



# Annual report

2014



Wilh. Wilhelmsen Holding ASA  
The world's largest maritime network,  
on call 24/7.

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# Global operations, around the clock

## At sea, 05:00. New day dawning.

As the guiding stars slowly give way for the rising sun, the MV Tønsberg approaches its third port call after crossing the Atlantic ocean.

77.5 million m<sup>3</sup> of cargo transported by the ship  
operating entities of the group.



# Key figures



## At sea, 21:00. Safety always comes first.

A jr. third officer is filing a safety report after maintenance work on fire extinguishers onboard.

Quarterly hazard hunt campaigns conducted since 2012.



## Singapore, 15:00. The heat is off.

Seven cylinders of refrigeration gases delivered and five cylinders collected from a ship at Pasir Panjang Container Terminal.

450 000 Unitor cylinders on board of 50% of the world fleet at all times.



## Varna, 09:00. Keeping pace with rapid cargo changeovers.

New and improved total cargo hold cleaning solution demonstration held by Wilhelmsen Ships Service in Varna for local Bulgarian customers, operations staff and fleet managers.

20% cargo hold cleaning revenue increase expected for 2015.

# Key figures

## Consolidated accounts

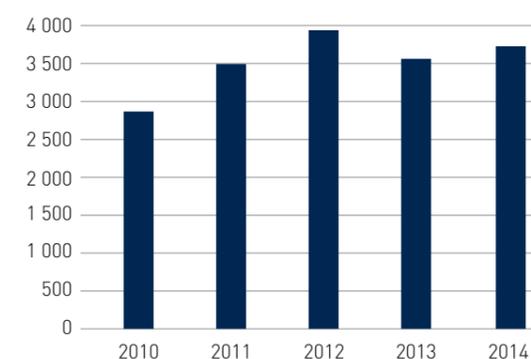
		2014	2013	2012	2011	2010
<b>Income statement</b>						
Total income *	USD mill	3 693	3 598	3 896	3 450	2 846
Primary operating profit *	USD mill	566	542	777	581	436
Operating profit *	USD mill	381	363	601	407	273
Profit before tax *	USD mill	273	374	496	247	144
Net profit *	USD mill	292	340	446	232	75
Net profit after minorities *	USD mill	241	260	329	188	60
<b>Balance sheet</b>						
Non current assets	USD mill	3 687	3 728	3 699	3 286	2 721
Current assets	USD mill	1 152	1 218	1 282	1 132	1 359
Equity	USD mill	2 329	2 286	2 077	1 673	1 538
Interest-bearing debt	USD mill	1 693	1 851	2 008	1 901	1 723
Total assets	USD mill	4 839	4 946	4 981	4 418	4 080
<b>Key financial figures</b>						
Cash flow from operation <sup>(1)</sup>	USD mill	241	243	310	214	235
Liquid funds at 31 December <sup>(2)</sup>	USD mill	688	734	790	717	944
Liquidity ratio <sup>(3)</sup>		2.1	1.7	2.1	1.5	1.7
Equity ratio <sup>(4)</sup>	%	48%	46%	42%	38%	38%
<b>Yield</b>						
Return on capital employed <sup>(5)</sup>	%	8%	11%	15%	10%	7%
Return on equity <sup>(6)</sup>	%	13%	16%	24%	14%	5%
<b>Key figures per share</b>						
Earnings per share <sup>(7)</sup>	USD	5.20	5.59	7.06	4.05	1.29
Primary operating profit per share <sup>(8)*</sup>	USD	12.18	11.66	16.72	12.49	9.38
Average number of shares outstanding	Thousand	46 404	46 404	46 404	46 454	46 504
Dividend per share	NOK	5.00	5.50	8.00	5.50	2.00

### DEFINITIONS:

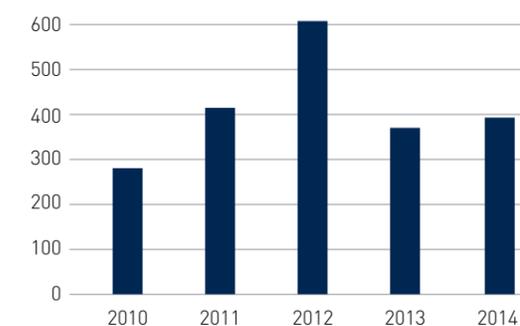
- (1) Net cash flow from operating activities
- (2) Cash, bank deposits and short term financial investments
- (3) Current assets divided by current liabilities
- (4) Equity in percent of total assets
- (5) Profit for the period before taxes plus interest expenses, in percent of average equity and interest-bearing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

\* Figures according to the proportionate method for joint ventures, which reflect the group's underlying operations in more detail than the financial statements based on equity method.

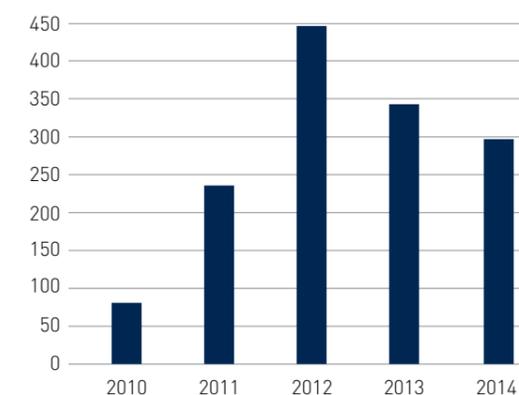
### Total income\* (USD mill)



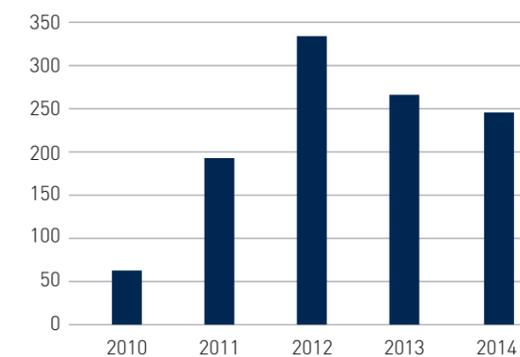
### Operating profit\* (USD mill)



### Net profit (USD mill)



### Net profit after minorities (USD mill)



# Directors' report



**Oslo, 09:00. The board is set.  
The pieces are moving.**

The board of Wilh. Wilhelmsen Holding discusses the macro economic outlook, megatrends, opportunities and challenges ahead to secure a sustainable and diversified portfolio of profitable and leading entities and new business opportunities enabling the group to continue to grow.

The group long term strategy for 2015-2019 is developed.

# Directors' report

## Wilh. Wilhelmsen Holding ASA

### Highlights for 2014

Stable development in income and profit

Modest underlying growth for main markets

Book equity ratio of 48%

Negative development in WWH share price

Paid dividend of NOK 5.00 per share

### MAIN DEVELOPMENT AND STRATEGIC DIRECTION

The Wilh. Wilhelmsen Holding group (WWH) is a global provider of maritime related services, transportation and logistics solutions. WWH'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.

WWH delivered results for 2014 broadly in line with 2013. Results for both years included substantial non-recurring items. While individual maritime and car/ro-ro markets fluctuated, the general market continued to grow at a modest rate.

Wilh. Wilhelmsen ASA (WWASA) shipping volumes were on par with 2013, but cargo and trade mix continued to be unfavourable. Contribution from the logistics segment was down due to loss of a US governmental contract. On a positive note, cost reduction initiatives and lower bunker costs lifted operating profit towards the end of the year.

Wilhelmsen Maritime Services (WMS) experienced an increase in income and operating profit compared with the previous year. The increase in revenue was due to solid growth for technical solutions, focusing on niche newbuilding markets. Income for other business areas mainly exposed to the general operating fleet was stable.

The Holding and Investment segment saw a positive development during the year, but with net asset value negatively impacted by currency movements. Activity level remained high within NorSea Group, supported by new investments

in Denmark and UK. Return on investment in Qube Holdings Limited and the financial portfolio remained satisfactory and above benchmark.

The group and the holding company strengthened the equity and capital base further in 2014. At year-end, the group equity ratio was 48% and the group had liquid assets of USD 688 million. In 2014, all long term facilities in the parent company and fully owned subsidiaries were refinanced and WWASA extended its loan repayment profile.

The WWH share price was down for the year, underperforming the general equity market. In 2014, total return (including dividends reinvested on ex-dates) was negative 13.5% for the WWI share and negative 16.5% for the WWIB share compared with a 6.2% fall in the Oslo Stock Exchange Industrial index (source Oslo Stock Exchange Annual statistics).

A NOK 3.00 dividend per share was paid during the second quarter of 2014, followed by a second dividend of NOK 2.00 in the fourth quarter.

The board believes sound corporate governance is a foundation for profitable growth and a healthy company culture. Good governance contributes towards reduced risk and create value over time for shareholders and other stakeholders. In 2014, special focus was on anti-corruption, competition law, theft and fraud and whistleblowing procedures. This included roll-out of a global "I comply" program in all fully and partly owned subsidiaries. For 2015, the program will also include all seafarers.

Emission reduction remains a key priority for the group, with 2014 seeing substantial reduction related to CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub>. Continued focus on the working environment and safety resulted in further reduction in sick leave, but was not able to prevent lost time injury frequency to move above target.

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

- WWASA and WMS are global market leaders within their respective market segments, car/ro-ro shipping and logistics, and maritime services. With global competence, positive operating cash flows and healthy balance sheets, both companies remain well positioned for further expansion within targeted areas.
- In 2014, WWASA group companies increased its lifting capacity with 2.5% to 935 000 car equivalent units (CEU), with a further 64 000 CEU in lifting capacity on order. WWASA also expanded its global terminal and land based logistics footprint, including being awarded contract to build the new ro-ro terminal in Melbourne, Australia.
- During the year, WMS revised its portfolio strategy. The group will actively pursue further growth within products, port service and ship management, while seeking a partner to develop the insulation and engineered solution business streams. A separate review is ongoing related to the safety area.
- The WWH group is actively undertaking value creating investments outside its main operating entities. In 2014, the group increased its shareholding in NorSea Group to 40%, supporting expansion into the Danish and UK sector and wind offshore services. Ownership in Hyundai Glovis (through WWASA) and Qube remained unchanged.
- Further development of the WWH group is supported by a strong equity base and good liquidity, both on a group level and in respect of the parent company.

### FINANCIAL SUMMARY – THE GROUP FINANCIAL ACCOUNTS

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

### Income statement

The WWH group's financial accounts for 2014 prepared according to the equity method showed a total income of USD 1 538 million compared with USD 1 518 million in 2013 (figures for the corresponding period of 2013 will hereafter be shown in brackets). The 1% increase reflected continued revenue growth within WMS, while income was down for WWASA.

WWASA's total shipping volumes were on par with 2013, but income was down due to trade and cargo mix. Development in shipped auto volumes was flat, while development for other cargo segments were mixed. Total income was also down for WWASA's logistics activities due to loss of a US government contract. Net contribution from Hyundai Glovis was slightly up.

WMS experienced an increase in income compared with the previous year, supported by continuous growth within technical solutions. Income from other business areas were in line with 2013.

Holding and investments income was slightly down following reduced contribution from NorSea Group.

Operating profit was USD 339 million (USD 325 million) for the year, up 4% compared with 2013. The operating profit for the year was positively impacted by termination of the defined benefit plan for Norwegian employees and a WMS sales gain, while substantial non-recurring restructuring costs in WWASA had a negative impact. Operating profit for 2013 included a fine in a WWASA joint venture. Adjusted for these main non-recurring items the operating profit was down 12%. The reduction reflected development in total income, with increased contribution from WMS not fully compensating for reduced profit from most other activities.

Net financials was an expense of USD 85 million for the year (income of USD 28 million), with change from previous year mainly reflecting fluctuating financial markets. Contribution from investment management was a gain of USD 17 million (gain of USD 29 million), supported by an increase in Nordic equity prices. Interest expenses for the year was USD 59 million (USD 63 million), while interest rate derivatives was a net expense of USD 42 million (net gain of USD 31 million). The net expense from interest rate

derivatives was due to reduced long-term USD interest rates. Net financial currency was a gain of USD 2 million (gain of USD 19 million), with currency derivatives mainly offsetting net currency gains on a group basis.

Tax was included with an income of USD 36 million (expense of USD 15 million).

Minority interests' share of profit was USD 49 million (USD 79 million), of which USD 45 million was related to minority shareholders in WWASA (USD 74 million).

Net profit after tax and minority interests was USD 241 million in 2014 (USD 260 million), a reduction of 7% from last year.

#### Cash flow, liquidity and debt

The WWH group's net cash flow from operating, investing and financing activities was negative with USD 21 million (negative with USD 191 million). Cash flow from operating activities was USD 241 million (USD 243 million), with increased upstream from joint ventures and associates compensating for reduced operating cash flow in own operation. Cash flow from investing activities was negative with USD 66 million (negative USD 148 million). Main items were USD 91 million (USD 92 million) related to investments in vessel newbuildings and other fixed assets and a USD 19 million investment in NorSea Group. Cash flow from financing activities was negative with USD 197 million (negative USD 286 million), including dividend to shareholders and ordinary interest payments for group companies. Net proceed from issue of new debt and repayment of debt was negative with USD 57 million (negative USD 83 million).

Cash and cash equivalents were USD 364 million by end of the year, down from USD 386 million one year earlier. Total liquid assets including current financial investments were USD 688 million compared with USD 734 million by the end of 2013. The main group companies also have undrawn committed drawing rights to cover any short term cash flow needs, including where relevant back stop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity.

The WWH group carries out active financial asset management of part of the group's liquidity, with investments in various asset classes including Nordic shares and investment grade bonds. The value of the group's investment portfolio amounted

to USD 324 million (USD 348 million) at the end of the year, of which USD 89 million (USD 94 million) were in the parent company.

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

As of 31 December 2014, the group's total interest-bearing debt was USD 1 693 million (USD 1 851 million), of which USD 1 325 million (USD 1 502 million) related to the WWASA group, USD 328 million (USD 300 million) related to the WMS group and USD 40 million (USD 49 million) related to Holding and Investments.

#### Going concern assumption

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

#### PERFORMANCE OF THE GROUP AND BUSINESS SEGMENTS

*While the equity method provides a fair presentation of the group's financial position, the group's internal financial segment reporting is based on the proportionate method. The major contributors in the WWASA group segment are joint ventures and hence the **proportionate method** gives management a higher level of information and a fuller picture of the group's operations. For the WMS group segment and Holding and Investments segment the financial reporting will be the same for both the equity and the proportionate methods. The same accounting principles are applied in both the management reports and the financial accounts, and comply with the International Financial Reporting Standards (IFRS).*

#### Wilh. Wilhelmsen Holding group

The WWH group's accounts for 2014 prepared according to the proportionate method showed a total income for WWH of USD 3 693 million (USD 3 683 million), a marginal increase from the previous year. While income fell in WWASA, this was more than offset by increased income in WMS.

Operating profit was USD 381 million (USD 363 million) for the year, up 5% compared with 2013.

The operating profit for both years were impacted by substantial one-offs. Adjusted for main non-recurring items the operating profit was down 11%. The reduction reflected development in total income, with increased contribution from WMS not fully compensating for reduced profit from most other activities.

Net profit after tax and minority interests was USD 241 million in 2013 (USD 260 million), a reduction of 7% from last year.

#### WILH. WILHELMSSEN ASA

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

#### Result for the year

WWASA recorded a decline in revenue and profit in 2014 caused by unfavourable cargo and trade mix, general rate pressure and loss of a logistics contract.

WWASA posted a total income of USD 2 592 million (USD 2 673 million) and an operating profit of USD 253 million (USD 293 million). WWASA recorded several non-recurring items during the year, including changes in pension schemes, reduction of Scandinavian seafarers, a non-recurring gain in Hyundai Glovis, impairment of vessels sold for recycling, impairments and restructuring of companies. Adjusted for non recurring items, total income ended at USD 2 580 million (USD 2 672 million), while the operating profit totalled USD 259 million (USD 311 million).

Financial expense amounted to USD 131 million (USD 8 million), negatively impacted by unrealised fair value losses on currency and interest rate derivatives. WWASA recorded a tax income for the year amounting to USD 46 million (expense of USD 12 million).

Net profit after tax and minority interest came to USD 121 million (USD 198 million).

#### Market development

Global light vehicle car sales increased 4% in 2014 and totalled 86 million unit sold. In the US, light vehicle sales were up 6% supported by higher customer confidence, high credit availability, low interest rates and lower unemployment. The positive trend also continued in Europe leading to a

5% sales growth, albeit from a low level. Auto sales in Oceania decreased slightly to 1.2 million units. The largest growth was seen in the BRIC countries, driven by Chinese car sales. Russian and Brazilian sales declined.

Japanese export fell 8% to approximately 3.9 million cars in 2014. The fall was influenced by some production being moved out of the country. Korean vehicle export declined slightly and ended at 2.9 million units, while Chinese export was down 8% to 700 000 units.

Estimated global construction spending indicated growth in absolute terms in 2014, contributing to construction equipment demand. The growth was predominantly driven by North America, supported by the optimistic sentiment in the housing market. Construction spending in Europe improved marginally, while the Chinese market continued its downward trend from 2012 due to slower economic growth and a challenging housing market.

Commodity prices declined further in 2014. Given the general negative development in commodity prices from mid-2012, most mining companies refrained from initiating new investment projects in 2014. Cost cutting initiatives kept up throughout the year. Despite the negative sentiment, Australian iron ore production grew strongly driven by continued strong Chinese demand

Agricultural commodity prices improved slightly at the end of the year, but prices for most commodities ended lower than the levels seen in 2013, reducing overall farm income. US demand for large agricultural equipment and the general business sentiment for agricultural equipment in Europe and Brazil declined during the year.

#### WWASA shipping

*WWASA's shipping segment includes shipping activities within Wallenius Wilhelmsen Logistics (WWL, owned 50%), EUKOR Car Carriers (EUKOR, owned 40%), American Roll-on-Roll-off Carrier (ARC, owned 50%) and Hyundai Glovis (owned 12.5%), as well as certain shipowning activities outside the operating companies.*

With a 24% share of the global car carrying and ro-ro fleet measured in CEUs, WWASA's main goal is – through its operating companies – to be a leading player in the car and ro-ro segment. The fleet transported 77.5 million cubic metres (CMB)

## Wilh. Wilhelmsen ASA

WWASA's shipping activities are organised in three operating companies:

Wallenius Wilhelmsen Logistics (WWL - owned 50%)

EUKOR Car Carriers (EUKOR - owned 50%)

American Roll-on Roll-off Carrier (ARC)

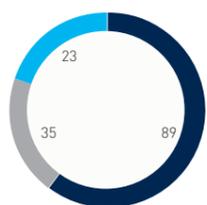
The logistics activities in WWASA are carried out through:

Wallenius Wilhelmsen Logistics (WWL - owned 50%)

American Shipping and Logistics Group (ASL - owned 50%)

Hyundai Glovis (owned 12.5%)

## No. of vessels



■ Owned/controlled  
■ Long Term (>5 years)  
■ Short Term (1-5 years)

cargo, an increase of 1.5% compared with 2013 (75.9 million cubic metres). However, a continued unfavourable cargo and trade mix combined with general rate pressure had a negative effect on profitability and fleet utilisation. The effect of cost reducing initiatives and lower bunker costs lifted operating profit towards the end of the year.

The group's average fleet capacity in 2014 increased by 1.9% compared with 2013. By the turn of the year, the group companies controlled 147 vessels (146 vessels), equivalent to 935 000 car equivalent units (CEUs) (912 000 CEUs). Twenty-nine of the vessels were owned or controlled by WWASA. The group companies took delivery of five new vessels in 2014 (five vessels), and all five commenced service for EUKOR. No new vessels were ordered during the year. The group companies' newbuilding programme totalled eight Post-Panamax vessels by the turn of the year, equalling 16% of the world car carrier orderbook measured in CEUs. The vessels will be delivered in 2015-2016. Four of the vessels – Post-Panamax design – are for WWASA's account.

WWL carried volumes on par with the previous year. While auto volumes improved in all main trades, the emerging trades saw a sharp decline in volumes transported. Increase in break-bulk cargo compensated for a slight decline in high and heavy volumes. WWL controlled a total fleet of 56 vessels (59 vessels) at the end of December 2014, with a total capacity of 376 000 CEUs (392 000 CEUs).

EUKOR lifted 4% more volumes in 2014 and recorded positive development in all trades. The volumes transported in the US trade improved, while the activity level in the European trade was on par with 2013. EUKOR operated a total of 86 vessels (81 vessels) by the end of December 2014, with a total of 531 000 CEUs (485 000 CEUs). In addition, the company employed a large number of spot charter vessels.

ARC experienced a substantial drop in total income and operating profit as US governmental activities in the Middle East continued to decline. ARC operated a total of five vessels (six vessels) by the end of December 2014, with a total capacity of 30 000 CEUs (35 000 CEUs).

### Update on anti-trust investigation

The Japanese Fair Trade Commission (JFTC) issued a cease and desist order and surcharge

order in the first quarter stating that WWL and other companies in the industry restrained competition through jointly agreeing on remaining or maintaining rates. The surcharge for WWL's account was approximately USD 34 million, primarily related to shipment of cars from Japan to Europe. WWASA made an accrual of USD 16.5 million in the fourth quarter 2013, and the final order therefore had no effect on 2014 accounts. WWL did not agree with the JFTC's conclusion, but the WWL board decided not to appeal the order.

WWL and EUKOR continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include among others the US, EU, Canada, Mexico, Brazil, Chile and South Africa. WWASA is not in a position to comment on the ongoing investigations, but expects further clarification during 2015. Cost of process management related to the investigations is charged on an ongoing basis.

### Events after year-end

The Chilean National Economic Prosecutor (FNE) announced 29 January 2015 an investigation against the car carrying industry. FNE has now filed a suit against six car carriers, including EUKOR before the court for proceedings and decision. EUKOR has cooperated with Chilean authorities and handed in information on the business, volumes and traffic to Chile as requested. However, there has not been any contact between the company and Chilean authorities since 2013 and EUKOR has therefore initiated a process to clarify the facts related to the claim and the filed suit.

### WWASA logistics

*WWASA's logistics segment includes logistics activities within Wallenius Wilhelmsen Logistics (WWL, owned 50%), American Shipping and Logistics Group (ASL, owned 50%) and Hyundai Glovis (owned 12.5%).*

Through its joint ventures, WWASA's ambition is to offer customers a global door-to-door service. In addition to differentiating revenue streams, logistics services complement ocean transportation services and strengthen customer relationships.

Earnings from the logistics segment were down in 2014 mainly due to the loss of the Privately Owned Vehicle (POV) contract held by ASL, effective 1 May.

Increased activity level for WWL lifted total income compared with 2013, while the operating

profit came in on par with the previous year. WWL handled a total of 2 million units at its terminals (2.1 million), while 6 million units were handled at the companies some 40 technical services facilities (5.9 million units). Inland distribution services grew by almost 10% and totalled 2.6 million units in 2014 (2.6 million units). WWL was awarded the development of the automotive and ro-ro terminal in Webb Dock West, Melbourne, Australia in the second quarter. The construction commenced late 2014 and, once operational, will have a capacity to handle up to one million units annually.

The activity level at ASL dropped significantly following the loss of the POV contract leading to a drop in total income and operating profit compared with 2013. Following the loss of the contract, ASL was restructured in an attempt to position the company for upcoming renewal of governmental contracts.

### Hyundai Glovis

The contribution from Hyundai Glovis in WWASA's accounts for the 2014 was USD 66 million (USD 62 million), of which USD 9 million was reported under shipping (USD 7 million) and USD 57 million under logistics (USD 55 million). The figure for 2014 included a non-recurring sales gain of USD 12 million.

The Hyundai Glovis share price increased during 2014, and the market value of WWASA's shares in Hyundai Glovis was valued at USD 1 249 million as of 31 December 2014.

### WWASA share price development

The WWASA share price was down in 2014, reducing the market value of WWL's shares in WWASA to NOK 7 360 million as of 31 December 2014 (NOK 9 080 million). The market value of WWL's shareholding in WWASA represented NOK 159 per outstanding share in WWL (WWI/WWIB) by the end of the year (NOK 196 per share).

WWASA paid a total dividend of NOK 2.00 per share during 2014 (NOK 4.75), with WWL receiving NOK 320 million (NOK 760 million), equivalent to USD 50 million (USD 129 million).

### WILHELMSSEN MARITIME SERVICES

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

### Result for the year

Total income for WMS for 2014 was USD 1 101 million (USD 1 004 million), up 10% compared with the previous year. The increase in total income was due to continued strong growth for most technical solutions business streams. For ships service and ship management, total income was stable.

