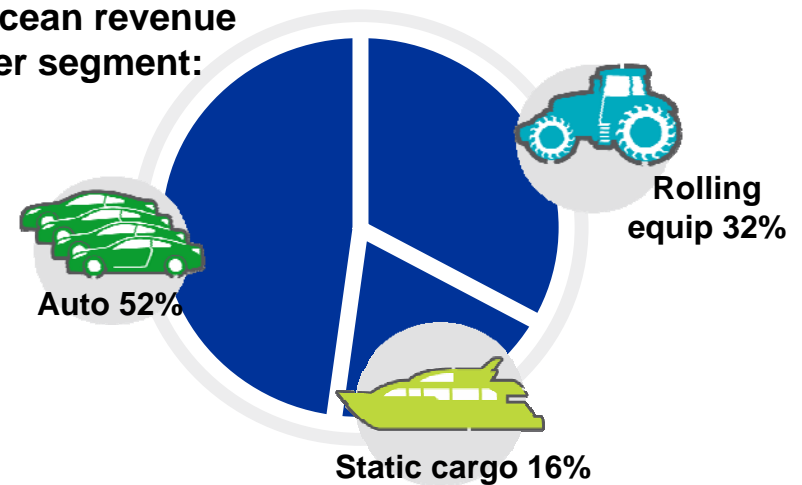
- Three different operating companies
- Key market drivers and prospects
- Fleet development and renewal – flexibility is key
- Summary



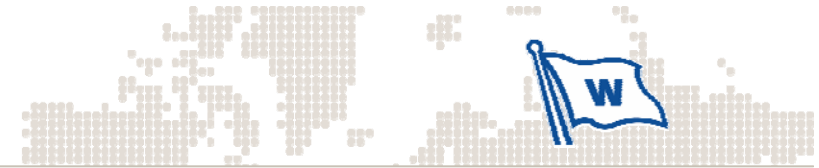
## > Wallenius Wilhelmsen Logistics

- Joint venture established in 1999
- Global ocean and land-based network of highly effective entities
- 3.5 million car equivalent units of cargo transported annually
- Good BAF coverage

Ocean revenue per segment:



Operates 63 vessels in 15 trades



## > EUKOR Car Carriers

- Joint venture established in 2002
- 3.4 million car equivalent units carried in 2007
- Long-term contract with HMC/KMC (70% of cargo)
- 54% of acquisition debt paid down since end 2002
- Good BAF coverage



Operates 91 vessels in 21 trades



## > American Shipping and Logistics (ARC)

- Specialised in handling US flag preference cargo
- US Department of Defense contract holder
- Types of cargo:
  - Commercial cargo
  - Aid programme cargo
  - Household goods
  - Defence cargo



Operates eight vessels in two trades



> Differentiated on cargo and vessels



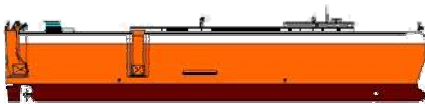
PCC (pure car carrier)

41 vessels



PCTC (pure car truck carrier)  
LCTC (large car truck carrier)

108 vessels



Ro-ro (roll on-roll off carrier)