Operating profit for the year was USD 122 million (USD 76 million). The operating profit for 2014 was positively impacted by termination of the defined benefit plan for Norwegian employees, resulting in an accounting gain of USD 35 million. A corresponding USD 24 million pension cost after tax has been charged directly to comprehensive income. Operating profit for 2014 also included a USD 4 million gain from sale of Wilhelmsen Marine Fuel (WMF). When adjusting for the above non-recurring items, operating profit was up 9% from 2013. The adjusted operating margin was 7.5%, slightly above the average for the last three years. While the maritime service market in general remained challenging, the slight improvement in operating margin reflected ongoing improvement programs and, towards the end of the year, a stronger USD.

Financial items for WMS amounted to an income of USD 7 million (expense of USD 4 million), positively impacted by reduced interest expenses and a USD 16 million net currency gain (gain of USD 3 million). A USD 111 million currency loss was charged directly to comprehensive income, reflecting currency revaluation of net assets and change of functional currency for WMS AS. Tax expense was USD 25 million (USD 25 million), representing normal tax for the year. Minority interests' share of net profit was USD 4 million (USD 5 million).

Net profit after tax and minority for 2014 was USD 100 million (USD 43 million).

### Market update

The global merchant fleet increased with approximately 2.5% in 2014, measured in number of vessels > 1000gt. The dry bulk market experience a gradual deterioration throughout the year, with fleet growth matching demand growth and utilization staying at a low level. The tanker market moved in the opposite direction, with a mainly supply driven fall in oil prices supporting a strong uplift in tonnage demand towards the end of the year.

A similar pattern was seen in the chemical market, though on a smaller scale, while the

## Wilhelmsen Maritime Services

WMS was in 2014 organised in four business areas:

Wilhelmsen Ships Service (WSS)

Wilhelmsen Ship Management (WSM)

Wilhelmsen Technical Solutions (WTS)

Corporate/other activities, including:

Wilhelmsen Insurance Services (WIS)

Wilhelmsen Marine Fuels (WMF) (sold in June)

LPG market peaked mid-year before taking a sharp dive. The global container trade continued to grow, but with fleet growth even larger the freight indexes developed sideways.

The sharp fall in oil prices towards the end of the year had ripple effects to the offshore supply markets, with potential future impact if leading to substantial reduction in offshore exploration activities.

New-building activity was characterised by high volumes for new orders early in the year, before gradually decreasing towards the end. Orders for tankers, bulk carriers and container ships were down, while orders for LNG carriers, chemical vessels and passenger ships increased.

WMS' total income is distributed with approximately 70-75% towards the operating fleet and 20-25% towards yards. Development in shipping markets impacts owners' purchasing capabilities and as such demand for certain WMS products and services. WMS is also impacted by newbuilding activities, including LNG/LPG.

#### Wilhelmsen Ships Service (WSS)

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

WSS recorded a stable development in total income for 2014. Marine chemicals and safety experienced an increase in sales, while income from other activities was down. On a regional basis, deliveries continued on a slight upward trend in Europe and Asia Pacific, compensating for slightly reduced income in the Africa, Middle East and Black Sea region. When measured against the total global merchant fleet, WSS generated income of USD 37 per vessel/day in 2014, a modest decrease compared with the previous year.

The operating profit increased slightly compared with the previous year. This reflected decent earnings during the first part of the year, followed by a weak summer and autumn period and a strong upswing at the very tail end of the year.

#### Wilhelmsen Ship Management (WSM)

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

WSM had a flat development in total income for the year, but with a slight decrease towards the end. A steady flow of new ships on management was matched by a similar outflow, mainly due to sale or recycling of vessels. By the end of the year, WSM served close to 400 ships worldwide, out of which approximately 40% were on full technical management and 5% were on layup management. The remaining contracts were related to manning services.

Operating profit remained at a satisfactory level but was slightly below previous year.

#### Wilhelmsen Technical Solutions (WTS)

WTS is a global provider of fully engineered solutions, equipment and services towards the maritime and offshore industries, focusing on safety systems, power distribution and control, HVAC-R and insulation for newbuildings and retrofits. WTS is a wholly owned subsidiary of WMS.

Total income for WTS was up 36% compared with the previous year. The insulation and safety business streams continued to grow strongly and was joined by HVAC offshore, while income was down for HVAC marine. The power business stream had a modest growth.

New order intake developed positively during the year driven by newbuilding orders related to LNG insulation and safety systems. The total order reserve was USD 394 million at the end of the year compared with USD 355 million one year earlier. The operating profit for 2014 developed positively and ended well above the level from previous years.

A process has been initiated related to the restructuring of the WTS business area. During the year, discussions were held with a potential partner for a 50/50 joint venture covering all non-safety activities in WTS. The discussions were later terminated.

#### Corporate/other activities

This includes Wilhelmsen Insurance Services (WIS) and, until sale in June 2014, Wilhelmsen Marine Fuels (WMF).

WIS delivered insurance services to approximately 175 vessels in 2014, in addition to arranging non-marine insurance programs for the WWH group. Cost focus assisted securing an operating profit in line with the 2013 result.

In June, WMF was sold to OW Bunker resulting in a sales gain of USD 4 million. WMF has later been acquired by World Fuel Services. Up until the sale of the company, WMF income and operating profit was broadly in line with the previous year.

#### HOLDING AND INVESTMENTS

Holding and Investments includes activities performed by the holding company and investments outside WWASA and WMS.

#### Result for the year

Total income for the Holding and Investments segment was USD 32 million for the year (USD 33 million), a minor reduction from previous year. The reduction was due to lower contribution from NorSea Group (NSG). For the holding company, income was up due to full year effect from transferring certain shared service activities to the holding company during 2013.

Operating profit for the year was USD 6 million (loss of 6 million), including a USD 11 million accounting gain from termination of defined benefit plan for Norwegian employees. Operating income adjusted for the gain reflected normal operation in the parent company and reduced income from the NSG investment.

Net financials was a net income of USD 16 million (net income of USD 22 million), reflecting a net income of USD 12 million (USD 16 million) from investment management and a USD 3 million dividend from Qube (USD 6 million including a sales gain). Tax income/(expense) was an expense of USD 1 million (income of USD 3 million), positively impacted by currency revaluation effects.

Net profit/(loss) after tax and minorities was a net profit of USD 20 million (nil).

#### NorSea Group AS (NSG)

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

of net result reported as income from associated investments.

In April, WWHI increased its stake in NSG from 35.4% to 40%. Total investment including new equity and shareholder loan was USD 19 million. The proceeds were used to support the acquisition by NSG of Danbor AS. Danbor is the largest service provider of oil and gas logistics in the Danish part of the North Sea with an estimated market share of 80%.

Total income for NSG including share of profits from associates and joint ventures and sales gains was USD 508 million in 2014. This was an increase of 10% from previous year. The increase mainly reflected income from Danbor from time of acquisition, while ongoing activities had a stable income development overall.

Operating profit and margin remained at a healthy level, while net profit was down due to increased financial expenses.

WWHI's share of net result in NSGI for 2014 was USD 6 million, down from USD 11 million in 2013.

#### Qube Holdings Limited (Qube)

Qube is Australia's largest integrated provider of import and export logistics services, and listed on the Australian Securities Exchange. Through WWHI, WWH owns 6.3% of Qube. The Qube investment is reported in WWH's accounts as "investment available for sale", with changes in market value of the shareholding reported under comprehensive income and dividend income reported as financial income.

In 2014, Qube continued its record of rising revenue, strong earnings growth and increased dividend. Milestones for the year included formation of a grain terminal joint venture, acquisition of a New Zealand marshalling and stevedoring company and agreement to develop the Moorebank intermodal terminal in Sydney. During the first half, Qube raised AUD 248 million in new capital through a market placement. WWH did not participate, reducing the WWH ownership in Qube to approximately 6.3% by the end of the year.

The lock up period for WWH's remaining 66 million shares in Qube expired in 2014. The share price was up 17% for the year, increasing the market value of WWH's shares to USD 131

## Holding and Investments

The Holding and Investment segment included in 2014 the following investments:  
NorSea Group (NSG - owned 40%)  
Qube Holdings Limited (Qube - owned ~6%)  
Financial investment portfolio

million. The value of WWH's shareholding represented NOK 21 per outstanding share in WWH (WWI/WWIB) by the end of the year.

In 2014, Qube paid dividend of AUD 0.051 per share. Total proceeds to WWHI of USD 3 million were reported as financial income.

#### Investment management

*Investment management include investment in equities, bonds and other financial assets available for sale and managed as part of an investment portfolio.*

The financial investment portfolio in Holding and Investments was USD 89 million (USD 94 million) by the end of the year. The portfolio primarily included Nordic equities and investment-grade bonds. Net income from investment management was an income of USD 12 million in 2014 (income of USD 16 million).

#### RISK

The WWH group consist of operating companies and investments exposed to various markets, mainly on a global scale. Certain risk may be systemic, impacting the group on a general basis, while other risks will mainly impact one or a limited number of companies or investments.

From an income and investment perspective, WWASA shipping remains the largest operating activity for the group. Through its capital intensity and cyclical nature, shipping has historically represented a relatively high degree of volatility and financial risk. While logistics and maritime services are exposed to some of the same market forces as shipping, these activities are less capital intensive and have historically been less cyclical. Outside own operating companies and joint ventures, WWASA's shareholding in Hyundai Glovis remains the largest financial exposure of the group.

#### Internal control and risk management

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

measures to mitigate risks, prepare to act upon unusual observations, threats or incidents and respond to risks to mitigate consequences. The group has put in place a risk monitor process based on identification of risks for each business unit, with a consolidated report presented to the board on a quarterly basis for review and necessary actions.

WWL and EUKOR continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include the US, EU, Canada, Mexico, Brazil, Chile and South Africa. WWASA is not in a position to comment on the ongoing investigations, but expects further clarification during 2015.

#### Market risk

Demand for WWH group's service offerings are, to various degree, correlated with the general global economic activity and with trade in commodities and manufactured goods. Projections for 2015/16 indicates a modest but uneven pick-up in global growth, but with multiple risks including development in oil price and geopolitical events.

WWASA is primarily exposed to the automotive and high and heavy logistics markets. While global automotive sales continues to grow broadly in line with global GDP, ocean trade is projected to grow less but with differences between trades. EUKOR's contract with Hyundai and Kia expires 31 December 2015. WWASA's aim is to uphold its 60% share of Hyundai and Kia exports out of Korea. High and heavy markets have different drivers and are not necessarily correlated. Reduced commodity and agricultural prices have recently had negative effect on mining and agricultural equipment, while global infrastructure spending has lifted demand for construction equipment. The fall in the oil price towards the end of 2014 had a positive effect on operating margin, while the net indirect effect on demand for transportation of autos and high and heavy equipment is uncertain.

WMS's exposure is to the general shipping market and, to a less extent, parts of the newbuilding market. The general shipping market remained weak in 2014, but with individual segments moving in opposite directions. The fall in oil prices triggered a marked upswing in tanker markets and a similar fall in offshore markets towards the end of the year. The newbuilding activity started the year on a high level, but, with some exceptions, experienced a marked fall

towards the end of the year. Expectation is for individual markets to remain volatile.

Future growth in the global economy and world ocean trade is highly decisive for the development of the WWH group's earnings. A balanced flow of the different types of cargo is also important. While the group is well positioned to benefit from future growth in ocean trade and of the global maritime industry, tonnage flexibility and a scalable operation remains important in order to also adjust to a potential market fallback. A broad portfolio of activities exposed to various markets reduce the group overall risk level.

#### Operational risk

The various operating entities of the group are exposed to and manage risk specific to the markets in which they operate. The general risk picture broadly remains unchanged from previous years.

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

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

The group has established a range of measure in order to avoid and, potentially, mitigate the consequences of any such incidents.

#### Financial risk

The WWH group is exposed to a wide range of financial risk, either on a general basis or related to specific group companies. 2014 was a year with fairly dramatic changes in key financial markets. Underlying forces included divergent growth between main economies, impacting interest levels and currencies, and supply outstripping demand for many commodities,

driving down prices. The USD appreciated against most currencies and was up 12% versus the Euro and twice as much versus NOK. Long term interest rates fell to historic low in many markets, with 10 year Euro swaps ending the year below 1%. Finally, the oil price was down 50% in 2014 and other commodities, including iron ore, were also subject to a steep fall in market prices. Most equity markets, though, was up supported by low interest rates. The group's exposure to and management of financial risk are described in Note 15 of the 2014 accounts. This includes foreign exchange rate risk, interest rate risk, investment portfolio risk, bunker price risk, credit risk and liquidity risk.

The WWH group companies have a number of covenants related to its loans. All group companies were in compliance with covenant requirements in 2014.

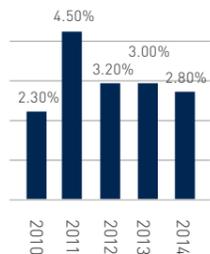
The group has substantial investments exposed to external market pricing, including shares in WWASA, vessels and shares in Hyundai Glovis (both through WWASA), real estate (through among other NorSea Group), shares in Qube and financial investments. While majority of investments are of a long term industrial nature, any fluctuations in values will have impact on the net asset value and solidity of the group and may affect profitability. During 2014, share price was down in WWASA while other investments had a positive price development. Value in USD, however, was impacted by the depreciation of NOK and, to a less degree, AUD and KRW.

#### HEALTH, ENVIRONMENT AND SAFETY Working environment and occupational health

By living the company values (empowerment, stewardship, customer centered, teaming and collaboration, learning and innovation), WWH focuses on developing a good and inspiring working environment at sea and on land. The company's business is conducted with respect for, amongst others, human rights and internationally accepted labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum age and salary, working conditions and freedom of association. Employees are encouraged to report on non-compliant behaviour through the group's global whistleblowing system.

A healthy working environment is linked to an efficient, sustainable and profitable business.

### Sickness leave Norway



The overall guidelines are described in the company's principles for human resources, quality and health and safety as well as in the group's leadership expectations. Several KPIs related to working environment are measured on a quarterly basis, including sickness leave, turnover and lost time injury frequency.

#### Sickness absence

Average sickness absence among employees in the parent company and subsidiaries located at the head office was 2.8 % (3.0%) in 2014. Even though the sickness absence is low, WWH has implemented a variety of initiatives to ensure figures continue to stay low, e.g. company health service, adapted working hours, activity club, serving of healthy food, employee engagement and possibilities for personal development.

#### Turnover

The turnover rate for employees in the parent company and subsidiaries was 9.6 % in 2014, increasing from 7.7% in 2013. The turnover rate varies from segment to segment. As an example, the turnover rate is higher in the warehouse environment than in the office environment. In average, we believe it is on the high end and this will be investigated further.

#### Lost time injuries and fatalities

For vessels owned by WWASA and managed by WWH group companies, a number of safety campaigns aimed at creating safer and healthier working conditions on board the vessels were conducted during the year. The lost time injury frequency rate among crew members ended at 0.73 (0.26), above the ambition of not exceeding 0.6. All incidents were investigated to avoid similar episodes in the future and to improve necessary training and awareness measures. The negative development led to a reinforced focus on safety improving initiatives.

There were no work related fatalities onboard WWASA's own vessels nor on the group's land based activities in 2014.

#### Near miss incidents

For vessels owned by WWASA and managed by WWH group companies, there is a potential to improve near miss incidents among seafarers. All reported near misses will be investigated to avoid similar incidents in the future and to improve necessary training and awareness measures.

#### Working committee and executive committee

There is a close cooperation between management and employees through several bodies, including a working environment committee and the executive committee for industrial democracy in foreign trade shipping. The bodies are considered to work well and give valuable input to solve the company related issues in a constructive way.

The Working Committee (AMU) discusses issues related to health, work environment and safety. The Executive Committee for Industrial Democracy in Foreign Trade Shipping considers drafts of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce. In 2014, both committees held elections as well as four official meetings.

#### The natural environment

The board acknowledges the environmental challenges faced by the maritime industry, and that only sustainable solutions are acceptable. As a major participant in the maritime industry, WWH actively works to reduce the use of energy and decrease the environmental impact of its activities through its shareholding in WWASA and WMS. Efforts and initiatives are directed towards high impact areas like reduced bunker consumption and thereby reduced emissions. As a supplier of products and services to the merchant fleet in general, the group is also engaged in finding and sourcing green products in general.

The company implements its environmental ambition by setting objectives and goals for the operating companies, technical managers and other stakeholders. Some of the main achievements in 2014 were:

- Continued participation in the WG5 group working towards a more efficient and transparent shipping industry.
- Prepared vessels and crew to sail at lower speed and thereby reduced fuel consumption and emission per transported unit.
- New and existing technology evaluated and implemented to reduce fuel consumption and be prepared for future environmental regulations.
- An exhaust gas cleaning system (scrubber) on board MV Tarago has been tested and a type approval received.
- Four new energy efficient vessels ordered,

all to be equipped with exhaust gas cleaning systems (scrubber).

- Two vessels recycled at green recycling yards in China in accordance with the Hong Kong Convention.

In 2015, the company will continue to seek excellence in optimising vessel performance and operations by:

- Install the advanced Shippersys AB energy performance-reporting tool on board all vessels and support further development of innovative software solutions for a more sustainable shipping industry.
- Continue to educate seafarers and office personnel through training sessions in energy efficiency.
- Improve the accuracy of vessel energy performance monitoring further, by installing improved sensors and performance monitoring models.
- Replace the bulbous bow on four vessels.
- Continue to support companies providing more environmentally friendly and efficient solutions to the shipping industry.
- Supporting and working with academia, innovation and related research and development initiatives targeted at further developing the shipping industry's energy and environmental advantages.

An environmental account for 2014 and update on specific issues are included in the group's sustainability report on pages 118-139 and available on [www.wilhelmsen.com](http://www.wilhelmsen.com).

#### Environmental incidents in 2014

No serious incidents harming the environment were reported in 2014 and/or leading to fines and/or local authority investigations. In case of incidents and/or near misses, investigations will be conducted to improve necessary processes and implement appropriate training awareness to avoid similar accidents in the future.

#### Other environmental reporting

WWASA's joint venture WWL reports on emissions according to the standard developed by the Green House Gas Protocol. Please refer to [www.2wgloba.com](http://www.2wgloba.com) for their online reports.

### ORGANISATION AND PEOPLE DEVELOPMENT Workforce

The group employs around 23 800 (24 300) people when wholly and partly owned subsidiaries, joint ventures and seafarers are included. Of this, seafarers accounts for 11 200 (10 900), while 6 400 (6 400) are employed in wholly owned subsidiaries. Employees in joint ventures accounts for 6 200 (7 000). The group's head office is located in Norway, and the group has around 310 (270) offices in 72 (72) countries within its controlled structure.

#### Equal opportunities

WWH has a clear policy stating that men and women have the right to equal opportunities. Harassment, discrimination based on race, gender or similar grounds or other behavior that may be perceived as threatening or degrading is not acceptable. The industry's unequal recruitment base makes it difficult to achieve an equal mix of gender in the company. Women accounts for 28% of the around 6 400 people employed in wholly owned subsidiaries.

Two of the five directors on the board of directors of WWH are female, and one of the six members of the company's global management team.

#### Performance appraisals

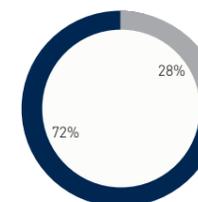
The group conducts annual performance appraisals with employees on a global basis. The completion rate for 2014 ended at 80% (81%). The appraisals are conducted to align how each employee can contribute to reach the group's overall strategic and financial ambitions.

#### Engagement survey

The WWH group seeks to provide a positive and stimulating work environment in which all employees are motivated and can work and achieve their full potential. To support this, WWH conducts an annual Engagement Survey to give all land based employees in wholly or partly owned subsidiaries the possibility to have their say towards WWH as an employer. The 2014 survey clearly showed an overall high level of engagement and commitment amongst the employees in the WWH group. The survey also showed that employees are generally more proud to be working for the group today compared to 2013. Going forward we aim to compete with the best-in-class companies. In order to achieve this, results from the engagement survey will be followed up closely in 2015, and concrete actions plans will be developed.

### Gender mix

Wholly owned subsidiaries



Women  
Men

**Compensation and benefits**

The purpose of WWH's compensation and benefit policy is to drive performance. In addition, it aims to attract and retain the right employees with the right experience and knowledge deemed necessary to achieve the company's strategic ambitions.

The policy takes local regulations and competition into accounts as well as the position's responsibility and complexity. The bonus scheme is one of several instruments focusing attention on driving performance. Bonus will be paid if set bonus targets are reached. Compensation to executives is described in the corporate governance report (see page 113) and in the notes 4 and 2 to the group and parent accounts respectively (see pages 46-48 and 82-83). The company also issues a declaration on the determination of employee benefits for senior executives, note 16 to the parent company accounts on page 98.

**Competence development**

Learning and innovation is one of the company's core values. The WWH group pays particular attention to competence and knowledge development. A learning organisation with motivated employees is believed to contribute to efficient operations and to have positive impact on the group's revenue and earnings. Training related to each employee's working situation receives most attention. In addition, the company has an internal academy offering employees a variation of courses and training opportunities. WW Academy also provides programmes for leadership development, in addition to a broad range of specific training programmes. In 2014, 234 employees took classroom programmes. 140 eLearning programmes are available. 26 158 eLearning course were completed in 2014, representing a 40% increase from 2013. WW Academy is an important contributor in order to develop common attitudes, ways of working and common business standards and expectations.

**CORPORATE GOVERNANCE**

The board believes sound corporate governance is a foundation for profitable growth and that it provides a healthy company culture. A good governance contributes to reducing risk and creating value over time for shareholders and other stakeholders.

WWH observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies

Act and the Norwegian Accounting Act. The board's corporate governance report for 2014 can be found on pages 104-115 or on [wilhelmsen.com](http://wilhelmsen.com). It is the board's view that the company has an appropriate governance and that it is managed in a satisfactory way. The corporate governance report is to be reviewed on the annual shareholder meeting (AGM) on 23 April.

**SOCIAL RESPONSIBILITY**

WWH assesses environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting. The company has a social responsibility guideline, including human rights, labour standards and a commitment to promote greater environmental responsibility. A summary of the guideline can be reviewed at [www.wilhelmsen.com](http://www.wilhelmsen.com).

**Sustainability governance**

The board acknowledges that sustainability and corporate social responsibility are important prerequisites for creating long-term profitability and value for the company's shareholders. With an aim to increase transparency, the board therefore issues a sustainability report following the requirements set forward in the Global Reporting Initiative. The report describes how WWH combines long-term profitability with emphasis on ethical business conduct and with respect for human being, the environment and society at large.

**Materiality assessment**

To ensure the group focuses on the material aspects of its business and key issues for external stakeholders, an extensive materiality assessment was conducted by DNVGL in 2013. In 2014, the matrix was adjusted to current priorities. The assessment concluded that the following topics were of highest priority:

- Business ethics and anti-corruption
- Climate change and emissions
- Working conditions, labour standards, health and safety
- Sustainability governance

The sustainability report, available on pages 118-139, gives a summary of the status on each aspect and will be reviewed by the AGM on 23 April. A full report is available on [www.wilhelmsen.com](http://www.wilhelmsen.com). One of WWASA's operating companies, WWL, reports on its commitment to the ten principles of the UN Global Compact. For their online reports, please refer to [www.2wglobal.com](http://www.2wglobal.com).

**Focus areas and achievements in 2014**

In 2014, WWH had a particular attention at the following topics:

- emission reduction,
- anti-corruption, competition law, theft and fraud, whistleblowing,
- talent management and
- a global safety culture.

The company's achievements included:

- 8.9%% reduction of CO2 emissions
- 11.1% reduction of NOx emissions
- 8.9%% reduction of SOx emissions
- No oil spills
- More than 87% of land based employees conducted the "I comply" campaign
- 7% decrease in sickness absence
- Engagement survey conducted
- Performance appraisals conducted
- Safety campaigns were conducted on board the company's vessel

Further details on the progress on the focus areas, can be viewed in the sustainability report on pages 118-139.

**Ambitions for 2015**

The focus areas for 2014 will continue into 2015. Through clearly expressed expectations to employees as well as companies in which WWH is a shareholder, the group will contribute to promote internationally expected human rights and sound working standards, reduce its environmental impact and work towards eliminating corruption in own operations as well as the operations of suppliers and business partners. In 2015, the company will continue to improve guidelines and standards.

Acknowledging that regulations become stricter and with an ambition to improve transparency, the company will also continue to improve reporting routines, data quality and reporting routines to follow up on issues defined as material for the group's sustainability ambitions. This includes developing KPIs for sustainability to be included in business reviews.

In 2015, the "I comply" campaign will also include seafarers, and all WWASA owned and controlled vessels will practice a zero tolerance policy when it comes to facilitation payment.

**Stakeholder engagement**

In 2014, WWH were engaged in several dialogues with non-governmental organisations,

governments, investors and other stakeholders discussing topics related to the company or industry at large. The main questions were related to financial and environmental issues, but there were also forums specifically addressing sustainability at large. The company was engaged in, amongst other, the Trident Alliance, the International Maritime Organisation, KOMpakt, BIMCO and the Norwegian Shipowners' Association and in organisations such as Maritime Anti-Corruption Network.

**ALLOCATION OF PROFIT, DIVIDEND AND BUY BACK**

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

Parent company accounts (NOK thousand)		
Profit for the year	NOK	736 084
Dividend	NOK	139 211
To equity	NOK	596 872
Total allocations	NOK	736 084

WWH has a tradition of paying dividend twice every year. The board is proposing a NOK 3.00 dividend per share payable during the second quarter of 2015, representing a total payment of NOK 139.2 million. The board of directors also propose that the General Meeting gives the board of directors authority to approve further dividend of up to NOK 3.00 per share for a period limited in time up to the next General Meeting.

The WWH ASA board of directors is granted an authorization to, on behalf of the company, acquire up to 10% of the company's own issued shares. The authorization is valid until the Annual General Meeting in 2015.

**PROSPECTS**

*Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict, WWH cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.*

**Group business drivers**

WWH is a global provider of maritime related services, transportation and logistics solutions. The prospects for the group and its business segments are, to various degree, correlated with general development in world economy and trade.

Projections for 2015/16 indicates a modest but uneven pick-up in global growth. Projections for the US and some emerging markets are positive, while growth is projected to remain sluggish in Europe and in many commodity exporting economies. Growth is likely to remain strong in China, but is on a downward trend.

**Outlook for WWASA**

Short term, WWASA anticipates volume development to be relatively stable. However, the long-term macro picture supports a positive underlying growth potential for transportation of cars and high and heavy cargo and integrated logistics solutions.

The cargo mix is expected to continue to be unfavourable. The demand for break bulk and construction equipment is not expected to outweigh low demand for mining and agriculture equipment following weak commodity prices in the latter segments. With current fuel prices, the net bunker cost will have a positive effect on operating profit, supported by the effect from cost reducing initiatives.

The logistics segment's contribution to group accounts is estimated to be in line with 2014, adjusted for the loss of the US governmental contract.

With a healthy balance sheet, WWASA has a strong financial position and is positioned to further grow the business and prepared to act upon market opportunities.

**Outlook for WMS**

The general shipping market remains weak, and will continue to impact WMS income short term. The underlying trend remains positive, supported by a gradual increase in world trade and operating fleet. Ordering of newbuilds have seen a declining trend over the last half year, but with a healthy order reserve and exposure mostly towards better performing segments the impact on WMS is expected to be limited.

Operating profit for WMS remains sensitive to development in the general shipping market and currency fluctuations. In spite of recent improvements on both factors, short term operating profit is expected to remain somewhat below the 9% long term profit margin target.

During 2014, a review has been made in relation to the WMS product portfolio. As part of this,

a process has been initiated related to the restructuring of the WTS business area.

**Outlook for Holding and Investments**

While a softer market sentiment within the oil and gas sector will affect general purchasing activities, a new long-term contract with Statoil and continued high production on the Norwegian shelf and in the Danish sector should have a positive impact on NorSea Group. Further growth outside Northern Europe remains a goal long term.

The investment in Qube has continued to deliver good shareholder return. With focus on Australian export/import logistics, Qube's performance will depend on development in Australian economy and trade. The three-year lock up period on WWH's shareholding in Qube expired in 2014.

**Outlook for the WWH group**

The year ended on a slightly positive note, with underlying results supported by a stronger USD and lower fuel cost. The board expects the activity level for main business segments to continue into 2015.

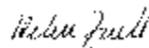
The WWH group enters 2015 with a strong balance sheet and solid liquidity. The ambition is to stay market leader and further develop the service offering within main segments through organic growth and targeted investments. The group will also actively assess investment opportunities outside present core activities.

Lysaker, 18 March 2015

The board of directors of Wilh. Wilhelmsen Holding ASA



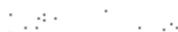
Diderik Schnitler  
Chair



Helen Juell



Odd Rune Austgulen



Bettina Banoun



Carl Erik Steen



Thomas Wilhelmsen  
Group CEO

# Accounts and notes



## Baltimore, 13:00. Cast off.

An able bodied seaman monitoring a mooring line being retracted on its winch.

Wilhelmsen Ship Management – 150 vessels (approx) on full technical management and 250 vessels (approx) on crew management at year end.



## Santos, 16:00. Propeller repair.

Wilhelmsen Ships Service port sales engineer supervises a vessel while it is being ballasted in order to lift the propeller above sea level for temporary polymer repair.

Extended operating life time and improved efficiency for the propeller.



## At sea, 18:00. Fitness class.

The crew on MV Topeka arranges a fitness class of Zumba after being encouraged to unwind and do something entertaining for everyone.

Happy and healthy crew.

## Income statement | WILH. WILHELMSSEN HOLDING GROUP

USD mill	Note	2014	2013
<b>Operating revenue</b>	1	1 369	1 313
<b>Other income</b>			
Share of profit from joint ventures and associates	2	165	200
Gain on sale of assets		5	5
<b>Total income</b>		<b>1 538</b>	<b>1 518</b>
<b>Operating expenses</b>			
Vessel expenses	1	(47)	(53)
Charter expenses		(23)	(28)
Inventory cost		(520)	(439)
Employee benefits	4	(337)	(402)
Other expenses	1	(167)	(161)
Depreciation and impairments	5	(105)	(109)
<b>Total operating expenses</b>		<b>(1 199)</b>	<b>(1 193)</b>
<b>Operating profit</b>		<b>339</b>	<b>325</b>
Financial income	1	17	60
Financial expenses	1	(101)	(32)
<b>Financial income/(expenses)</b>		<b>(85)</b>	<b>28</b>
<b>Profit before tax</b>		<b>255</b>	<b>353</b>
Tax income/(expense)	6	36	(15)
<b>Profit for the year</b>		<b>290</b>	<b>339</b>
Of which:			
Profit attributable to minority interests		49	79
Profit attributable to owners of the parent		241	260
Basic / diluted earnings per share (USD)	7	5.20	5.59

## Comprehensive income | WILH. WILHELMSSEN HOLDING GROUP

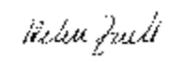
USD mill	Note	2014	2013
Profit for the year		290	339
<b>Items that will be reclassified to income statement</b>			
Net investment hedge/cash flow hedges (net after tax)		7	(4)
Revaluation mark to market value	10	24	23
Currency translation differences		(168)	(39)
<b>Items that will not be reclassified to income statement</b>			
Remeasurement postemployment benefits, net of tax	8	(51)	(12)
<b>Other comprehensive income, net of tax</b>		<b>(187)</b>	<b>(33)</b>
<b>Total comprehensive income for the year</b>		<b>103</b>	<b>306</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		62	230
Minority interests		42	76
<b>Total comprehensive income for the year</b>		<b>103</b>	<b>306</b>

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

## Balance sheet | WILH. WILHELMSSEN HOLDING GROUP

USD mill	Note	31.12.2014	31.12.2013
<b>ASSETS</b>			
<b>Non current assets</b>			
Deferred tax asset	6	43	22
Goodwill and other intangible assets	5	276	309
Vessel, property and other tangible assets	5	1 950	2 030
Investments in joint ventures and associates	2	1 264	1 218
Other non current assets	8/9/10	154	150
<b>Total non current assets</b>		<b>3 687</b>	<b>3 728</b>
<b>Current assets</b>			
Inventories	11	110	125
Current financial investments	12	324	348
Other current assets	9/13	354	359
Cash and cash equivalents		364	386
<b>Total current assets</b>		<b>1 152</b>	<b>1 218</b>
<b>Total assets</b>		<b>4 839</b>	<b>4 946</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in capital		122	122
Retained earnings and other reserves		1 738	1 714
<b>Attributable to equity holders of the parent</b>		<b>1 860</b>	<b>1 836</b>
Minority interests		469	450
<b>Total equity</b>		<b>2 329</b>	<b>2 286</b>
<b>Non current liabilities</b>			
Pension liabilities	8	92	108
Deferred tax	6	8	62
Non current interest-bearing debt	14/15	1 590	1 608
Other non current liabilities	9	297	185
<b>Total non current liabilities</b>		<b>1 987</b>	<b>1 963</b>
<b>Current liabilities</b>			
Current income tax	6	11	14
Public duties payable		9	14
Current interest-bearing debt	14/15	103	243
Other current liabilities	9/14	399	426
<b>Total current liabilities</b>		<b>522</b>	<b>698</b>
<b>Total equity and liabilities</b>		<b>4 839</b>	<b>4 946</b>

Lysaker, 18 March 2015





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

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

## Cash flow statement | WILH. WILHELMSSEN HOLDING GROUP

USD mill	Note	2014	2013
<b>Cash flow from operating activities</b>			
Profit before tax		254	353
Financial (income)/expenses	1	(49)	(1)
Financial derivatives unrealised	1	118	(34)
Depreciation/impairment	5/6	105	109
Loss/(gain) on sale of fixed assets	1	(2)	2
Gain from sale of joint ventures and associates	2	(4)	
Change in net pension asset/liability		(61)	(9)
Change in inventory		2	(14)
Change in working capital		(50)	(7)
Share of profit from joint ventures and associates	2	(165)	(200)
Dividend received from joint ventures and associates	2	103	50
Tax paid (company income tax, withholding tax)		(11)	(7)
<b>Net cash provided by operating activities</b>		<b>241</b>	<b>243</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed assets		26	22
Investments in fixed assets	5	(91)	(92)
Net proceeds from sale of joint ventures and associates		9	1
Investments in joint ventures and associates		(17)	
Loan repayments received from joint ventures and associates		1	3
Loans granted to joint ventures and associates			(2)
Loan from joint ventures and associates		1	
Proceeds from sale of financial investments		90	127
Current financial investments		(92)	(216)
Interest received	1	6	8
Changes in other investments			1
<b>Net cash flow from investing activities</b>		<b>(66)</b>	<b>(148)</b>
<b>Cash flow from financing activities</b>			
Net proceeds from issue of debt after debt expenses	14	696	122
Repayment of debt	14	(753)	(205)
Interest paid including interest derivatives	1	(91)	(103)
Cash from financial derivatives		12	(4)
Dividend to shareholders		(60)	(97)
<b>Net cash flow from financing activities</b>		<b>(197)</b>	<b>(286)</b>
Net increase in cash and cash equivalents		(21)	(191)
Cash and cash equivalents at the beginning of the period		386	576
<b>Cash and cash equivalents at 31.12</b>		<b>364</b>	<b>386</b>

The group is located and operating world wide and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

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

## Consolidated statement of changes in equity | WILH. WILHELMSSEN HOLDING GROUP

USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 31.12.2013	122	0	0	1 713	1 836	450	2 286
<b>Comprehensive income for the period:</b>							
Profit for the period				241	241	49	290
Comprehensive income				(180)	(180)	(7)	(187)
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>62</b>	<b>42</b>	<b>103</b>
<b>Transactions with owners:</b>							
Dividends				(37)	(37)	(23)	(60)
<b>Balance 31.12.2014</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>1 738</b>	<b>1 860</b>	<b>469</b>	<b>2 329</b>
USD mill	Share capital	Own shares	Reserves	Retained earnings	Total	Minority interests	Total equity
Balance at 31.12.2012	122	0	36	1 491	1 649	427	2 077
<b>Comprehensive income for the period:</b>							
Profit for the period				260	260	79	339
Comprehensive income			(30)		(30)	(3)	(33)
Reclassified			(6)	6	0		0
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>266</b>	<b>230</b>	<b>76</b>	<b>306</b>
<b>Transactions with owners:</b>							
Dividends				(44)	(44)	(53)	(97)
<b>Balance 31.12.2013</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>1 713</b>	<b>1 836</b>	<b>450</b>	<b>2 286</b>

Own shares represented 0.22 % of the share capital in nominal value at 31 December 2014 (analogous for 31 December 2013).

Dividend for fiscal year 2013 was NOK 5.00 per share, where NOK 3.00 per share was paid in May 2014 and NOK 2.00 per share was paid in November 2014.

Dividend for fiscal year 2012 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2013 and NOK 2.00 per share was paid in December 2013.

The proposed dividend for fiscal year 2014 in 2015 is NOK 3.00 per share, payable in the second quarter of 2015.

A decision on this proposal will be taken by the annual general meeting on 23 April 2015. The proposed dividend is not accrued in the year-end balance sheet.

The dividend will have effect on retained earnings in second quarter of 2015.

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

## Accounting policies | WILH. WILHELMSSEN HOLDING GROUP AND WILH. WILHELMSSEN HOLDING ASA

### GENERAL INFORMATION

Wilh. Wilhelmsen Holding ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2014 include the parent company and its subsidiaries (referred to collectively as the group) and the group's share of joint ventures and associated companies.

The annual accounts for the group and the parent company were adopted by the board of directors on 18 March 2015.

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

### BASIC POLICIES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union. The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS approved by Ministry of Finance 3 November 2014. In the parent company, the company has elected to apply the exception from IFRS for dividends and group contributions. Otherwise, the explanations of the accounting policy for the group also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company.

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

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

Most of the entities in WWASA group have USD as functional currency while entities in WMS group and Holding & Investments are measured using currency of primary economic location in which the entity operates. The exception from this is the investments activity in Malta, where AUD is the functional currency. The parent company for Wilhelmsen Maritime Services (WMS AS) has changed functional currency in 2014 from NOK to USD.

The parent company is presented in its functional currency NOK.

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

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

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

The accounts have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including financial derivatives) at fair value through the income statement with the exception of the interest rate swap in WMS group which qualifies for hedge accounting up to 2013.

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

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

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

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

### Standards, amendments and interpretations

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND PARENT COMPANY FROM 1 JANUARY 2014 OR LATER;

- IFRS 10 'Consolidated Financial Statements' - Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is adopted, and analyses show no significant changes for the group or the parent company.
- FRS 11 Joint Arrangements - The standard provides that a company will account for joint operations, where the company has rights to the assets and the liabilities of the joint operations, similar to the proportioned consolidation method, while joint ventures, where the company has rights to the net assets, will be accounted for using the equity method. The standard is adopted, and analyses show no changes for the group or the parent company.
- IFRS 12 Disclosure of Interests in Other Entities - The standard combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure requirement. Some were previously included in IAS 27, IAS 31 and IAS 28, while others are new. A new term 'structured entity' which replace and expands upon the concept of a 'special purpose entity' is introduced. The standard has no significant impact on the group or the parent company. See note 2 and note 3 for the group.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP;

- IFRS 9, The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or

after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9's full impact.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

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

### COMPARATIVE FIGURES

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

### SHARES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARENT COMPANY)

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

### CONSOLIDATION POLICIES

#### Subsidiaries

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

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

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

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

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

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

### Joint arrangements and associates

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

The group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations to each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

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

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

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

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

### Minority interests

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

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

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

### SEGMENT REPORTING

The operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker.

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

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

## Accounting policies | WILH. WILHELMSSEN HOLDING GROUP AND WILH. WILHELMSSEN HOLDING ASA

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

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

The WMS group segment offers marine products, technical service, ship agency services and logistics to the merchant fleet, safety and environmental systems to the newbuilding and retrofit sectors of the marine and offshore markets, supplies electrical, automation and heating ventilation and air conditioning (HVAC) systems to the marine and offshore markets, ship management including manning for all major vessel types, through a worldwide network of more than 310 offices in some 72 countries.

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

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

### RELATED PARTIES TRANSACTIONS

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

See note 9 and 19 to the group accounts for loans to joint ventures and associates, and note 6 and 14 to the parent company accounts.

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

### FOREIGN CURRENCY TRANSACTION AND TRANSLATION Transactions

In individual companies' transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial income or expense. Change in the currency position related to qualified cash flow hedging derivatives, qualifying net investment hedges, gains and losses are recognised in comprehensive income.

### Translations

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

USD are recognised in other comprehensive income. On disposals of a non USD functional currency subsidiary, joint ventures or associates, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

### REVENUE RECOGNITION

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

### Shipping and logistics activities

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

### The group's ship owning companies

The group's revenue in ship owning companies derives from chartering (renting) out its vessels to operating companies. The charter hire per vessel is generated from either variable time charter hire (operating companies' net results) or fixed time charter, i.e. predetermined for the entire charter period. The charter agreements are on time charter basis, implying chartering a complete vessel including crew.

Revenues from time charters are accounted for as operating leases under IAS 17. Revenues from predetermined time charters are recognised on a straight-line basis over the duration of the period of each charter and adjusted for off-hire days, as service is performed. Revenues from variable time charters are recognised in accordance with recognition in the operating company (charterer).

### Operating companies

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

Sales of logistics services are recognised in the accounting period in which the services have been rendered and completed.

### Maritime services

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

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

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

### INVENTORIES

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

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

### CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. The group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

On the balance sheet, the group reports the net contract position for contracts as a liability. The net contract position for each contract as an asset or a liability is presented in note 11.

### CASH-SETTLED PAYMENTS TRANSACTIONS

#### Cash-settled payments / bonus plans

For cash-settled payments, a liability equal to the portion services received is recognised at the current fair value determined at each balance sheet date.

#### Cash-settled share-based payment

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

See note 4 to the group accounts and note 2 and 16 to the parent accounts concerning remuneration of senior executives

### TANGIBLE ASSETS

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

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

The group's borrowing costs are recognised in the income statement when they arise. Borrowing costs are capitalised to the extent that they are directly related to the acquisition of the vessel. Shipbuilding instalments, other direct vessel costs and the group's direct interest costs related to financing the acquisition cost of vessels are capitalised as they are paid.

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

Property	10-50 years
Other tangible assets	3-10 years
Vessels	30 years

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

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

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

### GOODWILL AND OTHER INTANGIBLE ASSETS

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

Goodwill	Indefinite life
Software and licenses	3-5 years
Other intangible assets	5-10 years

#### Goodwill

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

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

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

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

#### Other intangible assets

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

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

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

### IMPAIRMENT OF GOODWILL AND OTHER NON FINANCIAL ASSETS

#### Non financial assets

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

#### Vessels and newbuilding contracts

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

#### Goodwill

Goodwill acquired through business combinations has been allocated to the relevant CGU. An assessment is made as to whether the carrying amount of the goodwill can be justified by future earnings from the CGU to which the goodwill relates. Future earnings are based on next year's expectations with a 1% growth rate.

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

#### LEASES

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

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

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

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

#### FINANCIAL ASSETS

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

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

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

#### Short term investments

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

#### Loans and receivables

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

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

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

#### Available-for-sale financial assets

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

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

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

#### FINANCIAL DERIVATIVES

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

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

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

#### Derivatives which do qualify for hedge accounting

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

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

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

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

#### Cash flow hedge

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

#### Net investment hedge

Gains and losses arising from the hedging instruments relating to the effective portions of the net investments hedges are recognised in comprehensive income. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial income/(expenses).

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of, sold or change of functional currency.

Wilhelmsen Maritime Services AS changed the functional currency in 2014 and the net investment hedge was reversed through Income Statement.

#### DEFERRED TAX / DEFERRED TAX ASSET

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

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

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

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

#### PENSION OBLIGATIONS

Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. These schemes are generally funded through payments to insurance companies or pension funds on the basis of periodic actuarial calculations. The group and the parent company have both defined contribution and defined benefit plans up to 31 December 2014.

The group decided 11 November 2014 to terminate the group defined benefit plans for the Norwegian employees and change to defined contribution plan from 1 January 2015. After the termination, all affected employees received a paid-up policy as of 31 December 2014. The termination also included the risk plan, related to the group's defined contribution pension schemes, that was covered by a defined benefit plan.

From 1 January 2014, the group established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees' related to salaries exceeding 12 times the Norwegian National Insurance base amount (G) mainly financed from operations

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

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

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

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation

The pension obligation is calculated annually by independent actuaries using a straight-line earnings method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income

#### RECEIVABLES

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

Receivables are recognised at face value less any impairment. Provision for impairment is made to specified receivable items when there is

## Accounting policies | WILH. WILHELMSSEN HOLDING GROUP AND WILH. WILHELMSSEN HOLDING ASA

objective evidence that, as a result of one or more events that occurred after the initial recognition of the receivable, the estimated future cash flows of the investments have been affected.

**CASH AND CASH EQUIVALENTS**

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

**SHARE CAPITAL AND TREASURY SHARES**

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

**DIVIDEND IN THE GROUP ACCOUNTS**

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

**DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS**

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

**LOANS**

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

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

**PROVISIONS**

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

**CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

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

**Impairment of vessels**

The group tests annually whether vessels have suffered any impairment, in accordance with the accounting policies for "Impairment of goodwill and other non financial assets". The recoverable amounts of CGU have been determined based on value in use calculations. These calculations require the use of estimates (note 5).

The discount factor applied in the cash flow budgets is based on the group's long term financing costs for debt financed capital. Beyond the period covered by the business plan, a growth factor of 1% is applied, with an expectation that gross margins will not weaken substantially over time.

See note 5 in the group accounts for additional info.

**Impairment of non financial assets**

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

The main risks are:

- Growth
- Net profit
- Cash flow

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

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

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

## Note 1 | COMBINED ITEMS, INCOME STATEMENT

USD mill	2014	2013
<b>OPERATING REVENUE</b>		
Freight revenue	285	324
Ships service revenue	677	670
Technical solutions revenue	351	259
Ship management and crewing revenue	50	50
Other revenue	6	10
<b>Total operating revenue</b>	<b>1 369</b>	<b>1 313</b>
<b>VESSEL EXPENSES</b>		
Luboil	(6)	(7)
Stores (water, safety, chemicals, ropes etc)	(4)	(4)
Maintenance of vessels	(19)	(21)
Insurance	(7)	(8)
Other vessel expenses	(12)	(12)
<b>Total vessel expenses</b>	<b>(47)</b>	<b>(53)</b>
<b>OTHER EXPENSES</b>		
Loss on sale of assets	(3)	(2)
Office expenses	(45)	(46)
Communication and IT expenses	(31)	(33)
External services	(23)	(15)
Travel and meeting expenses	(16)	(17)
Marketing expenses	(8)	(9)
Other administration expenses	(41)	(39)
<b>Total other expenses</b>	<b>(167)</b>	<b>(161)</b>
<b>FINANCIAL INCOME AND EXPENSES</b>		
<b>Financial items</b>		
Investment management	17	29
Interest income	6	8
Other financial items	(10)	3
<b>Net financial items</b>	<b>14</b>	<b>41</b>
<b>Financial - interest expenses</b>		
Interest expenses	(59)	(63)
Interest rate derivatives - realised	(26)	(37)
<b>Net financial - interest expenses</b>	<b>(85)</b>	<b>(100)</b>
Interest rate derivatives - unrealised	(16)	68
<b>Financial currency</b>		
Net currency gain/(loss)	92	57
Derivatives for hedging of cash flow risk - realised	8	(7)
Derivatives for hedging of cash flow risk - unrealised	(38)	(14)
Derivatives for hedging of translation risk - realised	4	3
Derivatives for hedging of translation risk - unrealised	(63)	(20)
<b>Net financial currency</b>	<b>2</b>	<b>19</b>
<b>Financial income/(expenses)</b>	<b>(85)</b>	<b>28</b>
<b>Specification of financial income and expenses income statement:</b>		
Net financial items	14	41
Net financial currency	2	19
<b>Financial income</b>	<b>17</b>	<b>60</b>
Net financial - interest expenses	(85)	(100)
Interest rate derivatives - unrealised	(16)	68
<b>Financial expenses</b>	<b>(101)</b>	<b>(32)</b>

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

## Note 2 | INVESTMENTS IN JOINT VENTURES

	Business office, country	Voting share/ownership	
		2014	2013
<b>WWASA group (shipping)</b>			
Mark I Shipping Pte Ltd	Singapore	50.0%	50.0%
Tellus Shipping AS	Lysaker, Norway	50.0%	50.0%
American Roll-on Roll-off Carrier Holding Inc	New Jersey, USA	50.0%	50.0%
Fidelio Inc	New Jersey, USA	50.0%	50.0%
Fidelio Limited Partnership	New Jersey, USA	50.0%	50.0%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40.0%	40.0%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40.0%	40.0%
EUKOR Shipowning Singapore Pte Ltd	Singapore	40.0%	40.0%
<b>WWASA group (shipping/logistics)</b>			
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50.0%	50.0%
<b>WWASA group (logistics)</b>			
American Shipping & Logistics Group Inc	New Jersey, USA	50.0%	50.0%
American Logistics Network LLC	New Jersey, USA	50.0%	50.0%

Wallenius Wilhelmsen Logistics (WWL) is a joint venture between With. Wilhelmsen ASA and Wallenius Lines AB (Wallenius) and was established in 1999. It is an operating company within both shipping and logistics activities. It operates most of the With. Wilhelmsen ASA's and Wallenius' owned vessels. The company provides global transportation services for the automotive, agricultural, mining and construction equipment industries and its services consist of supply chain management, ocean transportation, terminal services, inland distribution and technical services. WWL is the contracting party in customer contracts with industrial manufacturers for cars, agricultural machinery etc.