13 vessels



Share of Cars ← → Share H&H + NCC

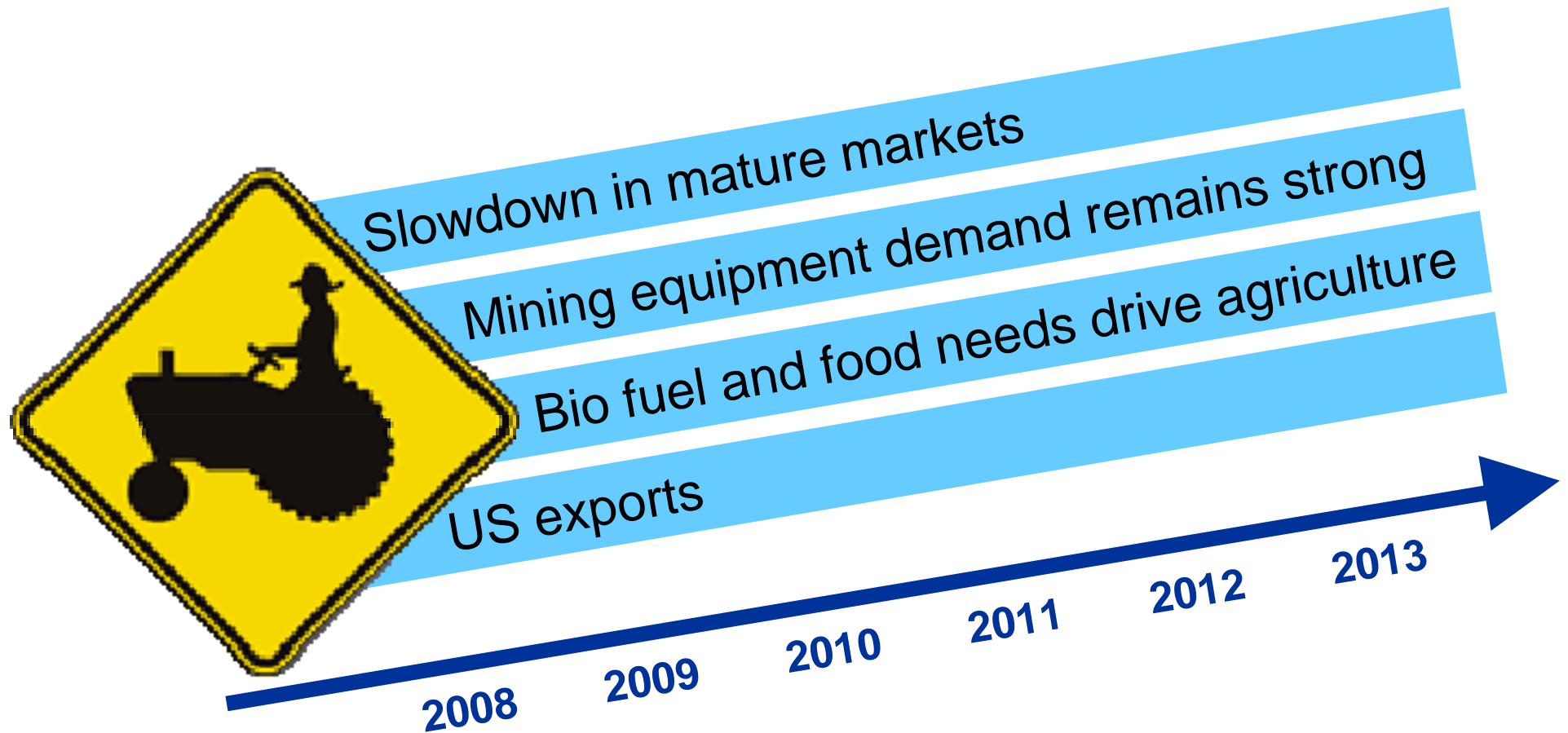
**EUKOR**

**WWL**

Optimisation across cargo segments and group fleet composition



> High and heavy industry prospects



CMD

Shipping

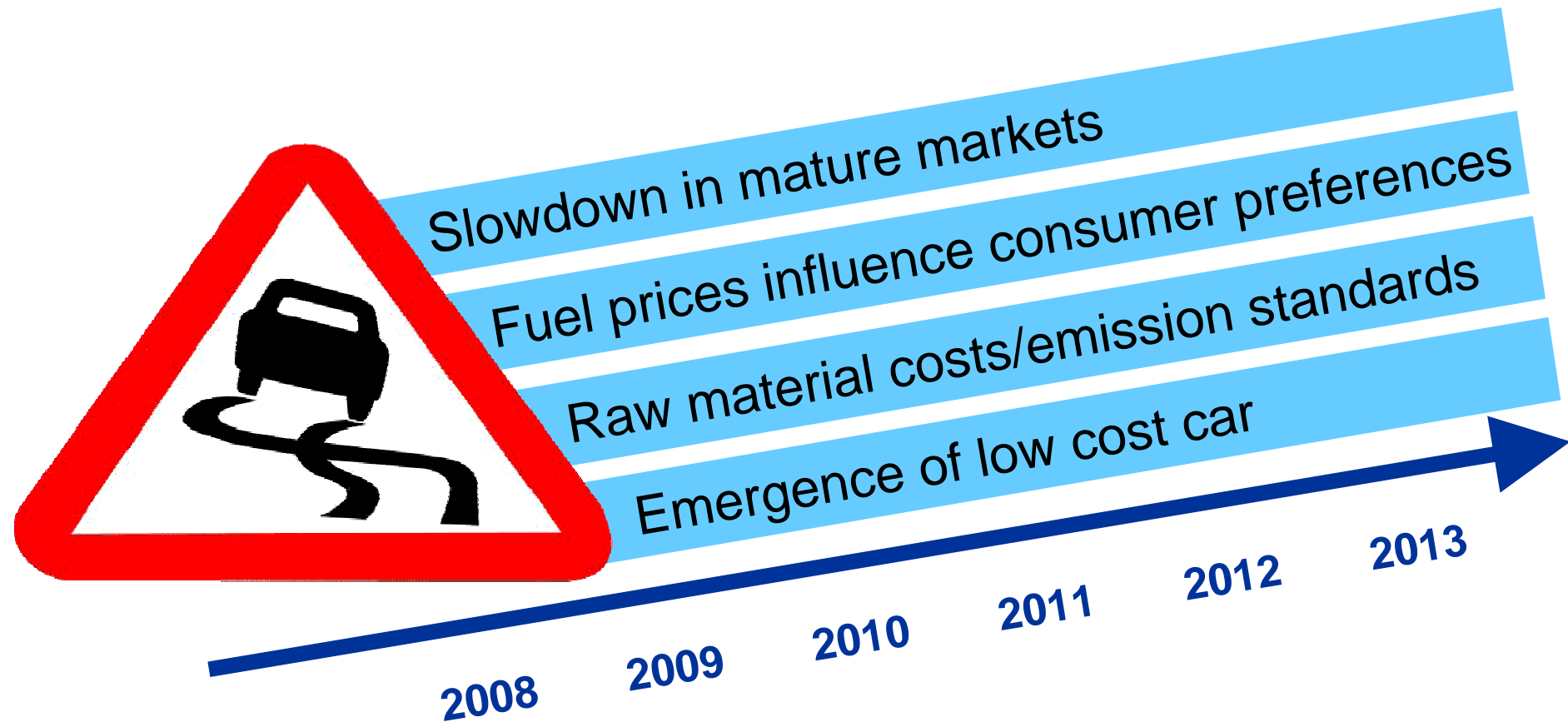


## > Dubai





## > Automotive industry prospects





## > Emerging markets expand rapidly

Light vehicle sales (selected markets, million units)			