EUKOR Car Carriers (EUKOR), EUKOR Car Carriers Singapore and EUKOR Shipowning are joint ventures between With. Wilhelmsen ASA, Wallenius, Hyundai Motor Company and Kia Motors Corporation. EUKOR is party to contracts for ocean transportation of Hyundai and Kia cars out of Korea, while the two other are vessel providers.

American Roll-On Roll-Off Carrier Group Inc. manages several US based companies, all of which are established on a joint venture basis between With. Wilhelmsen ASA and Wallenius. These companies include a liner service operating company, a ship owning company, and a logistics services provider.

Fidelio Limited Partnership (FLP) owns eight Ro-Ro ships, seven of which are US-flag vessels under contract in the US government's Maritime Security Program (MSP). FLP charters vessels to American Roll-on Roll-off Carrier LLC (ARC), the primary operating company,

the largest US Flag Ro-Ro carrier, and the third largest US Flag carrier overall in international trade.

ARC is a vessel-operating company, and provides Ro-Ro liner services in the US - international trades, principally the North Atlantic US-Europe trades. ARC vessels are qualified to transport US government cargo, US-flag preference cargo, and commercial cargo. ARC is a strategic partner of choice providing port-to-port and end-to-end transport of heavy vehicles, automobiles, railcars, project cargoes and other equipment providing service excellence for its customers. ARC also offers extensive associated logistics and intermodal services to its government and commercial customers.

American Auto Logistics LP (AAL) delivers total door-to-door logistics solution services, and was the contract service provider to the US government under the global privately owned vehicle (POV) contract. Following the loss of the contract in May 2014, AAL was restructured in an attempt to position the company for upcoming renewal of governmental contracts.

All companies are private companies and there are no quoted market price available for the shares.

WWL and EUKOR Car Carriers Inc are subject to anti-trust investigations of the car carrying industry in several jurisdictions. See note 20 for contingencies.

There are no other contingent liabilities relating to the group's interest in the joint ventures.

## Cont. note 2 | INVESTMENTS IN JOINT VENTURES

USD mill	2014	2013
<b>Summarised financial information - according to the group's ownership</b>		
Share of total income	2 241	2 285
Share of operating expenses	(2 038)	(2 057)
Share of depreciation	(75)	(70)
Share of net financial items	(23)	(17)
Share of tax expense	(16)	(19)
<b>Share of profit for the year</b>	<b>86</b>	<b>121</b>

The 2013 eliminations of related party transactions (WWASA segment's total income and operating expenses) has been restated. See note 16 for details.

Share of equity (equity method)	2014	2013
Book value	825	840
Excess value (goodwill)	16	16

Joint ventures' assets, equity and liabilities (group's share of investments)	2014	2013
Share of non current assets	1 275	1 194
Share of cash and cash equivalents	223	256
Share of current assets	292	322
<b>Total share of assets</b>	<b>1 790</b>	<b>1 772</b>

Share of equity 01.01	856	768
Share of profit for the period	86	121
Dividend received/repayments of share capital	(89)	(35)
Charged directly to equity	(8)	2
Currency translation differences	(5)	1
<b>Share of equity 31.12</b>	<b>841</b>	<b>856</b>

Share of non current liabilities	620	550
Share of other non current liabilities	21	23
Share of current financial liabilities	85	95
Share of other current liabilities	222	248
<b>Total share of liabilities</b>	<b>949</b>	<b>916</b>

<b>Total share of equity and liabilities</b>	<b>1 790</b>	<b>1 772</b>
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Set out below are the summarised financial information, based on 100%, for EUKOR Car Carriers Inc, which, in the opinion of the directors, is a material joint venture to the group.

Joint venture not considered to be material is defined under "other" (based on 100%).

USD mill	EUKOR Car Carriers Inc		Other	
	2014	2013	2014	2013
<b>SUMMARISED STATEMENT OF COMPREHENSIVE INCOME</b>				
Totale income	2 249	2 281	2 944	3 058
Operating expenses	(1 931)	(1 938)	(2 777)	(2 868)
Depreciation / amortisation	(118)	(102)	(69)	(61)
<b>Net operating profit</b>	<b>201</b>	<b>240</b>	<b>99</b>	<b>129</b>
Financial income/(expenses)	(37)	(27)	(18)	(13)
<b>Profit before tax</b>	<b>164</b>	<b>213</b>	<b>81</b>	<b>116</b>
Tax	(3)	(2)	(30)	(36)
<b>Profit/(loss) after minority interest</b>	<b>162</b>	<b>211</b>	<b>46</b>	<b>76</b>
Other comprehensive expenses	(8)		(18)	5
<b>Total comprehensive (expense)/income</b>	<b>154</b>	<b>211</b>	<b>28</b>	<b>81</b>
WWH share of dividend from joint ventures	24	24	65	11

## Cont. note 2 | INVESTMENTS IN JOINT VENTURES

USD mill	EUKOR Car Carriers Inc		Other	
	31.12.14	31.12.13	31.12.14	31.12.13
<b>SUMMARISED BALANCE SHEET</b>				
Non current assets	2 627	2 276	423	566
Other current assets	207	257	422	441
Cash and cash equivalents	270	270	232	307
<b>Total assets</b>	<b>3 104</b>	<b>2 803</b>	<b>1 076</b>	<b>1 313</b>
Non current financial liabilities	1 341	1 126	177	218
Other non current liabilities	7	5	37	41
Current financial liabilities	169	166	43	61
Other current liabilities	139	151	316	363
<b>Total liabilities</b>	<b>1 656</b>	<b>1 447</b>	<b>573</b>	<b>684</b>
<b>Net assets</b>	<b>1 448</b>	<b>1 356</b>	<b>504</b>	<b>629</b>

The information above reflects the 100% amount presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the group and the joint ventures.

USD mill	EUKOR Car Carriers Inc		Other	
	2014	2013	2014	2013
<b>RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION</b>				
<b>Opening net asset 01.01</b>	<b>1 356</b>	<b>1 204</b>	<b>629</b>	<b>571</b>
Profit for the period	162	211	46	76
Other comprehensive income				
Cash flow hedges, net of tax	(8)			
Currency translation			(10)	3
Remeasurement postemployment benefits, net of tax	(1)		(9)	3
Dividend/ disposal entities	(60)	(60)	(153)	(23)
<b>Closing net assets 31.12</b>	<b>1 448</b>	<b>1 355</b>	<b>504</b>	<b>629</b>
WWH share	579	542	245	298
Goodwill	11	11	6	6
<b>Carrying value 31.12</b>	<b>590</b>	<b>553</b>	<b>251</b>	<b>303</b>

## Cont. note 2 | INVESTMENTS IN ASSOCIATES

Business office/country	2014	2013
	Voting/control share	Voting/control share
<b>WWASA group</b>		
Hyundai Glovis Co Ltd	12.5%	12.5%
Shippersys AB	25.0%	25.0%
<b>Holding &amp; Investments</b>		
NorSea Group AS*	40.0%	35.4%
<b>WMS group - companies with significant shares of profits</b>		
	Profit sharing agreements **	
Almoayed Wilhelmsen Ltd	50.0%	50.0%
Wilhelmsen Ships Service Ltd	50.0%	50.0%
Wilhelmsen Huayang Ships Services (Shanghai) Co Ltd	50.0%	50.0%
Wilhelmsen Huayang Ships Services (Beijing) Co Ltd	50.0%	50.0%
Wilhelmsen Ships Service Georgia Ltd	50.0%	50.0%
Barklav (Hong Kong) Ltd	50.0%	50.0%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partner WLL	49.0%	49.0%
Barwil-Andersson Agencies Ltd	49.0%	49.0%
Wilhelmsen Ships Service Lebanon S.A.L.	49.0%	49.0%
Barber Moss Ship Management AS	50.0%	50.0%
Golar Wilhelmsen Management AS	40.0%	40.0%
Wilhelmsen Ships Services (Private) Ltd	50.0%	50.0%
Wilhelmsen-Smith Bell Shipping Inc	49.0%	49.0%
Wilhelmsen Hyopwoon Ships Services Ltd	50.0%	50.0%
Haeyoung Maritime Services Co Ltd	20.0%	20.0%
Barwil Star Agencies SRL	50.0%	50.0%
Binzagr Barwil Maritime Transport Co Ltd	50.0%	50.0%
Nagliyat Al-Saudia Co Ltd	49.6%	49.6%
Wilhelmsen Meridian Navigation Ltd, Sri Lanka	40.0%	40.0%
Baasher Barwil Agencies Ltd	50.0%	50.0%
Wilhelmsen Ships Service LLC	50.0%	50.0%
Barwil Abu Dhabi Ruwais LLC	50.0%	50.0%
Barwil Dubai LLC	50.0%	50.0%
Wilhelmsen Ships Service (UAE) LLC	42.5%	42.5%
Triangle Shipping Agencies Co LLC	50.0%	50.0%
Denholm Wilhelmsen Ltd	40.0%	40.0%
Knight Transport LLC	33.34%	33.34%
Barwil de Venezuela C.A.	50.0%	50.0%
Barwil - Sunnytrans Co. Ltd	50.0%	50.0%

\* The investment in NorSea Group AS is collateral. See note 14.

\*\* 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 on page 148.

Hyundai Glovis' principal activity is logistics and distribution services. The company provides overseas logistics services, including vehicle export logistics, air freight forwarding, ocean freight forwarding and international express service. Hyundai Glovis also has a growing shipping segment with its own fleet of car carriers and bulk carriers.

Even if the share interest in Hyundai Glovis is 12.5%, the investment is treated as an associate in accordance with IFRS. The reason is that the group has entered into a shareholders' agreement regarding their shareholding in Hyundai Glovis, including two representatives on the board of directors (22%). The agreement, which has an indefinite term, contains provisions, inter alia, restrictions on transfer of shares, corporate governance, composition of and procedures for the board of directors, matters which require a qualified majority at the general meeting of shareholders, and mechanisms in case a resolution cannot be reached by the partners. In addition the business relationship between the group's joint venture EUKOR Car Carriers Inc and Hyundai Glovis is strong as Hyundai Glovis is

a global logistics service provider for EUKOR's main customers Hyundai Motor Company and Kia Motors Corporation.

Hyundai Glovis Co Ltd was listed on 23 December 2005, and the group's equity interest had a stock market value at 31 December 2014 of USD 1 257 million (2013: USD 1 029 million).

NorSea group is leading provider of supply bases and integrated logistics solution to the Norwegian offshore industry. Through its fully and partly owned entities the group operates ten strategically located supply bases along the coast of Norway, including NorSea (two supply bases both in the Stavanger area), Stordbase (Stord), Coast Center Base (Bergen), Vestbase (Kristiansund), Helgelandsbase (Sandnessjøen) and Polarbase (Hammerfest). In 2014 NorSea acquired Danborg from A.P.Møller Maersk. Danbor is the largest service provider of oil and gas logistics in the Danish part of the North Sea with an estimated market share of 80%. Through the acquisition, NorSea will improve its offering to UK and Scotland based customers and not least be part of new explorations related to offshore opportunities at Greenland.

## Cont. note 2 | INVESTMENTS IN ASSOCIATES

USD mill	2014	2013
<b>Share of profit from associates</b>		
Hyundai Glovis Co Ltd	66	62
NorSea Group AS	6	11
Other associates WMS group	6	7
<b>Share of profit from associates</b>	<b>79</b>	<b>80</b>
<b>Book value of material associates</b>		
Hyundai Glovis Co Ltd	322	263
NorSea Group Invest AS	83	80
<b>Specification of share of equity and profit/loss:</b>		
Share of equity 01.01	361	305
Share of profit for the year	79	80
Addition in Holding & Investments	17	
Disposal WMS group	(1)	(2)
Dividend	(14)	(15)
Currency translation differences	(19)	(7)
<b>Share of equity 31.12</b>	<b>423</b>	<b>361</b>

There are no contingent liabilities relating to the group's interest in the associates.

**Acquisition**

In April, WWH group increased its stake in NorSea group AS from 35.4% to 40%. Total investment including new equity and shareholder loan amounted to USD 19 mill.

Set out below are the summarised financial information for, based on 100%, for Hyundai Glovis and NorSea group, which, in the opinion of the directors, is the material associates to the group.

Associates not considered to be material is defined under "other" (based on 100%).

Hyundai Glovis is consolidated a quarter in arrears and figures are correspond to periods consolidated into WWH group.

USD mill	Hyundai Glovis		NorSea group		Other	
	2014	2013	2014	2013	2014	2013
<b>SUMMARISED STATEMENT OF COMPREHENSIVE INCOME</b>						
Total income	12 922	11 457	508	497	123	126
Operating expenses	(12 327)	(10 888)	(454)	(441)	(112)	(111)
<b>Net operating profit</b>	<b>596</b>	<b>569</b>	<b>54</b>	<b>55</b>	<b>11</b>	<b>14</b>
Financial income/(expenses)	112	63	(33)	(23)	1	2
<b>Profit before tax</b>	<b>708</b>	<b>631</b>	<b>22</b>	<b>32</b>	<b>13</b>	<b>16</b>
Tax	(186)	(173)	(6)	(5)	(1)	(3)
<b>Profit/(loss) after minority interest</b>	<b>522</b>	<b>459</b>	<b>16</b>	<b>27</b>	<b>11</b>	<b>14</b>
Other comprehensive expenses	(20)	(7)				
<b>Total comprehensive (expense)/income</b>	<b>502</b>	<b>451</b>	<b>16</b>	<b>27</b>	<b>11</b>	<b>14</b>
WWH share of dividend from associates	7	6	2	2	6	7

## Cont. note 2 | INVESTMENTS IN ASSOCIATES

USD mill	Hyundai Glovis		NorSea group		Other	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
<b>SUMMARISED BALANCE SHEET</b>						
Non current assets	2 587	1 884	614	691	17	18
Other current assets	2 475	2 226	100	121	59	61
Cash and cash equivalents	705	658	18	7	41	44
<b>Total assets</b>	<b>5 767</b>	<b>4 767</b>	<b>733</b>	<b>818</b>	<b>117</b>	<b>123</b>
Non current financial liabilities	578	443	400	461		
Other non current liabilities	416	198	1	1	4	4
Current financial liabilities	923	906	24	29		
Other current liabilities	1 272	1 172	99	102	76	79
<b>Total liabilities</b>	<b>3 189</b>	<b>2 718</b>	<b>524</b>	<b>594</b>	<b>80</b>	<b>84</b>
<b>Net assets</b>	<b>2 578</b>	<b>2 049</b>	<b>209</b>	<b>225</b>	<b>37</b>	<b>39</b>

The information above reflects the 100% amount presented in the financial statements of the associates, adjusted for differences in accounting policies between the group and the associates.

	Hyundai Glovis		NorSea group		Other	
	2014	2013	2014	2013	2014	2013
<b>RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION</b>						
<b>Opening net asset 01.01</b>	<b>2 049</b>	<b>1 603</b>	<b>225</b>	<b>216</b>	<b>39</b>	<b>51</b>
Increased capital			14			
Profit for the period	522	459	16	27	11	14
Other comprehensive income						
Currency translation differences	60	39	(46)	(19)	(13)	(21)
Dividend /disposal entities	(53)	(51)			(1)	(4)
<b>Closing net assets 31.12</b>	<b>2 578</b>	<b>2 049</b>	<b>209</b>	<b>225</b>	<b>37</b>	<b>39</b>
WWH share	322	256	83	80	17	18
Goodwill	19	19				
Currency	(18)	(11)				
<b>Carrying value 31.12</b>	<b>322</b>	<b>263</b>	<b>83</b>	<b>80</b>	<b>17</b>	<b>18</b>

**Reconciliations of the group's income statement and balance sheet**

USD mill	2014	2013
<b>Summarised financial information - according to the group's ownership</b>		
Share of profit from joint ventures	86	121
Share of profit from associates	79	80
<b>Share of profit from joint ventures and associates</b>	<b>165</b>	<b>200</b>
Share of equity from joint ventures	841	856
Share of equity from associates	423	361
<b>Share of equity from joint ventures and associates</b>	<b>1 264</b>	<b>1 218</b>

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

**Note 3 | PRINCIPAL SUBSIDIARIES**

	Business office/ country	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)
<b>WWASA group</b>				
With Wilhelmsen ASA	Lysaker, Norway	Shipping & logistics	72.73%	72.73%
<b>WMS group</b>				
Wilhelmsen Maritime Services AS	Lysaker, Norway	Maritime products and services	100%	100%
Wilhelmsen Ships Service AS	Lysaker, Norway	Maritime products and services		100%
Wilhelmsen Technical Solutions AS	Lysaker, Norway	Technical solution		100%
Callenberg group AB (former Wilhelmsen Technical Solution AB)	Gotenburgh, Sweden	Technical solution		100%
Wilhelmsen Ships Management Ltd	Hong Kong	Ships management		100%
<b>Holding &amp; Investments</b>				
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	Investment	100%	100%
Wilh. Wilhelmsen Holding Invest Malta Ltd	Valletta, Malta	Investment		100%

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion

of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

**Note 4 | EMPLOYEE BENEFITS**

USD mill	Note	2014	2013
Pay		223	233
Payroll tax		44	42
Pension cost	8	24	24
Termination gain defined benefit plan	8	(57)	
Employee benefits seagoing personnel		54	63
Other remuneration		42	41
Provision downsizing Scandinavian officers		6	
<b>Total employee benefits</b>		<b>337</b>	<b>402</b>
<b>Number of employees:</b>			
Group companies in Norway		628	720
Group companies abroad		5 782	5 713
Seagoing personnel Wilhelmsen Ship Management		11 151	10 869
<b>Total employees</b>		<b>17 561</b>	<b>17 302</b>
Average number of employees		17 432	16 587

**Cont. note 4 | EMPLOYEE BENEFITS****REMUNERATION OF SENIOR EXECUTIVES**

USD thousand	Pay	Bonus	Pension premium	* Other remuneration	Total	Total in NOK
2014						
Group CEO	694	496	187	201	1 578	9 943
Group CFO	517	186	357	394	1 453	9 158
President and CEO Wilh. Wilhelmsen ASA	574	188	427	426	1 615	10 174
President and CEO Wilhelmsen Maritime Services AS	498	165	466	542	1 672	10 536
2013						
Group CEO	708	345	151	174	1 378	8 097
Group CFO	542	165	241	260	1 207	7 093
President and CEO Wilh. Wilhelmsen ASA	590	199	440	445	1 673	9 829
President and CEO Wilhelmsen Maritime Services AS	513	88	397	484	1 482	8 709

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.

\*Mainly related to gross up pension expenses and company car.

**Remuneration of the board of directors**

USD thousand	2014	2013
Diderik Schnitler (chair) *	143	153
Bettina Banoun	56	60
Helen Juell	56	60
Odd Rune Austgulen	56	60
Carl E. Steen	56	60

\* Included board of directors fee from WWASA USD 48 (2013: USD 51)

The chair has an additional consulting agreement with the WWASA group where he got paid USD 34 in 2014 (2013: USD 33). The board's remuneration for fiscal year 2014 will be approved by the general meeting 23 April 2015. Remuneration of the nomination committee, for both Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA, totalled USD 22 for 2014 (2013: USD 24).

**Senior executives**

Thomas Wilhelmsen - group CEO  
Nils Petter Dyvik - group CFO  
Jan Eyvin Wang - president and CEO Wilh. Wilhelmsen ASA  
Dag Schjerven - president and CEO Wilhelmsen Maritime Services AS

See note 2 Employee benefits in the parent company accounts, and note 19 Related party transaction.

## Cont. note 4 | EMPLOYEE BENEFITS

**OPTION PROGRAM FOR SENIOR EXECUTIVES**  
**Option program from 1 January 2011 until 31 December 2013, extended to 2014 - Share equivalents**

The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive program for employees at management level in the company, and in its associated subsidiaries.

The program has a duration of three years, running from 1 January 2011 until 31 December 2013, extended to 2014, and entitles the participants to a cash reward based on the annual total return of the underlying shares and dividends during the period. Maximum annual payment is set to 50% of annual basic salary.

The board of directors for WWH and the board of directors for Wilh. Wilhelmsen ASA (WWASA) was authorised to decide the beneficiaries

under the program. The two boards initially allocated annually 16 500 share equivalents in WWH (reference A shares) and annually 130 000 share equivalents in WWASA.

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2014 is average share price over the two weeks after the release of the results for the fourth quarter 2013 was NOK 202.00 (WWH A shares) and NOK 55.00 (WWASA shares), respectively. Starting reference price for 2013 was NOK 171.50 (WWH A shares) and NOK 50.40 (WWASA share).

Granted share equivalents annually given:	2014		2013	
	Share equivalent in WWI shares	Share equivalent in WW ASA shares	Share equivalent in WWI shares	Share equivalent in WW ASA shares
Thomas Wilhelmsen - group CEO	6 500	30 000	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000	4 500	20 000
Jan Eyvin Wang - president and CEO Wilh. Wilhelmsen ASA		50 000		50 000
Benedicte B. Agerup - CFO Wilh. Wilhelmsen ASA		30 000		30 000
Dag Schjerven - president and CEO Wilhelmsen Maritime Services AS	5 500		5 500	

Per 31 December the options were out of money for 2014 [2013: USD 0.3 million].

**EXPENSED AUDIT FEE**

USD mill	2014	2013
Statutory audit	3.0	2.7
Other assurance services	0.5	0.4
Tax advisory fee	1.3	1.0
Other assistance	0.8	0.3
<b>Total expensed audit fee</b>	<b>5.7</b>	<b>4.4</b>

The fees above cover the group expenses to all external auditors and tax advisors.

## Note 5 | PROPERTY, VESSELS AND OTHER TANGIBLE ASSETS

USD mill	Property	Vessels*	New-building contracts**	Other tangible assets	Total tangible assets
<b>TANGIBLE ASSETS</b>					
2014					
Cost price 1.1	109	2 436	31	227	2 803
Acquisition	2	5	30	20	58
Reclass/disposal	(4)	(103)		(14)	(122)
Currency translation differences	(13)			(20)	(33)
<b>Cost price 31.12</b>	<b>93</b>	<b>2 338</b>	<b>61</b>	<b>213</b>	<b>2 706</b>
Accumulated depreciation and impairment losses 1.1	(33)	(647)	0	(93)	(773)
Depreciation/amortisation	(3)	(76)		(13)	(91)
Reclass/disposal	2	86		8	96
Impairment		(4)			(4)
Currency translation differences	4			11	15
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(29)</b>	<b>(640)</b>	<b>0</b>	<b>(87)</b>	<b>(757)</b>
<b>Carrying amounts 31.12</b>	<b>64</b>	<b>1 698</b>	<b>61</b>	<b>126</b>	<b>1 950</b>
2013					
Cost price 1.1	113	2 508	0	225	2 847
Acquisition	1	16	31	23	72
Reclass/disposal		(88)		(11)	(100)
Currency translation differences	(6)			(10)	(16)
<b>Cost price 31.12</b>	<b>109</b>	<b>2 436</b>	<b>31</b>	<b>227</b>	<b>2 803</b>
Accumulated depreciation and impairment losses 1.1	(33)	(641)	0	(91)	(764)
Depreciation/amortisation	(3)	(82)		(13)	(98)
Disposals		76		6	82
Currency translation differences	2			4	7
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(33)</b>	<b>(647)</b>	<b>0</b>	<b>(93)</b>	<b>(773)</b>
<b>Carrying amounts 31.12</b>	<b>75</b>	<b>1 789</b>	<b>31</b>	<b>134</b>	<b>2 030</b>
Economic lifetime	10-50 years	30 years		3-10 years	
Depreciation schedule	Straight-line	Straight-line		Straight-line	

\*Vessels includes dry-docking and carrying amounts at year end was USD 14 million [2013: USD 23 million]

\*\*No interest expenses related to newbuilding contracts have been capitalised since the newbuildings are equity financed until delivery.

During 2014, no new vessel were delivered. WWASA has, on own accounts, four new vessels due for delivery in 2015 (2) and 2016 (2). See note 17 for commitments related to the newbuilding program.

**Impairment**

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

Vessels are organised and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the lowest CGU. The recoverable amount is the higher of estimated market value (third party quotations) and value in use calculations. As a consequence, vessels will only be impaired if the recoverable value of the fleet is lower than the total book value.

Value in use is the net present value of future cash flows arising from continuing use of the asset or CGU, including any disposal proceeds.

Future cash flow is based on an assessment of what is the group's expected time charter earnings and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Key assumptions are future estimated cash flows, time charter income reduced by estimated vessel operating expenses, based on group management's latest long term forecast. The estimated future cash flows reflect both past experience as well as external sources of information concerning expected future market development.

Management has estimated a moderate improvement in cash flows over the five year forecasting period 2015-2019. Cash flows remain stable until

vessels exceeds 20 years, then time charter earnings are reduced by 5% over the remaining useful lives of vessels (0% growth rate).

The net present value of future cash flows was based on weighted average cost of capital (WACC) of 6.17% in 2014.

The WACC can be estimated as follows:

Borrowing rate: Debt ratio\*(implied 18 year US swap rate + loan margin)  
+ Equity Return: Equity ratio\*(implied 18 year US swap rate + Beta\*market premium)  
= WACC

Based on the value in use estimates, management has concluded that no impairment is required as per 31 December 2014.

Had the WACC been one percentage point higher, the estimated value in use would be reduced by USD 198 million which would not have resulted in an impairment loss. Had the WACC been one percentage point lower, the estimated value in use would be increased by USD 230 million.

Had the estimated time charter income been five percentage points lower, the estimated value in use would be reduced by USD 172 million which would not have resulted in an impairment loss. Had the estimated time charter income been five percentage points higher, the estimated value in use would be increased by USD 172 million.

## Cont. note 5 | GOODWILL AND OTHER INTANGIBLE ASSETS

USD mill	Goodwill	Other intangible assets	Software and licences	Total intangible assets
<b>INTANGIBLE ASSETS</b>				
2014				
Cost price 01.01	249	23	121	393
Acquisition	12	12	9	33
Reclass/disposal	(4)	(1)	1	(5)
Currency translation differences	(40)	(6)	(22)	(68)
<b>Cost price 31.12</b>	<b>216</b>	<b>28</b>	<b>109</b>	<b>353</b>
Accumulated amortisation and impairment losses 01.01	(4)	(5)	(76)	(84)
Amortisation/impairment		(1)	(9)	(10)
Reclass/disposal	3			3
Currency translation differences		1	14	15
<b>Accumulated amortisation and impairment losses 31.12</b>	<b>(1)</b>	<b>(5)</b>	<b>(71)</b>	<b>(76)</b>
<b>Carrying amounts 31.12</b>	<b>215</b>	<b>23</b>	<b>38</b>	<b>276</b>
2013				
Cost price 01.01	260	23	115	398
Acquisition	2		17	19
Reclass/disposal		(1)	(2)	(3)
Currency translation differences	(13)		(8)	(21)
<b>Cost price 31.12</b>	<b>249</b>	<b>23</b>	<b>121</b>	<b>393</b>
Accumulated amortisation and impairment losses 01.01	(2)	(3)	(74)	(79)
Amortisation/impairment	(2)	(1)	(8)	(11)
Disposals			1	2
Currency translation differences			5	5
<b>Accumulated amortisation and impairment losses 31.12</b>	<b>(4)</b>	<b>(5)</b>	<b>(76)</b>	<b>(84)</b>
<b>Carrying amounts 31.12</b>	<b>246</b>	<b>18</b>	<b>45</b>	<b>309</b>
Segment-level summary of the goodwill allocation:				
			2014	2013
WMS group			209	240
WWASA group			6	6
<b>Total goodwill allocation</b>			<b>215</b>	<b>246</b>

In 2014 WMS group (CGU Technical Solution) acquired Integrated Engineering Services (Aberdeen) Limited for USD 24 million. The excess value (nominated in GBP) was split into intangible assets and goodwill of USD 12 million.

No material acquisition in 2013.

## Cont. note 5 | GOODWILL AND OTHER INTANGIBLE ASSETS

**Impairment testing of goodwill**

In the WMS group segment, USD 142 million relates to business area Wilhelmsen Ships Service mainly to the acquisition of Unitor ASA and in additional USD 66 million relates to business area Wilhelmsen Technical Solution mainly to the acquisition of the Callenberg group. These amounts were originally calculated in NOK and SEK respectively.

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

Value in use was determined by discounting the future cash flows generated from the continuing operation of the units. Cash flows were projected based on actual operating results and next year's forecast. Cash flows is based on a 5-year strategy plan period with terminal value (terminal growth rate 1%) were extrapolated using the following key assumptions:

	2014	2013
USD/NOK	6.39	6.07
USD/SEK	7.10	6.44
Discount rate	9.0%	9.0%
Growth rate	6-9%	5-9%
Increase in material cost	6-9%	5-6%
Increase in pay and other remuneration	3-4%	5-6%
Increase in other expenses	3-7%	5-6%

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

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

"Had the WACC been 0.5 percentage point higher, the estimated value would be reduced by USD 31 million for WSS net value and USD 6 million for WTS net value which would not have resulted in an impairment loss. Had the WACC been 0.5 percentage point lower, the estimated value would be increased by USD 32 million for WSS and USD 6 million for WTS.

Had the multiple, enterprise value / EBITDA been 1 point lower, the estimated value would be reduced by USD 91 million for WSS net value and USD 13 million for WTS net value which would not have resulted in an impairment loss. Had the multiple, enterprise value / EBITDA been 1 point higher, the estimated value would be increased by USD 91 million for WSS and USD 13 million for WTS."

No impairment was necessary for goodwill at 31 December 2014 (nor 2013).

## Note 6 | TAX

**Tonnage tax**

Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of vessels in international waters, such as financial income, is usually taxed according to the ordinary taxation rules applicable in the resident country of each respective company. The WWASA group had two wholly owned companies resident in UK and Malta which was taxed under a tonnage tax regime in 2014. Further, the WWASA group had one tonnage taxed joint venture company resident in the Republic of Korea, one tonnage taxed joint venture company resident in Norway, and two tonnage taxed joint venture companies in Singapore in 2014.

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

**Ordinary taxation**

The ordinary rate of corporation tax in Norway is 27% of net profit for 2014. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.

For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that these can be utilised in each country and for Norwegian entities the group has applied a rate of 27%.

**Forced exit taxation**

WWASA's subsidiary Wilhelmsen Lines Shipowning (WLS) has commenced legal proceedings before Oslo City Court on basis of the tax appeal board's decision to turn down the application for tonnage tax. Basis for the proceedings is that the transition rule valid for companies that exited the old tonnage tax regime (abolished in 2007) into ordinary taxation, is in breach with The Constitution of Norway article 97. Such claim is in line with the decision by the Norwegian Supreme Court in the ruling of February 2010 that the transition rule valid for companies that exited the old tonnage tax regime into the new tonnage tax system was in breach with The Constitution. Alternatively WLS claim a compensation for the economic loss caused by the unconstitutional transition rule. The legal proceeding has been put on hold until the final outcome of similar court cases has been resolved. Until the company is faced the final outcome of the litigation process, the issue will have no impact on the income statement or balance sheet for the group.

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes.

**Foreign taxes**

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

## Cont. note 6 | TAX

USD mill	2014	2013
<b>Allocation of tax income/(expense) for the year</b>		
Payable tax in Norway	(5)	(4)
Payable tax foreign	(16)	(15)
Change in deferred tax	57	5
<b>Total tax income/(expense)</b>	<b>36</b>	<b>(15)</b>

The tax income for 2014 is driven by the tax effect of unrealised currency losses related to non current interest-bearing debt in USD in the Norwegian entities.

## Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 27%

Profit before tax	255	353
27% tax (2013: 28%)	69	99
<b>Tax effect from:</b>		
Permanent differences	(8)	1
Non-taxable income	(54)	(23)
Share of profits from joint ventures and associates	(44)	(52)
Change in difference tax rate, deferred tax assets allowance	2	1
Currency transition from USD to NOK for Norwegian tax purpose	(6)	(17)
Withholding tax and payable tax previous year	6	6
<b>Calculated tax (income)/expense for the group</b>	<b>(36)</b>	<b>15</b>
Effective tax rate for the group	(14.01%)	4.11%

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes.

USD mill	2014	2013
Deferred tax assets to be recovered after more than 12 months	15	8
Deferred tax assets to be recovered within 12 months	133	72
Deferred tax liabilities to be recovered after more than 12 months	(45)	(48)
Deferred tax liabilities to be recovered within 12 months	(68)	(73)
<b>Net deferred tax liabilities</b>	<b>35</b>	<b>(40)</b>
Net deferred tax liabilities at 01.01	(40)	(50)
Currency translation differences	6	(6)
Tax charged to equity / acquisition	13	13
Income statement charge	57	5
<b>Net deferred tax liabilities at 31.12</b>	<b>35</b>	<b>(40)</b>
Deferred tax assets in balance sheet	43	22
Deferred tax liabilities in balance sheet	(8)	(62)
<b>Net deferred tax liabilities at 31.12</b>	<b>35</b>	<b>(40)</b>

## Cont. note 6 | TAX

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

USD mill	Fixed assets	Tonnage tax regime	Other	Total
<b>Deferred tax liabilities</b>				
<b>At 31.12.2013</b>	<b>(62)</b>	<b>(54)</b>	<b>(3)</b>	<b>(121)</b>
Through income statement	8	16	(34)	(9)
Charged directly to equity			13	13
Currency translations		2	2	4
<b>Deferred tax liabilities at 31.12.2014</b>	<b>(54)</b>	<b>(35)</b>	<b>(22)</b>	<b>(113)</b>
<b>At 31.12.2012</b>	<b>(57)</b>	<b>(72)</b>	<b>1</b>	<b>(130)</b>
Through income statement	(6)	17	(4)	8
Charged directly to equity	7			7
Currency translations	(6)	1	(1)	(6)
<b>Deferred tax liabilities at 31.12.2013</b>	<b>(62)</b>	<b>(54)</b>	<b>(3)</b>	<b>(121)</b>
	Non current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
<b>Deferred tax assets</b>				
<b>At 31.12.2013</b>	<b>60</b>	<b>(3)</b>	<b>23</b>	<b>80</b>
Through income statement	23		43	66
Charged directly to equity	3	2	(5)	
Currency translations	1	(1)	1	1
<b>Deferred tax assets at 31.12.2014</b>	<b>87</b>	<b>(3)</b>	<b>62</b>	<b>148</b>
<b>At 31.12.2012</b>	<b>43</b>	<b>10</b>	<b>27</b>	<b>80</b>
Through income statement	14	(9)	(9)	(4)
Charged directly to equity	5	(1)		4
Currency translations	(2)	(3)	5	
<b>Deferred tax assets at 31.12.2013</b>	<b>60</b>	<b>(3)</b>	<b>23</b>	<b>80</b>

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

The temporary differences in WWASA group related to exit tonnage tax, fixed assets, current assets and liabilities and most of the tax losses carry forward are nominated in NOK and translated to balance date rate. The net currency gain and losses are recognised on

entities level through income statement due to different functional currency than local currency.

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

## Note 7 | EARNINGS PER SHARE

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

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

Earnings per share is calculated based on 46 403 824 shares for 2013 and 2014.

## Note 8 | PENSION

## Description of the pension scheme

In order to reduce the group's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the group regularly reviews and continuously improves the design of its post-employment defined benefit plans. Until 31 December 2014 the group provides both defined benefit pension plans and defined contribution pension plans.

For many years the group had a defined benefit plan for employees in Norway through Storebrand. The defined benefit plan was closed for new employees 1 May 2005.

The group decided 11 November 2014 to terminate the group defined benefit plans for the Norwegian employees and change to defined contribution plan from 1 January 2015. After the termination all affected employees received a paid-up policy as of 31 December 2014. The termination also included the risk plan, related to the group's defined contribution pension schemes, that was covered by a defined benefit plan.

Subsidiaries outside Norway have separate schemes for their employees in accordance with local rules, and the pension schemes are for the material part defined contribution plans.

The group's defined contribution pension schemes for Norwegian employees are with Storebrand and DNB (from 1 January 2014 Storebrand only), similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed up to 31 December 2014. From 1 January 2015 the contributions from the group are changed to be in accordance with new requirements.

The group pension liabilities have been calculated based on updated actuarial and financial assumptions as of 31 December 2014 and booked against other comprehensive income (directly to equity) before the termination has been reversed as an accounting gain through profit and loss and included in employees benefits to be a part of the group's operating profit.

The change in the group pension plans decreased the net equity with approximately USD 6 million.

## The net effect of equity is as follow:

Through income statement a gain of USD 63 million and a loss before tax through other comprehensive income (directly to equity) of USD 69 million.

From 1 January 2014 the group established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the group obligations mainly financed from operation. However, the group still has obligations for some employees' related to salaries exceeding 12 times the Norwegian National Insurance base amount (G) mainly financed from operations.

In addition the group has agreements on early retirement. This obligations are mainly financed from operations.

The group has obligations towards some employees in the group's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

Pension costs and obligations includes payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The liability recognised in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

In a few countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

	Funded		Unfunded	
	2014	2013	2014	2013
<b>Number of people covered by pension schemes at 31.12</b>				
In employment	125	634	49	93
On retirement (inclusive disability pensions)	148	443	718	729
<b>Total number of people covered by pension schemes</b>	<b>273</b>	<b>1 076</b>	<b>767</b>	<b>822</b>

Financial assumptions for the pension calculations:	Expenses		Commitments	
	2014	2013	31.12.14	31.12.13
Discount rate	4.00%	3.85%	2.30%	4.00%
Anticipated pay regulation	3.50%	3.50%	3.00%	3.50%
Anticipated increase in National Insurance base amount (G)	3.50%	3.50%	3.00%	3.50%
Anticipated regulation of pensions	0.60%	1.00%	0.60%	0.60%

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2013 mortality tariff. The disability tariff is based on the KU table.

## Cont. note 8 | PENSION

Pension assets investments (in %)	31.12.14	31.12.13
Current bonds	10.6%	11.3%
Bonds held to maturity	45.9%	40.4%
Money market	(0.8)%	2.2%
Equities	6.7%	8.4%
Other (property, credit bonds)	37.8%	37.8%
<b>Total pension assets investments</b>	<b>100.0%</b>	<b>100.0%</b>

The table shows how pension funds including derivatives administered by Storebrand Kapitalforvaltning AS were invested at 31 December 2014. The recorded return on assets administered by Storebrand Kapitalforvaltning was 6.6% at 31 December 2014 (2013: 5.3%).

USD mill Pension expenses	2014			2013		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Service cost	7	1	7	7	1	8
Termination gain defined benefit plan	(56)	(1)	(57)			
Net interest cost		3	3		3	3
Cost of defined contribution plan	14		14	13		13
<b>Net pension expenses</b>	<b>(36)</b>	<b>3</b>	<b>(33)</b>	<b>20</b>	<b>4</b>	<b>24</b>

Remeasurements -  
Other comprehensive income

	2014	2013
Effect of changes in demographic assumptions		(25)
Effect of changes in financial assumptions		11
Effect of experience adjustments	(58)	
Return on plan assets (excluding interest income)	(6)	(4)
<b>Total remeasurements included in OCI</b>	<b>(63)</b>	<b>(18)</b>
The group comprehensive income pension	(51)	(12)
The tax effect of comprehensive income pension	(19)	(5)
<b>Gross remeasurements included in OCI pension</b>	<b>(69)</b>	<b>(18)</b>
Remeasurements included in OCI (parent and subsidiaries)	(63)	(18)
Remeasurements included in OCI (joint ventures and associates)	(6)	

## Pension obligations

	2014	2013
Defined benefit obligation at end of prior year	213	206
Effect of changes in foreign exchange rates	(40)	(17)
Service cost	8	10
Termination gain defined benefit plan	(57)	
Interest expense	8	10
Benefit payments from plan	(5)	(5)
Benefit payments from employer	(6)	(6)
Net changes in business combinations/ transfers		1
Settlement payments from plan assets	(75)	
Remeasurements - change in assumptions	62	14
<b>Pension obligations 31.12</b>	<b>109</b>	<b>213</b>

## Cont. note 8 | PENSION

USD mill	2014	2013
<b>Fair value of plan asset</b>		
Fair value of plan assets at end of prior year	105	107
Effect of changes in foreign exchange rates	(18)	(10)
Interest income	4	4
Employer contributions	8	12
Benefit payments from plan	(5)	(5)
Settlement payments from plan assets	(75)	
Net changes in business combinations/ transfers		1
Return on plan assets (excluding interest income)	(2)	(4)
<b>Gross pension assets 31.12</b>	<b>17</b>	<b>105</b>

	2014			2013		
	Funded	Unfunded	Total	Funded	Unfunded	Total
<b>Total pension obligations</b>						
Defined benefit obligation	27	73	100	123	82	205
Service cost	8	1	8	7	1	8
<b>Total pension obligation</b>	<b>35</b>	<b>74</b>	<b>109</b>	<b>130</b>	<b>83</b>	<b>213</b>
Fair value of plan assets	17		17	105		105
<b>Net liability (asset)</b>	<b>17</b>	<b>74</b>	<b>92</b>	<b>25</b>	<b>83</b>	<b>108</b>

Premium payments in 2015 are expected to be USD 6.6 million (2013: USD 9.3 million). Payments from operations are estimated at USD 5.4 million (2013: USD 6.3 million).

	31.12.14	31.12.13	31.12.12	31.12.11	31.12.10	31.12.09
<b>Historical developments</b>						
Gross pension obligations, including payroll tax	(109)	(213)	(206)	(227)	(204)	(204)
Gross pension assets	17	105	107	99	103	99
<b>Net recorded pension obligations</b>	<b>(92)</b>	<b>(108)</b>	<b>(99)</b>	<b>(128)</b>	<b>(101)</b>	<b>(105)</b>

## Note 9 | COMBINED ITEMS, BALANCE SHEET

USD mill	Note	2014	2013
<b>OTHER NON CURRENT ASSETS *</b>			
Available-for-sale financial assets	10	131	126
Non current share investments	15	2	2
Pension assets	8	1	1
Related party non current assets	15/19	11	12
Other non current assets	15	9	9
<b>Total other non current assets</b>		<b>154</b>	<b>150</b>
<b>OTHER CURRENT ASSETS *</b>			
Accounts receivables	19	219	227
Financial derivatives	15	10	7
Restricted cash	13	7	19
Other current assets	15	117	106
<b>Total other current assets</b>		<b>354</b>	<b>359</b>
<b>OTHER NON CURRENT LIABILITIES *</b>			
Financial derivatives	15	205	95
Other non current liabilities **		91	90
<b>Total other non current liabilities</b>		<b>297</b>	<b>185</b>
<b>OTHER CURRENT LIABILITIES *</b>			
Accounts payables	19	175	198
Financial derivatives	15	22	7
Other current liabilities		202	221
<b>Total other current liabilities</b>		<b>399</b>	<b>426</b>

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

\*\* WMS group has 542 000 (2013: 532 000) cylinders booked as a other tangible asset in the balance sheet, see note 5. The cylinders are valued at USD 93 million (2013: USD 95 million). These cylinders are partly in the group's own possession and partly on board

customers vessels. Most customers have paid a deposit for the cylinders they have onboard their vessels. The total deposit liability booked is USD 89 million (2013: USD 89 million).

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

## ACCOUNTS RECEIVABLES

At 31 December 2014, USD 38 million (2013: USD 38 million) in trade receivables had fallen due but not been subject to impairment. These receivables related to a number of separate customers. Historically, the percentage of bad debts has been low and the group expects the customers to settle outstanding receivables. Receivables fallen due but not subject to impairment have the following age composition:

USD mill	2014	2013
<b>Aging of trade receivables past due but not impaired</b>		
Up to 90 days	14	14
90-180 days	24	23
Over 180 days		
<b>Movements in group provision for impairment of trade receivables are as follows</b>		
Balance at 01.01	7	7
Net provision for receivables impairment	(1)	(1)
<b>Balance 31.12</b>	<b>6</b>	<b>7</b>
<b>Accounts receivable per segment</b>		
WMS group (shipowners and yards)	214	220
WWASA group (shipowners)	5	7
Holding & Investments		
<b>Total accounts receivable</b>	<b>219</b>	<b>227</b>

See note 15 on credit risk.

**Note 10 | AVAILABLE-FOR-SALE ASSETS**

USD mill	2014	2013
<b>Available-for-sale financial assets</b>		
At 01.01	126	132
Sale of available-for-sale financial assets	(5)	(12)
Mark to market adjustment on available-for-sale financial assets	21	23
Currency translation adjustment	(11)	(16)
<b>Total available-for-sale financial assets</b>	<b>131</b>	<b>126</b>

Qube Holdings Limited is a company listed on the Australian Securities Exchange (ASX). See note 14 regarding finance and collateral.

Available-for-sale financial assets are denominated in Australian Dollar at 31.12.2014 and Australian Dollar and Norwegian Krone at 31.12.2013.

**Note 11 | INVENTORIES**

USD mill	2014	2013
<b>Inventories</b>		
Raw materials	7	9
Goods/projects in process		4
Finished goods/products for onward sale	100	108
Luboil	3	4
<b>Total inventories</b>	<b>110</b>	<b>125</b>
Accrual obsolete inventory	5	3
<b>Construction contracts</b>		
The gross amount of Wilhelmsen Technical Solution projects are as follow:	2014	2013
Prepaid expenses & accrued income (other current assets)	24	45
Accrued operating expenses (other current liabilities)	44	58

If a contract cost incurred plus recognised profit (less recognised loss) exceed progress billings, the contract value represent an asset and if the case is the opposite the contract represent a liability.

**Note 12 | CURRENT FINANCIAL INVESTMENTS**

USD mill	2014	2013
<b>Market value current financial investments</b>		
Nordic equities	122	110
Bonds	202	239
<b>Total current financial investments</b>	<b>324</b>	<b>348</b>

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

The net unrealised gain at 31.12	7	25
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The parent company's equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility. See note 14.

**Note 13 | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS**

USD mill	2014	2013
Payroll tax withholding account	1	4
Other restricted bankaccount / deposits	6	15

Wilhelmsen Maritime Services AS, Wilhelmsen Chemicals AS, Wilhelmsen Ships Service AS, Wilhelmsen Technical Solutions AS, Wilhelmsen Technical Solutions Norway AS and Wilhelmsen IT Services AS do not have a payroll tax withholding account, but bank guarantees for USD 3.5 million, (2013: USD 4.0 million).

Undrawn committed drawing rights	50	50
Including backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity		85
Undrawn committed loans	295	275

**Note 14 | INTEREST-BEARING DEBT**

USD mill	Note	2014	2013
<b>Interest-bearing debt</b>			
Mortgages		924	974
Leasing commitments		82	90
Bonds		319	439
Bank loan		368	349
<b>Total interest-bearing debt</b>	15	<b>1 693</b>	<b>1 851</b>
<b>Book value of collateral, mortgaged and leased assets:</b>			
Vessels		1 627	1 691
Available-for-sale-financial assets, current financial investments		178	172
Investment in associate and shareholder loan (NorSea Group AS)		94	92
<b>Total book value of collateral, mortgaged and leased assets</b>		<b>1 900</b>	<b>1 954</b>

## Cont. note 14 | INTEREST-BEARING DEBT

USD mill	Note	2014	2013
<b>Repayment schedule for interest-bearing debt</b>			
Due in year 1		103	244
Due in year 2		185	110
Due in year 3		118	675
Due in year 4		280	79
Due in year 5 and later		1 008	743
<b>Total interest-bearing debt</b>	15	<b>1 693</b>	<b>1 851</b>

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of companies. The group was in compliance with these covenants at 31 December 2014 (analogous for 31 December 2013).

USD mill	2014	2013
<b>The group net interest-bearing debt (joint ventures based on equity method)</b>		
Non current interest-bearing debt	1 590	1 608
Current interest-bearing debt	103	243
<b>Total interest-bearing debt</b>	<b>1 693</b>	<b>1 851</b>

USD mill	2014	2013
Cash and cash equivalents	364	386
Current financial investments	324	348
<b>Net interest-bearing debt</b>	<b>1 005</b>	<b>1 118</b>

**Net interest-bearing debt in joint ventures**

USD mill	2014	2013
Non current interest-bearing debt	620	550
Current interest-bearing debt	85	95
<b>Total interest-bearing debt in joint ventures</b>	<b>705</b>	<b>646</b>

USD mill	2014	2013
Cash and cash equivalents	223	256
<b>Net interest-bearing debt in joint ventures</b>	<b>482</b>	<b>390</b>

- A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 50 million at 31 December 2014 (2013: USD 50 million).
- The group's total leasing commitments, USD 82 million at 31 December 2014 (2013: USD 90 million), relates to a financial lease agreement for 3 (2013: 3) car carriers. The leasing agreement runs until 2029 (1) and 2030 (2) when the ownership is transferred to the group. The charter has a floating interest rate (varying annual nominal charter rate). These car carriers had a book value at 31 December of USD 106 million (2013: USD 110 million), and depreciation for the year came to USD 4 million (2013: USD 4 million).
- A leasing agreement for a further 3 car carriers ran until December 2013 with a repurchase option exercised in the first

quarter of 2013. The charter for these 3 car carriers had a fixed interest rate (fixed annual nominal charter rate).