Market	YTD June 07	YTD June 08	% change
USA	8.30	7.41	- 11 %
Canada	0.86	0.88	- 2 %
Mexico	0.52	0.51	- 1 %
EU27 + EFTA	9.68	9.42	- 2 %
Russia*	0.86	1.27	+ 48 %
Turkey	0.23	0.26	+ 13 %
China	3.94	4.60	+ 17 %
Japan	2.59	2.56	- 1 %
Korea	0.49	0.52	+ 6 %
India	0.85	0.95	+ 12 %
Thailand*	0.23	0.27	+ 14 %
Australia	0.51	0.53	+ 4 %
South Africa	0.29	0.24	- 16 %

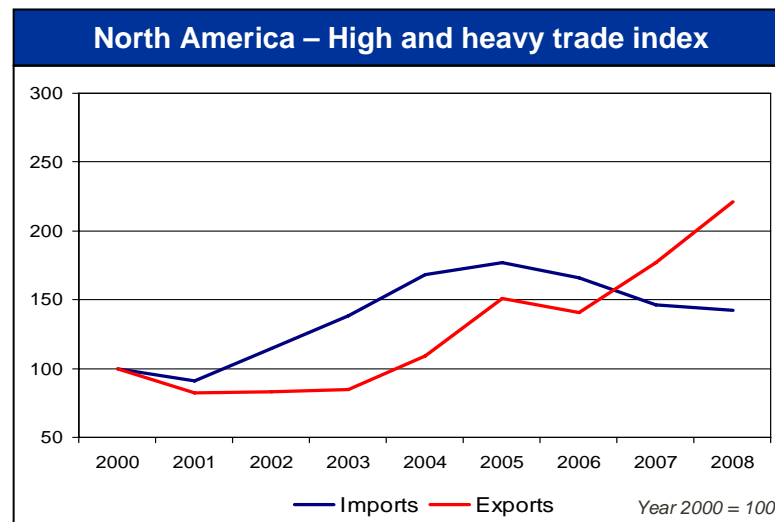
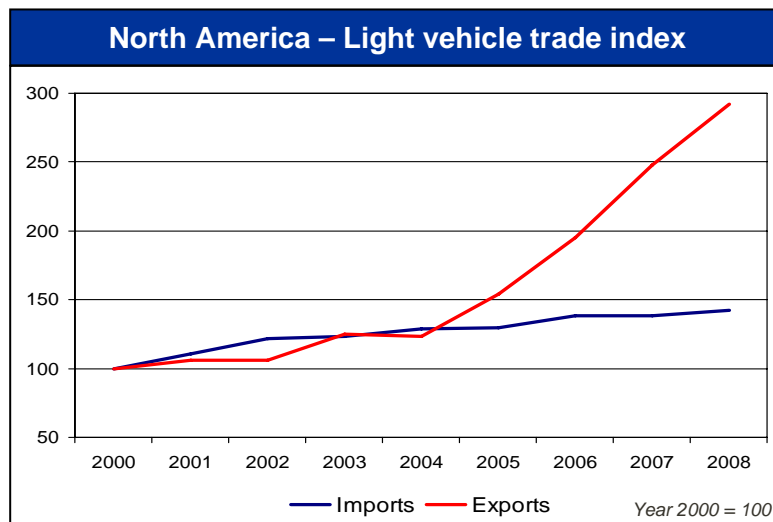
\* YTD May