- 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.
- The bank debt which partly finances the investment in NorSea Group AS utilizes financial assets available-for-sale as collateral. The parent company's equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility.

USD mill	2014	2013
<b>Guarantee commitments</b>		
Guarantees for group companies	1 069	1 163

**The carrying amounts of the group's borrowings are denominated in the following currencies**

USD mill	2014	2013
USD	1 252	1 123
NOK	359	638
GBP	82	90
<b>Total</b>	<b>1 693</b>	<b>1 851</b>

**The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows**

USD mill	2014	2013
12 months or less	1 381	1 635

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

## Note 15 | FINANCIAL RISK

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

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

**MARKET RISK**

Hedging strategies have been established in order to mitigate risks originating from movements in currencies and interest rates. This is compliant with the financial strategy approved by the board of directors. Changes in the market value of financial derivatives are recognised through the income statement (Fair Value Accounting).

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

**Foreign exchange rate risk**

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

USD mill	(20%)	(10%)	0%	10%	20%
<b>Translation risk</b>					
USD/NOK	5.97	6.72	7.46	8.21	8.96
<b>Income statement effect (post tax)</b>	<b>(8)</b>	<b>(6)</b>	<b>0</b>	<b>5</b>	<b>4</b>
EUR/USD	0.97	1.09	1.21	1.33	1.46
<b>Income statement effect (post tax)</b>	<b>(2)</b>	<b>(2)</b>	<b>0</b>	<b>2</b>	<b>2</b>
USD/SEK	6.22	6.99	7.77	8.55	9.33
<b>Income statement effect (post tax)</b>	<b>13</b>	<b>11</b>	<b>0</b>	<b>(9)</b>	<b>(7)</b>
USD/DKK	4.91	5.53	6.14	6.75	7.37
<b>Income statement effect (post tax)</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>(3)</b>	<b>(2)</b>

(Tax rate used is 27% which equals the Norwegian tax rate)

Through income statement	Note	2014	2013
<b>Financial currency</b>			
Net currency gain/(loss) - Operating currency		55	19
Net currency gain/(loss) - Financial currency		38	38
Derivatives for hedging of cash flow risk - realised		8	(7)
Derivatives for hedging of cash flow risk - unrealised		(38)	(14)
Derivatives for hedging of translation risk - realised		4	3
Derivatives for hedging of translation risk - unrealised		(63)	(20)
<b>Net financial currency</b>	1	<b>2</b>	<b>19</b>
<b>Through other comprehensive income</b>			
Currency translation differences through other comprehensive income		(92)	(39)
Currency translation differences through other comprehensive income- change of functional currency		(76)	
<b>Total net currency effect</b>		<b>(166)</b>	<b>(20)</b>

**HEDGING OF TRANSACTION RISK (CASH FLOW)**

The group's operating segments are responsible for hedging their own material transaction risk. Within the WWASA group segment, approximately 61% at the end of 2014 (2013: 36%) of the USD/NOK exposure is hedged using a four year rolling portfolio of currency forwards and currency options. Exposures in remaining segments and in other currencies are hedged on an ad hoc basis.

On currency derivatives used for hedging of cash flow risk the group realised a gain of USD 8.0 million (2013: loss of USD 7.3 million) in 2014. The market value of outstanding FX hedges by end of December 2014 negative USD 44.3 million (2013: negative USD 0.6 million).

**HEDGING OF TRANSLATION RISK (ACCOUNTING)**

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

NOK 2.0 billion of the group's net NOK debt and all of the group's net GBP debt have been hedged against USD with basis swaps. The group had an unrealised loss of USD 59.0 million on these derivatives in 2014 (compared to an unrealised loss of USD 22.0 million in 2013), ending in 2014 with a USD 59.3 million negative fair value of outstanding basis swaps in the group (2013: positive USD 0.3 million).

**FX SENSITIVITIES**

On 31 December 2014, material foreign currency balance sheet exposure subject to translation risk was in NOK, EUR, DKK and SEK. Income statement sensitivities (post tax) for the net exposure booked were as follows:

## Cont. note 15 | FINANCIAL RISK

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

For WMS group and Holding & Investments, the material translation risk for these segments are booked to other comprehensive income

USD mill	(20%)	(10%)	0%	10%	20%
Sensitivity					
<b>Income statement sensitivities of economic hedge program</b>					
<b>Transaction risk</b>					
USD/NOK spot rate	5.97	6.72	7.46	8.21	8.96
<b>Income statement effect (post tax)</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>(25)</b>	<b>(23)</b>

(Tax rate used is 27% that equals the Norwegian tax rate)

**Interest rate risk**

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

USD mill

Maturity schedule interest rate hedges (nominal amounts)	2014	2013
Due in year 1		
Due in year 2	242	40
Due in year 3	100	242
Due in year 4	150	100
Due in year 5 and later *	460	570
<b>Total interest rate hedges</b>	<b>952</b>	<b>952</b>
*of which forward starting	200	200

To replace maturing interest rate hedge derivatives and new debt uptake, the group has entered into forward starting swaps and swaptions with a notional of USD 200 million. These derivatives commence in 2015 and 2016.

Forward starting in:	2014	2013
2015	50	50
2016	150	150
<b>Total forward starting</b>	<b>200</b>	<b>200</b>

The average remaining term of the existing loan portfolio is approximately 4.3 years, while the average remaining term of the running hedges and fixed interest loans is approximately 3.9 years.

due to the functional currency for most of the entities is different from the reporting currency USD.

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

The portfolio of derivatives used to hedge the group's transaction risk (described above), exhibit the following income statement sensitivity:

Overall, interest rate derivatives held by the group corresponded to about 60% (2013: 44%) of its interest-bearing debt exposure at 31 December 2014.

At 31 December 2014, the overall portfolio of interest rate hedging derivatives had a negative value of USD 104 million (2013: negative USD 86 million).

## Cont. note 15 | FINANCIAL RISK

**Interest rate sensitivity**

The group's interest rate risk originates from differences in duration between assets and liabilities. On the asset side, bank deposits and investments in interest-bearing instruments (corporate bonds) are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the mix of debt and issued bonds with attached fixed or floating interest rates – in combination with financial derivatives on interest rates (plain vanilla interest rates swaps and swaptions) – will be exposed to changes in the level and

curvature of interest rates. The group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates. This methodology differs from the accounting principles, as only the changes in the market value of interest rate derivatives are recognised over the income statement (as "unrealised gain or loss on interest rate instruments"), whereas outstanding debt is booked at the respective outstanding notional value.

USD mill

**Fair value sensitivities of interest rate risk**

Change in interest rates' level	(2%)	(1%)	0%	1%	2%
<b>Estimated change in fair value</b>	<b>(49)</b>	<b>(25)</b>	<b>0</b>	<b>25</b>	<b>49</b>

All financial derivatives are booked against the income statement in accordance with the fair value accounting principle.

Apart from the fair value sensitivity calculation based on the group's net duration, the group is exposed to cash flow risk stemming from the risk of increased future interest payments on the unhedged part of the group's debt.

USD mill

	2014		2013	
	Assets	Liabilities	Assets	Liabilities
<b>Interest rate derivatives</b>				
WWASA group		101		84
WMS group (hedge accounting)		2		3
Holding & Investments				
<b>Total interest rate derivatives</b>	<b>0</b>	<b>103</b>	<b>0</b>	<b>87</b>
<b>Currency derivatives</b>				
WWASA group	8	50		7
WMS group	2		7	
Holding & Investments		3		
<b>Total currency derivatives</b>	<b>10</b>	<b>53</b>	<b>7</b>	<b>7</b>
<b>Basis derivatives</b>				
WWASA group		71		8
WMS group				
Holding & Investments				
<b>Total cross currency derivatives</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>8</b>
<b>Total market value of financial derivatives</b>	<b>10</b>	<b>227</b>	<b>7</b>	<b>101</b>

Book value equals market value

**Investment portfolio risk**

The group actively manages a defined portfolio of liquid financial assets for a proportion of the group's liquidity. In both WWH and WWASA group, the board of directors determines a strategic asset

allocation by setting weights for main asset classes, bonds, equities and cash. Management are given certain intervals for each asset class, between which the asset allocation is allowed to fluctuate.

## Cont. note 15 | FINANCIAL RISK

## EQUITY RISK

Within the investment portfolio, held equities are exposed to movements in equity markets. However, listed equity derivatives (futures and options) are used to manage and hedge part of this

equity risk. These derivatives are primarily applied to reduce the volatility of the investment portfolio's market value. The equity market sensitivity towards the market value of held equities and equity derivatives is summarized in below table:

## Income statement sensitivities of investment portfolio's equity risk, including hedging derivatives

USD mill

## Change in equity prices

Change in portfolio market value	(20%)	(10%)	0%	10%	20%
<b>Income statement effect</b>	<b>(12)</b>	<b>(7)</b>	<b>(0)</b>	<b>5</b>	<b>10</b>

## INTEREST RATE RISK

Within the investment portfolio, corporate bonds are exposed to interest rate risk, typically measured by the duration. The duration has been low throughout the year (< 2 year). The interest rate sensitivity towards the fair value of held bonds is summarized in below table:

USD mill

## Fair value sensitivities of interest rate risk

Change in interest rates' level	(2%)	(1%)	0%	1%	2%
<b>Income statement effect</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>(3)</b>	<b>(6)</b>

## CREDIT RISK

Within the investment portfolio, corporate bonds are exposed to movements in credit spreads - measured as the difference between the bonds' yield to maturity and the level of interest rate swaps with matching maturity - and typically more linked to equity markets' performance. The portfolio's average credit spread at year end 2014 was approximately 85 basis points. The movements in credit spreads will have the same effect on the fair value of held bonds as changes in interest rate levels, see table interest rate risk above.

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

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

## Bunkers risk

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

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

The profitability and cash flow of the group will depend upon the market price of bunker fuel which is affected by numerous factors beyond the control of the group. Rotterdam FOB 380 ended at USD 255 per tonne at end of 2014, which is significantly lower than previous year (2013: USD 585).

## CASH AND BANK DEPOSITS

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

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

## FINANCIAL DERIVATIVES

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

EUKOR have entered into derivative contracts to hedge part of the remaining bunker price exposure. The group's share of these contracts corresponds to its share of earnings in EUKOR. The group's share of the market value relating to bunker contracts held by EUKOR were negative USD 3.2 million at 31 December 2014 (2013: positive USD 0.3 million).

## LOANS TO JOINT VENTURES

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

No material loans or receivables were past due or impaired at 31 December 2014 (analogous for 2013).

## CREDIT RISK

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

## Guarantees

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

## Loans and receivables

## TRADE RECEIVABLES

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

## Credit risk exposure

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

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

## Cont. note 15 | FINANCIAL RISK

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

USD mill	Note	2014	2013
<b>Exposure to credit risk</b>			
Financial derivatives	9	10	7
Accounts receivables	9	219	227
Current financial investments	12	202	239
Other non current assets	9	22	23
Other current assets	9	117	106
Cash and bank deposits		364	386
<b>Total exposure to credit risk</b>		<b>934</b>	<b>988</b>

## LIQUIDITY RISK

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

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

At 31 December 2014, the group had in excess of USD 688 million (2013: USD 734 million) in liquid assets which can be realised over a three day period in addition to USD 50 million (2013: USD 50 million) in undrawn capacity under its bank facilities.

USD mill	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
<b>Undiscounted cash flows financial liabilities 2014</b>				
Mortgages	108	117	573	334
Leasing commitments	8	8	23	82
Bonds	14	109	217	26
Bank loan	40		330	
Financial derivatives	81	55	102	6
<b>Total undiscounted cash flow financial liabilities</b>	<b>251</b>	<b>289</b>	<b>1 246</b>	<b>448</b>
Current liabilities (excluding next year's instalment on interest-bearing debt)	419			
<b>Total gross undiscounted cash flows financial liabilities 31.12.2014</b>	<b>670</b>	<b>289</b>	<b>1 246</b>	<b>448</b>
<b>Undiscounted cash flows financial liabilities 2013</b>				
Mortgages	114	116	485	380
Leasing commitments	8	8	26	112
Bonds	106	18	357	35
Bank loan	72	20	294	
Financial derivatives	31	25	50	(9)
<b>Total undiscounted cash flow financial liabilities</b>	<b>331</b>	<b>188</b>	<b>1 213</b>	<b>518</b>
Current liabilities (excluding next year's instalment on interest-bearing debt)	454			
<b>Total gross undiscounted cash flows financial liabilities 31.12.2013</b>	<b>785</b>	<b>188</b>	<b>1 213</b>	<b>518</b>

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

## Cont. note 15 | FINANCIAL RISK

## COVENANTS

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

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

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

USD mill	2014	2013
Average equity	2 308	2 182
Average interest-bearing debt	1 772	1 930
Profit after tax	290	339
Net profit before tax	255	353
Interest expenses and realised interest derivatives	(85)	(100)
Return on equity	13%	16%
Return on capital employed*	8%	11%

\* Profit for before taxes plus interest expenses and realised interest derivatives, in percent of average equity and interest-bearing debt.

## FAIR VALUE ESTIMATION

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include:

- Quoted market prices or dealer quotes for similar derivatives
- The fair value of interest rate swaps is calculated as the net present value of the estimated future cash flows based on observable yield curves
- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium. Options are typically valued by applying the Black-Scholes model.

## CAPITAL RISK MANAGEMENT

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future business development. The board of directors monitors return on capital employed, which the group defines as operating profit divided by capital employed (shareholders equity and interestbearing debt). For the time being, the long term objective is a ROCE > 10%, however the level is assessed by the BoD annually. The long term objective is a ROCE > 10%. The board of directors also monitors the level of dividends to shareholders.

The group seeks to maintain a balance between the higher returns that might be possible with higher levels of financial gearing and the advantages of a strong balance sheet. The groups target is to achieve a return on capital employed over time that exceeds the risk adjusted long term weighted average cost of capital. In 2014, the return on capital employed was 8% (2013: 11%).

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to net present value
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium. Options are typically valued by applying the Black-Scholes model.

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

USD mill	Note	Fair value	Book value
<b>Interest-bearing debt</b>			
Mortgages		932	924
Leasing commitments		85	82
Bonds		323	319
Bank loan		368	368
<b>Total interest-bearing debt 31.12.2014</b>	14	<b>1 708</b>	<b>1 693</b>
Mortgages		956	974
Leasing commitments		87	90
Bonds		451	439
Bank loan		349	349
<b>Total interest-bearing debt 31.12.2013</b>	14	<b>1 843</b>	<b>1 851</b>

## Cont. note 15 | FINANCIAL RISK

The fair values, except for bond debt, are based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair value hierarchy.

The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

USD mill	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Nordic equities	122			122
Bonds	184	17		201
Financial derivatives		10		10
Available-for-sale financial assets	131			131
<b>Total financial assets 31.12.2014</b>	<b>437</b>	<b>27</b>	<b>0</b>	<b>465</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		227		227
<b>Total financial liabilities 31.12.2014</b>	<b>0</b>	<b>227</b>	<b>0</b>	<b>227</b>

<b>Financial assets at fair value</b>				
Nordic equities	109			109
Bonds	223	12		235
Financial derivatives		6		6
Available-for-sale financial assets	126			126
<b>Total financial assets 31.12.2013</b>	<b>459</b>	<b>18</b>	<b>0</b>	<b>477</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		101		101
<b>Total financial liabilities 31.12.2013</b>	<b>0</b>	<b>101</b>	<b>0</b>	<b>101</b>

The following table presents the changes in level 3 derivatives for the year ended 31 December 2014.

USD mill	2014	2013
<b>Changes in level 3 instruments</b>		
Opening balance 01.01		
Disposals		
Gains and losses recognised through income statement		
<b>Closing balance 31.12</b>	<b>0</b>	<b>0</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2014 are liquid investment grade bonds (analogous for 2013).

The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes (Mark-to-Market). These quotes use the maximum number of observable market rates for price discovery. The different techniques typically applied by financial counterparties (banks) were described above. These instruments - FX and IR derivatives - are included in level 2.

If one or more of the significant inputs is not based on observable market data, the derivatives is in level 3. Primarily illiquid investment funds and structured notes are included in level 3.

## Cont. note 15 | FINANCIAL RISK

## Financial instruments by category

USD mill	Note	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
<b>Assets</b>						
Other non current assets	9	11	2	131	9	154
Current financial investments	12		324			324
Other current assets	9	336	10		7	354
Cash and cash equivalent		364				364
<b>Assets at 31.12.2014</b>		<b>712</b>	<b>336</b>	<b>131</b>	<b>17</b>	<b>1 195</b>

Liabilities	Note		Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Non current interest-bearing debt	14			1 693	1 693
Other non current liabilities	9		205	91	297
Other current liabilities	9		22	377	399
<b>Liabilities 31.12.2014</b>			<b>227</b>	<b>2 162</b>	<b>2 389</b>

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Available-for-sale financial asset	Other	Total
Other non current assets	9	12	2	126	9	150
Current financial investments	12		348			348
Other current assets	9	333	7		19	359
Cash and cash equivalent		386				386
<b>Assets at 31.12.2013</b>		<b>731</b>	<b>358</b>	<b>126</b>	<b>28</b>	<b>1 243</b>

Liabilities	Note		Liabilities at fair value through the income statement	Other financial liabilities at amortised cost	Total
Non current interest-bearing debt	14			1 851	1 851
Other non current liabilities	9		95	90	185
Other current liabilities	9		7	419	426
<b>Liabilities 31.12.2013</b>			<b>102</b>	<b>2 360</b>	<b>2 462</b>

## Note 16 | SEGMENT REPORTING

## SEGMENTS

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

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

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

The 2013 eliminations of related party transactions (shipping activity total income and operating expenses) has been restated. See next page for details.

The segment information provided to the chief operating decision-maker for the reportable segments for the year ended 31 December 2014 is as follows:

## Cont. note 16 | SEGMENT REPORTING

USD mill	WWASA group		WMS group		Holding and Investments		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>INCOME STATEMENT</b>										
Operating revenue	2 525	2 609	1 090	994	26	22	(31)	(28)	3 610	3 598
Share of profit from associates	66	62	6	7	6	11			79	80
Gain on disposals of assets		1	5	4					5	5
<b>Total income</b>	<b>2 592</b>	<b>2 673</b>	<b>1 101</b>	<b>1 004</b>	<b>32</b>	<b>33</b>	<b>(31)</b>	<b>(28)</b>	<b>3 693</b>	<b>3 683</b>
Voyage expenses	(1 061)	(1 096)							(1 061)	(1 096)
Vessel expenses	(82)	(86)							(82)	(86)
Charter expenses	(329)	(335)							(329)	(335)
Inventory cost			(518)	(438)	(1)	(2)			(520)	(440)
Employee benefits	(197)	(204)	(267)	(304)	(7)	(20)	1	1	(470)	(528)
Other expenses	(510)	(507)	(169)	(160)	(16)	(16)	31	27	(664)	(656)
Depreciation and impairments	(160)	(152)	(24)	(26)	(1)	(1)			(185)	(179)
<b>Total operating expenses</b>	<b>(2 339)</b>	<b>(2 380)</b>	<b>(979)</b>	<b>(929)</b>	<b>(26)</b>	<b>(39)</b>	<b>31</b>	<b>28</b>	<b>(3 312)</b>	<b>(3 320)</b>
<b>Operating profit</b>	<b>253</b>	<b>293</b>	<b>122</b>	<b>76</b>	<b>6</b>	<b>(6)</b>	<b>0</b>	<b>0</b>	<b>381</b>	<b>363</b>
Net financial items	(18)	84	(1)	4	15	23			(3)	111
Net financial - interest expenses	(91)	(99)	(12)	(16)	(2)	(4)			(105)	(119)
Net financial currency	(22)	8	19	7	3	3				18
<b>Financial income/(expenses)</b>	<b>(131)</b>	<b>(8)</b>	<b>7</b>	<b>(4)</b>	<b>16</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>(108)</b>	<b>11</b>
<b>Profit before tax</b>	<b>122</b>	<b>285</b>	<b>129</b>	<b>72</b>	<b>22</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>273</b>	<b>374</b>
Tax income/(expense)	46	(12)	(25)	(25)	(1)	3			20	(34)
<b>Profit for the year before minorities</b>	<b>168</b>	<b>273</b>	<b>104</b>	<b>47</b>	<b>21</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>292</b>	<b>340</b>
Minority interests	47	76	4	5					51	80
<b>Profit for the year after minorities</b>	<b>121</b>	<b>198</b>	<b>100</b>	<b>43</b>	<b>21</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>241</b>	<b>260</b>

## Reconciliations between the operational segments and the group's income statement

	Note	2014	2013
Total segment income	16	3 693	3 683
Share of total income from joint ventures	2	(2 241)	(2 285)
Share of profit from joint ventures	2	86	121
<b>Total income</b>		<b>1 538</b>	<b>1 518</b>
Share of profit from joint ventures and associates	2	(165)	(200)
Gain on sale of assets	1	(5)	(5)
<b>Operating revenue</b>	<b>1</b>	<b>1 369</b>	<b>1 313</b>
Total profit for the year	16	241	260
<b>Profit for the year (Income statement)</b>		<b>241</b>	<b>260</b>

## Cont. note 16 | SEGMENT REPORTING

## RESTATEMENT OF ELIMINATION OF RELATED PARTY TRANSACTIONS WWASA SEGMENT

Related party transactions (Time charter income, space charter and other income from terminal activities) between Eukor Carriers Inc (Eukor) and Wallenius Wilhelmsen Logistics AS (WWL) is eliminated in the consolidated accounts.

eliminated in the consolidated accounts. These revenues are a part of the group revenues in Income statement based on proportionate consolidation for joint ventures.

The adjustments have no effect on EBIT or net profit.

During 2014 the group has reviewed and analysed the intercompany transactions between the group joint venture's WWL and EUKOR. EUKOR revenues where WWL acted as collector has previously been

The 2013 figures are restated and showed below.

USD mill	As reported			After restatement	
	WWASA group 2013	WWASA group total 2013	Restatement 2013	WWASA group 2013	WWH group total 2013
<b>INCOME STATEMENT</b>					
Operating revenue	2 460	3 448	150	2 609	3 598
Share of profit from associates and gain on sale of assets	64	85		64	85
<b>Total income</b>	<b>2 523</b>	<b>3 533</b>	<b>150</b>	<b>2 673</b>	<b>3 683</b>
Voyage expenses	(909)	(909)	(187)	(1 096)	(1 096)
Other expenses	(544)	(694)	37	(507)	(656)
Vessel expenses, charter expenses, employee benefits, depreciation and impairments	(778)	(1 568)		(778)	(1 568)
<b>Total operating expenses</b>	<b>(2 230)</b>	<b>(3 170)</b>	<b>(150)</b>	<b>(2 380)</b>	<b>(3 320)</b>
<b>Operating profit</b>	<b>293</b>	<b>363</b>	<b>0</b>	<b>293</b>	<b>363</b>

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

USD mill	WWASA group		WMS group		Holding & Investments		Eliminations		Total	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
<b>BALANCE SHEET</b>										
<b>Assets</b>										
Deferred tax asset	25		16	16	2	6			43	22
Intangible assets	6	6	270	303					276	309
Tangible assets	1 760	1 821	187	205	3	4			1 950	2 030
Investments in joint ventures and associates	1 164	1 120	17	18	83	80			1 264	1 218
Other non current assets	1	5	11	10	142	135			154	150
Current financial investments	235	254			89	94			324	348
Other current assets	23	25	439	458	4	6	(2)	(5)	464	484
Cash and cash equivalents	140	157	179	193	46	35			364	386
<b>Total assets</b>	<b>3 353</b>	<b>3 388</b>	<b>1 118</b>	<b>1 203</b>	<b>370</b>	<b>361</b>	<b>(2)</b>	<b>(5)</b>	<b>4 839</b>	<b>4 946</b>
<b>Equity and liabilities</b>										
Equity	1 707	1 633	310	362	312	291			2 329	2 286
Deferred tax		50	8	12					8	62
Interest-bearing debt	1 325	1 502	328	300	40	49			1 693	1 851
Other non current liabilities	264	156	115	125	9	12			389	293
Other current liabilities	55	47	357	404	9	8	(2)	(5)	419	454
<b>Total equity and liabilities</b>	<b>3 353</b>	<b>3 388</b>	<b>1 118</b>	<b>1 203</b>	<b>370</b>	<b>361</b>	<b>(2)</b>	<b>(5)</b>	<b>4 839</b>	<b>4 946</b>
Investments in tangible assets	35	47	22	23	1	1			58	72

## Cont. note 16 | SEGMENT REPORTING

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

USD mill	WWASA group		WMS group		Holding and Investments	
	2014	2013	2014	2013	2014	2013
<b>CASH FLOW</b>						
Profit before tax	104	264	129	71	22	17
Net financial (income)/expenses	108	(3)	(19)	3	(23)	(24)
Depreciation/impairment	80	82	25	26	1	1
Change in working capital	(19)	(9)	(93)	(39)	(6)	(5)
Share of profit from joint ventures and associates	(152)	(182)	(6)	(7)	(6)	(11)
Dividend received from joint ventures and associates	95	42	6	7	2	2
<b>Net cash provided by operating activities</b>	<b>216</b>	<b>195</b>	<b>41</b>	<b>62</b>	<b>(11)</b>	<b>(20)</b>
Net sale/(investments) in fixed assets	(20)	(34)	(46)	(28)	(1)	
Net sale/(investments) in entities and segments			8		(18)	
Net investments in financial investments	4	(109)	3	6	1	22
Net changes in other investments					1	
<b>Net cash flow from investing activities</b>	<b>(16)</b>	<b>(142)</b>	<b>(34)</b>	<b>(22)</b>	<b>(18)</b>	<b>22</b>
Net change of debt	(88)	22	30	(20)		(81)
Net change in other financial items	(59)	(85)	(18)	(18)	(2)	(4)
Net dividend from other segments/ to shareholders	(69)	(177)	(34)	(4)	41	81
<b>Net cash flow from financing activities</b>	<b>(216)</b>	<b>(240)</b>	<b>(21)</b>	<b>(42)</b>	<b>39</b>	<b>(4)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(17)</b>	<b>(187)</b>	<b>(15)</b>	<b>(3)</b>	<b>11</b>	<b>(2)</b>
Cash and cash equivalents at the beg. of the period	157	344	193	196	36	37
<b>Cash and cash equivalents at the end of period</b>	<b>140</b>	<b>157</b>	<b>179</b>	<b>193</b>	<b>46</b>	<b>36</b>

## GEOGRAPHICAL AREAS

USD mill	Europe		Americas		Asia & Africa		Oceania		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total income	538	497	116	131	560	541	39	36	285	314	1 538	1 518
Total assets	1 536	1 681	87	98	665	612	34	35	2 516	2 519	4 839	4 946
Investment in tangible assets	9	6	1	3	12	14	1	1	35	48	58	72

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

Russia is defined as Europe.