Top six auto sales markets	
2000	2013
USA	USA
Japan	China
Germany	Russia
Italy	Japan
France	Germany
UK	Brazil



## ➤ Changing trade patterns

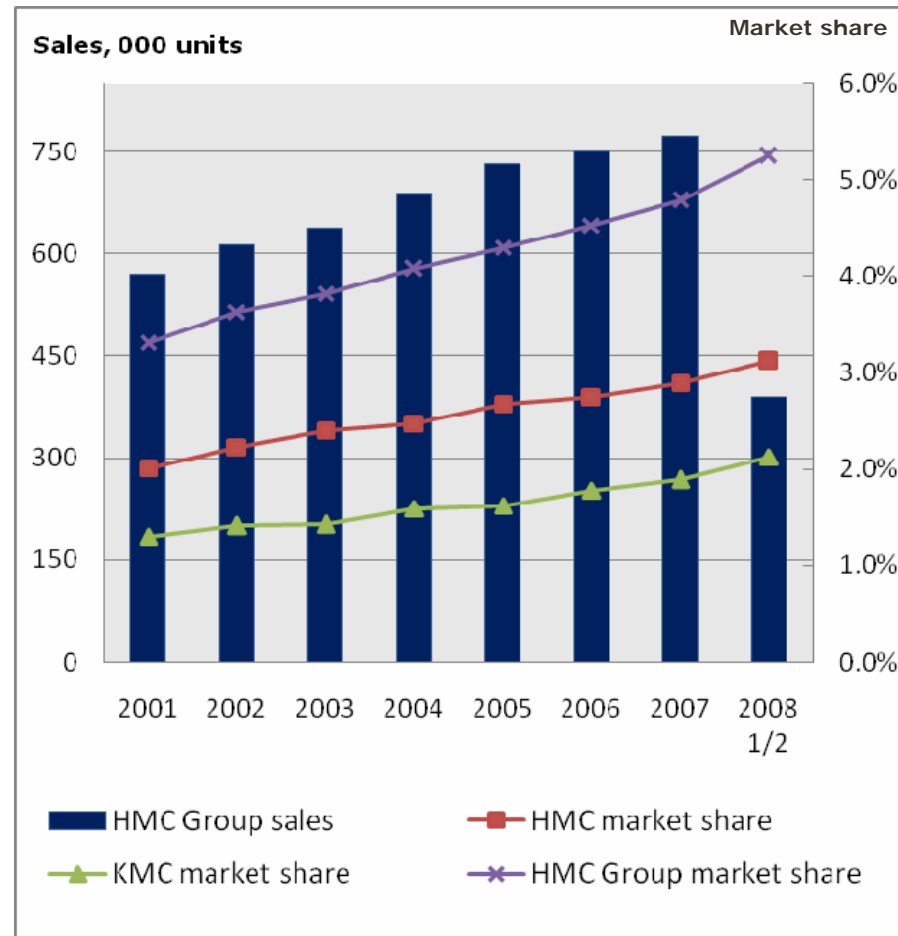
- US exports increasing fast, driven by the weak USD
- Asian and European manufacturers planning to increase sourcing from North America



- Asia to Europe volumes expected to stay/remain high
- Middle East imports expected to stay/remain strong