**Total income**

Area income is based on the geographical location of the company and includes sales gains and share of profit from joint ventures and associates.

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

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

**Total assets**

Area assets are based on the geographical location of the assets.

**Investments in tangible assets**

Area capital expenditure is based on the geographical location of the assets.

## Cont. note 16 | SEGMENT REPORTING

## ADDITIONAL SEGMENT REPORTING

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

USD mill	WWASA group		WMS group		Holding and Investments		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>INCOME STATEMENT</b>										
Income from other segments			7	7	20	20	(28)	(28)		
Income external customers	284	324	1 083	987	6	2	(4)		1 369	1 313
Share of profit from joint ventures and associates *	152	182	6	7	6	11			165	200
Gain on sales of assets		1	5	4					5	5
<b>Total income</b>	<b>437</b>	<b>508</b>	<b>1 101</b>	<b>1 004</b>	<b>32</b>	<b>33</b>	<b>(31)</b>	<b>(28)</b>	<b>1 538</b>	<b>1 518</b>
<b>Primary operating profit</b>	<b>291</b>	<b>337</b>	<b>146</b>	<b>102</b>	<b>7</b>	<b>(5)</b>	<b>0</b>	<b>0</b>	<b>444</b>	<b>435</b>
Depreciation and impairment	(80)	(82)	(24)	(26)	(1)	(1)			(105)	(109)
<b>Operating profit</b>	<b>211</b>	<b>255</b>	<b>122</b>	<b>76</b>	<b>6</b>	<b>(6)</b>	<b>0</b>	<b>0</b>	<b>339</b>	<b>325</b>
Financial income/(expense)	(108)	9	7	(4)	16	22			(85)	28
<b>Profit/(loss) before tax</b>	<b>104</b>	<b>264</b>	<b>129</b>	<b>72</b>	<b>22</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>255</b>	<b>353</b>
Tax income/(expense)	62	7	(25)	(25)	(1)	3			36	(15)
<b>Profit for the year before minorities</b>	<b>166</b>	<b>272</b>	<b>104</b>	<b>47</b>	<b>21</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>339</b>
Minorities	45	74	4	5					49	79
<b>Profit for the year after minorities</b>	<b>121</b>	<b>198</b>	<b>100</b>	<b>43</b>	<b>21</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>241</b>	<b>260</b>

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

## Note 17 | OPERATING LEASE COMMITMENTS

The group has lease agreements for 3 vessels on operating leases. 3 leases run over 15 years from 2006 (2 vessels) and 2007 (1 vessel) with an option to extend for additional 5 + 5 years.

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

Lease agreement for the office building (including storage and parking) Strandveien 12. The lease run over 10 years from 1 June 2006, with an option to extend for additional 5 years. The option to extend is agreed from 2016, with new 5 years the lease agreement runs until 2021.

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

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

USD mill	2014	2013
Due in year 1	36	39
Due in year 2	34	37
Due in year 3	32	35
Due in year 4	31	32
Due in year 5 and later	106	138
<b>Value of operating lease commitments</b>	<b>239</b>	<b>281</b>

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

WWASA has, on own accounts, four new vessels due for delivery in 2015 (2) and 2016 (2).

## The commitments related to the newbuilding program is set out below:

USD mill	2014	2013
Due in year 1	145	89
Due in year 2	130	82
Due in year 3		125
<b>Value of newbuilding commitments</b>	<b>275</b>	<b>296</b>

## Note 18 | BUSINESS COMBINATIONS

There were no material acquisitions in the group in 2014 or 2013.

**Note 19 | RELATED PARTY TRANSACTIONS**

The ultimate owner of the group With.Wilhelmsen Holding ASA is Tallyman AS, which control about 60% of voting shares of the group. The ultimate owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS.

Remuneration to Mr Wilhelm Wilhelmsen for 2014 totalled USD 409 thousand (2013: USD 452 thousand) whereof USD 119 thousand (2013: USD 137 thousand) was consulting fee, USD 10 thousand (2013: USD 10 thousand) in nomination committee for With. Wilhelmsen Holding ASA and With. Wilhelmsen ASA and USD 280 thousand (2013: USD 305 thousand) in ordinary paid pension and other remuneration.

See note 4 regarding fees to board of directors, and note 2 and note 9 in the parent company regarding ownership.

The group has undertaken several agreements and transactions with related parties - joint ventures in the segments WWASA group, WMS group and Holding & Investments in 2014 and 2013. All transactions are entered into in the market terms.

Material related parties in the group are:

	Business office, country	Ownership
Wallenius Wilhelmsen Logistics AS	Lysaker, Norway	50%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	40%
EUKOR Car Carriers Singapore Pte Ltd	Singapore	40%
Tellus Shipping AS	Lysaker, Norway	50%
ASL group *	New Jersey, USA	50%
Hyundai Glovis Co Ltd	Seoul, Republic of Korea	12.5%
NorSea Group AS	Stavanger, Norway	40%

\* American Roll-on Roll-off Carrier Holdings Inc., Fidelio Inc, Fidelio Limited Partnership, American Logistics Network LLC, American Shipping & Logistics Group Inc.

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

EUKOR Car Carriers Inc is also chartering vessel from WWASA group.

The services are:

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

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

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

The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

In addition, JV's and associate (Hyundai Glovis Co Ltd) have several transactions with each other. The contracts governing such transactions are based on commercial market terms and mainly related to the chartering of vessels on short and long term charters.

**Cont. note 19 | RELATED PARTY TRANSACTIONS**

USD mill	Note	2014	2013
<b>OPERATING REVENUE FROM RELATED PARTY</b>			
<b>Sale of goods and services to joint ventures and associates from:</b>			
WWASA group		270	323
WMS group		8	23
Holding & Investments		2	2
<b>Operating revenue from related party</b>		<b>280</b>	<b>348</b>
<b>OPERATING EXPENSES FROM RELATED PARTY</b>			
<b>Purchase of goods and services from joint ventures and associates to:</b>			
WMS group		2	17
<b>Operating expenses from related party</b>		<b>2</b>	<b>17</b>
<b>ACCOUNTS RECEIVABLE FROM RELATED PARTY</b>			
WWASA group		3	1
WMS group		4	4
<b>Account receivables from related party</b>		<b>7</b>	<b>5</b>
<b>ACCOUNTS PAYABLES TO RELATED PARTY</b>			
WWASA group		1	1
<b>Account payables to related party</b>		<b>1</b>	<b>1</b>
<b>NON CURRENT ASSETS TO RELATED PARTY</b>			
Holding & Investments		11	12
<b>Non current assets to related party</b>		<b>11</b>	<b>12</b>

**Note 20** | CONTINGENCIES

The group company Wilhelmsen Ships Service Inc. has a claim for import duties from US Customs, ongoing dispute that refers to the period 1994 to 1999. As of 31 December 2013 a provision of USD 3.4 million (2013: USD 3.1 million) was made in the group accounts of which USD 1.4 million refers to loss of duty and the excess refers to accumulated interest on underpayment since the period of the dispute. The revised claim put forward by US customs consists of loss of duty of USD 2.1 million, interest of USD 3.9 million and penalties of USD 4.2 million. Wilhelmsen Ships Service Inc. will pursue and oppose the claim.

WWL and EUKOR continue to be part of anti-trust investigations of the car carrying industry in several jurisdictions. These include the US, EU, Canada, Mexico, Brazil, Chile and South Africa.

WWASA is not in a position to comment on the ongoing

investigations, but expects further clarification during 2015. Cost of process management related to the investigations is charged on an ongoing basis.

The size and global activities of the group dictate that companies in the group will be involved from time to time in disputes and legal actions.

However, the group is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements. Nevertheless, any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

**Note 21** | EVENTS AFTER THE BALANCE SHEET DATE

The Chilean National Economic Prosecutor (FNE) announced 29 January 2015 an investigation against the car carrying industry. FNE has now filed a suit against six car carriers, including EUKOR before the court for proceedings and decision.

In the suit filed, the Chilean authorities claim the carriers have adopted and executed agreements for allocations of markets and volumes transported by the carriers to Chile. The Chilean authorities' proposed fine for claim towards EUKOR is estimated to maximum USD 25 million. If fined, WWASA share's would be maximum

USD 10 million. The indicative claim, fine and justification for the fine, need to be proven in court by FNE. As this process can take up to two years, EUKOR and hence WWASA has not made any accrual in its accounts.

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



## Cash flow statement | WILH. WILHELMSSEN HOLDING ASA

NOK thousand	Note	2014	2013
<b>Cash flow from operating activities</b>			
Profit before tax		751 562	910 288
Financial (income)/expenses		(768 725)	(1 017 248)
Depreciation	3	2 627	1 932
Gain of fixed asset	3		(85)
Change in net pension liability		(63 880)	(4 054)
Change in other current assets		(2 076)	(3 222)
Change in working capital		19 465	6 530
Tax paid (company income tax, withholding tax)	4		
<b>Net cash provided by operating activities</b>		<b>(61 026)</b>	<b>(105 859)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed assets			634
Investments in fixed assets	3	(4 321)	(3 726)
Investments in subsidiaries		(99 840)	(3 172)
Loan repayments received from subsidiaries		7 874	29
Loans granted to subsidiaries		(1 000)	(3 313)
Proceeds from sale of financial investments		168 941	321 843
Investments in financial investments		(170 561)	(301 470)
Dividend received		8 943	7 470
Interest received	1	2 313	2 414
<b>Net cash flow from investing activities</b>		<b>(87 652)</b>	<b>20 709</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of debt			
Repayment of debt	11		(400 000)
Interest paid		(1 558)	(11 279)
Group contribution/dividends from subsidiaries	1/4	500 000	763 054
Dividend to shareholders	9	(232 019)	(257 642)
<b>Net cash flow from financing activities</b>		<b>266 423</b>	<b>94 133</b>
Net increase in cash and cash equivalents		117 745	8 984
Cash and cash equivalents, at the beginning of the period		173 578	164 594
<b>Cash and cash equivalents at 31.12</b>		<b>291 323</b>	<b>173 578</b>

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

## Note 1 | COMBINED ITEMS, INCOME STATEMENT

NOK thousand	Note	2014	2013
<b>OPERATING INCOME</b>			
Other income		112	75
Income from group companies	14	87 205	50 525
Gain on sale of assets			85
<b>Total operating income</b>		<b>87 317</b>	<b>50 685</b>
<b>OTHER OPERATING EXPENSES</b>			
Expenses from group companies	14	(21 450)	(16 410)
Communication and IT expenses		(2 085)	(1 907)
External services	2	(12 586)	(8 327)
Travel and meeting expenses		(2 569)	(3 314)
Marketing expenses		(3 969)	(3 574)
Other administration expenses		(8 796)	(4 987)
<b>Total other operating expenses</b>		<b>(51 455)</b>	<b>(38 519)</b>
<b>FINANCIAL INCOME/(EXPENSES)</b>			
<b>Financial income</b>			
Investment management		47 777	64 901
Interest income	14	2 313	2 454
Dividend/group contribution from subsidiaries	14	670 000	893 054
Net currency gain		41 441	49 286
<b>Net financial income</b>		<b>761 531</b>	<b>1 009 694</b>
<b>Financial expenses</b>			
Interest expenses		(4 901)	(11 279)
Other financial items	7	(2 001)	(1 412)
<b>Net financial expenses</b>		<b>(6 903)</b>	<b>(12 690)</b>
<b>Net financial income/(expenses)</b>		<b>754 628</b>	<b>997 004</b>

Notes 1 to 16 on the next pages are an integral part of these financial statements.

## Note 2 | EMPLOYEE BENEFITS

NOK thousand	2014	2013
Pay	62 555	59 041
Payroll tax	13 448	9 690
Pension cost *	14 094	11 188
Termination gain defined benefit plan	(56 798)	
Other remuneration	3 001	17 030
<b>Total employee benefits</b>	<b>36 301</b>	<b>96 950</b>
Average number of employees	52	46

\* See note 10 pension regarding pension cost for 2014.

## REMUNERATION OF SENIOR EXECUTIVES

NOK thousand	Pay	Bonus	Pension premium	* Other remuneration	Total
2014					
Group CEO	4 372	3 128	1 176	1 267	9 943
Group CFO	3 256	1 170	2 247	2 484	9 158
2013					
Group CEO	4 157	2 028	888	1 024	8 097
Group CFO	3 183	966	1 415	1 529	7 093

\* Mainly related to gross up pension expenses and company car.

**Board of directors**

Remuneration of the five directors totalled NOK 2 000 for 2014 (2013: NOK 2 000). The board's remuneration for the fiscal year 2014 will be approved by the general assembly 23 April 2015.

In addition the chair had remuneration as a board member in WWASA with NOK 300 (2013: NOK 300). The chair also has an consulting agreement with the WWASA group, where he got paid NOK 200 in 2014 (2013: NOK 200).

Remuneration of the nomination committee totalled NOK 70 for 2014 (2013: NOK 70).

**Senior executives**

Thomas Wilhelmsen - group CEO  
Nils Petter Dyvik - group CFO

The group CEO - agreed retirement age is 62, provided not agreed to be postponed. The pension should basically be 66% at age 67.

The group CEO has a severance pay guarantee under which he has the right to receive up to 100% of his annual salary for 24 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%, which comes into force after six months notice period.

**Loans and guarantees employees**

There were no loan or guarantess to employees per 31.12.2014.

## Cont. note 2 | EMPLOYEE BENEFITS

## SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF WILH. WILHELMSSEN HOLDING ASA AT 31 DECEMBER 2014

Name	A shares	B shares	Total	Part of total shares	Part of voting stock
<b>Board of directors</b>					
Diderik Schnitler (chair)	2 000	25 000	27 000	0.06%	0.01%
Bettina Banoun	2 200		2 200	0.00%	0.01%
Helen Juell	20 188		20 188	0.04%	0.06%
Odd Rune Austgulen	136	40 000	40 136	0.09%	0.00%
Carl E. Steen	8 000		8 000	0.02%	0.02%
<b>Senior executives</b>					
Thomas Wilhelmsen - group CEO	22 100	750	22 850	0.05%	0.06%
Nils Petter Dyvik - group CFO	4 492	5 000	9 492	0.02%	0.01%
<b>Nomination committee</b>					
Wilhelm Wilhelmsen	20 882 114	2 302 444	23 184 558	49.86%	60.29%
Gunnar Fredrik Selvaag				0.00%	0.00%
Jan Gunnar Hartvig				0.00%	0.00%

**OPTION PROGRAM FOR EMPLOYEES AT A SPECIFIED LEVEL OF MANAGEMENT****Option program from 1 January 2011 until 31 December 2013, extended to 2014 - Share equivalents**

The extraordinary general meeting of Wilh. Wilhelmsen Holding ASA (WWH) held at 6 December 2011 resolved to renew the share-price-based incentive program for employees at management level in the company, and in its associated subsidiaries.

The program has a duration of three years, running from 1 January 2011 until 31 December 2013, extended to 2014, and entitles the participants to a cash reward based on the annual total return of the underlying shares and dividends during the period. Maximum annual payment is set to 50% of annual basic salary.

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

The reference equity price for the calculation of entitlement is based on the average share price during two weeks following the release of the respective year's fourth quarter results. The starting reference price for 2014 is average share price over the two weeks after the release of the results for the fourth quarter 2013 was NOK 202.00 (WWH A shares) and NOK 55.00 (WWASA shares), respectively. Starting reference price for 2013 was NOK 171.50 (WWH A shares) and NOK 50.40 (WWASA share).

**Granted share equivalents annually given:**

	2014		2013	
	Share equivalent in WWH shares	Share equivalent in WW ASA shares	Share equivalent in WWH shares	Share equivalent in WW ASA shares
Thomas Wilhelmsen - group CEO	6 500	30 000	6 500	30 000
Nils Petter Dyvik - group CFO	4 500	20 000	4 500	20 000

Per 31 December the options were out of money for 2014 however the company has booked a provision of NOK 0.2 million, only related to dividend for share equivalents (2013: NOK 0.8 million).

**EXPENSED AUDIT FEE** (excluding VAT)

NOK thousand	2014	2013
Statutory audit	461	373
Other service fees	8	
<b>Total expensed audit fee</b>	<b>461</b>	<b>373</b>

**Note 3 | TANGIBLE AND INTANGIBLE ASSETS**

NOK thousand	Intangible assets	Buildings	Other tangible assets	Total
<b>2014</b>				
Cost price 01.01	43	6 663	12 825	19 531
Additions		3 919	402	4 321
Reclass /disposals	1 488		(1 488)	0
<b>Cost price 31.12</b>	<b>1 530</b>	<b>10 582</b>	<b>11 740</b>	<b>23 852</b>
Accumulated ordinary depreciation 01.01	(43)	(1 022)	(3 723)	(4 787)
Depreciation/amortisation	(289)	(306)	(2 032)	(2 627)
<b>Accumulated ordinary depreciation 31.12</b>	<b>(332)</b>	<b>(1 327)</b>	<b>(5 755)</b>	<b>(7 415)</b>
<b>Carrying amounts 31.12</b>	<b>1 198</b>	<b>9 255</b>	<b>5 984</b>	<b>16 437</b>
<b>2013</b>				
Cost price 01.01	43	6 663	10 176	16 882
Additions			3 726	3 726
Disposals			(1 077)	(1 077)
<b>Cost price 31.12</b>	<b>43</b>	<b>6 663</b>	<b>12 825</b>	<b>19 531</b>
Accumulated ordinary depreciation 01.01	(43)	(755)	(2 586)	(3 384)
Depreciation/amortisation		(267)	(1 665)	(1 932)
Disposals			528	528
<b>Accumulated ordinary depreciation 31.12</b>	<b>(43)</b>	<b>(1 022)</b>	<b>(3 723)</b>	<b>(4 787)</b>
<b>Carrying amounts 31.12</b>	<b>[0]</b>	<b>5 642</b>	<b>9 102</b>	<b>14 744</b>
Economic lifetime	Up to 3 years	Up to 25 years	3-10 years	
Amortisation/depreciation schedule	Straight-line	Straight-line	Straight-line	

**Note 4 | TAX**

NOK thousand	2014	2013
<b>Allocation of tax income/(expenses)</b>		
Payable tax/withholding tax	(1 767)	(745)
Change in deferred tax	(13 711)	(40 969)
<b>Total tax income/(expense)</b>	<b>(15 478)</b>	<b>(41 714)</b>
<b>Basis for tax computation</b>		
Profit before tax	751 562	910 288
27% tax (in 2013 28% tax)	(202 922)	(254 881)
<b>Tax effect from</b>		
Permanent differences	(944)	(588)
Withholding tax	(1 767)	(745)
Non taxable income and loss	206 817	236 087
Tax credit allowance	(16 663)	(21 587)
<b>Current year calculated tax</b>	<b>(15 478)</b>	<b>(41 714)</b>
Effective tax rate	2.1%	4.6%
<b>Deferred tax asset/(liability)</b>		
Tax effect of temporary differences		
Fixtures	579	276
Current assets and liabilities	(7 981)	(5 799)
Non current liabilities and provisions for liabilities	3 655	(1 164)
Tax losses carried forward	614	202
<b>Deferred tax asset/(liability)</b>	<b>(3 132)</b>	<b>(6 485)</b>
Deferred tax asset/(liability) 01.01	(6 485)	32 575
Charge to equity (tax of OCI)	17 064	1 908
Change of deferred tax through income statement	(13 711)	(40 969)
<b>Deferred tax asset/(liability) 31.12</b>	<b>(3 132)</b>	<b>(6 485)</b>

**Note 5 | 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, an impairment to net realisable value is recorded.

NOK thousand	Business office country	Voting share/ ownership share	2014 Book value	2013 Book value
Wilh. Wilhelmsen ASA	Lysaker, Norway	73%	2 174 931	2 174 931
Wilhelmsen Maritime Services AS	Lysaker, Norway	100%	964 440	964 440
Wilh. Wilhelmsen (Hong Kong) Ltd	Hong Kong	100%	900	900
WilService AS	Lysaker, Norway	100%	14 550	14 550
Wilh. Wilhelmsen Holding Invest AS	Lysaker, Norway	100%	875 595	775 755
Wilh. Wilhelmsen Holding Invest Malta Limited	Valetta, Malta	100%	0	0
Wilhelmsen Accounting Services AS	Lysaker, Norway	100%	622	622
<b>Total investments in subsidiaries</b>			<b>4 031 038</b>	<b>3 931 198</b>

Wilh. Wilhelmsen Holding Invest AS, increased capital of NOK 99 840.

Wilhelmsen Accounting Services AS is a company established in 2013, and wholly owned by Wilh. Wilhelmsen Holding ASA.

**Note 6 | COMBINED ITEMS, BALANCE SHEET**

NOK thousand	Note	2014	2013
<b>OTHER NON CURRENT ASSETS</b>			
Non current loan group companies (subsidiary and associates)	14	3 063	3 313
Other non current assets			6 624
<b>Total other non current assets</b>		<b>3 063</b>	<b>9 936</b>
<b>Of which non current debtors falling due for payment later than one year:</b>			
Loans to subsidiary and associates		3 063	3 313
Other non current assets			6 620
<b>Total other non current assets due after one year</b>		<b>3 063</b>	<b>9 932</b>
<b>OTHER CURRENT ASSETS</b>			
Intercompany receivables	14	312 135	154 435
Other current receivables		11 676	9 090
<b>Total other current assets</b>		<b>323 811</b>	<b>163 524</b>
<b>OTHER NON CURRENT LIABILITIES</b>			
Allocation of commitment		37 274	39 853
<b>Total other non current liabilities</b>		<b>37 274</b>	<b>39 853</b>
<b>OTHER CURRENT LIABILITIES</b>			
Accounts payables		3 022	3 385
Intercompany payables	14	2 067	3 421
Next year's instalment on interest-bearing debt	11	100 000	100 000
Proposal dividend	9	139 211	139 211
Other current liabilities		43 415	29 251
<b>Total other current liabilities</b>		<b>287 716</b>	<b>275 269</b>

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. See note 14.

**Note 7 | CURRENT FINANCIAL INVESTMENTS**

NOK thousand	2014	2013
<b>Market value asset management portfolio</b>		
Nordic equities	352 810	303 685
Bonds	312 475	269 405
Other financial derivatives	(353)	(564)
<b>Total current financial investments</b>	<b>664 931</b>	<b>572 527</b>

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

The net unrealised gain at 31.12	140 597	83 079
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The equity portion of the portfolio of financial investments is held as collateral within a securities' finance facility. See note 12.