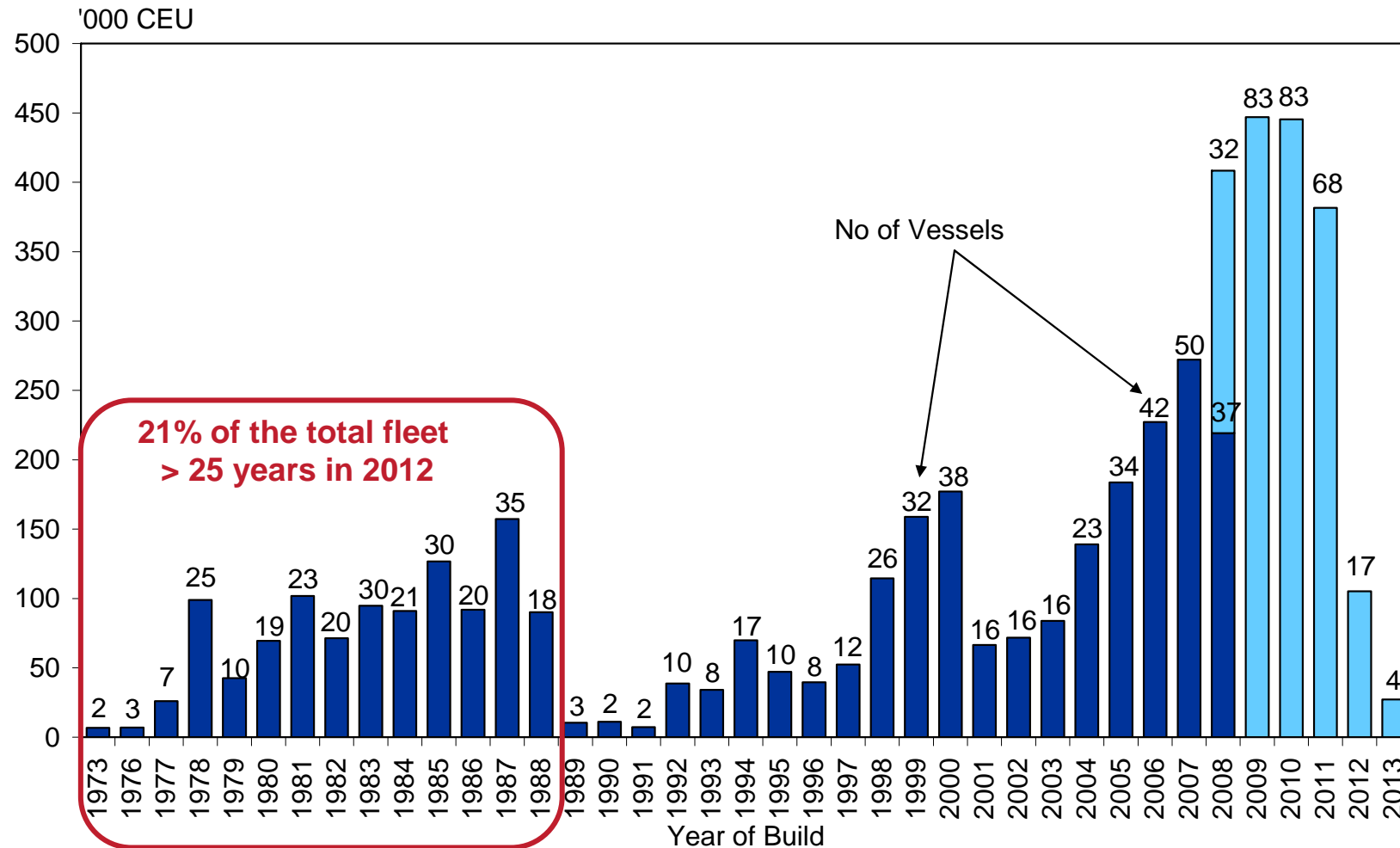


## > HMC/KMC US market performance



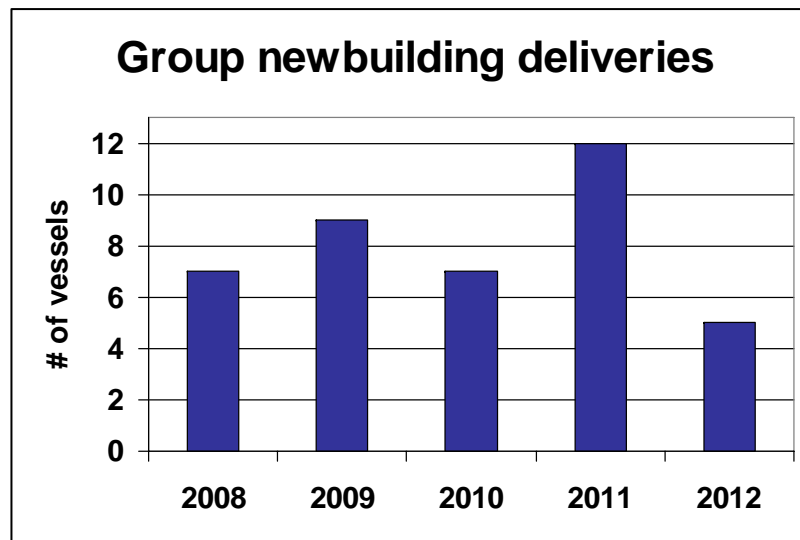


## > Tonnage renewal





## > Flexibility – a competitive advantage



### Flexibility to redeliver

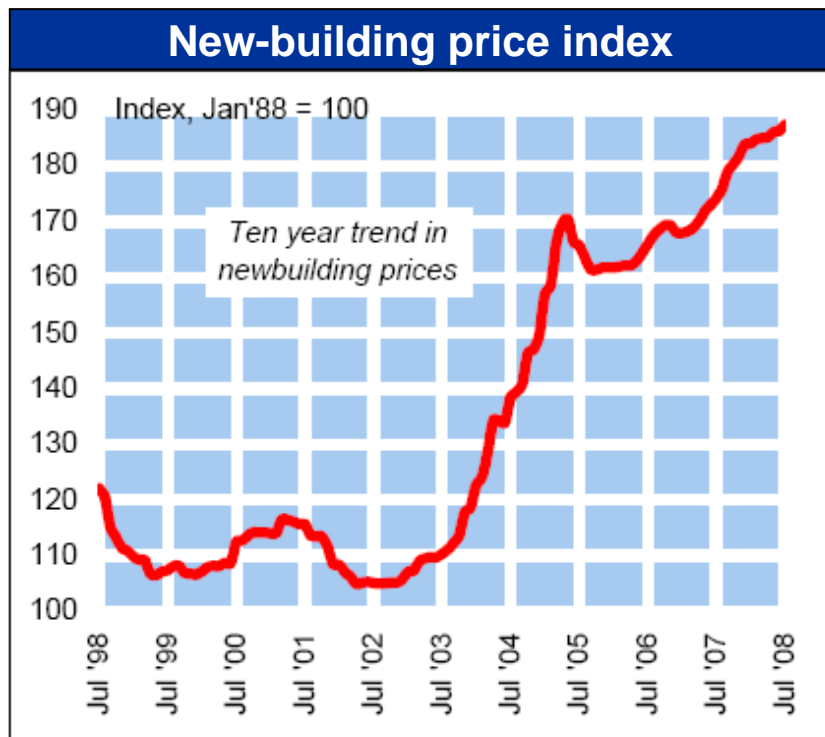
- Today the group fleet\* consists of 162 vessels
- 40 vessels on order through 2012
- The operating companies have the option to redeliver some 49 chartered vessels through 2010 and 55 through 2012. Mainly through EUKOR

**Positioned both for growth and a possible slowdown with limited premium**

*\* Controlled by operating companies*



## > Cost increase and WW counter-measures



Source: Clarksons

### Cost increase

- Capital cost rise with new building prices
- Operational cost up
- Steep increase in bunker prices
- High fleet utilisation driving marginal costs

### WW initiatives

- Fleet renewal, more efficient and larger vessels
- Improve fleet utilisation:
  - Group optimisation
  - Hub and spoke concept
  - Port rationalisation
- Fuel reduction initiatives
- Cost reduction programs, eg CORE 08
- Focus on training and retention of competent seafarers
- Operational process re-engineering



## > Summary

- Growth prospects in all three cargo segments
- WW to maintain position as market leader in the transport of cars, rolling cargo and project cargo
- Group fleet flexibility a competitive advantage
- Extensive fleet renewal to:
  - Strengthen high and heavy and NCC position
  - Building a strong position in emerging markets
- Offer unique products through combining ocean transport and logistics services
- Synergies through group optimisation is a key focus



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Thank you for your attention

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