**Note 8** | RESTRICTED BANK DEPOSITS AND UNDRAWN COMMITTED DRAWING RIGHTS

NOK thousand	2014	2013
<b>Restricted bank deposits</b>		
Payroll tax withholding account	3 071	2 826
<b>Undrawn committed drawing rights</b>		
Undrawn committed drawing rights for 31 December	400 000	400 000

**Note 9** | EQUITY

NOK thousand	Share capital	Own shares	Retained earnings	Total
<b>Current year's change in equity</b>				
Equity 31.12.2013	930 076	(2 000)	3 541 018	4 469 095
Dividend in November			(92 808)	(92 808)
Proposed dividend			(139 211)	(139 211)
Group contribution prior year			3 525	3 525
Profit for the year			736 084	736 084
Comprehensive income for the year			(46 137)	(46 137)
<b>Equity 31.12.2014</b>	<b>930 076</b>	<b>(2 000)</b>	<b>4 002 471</b>	<b>4 930 547</b>

NOK thousand	Share capital	Own shares	Premium fund	Retained earnings	Total
<b>2013 change in equity</b>					
Equity 31.12.2012.	930 076	(2 000)	1 272 571	1 636 742	3 837 390
Reclassified premium fund to retained earnings			(1 272 571)	1 272 571	0
Dividend in December				(94 628)	(94 628)
Proposed dividend				(139 211)	(139 211)
Profit for the year				868 574	868 574
Comprehensive income for the year				(3 030)	(3 030)
<b>Equity 31.12.2013</b>	<b>930 076</b>	<b>(2 000)</b>	<b>0</b>	<b>3 541 018</b>	<b>4 469 095</b>

At 31 December 2014 the company's share capital comprises 34 637 092 Class A shares and 11 866 732 Class B shares, totalling 46 503 824 shares with a nominal value of NOK 20 each. Class B shares do not carry a vote at the general meeting. Otherwise, each share confers the same rights in the company.

At 31 December 2014 Wilh. Wilhelmsen Holding ASA had own shares of 100 000 Class A shares. The total purchase price of these shares was NOK 12.7 million.

**Dividend**

The proposed dividend for fiscal year 2014 is NOK 3.00 per share, payable in the second quarter 2015. A decision on this proposal will be taken by the annual general meeting on 23 April 2015.

Dividend for fiscal year 2013 was NOK 5.00 per share, where NOK 3.00 per share was paid in May 2014 and NOK 2.00 per share was paid in November 2014.

Dividend for fiscal year 2012 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2013 and NOK 2.00 per share was paid in December 2013.

**Cont. note 9** | EQUITY**The largest shareholders at 31 December 2014**

Shareholders	A shares	B shares	Total number of shares	% of total shares	% of voting stock
Tallyman AS	20 784 730	2 281 044	23 065 774	49.60%	60.01%
Pareto Aksje Norge	1 318 197	677 138	1 995 335	4.29%	3.81%
Folketrygdfondet	1 006 850	655 915	1 662 765	3.58%	2.91%
Stenshagen Invest AS		910 596	910 596	1.96%	0.00%
Skagen Vekst	875 275		875 275	1.88%	2.53%
Pareto Aktiv	562 748	289 465	852 213	1.83%	1.62%
VPF Nordea Norge Verdi	162 723	562 195	724 918	1.56%	0.47%
J. P. Morgan Luxembourg S.A.	643 158		643 158	1.38%	1.86%
Stiftelsen Tom Wilhelmsen	370 400	236 000	606 400	1.30%	1.07%
Nordea Nordic Small Cap Fund	121 875	415 630	537 505	1.16%	0.35%
Odin Norge		498 929	498 929	1.07%	0.00%
MP Pensjon PK	176 743	277 444	454 187	0.98%	0.51%
Verdipapirfondet DNB Norge (IV)	186 310	252 424	438 734	0.94%	0.54%
Pareto Verdi	276 272	138 004	414 276	0.89%	0.80%
Oslo Pensjonsforsikring AS PM		400 000	400 000	0.86%	0.00%
VPF Nordea Kapital	163 630	183 503	347 133	0.75%	0.47%
Protector Forsikring ASA		285 500	285 500	0.61%	0.00%
Odin Maritim	100 000	174 876	274 876	0.59%	0.29%
Forsvarets Personellservice	274 800		274 800	0.59%	0.79%
Citibank, NA	253 163		253 163	0.54%	0.73%
Other	7 360 218	3 628 069	10 988 287	23.63%	21.25%
<b>Total number of shares</b>	<b>34 637 092</b>	<b>11 866 732</b>	<b>46 503 824</b>	<b>100.00%</b>	<b>100.00%</b>

**Shares on foreigners hands**

At 31. December 2014 - 2 268 912 (6.55%) A shares and 1 154 146 (7.36%) B shares.  
Corresponding figures at 31. December 2013 - 2 140 473 (6.18%) A shares and 1 135 856 (9.57%) B shares.

## Note 10 | PENSION

## Description of the pension scheme

In order to reduce the company's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the company regularly reviews and continuously improves the design of its post-employment defined benefit plans. Until 31 December 2014 the company provides both defined benefit pension plans and defined contribution pension plans.

For many years the company had a defined benefit plan for employees in Norway through Storebrand. The defined benefit plan was closed for new employees 1 May 2005.

The company decided 11 November 2014 to terminate the company defined benefit plans for Norwegian employees and change to defined contribution plan from 1 January 2015. After the termination all affected employees received a paid-up policy as of 31 December 2014. The termination also included the risk plan, related to the group's defined contribution pension schemes, that was covered by a defined benefit plan.

The company's defined contribution pension schemes for Norwegian employees are with Storebrand and DNB (from 1 January 2014 Storebrand only), similar solutions with different investment funds. Maximum contribution levels according to regulations have been followed up to 31 December 2014. From 1 January 2015 the contributions from the company are changed to be in accordance with new requirements.

The company pension liabilities have been calculated based on updated actuarial and financial assumptions as of 31 December 2014 and booked against other comprehensive income (directly to equity) before the termination has been reversed as an accounting gain through profit and loss and included in employees benefits to be a part of the group's operating profit.

The change in the group pension plans decreased the net equity with approximately NOK 6 million.

The net effect of equity is as follow:

Through profit and loss a gain of NOK 57 million and a loss before tax through other comprehensive income (directly to equity) of NOK 63 million (before tax).

From 1 January 2014 the company established "Ekstrapensjon", a new contribution plan for all Norwegian employees with salaries exceeding 12 times the Norwegian National Insurance base amount (G). The new contribution plan replaced the company obligations mainly financed from operation.

In addition the company has agreements on early retirement. This obligations are mainly financed from operations. The company has obligations towards some employees in the company's senior executive management. These obligations are mainly covered via group annuity policies in Storebrand.

Pension costs and obligations includes payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The liability recognised in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

	Funded		Unfunded	
	2014	2013	2014	2013
<b>Number of people covered by pension schemes at 31.12</b>				
In employment	3	62	2	5
On retirement (inclusive disability pensions)		5	6	4
<b>Total number of people covered by pension schemes</b>	<b>3</b>	<b>67</b>	<b>8</b>	<b>9</b>

Financial assumptions for the pension calculations:	Expenses		Commitments	
	2014	2013	31.12.14	31.12.13
Discount rate	4.00%	3.85%	2.30%	3.85%
Anticipated pay regulation	3.50%	3.50%	3.00%	3.50%
Anticipated increase in National Insurance base amount (G)	3.50%	3.50%	3.00%	3.50%
Anticipated regulation of pensions	0.60%	1.00%	0.60%	1.00%

The expected return on assets reflects the weighted average expected returns on pension plan assets. The assumption shall reflect the weighted average expected returns for each asset class, e.g. equities, and bonds, given the actual asset allocation.

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G

is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

Actuarial assumptions: all calculations are calculated on the basis of the K2013 mortality tariff. The disability tariff is based on the KU table.

## Cont. note 10 | PENSION

NOK thousand	31.12.14	31.12.13
<b>Pension assets investments (in %)</b>		
Short term bonds	10.6%	11.3%
Bonds held to maturity	45.9%	40.4%
Money market	(0.8)%	2.2%
Equities	6.7%	8.4%
Other (property, credit bonds)	37.8%	37.8%
<b>Total pension assets investments</b>	<b>100.0%</b>	<b>100.0%</b>

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 6.6% at 31 December 2014 (2013: 5.3%).

NOK thousand	2014		2013	
	Funded	Unfunded	Funded	Unfunded
<b>Pension expenses</b>				
Service cost	4 309	1 000	4 949	2 763
Termination gain defined benefit plan	(55 262)	(1 536)		
Net interest cost	3 645	1 677	270	1 744
Cost of defined contribution plan	3 463		1 463	
<b>Net pension expenses</b>	<b>(43 845)</b>	<b>1 141</b>	<b>6 682</b>	<b>4 507</b>

Remeasurements - Other comprehensive income	2014	2013
Effect of changes in demographic assumptions		(17 585)
Effect of changes in financial assumptions		8 495
Effect of experience adjustments	54 459	5 113
(Return) on plan assets (excluding interest income)	8 742	(173)
<b>Total remeasurements included in OCI</b>	<b>63 201</b>	<b>(4 150)</b>
The company comprehensive income pension	46 137	(3 030)
The tax effect of comprehensive income pension	17 064	(1 121)
<b>Gross remeasurements included in OCI pension</b>	<b>63 201</b>	<b>(4 150)</b>

NOK thousand	2014	2013
<b>Pension obligations</b>		
Defined benefit obligation at end of prior year	140 826	112 093
Service cost	8 941	5 266
Interest expense	5 322	4 092
Termination gain defined benefit plan	(56 798)	
Benefit payments from plan	(1 301)	(969)
Benefit payments from employer	(8 289)	(3 362)
Net changes in business combinations/ transfers		21 842
Settlement payments from plan assets	(45 507)	
Remeasurements - change in assumptions	54 459	1 864
<b>Pension obligations 31.12</b>	<b>97 653</b>	<b>140 826</b>

## Cont. note 10 | PENSION

NOK thousand	2014	2013
<b>Fair value of plan assets</b>		
Fair value of plan assets at end of prior year	73 455	52 217
Interest income	3 117	2 078
Employer contributions	9 939	4 018
Benefit payments from plan	(1 301)	(969)
Settlement payments from plan assets	(45 507)	
Net changes in business combinations/ transfers		16 284
Return on plan assets (excluding interest income)	(8 742)	(173)
<b>Gross pension assets 31.12</b>	<b>30 961</b>	<b>73 455</b>

	2014			2013		
	Funded	Unfunded	Total	Funded	Unfunded	Total
<b>Total pension obligations</b>						
Defined benefit obligation	45 495	43 217	88 712	87 400	48 160	135 560
Service cost	7 941	1 000	8 941	4 949	317	5 266
<b>Total pension obligation</b>	<b>53 436</b>	<b>44 217</b>	<b>97 653</b>	<b>92 349</b>	<b>48 477</b>	<b>140 826</b>
Fair value of plan assets	30 961		30 961	73 455		73 455
<b>Net liability (asset)</b>	<b>22 475</b>	<b>44 217</b>	<b>66 692</b>	<b>18 894</b>	<b>48 477</b>	<b>67 371</b>

Premium payments in 2014 are expected to be NOK 10.8 million (2013: NOK 6.9 million). Payments from operations are estimated at NOK 2.7 million (2013: NOK 2.8 million).

	31.12.14	31.12.13
<b>Historical developments</b>		
Gross pension obligations, including payroll tax	97 653	140 826
Gross pension assets	30 961	73 455
<b>Net recorded pension obligations</b>	<b>66 692</b>	<b>67 371</b>

## Note 11 | INTEREST-BEARING DEBT

NOK thousand	2014	2013
<b>Interest-bearing debt</b>		
Bank loan	100 000	100 000
<b>Total interest-bearing debt</b>	<b>100 000</b>	<b>100 000</b>
<b>Repayment schedule for interest-bearing debt</b>		
Due in year 1	100 000	100 000
Due in year 2 and later		
<b>Total interest-bearing debt</b>	<b>100 000</b>	<b>100 000</b>
<b>Held as collateral within a securities' finance facility</b>		
The equity portion of the portfolio of financial investments	352 810	303 685

The parent company's financing arrangement provides for customary financial covenants related to minimum liquidity, and minimum value adjusted equity ratio. The company was in compliance with these covenants at 31 December 2014 (analogue for 31 December 2013).

**FINANCIAL RISK**

See note 13 to the parent accounts and note 15 to the group accounts for further information on financial risk, and note 14 to the group accounts concerning the fair value of interest-bearing debt.

## Note 12 | OPERATING LEASE COMMITMENT

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

The company also has a lease agreement for the office building (including storage and parking) Strandveien 12. The lease run over 10 years from 1 June 2006, with an option to extend for additional 5 years. The option to extend is agreed from 2016, with new 5 years the lease agreement runs until 2021.

NOK thousand	2014	2013
Due in year 1	45 981	42 541
Due in year 2	49 084	43 036
Due in year 3	50 066	43 536
Due in year 4	51 067	44 043
Due in year 5 and later	298 941	307 767
<b>Total expense related to sale/leaseback of office building</b>	<b>495 139</b>	<b>480 923</b>

## Note 13 | FINANCIAL RISK

**CREDIT RISK****Guarantees**

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

Quoted market prices or dealer quotes for similar instruments.

**Cash and bank deposits**

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

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

**LIQUIDITY RISK**

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

The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium.

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

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium.

**FAIR VALUE ESTIMATION**

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

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

NOK thousand	Fair value	Carrying amount
2014		
<b>Interest-bearing debt</b>		
Bank loan	100 000	100 000
<b>Total interest-bearing debt 31.12</b>	<b>100 000</b>	<b>100 000</b>
2013		
<b>Interest-bearing debt</b>		
Bank loan	100 000	100 000
<b>Total interest-bearing debt 31.12</b>	<b>100 000</b>	<b>100 000</b>

## Cont. note 13 | FINANCIAL RISK

The fair value of financial instruments traded in active markets is based on closing prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The price used for valuation of financial assets held by the group is the closing price. These instruments are included in level 1. Instruments included in level 1 at the end of 2014 and 2013 are investment grade bonds, equities and listed financial derivatives.

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

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

## Total financial instruments and short term financial investments

NOK thousand	Level 1	Level 2	Level 3	Total balance
<b>Financial assets at fair value through income statement 2014</b>				
- Bonds	312 475			312 475
- Equities	352 810			352 810
<b>Total assets 31.12</b>	<b>665 285</b>	<b>0</b>	<b>0</b>	<b>665 285</b>

## Financial liabilities at fair value through income statement 2014

- Financial derivatives	(149)	(21 571)		(21 720)
<b>Total liabilities 31.12</b>	<b>(149)</b>	<b>(21 571)</b>	<b>0</b>	<b>(21 720)</b>

NOK thousand	Level 1	Level 2	Level 3	Total balance
<b>Financial assets at fair value through income statement 2013</b>				
- Financial derivatives		1 719		1 719
- Bonds	269 405			269 405
- Equities	303 685			303 685
<b>Total assets 31.12</b>	<b>573 091</b>	<b>1 719</b>	<b>(0)</b>	<b>574 809</b>

## Financial liabilities at fair value through income statement 2013

- Financial derivatives	(3 513)			(3 513)
<b>Total liabilities 31.12</b>	<b>(3 513)</b>	<b>0</b>	<b>0</b>	<b>(3 513)</b>

## Financial instruments by category

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Total
Other non current assets	6	3 063		3 063
Current financial investments	7		664 931	664 931
Other current assets	6	323 811		323 811
Cash and cash equivalent		291 323		291 323
<b>Assets at 31.12.2014</b>		<b>618 197</b>	<b>664 931</b>	<b>1 283 128</b>

Liabilities	Note	Other financial liabilities at amortised cost	Total
Financial derivatives	6		21 367
Current interest-bearing debt	6		100 000
Other current liabilities	6		27 137
<b>Liabilities 31.12.2014</b>		<b>148 504</b>	<b>148 504</b>

## Cont. note 13 | FINANCIAL RISK

Assets	Note	Loans and receivables	Assets at fair value through the income statement	Total
Other non current assets	6	9 936		9 936
Current financial investments	7		572 527	572 527
Other current assets	6	163 524		163 524
Cash and cash equivalent		173 578		173 578
<b>Assets at 31.12.2013</b>		<b>347 039</b>	<b>572 527</b>	<b>919 565</b>

Liabilities	Note	Other financial liabilities at amortised cost	Total
Current interest-bearing debt	6		100 000
Other current liabilities	6		36 057
<b>Liabilities 31.12.2013</b>		<b>136 057</b>	<b>136 057</b>

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

## Note 14 | RELATED PARTY TRANSACTION

The ultimate owner of the group With.Wilhelmsen Holding ASA is Tallyman AS, which control about 60% of voting shares of the group. The ultimate owners of Tallyman AS are the Wilhelmsen family and Mr Wilhelm Wilhelmsen controls Tallyman AS.

## Shares owned or controlled by related party of With. Wilhelmsen Holding ASA at 31 December 2014

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

Wilhelm Wilhelmsen has in 2014 received remuneration of NOK 750 thousand (2013: NOK 804 thousand) in consulting fee, NOK 60 thousand (2013: NOK 60 thousand) in nomination committee for With. Wilhelmsen Holding ASA and With. Wilhelmsen ASA and NOK 1 765 thousand (2013: NOK 1 790 thousand) in ordinary paid pension and other remunerations.

WWH ASA delivers services to other group companies in Holding & Investment, WWASA group and WMS group, these include primarily human resources, tax, communication, treasury and legal services ("Shared Services").

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

## Cont. note 14 | RELATED PARTY TRANSACTION

NOK thousand	Note	2014	2013
<b>OPERATING REVENUE FROM GROUP COMPANIES</b>			
WWASA group		16 805	13 353
WMS group		67 777	34 435
Holding & Investments		2 623	2 737
<b>Operating revenue from group companies</b>	<b>1</b>	<b>87 205</b>	<b>50 525</b>
<b>OPERATING EXPENSES TO GROUP COMPANIES</b>			
WWASA group			(788)
WMS group		(7 730)	(3 843)
Holding & Investments		(13 720)	(11 779)
<b>Operating expenses to group companies</b>	<b>1</b>	<b>(21 450)</b>	<b>(16 410)</b>
<b>FINANCIAL INCOME FROM GROUP COMPANIES</b>			
WWASA group		320 000	760 000
WMS group		350 000	130 000
Holding & Investments		159	3 127
<b>Financial income from group companies</b>	<b>1</b>	<b>670 159</b>	<b>893 127</b>
<b>ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLES WITH GROUP COMPANIES</b>			
<b>Account receivables</b>			
WWASA group		418	4 453
WMS group		311 565	148 916
Holding & Investments		152	1 066
<b>Accounts receivables from group companies</b>	<b>6</b>	<b>312 135</b>	<b>154 435</b>
<b>Account payables</b>			
WWASA group		(6)	(17)
WMS group			(1 380)
Holding & Investments		(605)	(2 024)
<b>Account payables to group companies</b>	<b>6</b>	<b>(611)</b>	<b>(3 421)</b>
<b>NON CURRENT LOAN TO GROUP COMPANIES</b>			
Holding & Investments*		3 063	3 313
<b>Non current loan to group companies</b>	<b>6</b>	<b>3 063</b>	<b>3 313</b>
* Loan to WilService (Holding & Investments segment) was provided at commercially reasonable market terms (average margins 3%). Interest rates are based on floating LIBOR-rates.			
<b>CURRENT LOAN TO GROUP COMPANIES</b>			
WMS group			5 558
Holding & Investments		1 455	40
<b>Current loan to group companies</b>	<b>6</b>	<b>1 455</b>	<b>5 598</b>

## Note 15 | EVENTS AFTER THE BALANCE SHEET DATE

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

## Note 16 | STATEMENT ON THE REMUNERATION FOR SENIOR EXECUTIVES

The Statement on senior executives' remuneration has been prepared in accordance with the Norwegian Public Limited Companies Act, the Norwegian Accounting Act and the Norwegian Code of Practice and is adopted by the board of directors.

For the purposes of this statement, company employees referred to as senior executives are: Thomas Wilhelmsen (group CEO), Nils Petter Dyvik (group CFO), Jan Eyvin Wang (President and CEO of Wilh. Wilhelmsen ASA), and Dag Schjervén (President and CEO of Wilhelmsen Maritime Services AS). Jørn Even Hanssen (GVP HR and OD), Benedicte Teigen Gude (GVP corporate communication), Bjørge Grimholt (President WSS) and Carl Schou (President WSM).

The following guidelines are applied for 2015.

### General principles for the remuneration of senior executives

The remuneration of the group CEO is determined by the board of directors, whereas remuneration of other senior executives is determined administratively on the basis of frameworks specified by the board of directors.

The remuneration level shall reflect the complexity and responsibilities of each role and shall take into account the group's breadth of international operations. Being headquartered in Norway, the board of directors will primarily look to other Norwegian companies operating in an international environment for comparison.

Remuneration of the senior executives shall be at a competitive level in the relevant labour market(s). It should be a tool for the board of directors to attract and retain the required leadership and motivational for the individual executive. The total remuneration package shall therefore consist of fixed remuneration (basic salary and benefits in kind) and variable, performance based remuneration (short- and long term incentives). The remuneration system should be flexible and understandable.

Market comparisons are conducted on a regular basis to ensure that remuneration levels are competitive.

### Fixed salary

The main element of the remuneration package shall be the annual base salary. This is normally evaluated once a year according to individual performance, market competitiveness and local labour market trends.

### Benefits in kind

The senior executives receive benefits in kind that are common for comparable positions. These include newspapers, telecommunication, broadband, insurance and company car. The senior executives are also compensated for certain taxable expenses.

### Short term variable remuneration

As a key component of the total remuneration package, the annual, variable pay scheme emphasizes the link between performance and pay and aims to be motivational. It aligns the senior executives with relevant, clear targets derived from the group's strategic goals.

The variable pay scheme takes into consideration both key financial targets and individual targets (derived from the annual operating plan). Maximum opportunities for annual payments are capped at four to nine months' salary, depending on role.

### Long term variable remuneration

The senior executives also participate in a long term variable remuneration scheme, which aims to align the senior executive's risk and investment decisions with shareholder interests, as well as being a retention element in the total remuneration package. A new long-term incentive programme, linked to long-term value creation, is being evaluated as an alternative to the synthetic option programme that expired 31 December 2014.

### Share purchase plan

The senior executives (with the exception of the President and CEO of WWASA) participate – in common with the other employees in the wholly-owned Norwegian companies – in the group's share purchase plan. All participants receive an offer every year to buy shares in WWH at a discount corresponding to 20% on the market price. The discount can be no more than NOK 1 500.

### Pension scheme

Pension benefits for senior executives include coverage for old age, disability, spouse and children, and supplement payments by the Norwegian National Insurance system. The senior executives also have rights related to salaries in excess of 12G at a level of approximately 66% of gross salary and the option to take early retirement from the age of 62- 65. Pension obligations related to salaries in excess of 12G and the option to take early retirement are insured.

### Severance package scheme

The group CEO has a severance pay guarantee under which he has the right to receive up to 100% of his annual salary for 24 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%, which comes into force after six months notice period. The group CFO and President and CEO of Wilhelmsen Maritime Services AS also have arrangements for severance payment beyond redundancy period following departure from the group.

### Statement on senior executive remuneration in the previous fiscal year

Remuneration policy and development for the senior executives in the previous fiscal year built upon the same policies as those described above. For further details regarding the individual remuneration elements, see note 2 concerning pay and other remuneration for senior executives of the parent company and note 4 of the group accounts concerning senior executives of the group.

There have not been any new remuneration agreements for senior executives in the previous fiscal year.

## Auditor's report



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

### Independent auditor's report

#### Report on the Financial Statements

We have audited the accompanying financial statements of Wilh. Wilhelmsen Holding ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, income statement, comprehensive income and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2014, income statement, comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO 0106 Oslo  
T: 02316, org. no.: 987 109 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av: Den norske Revisorforening og autorisert regnskapsførerselskap

### Auditor's report



Independent auditor's report - 2014 - With. Wilhelmsen Holding ASA, page 2

*Opinion on the financial statements of the parent company*

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of With. Wilhelmsen Holding ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act.

*Opinion on the financial statements of the group*

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group With. Wilhelmsen Holding ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Sustainability report*

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

*Opinion on Registration and Documentation*

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

Oslo, 18 March 2015  
**PricewaterhouseCoopers AS**  
  
 Rita Granlund  
 State Authorised Public Accountant (Norway)

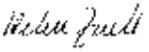
(2)

### Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2014 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit for the entity and the group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lysaker, 18 March 2015  
**The board of directors of With. Wilhelmsen Holding ASA**

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

# Corporate governance



## Dartford, 13:00. Engagement survey.

A sales manager from Wilhelmsen Technical Solutions completes the annual engagement survey, providing feedback about being an employee in the WW-group.

85% completion rate on  
Engagement survey for all  
land-based employees.



## Gdansk, 14:00. Rigorous product testing.

Successfully tested the Unitor Dry Chemical Powder system in temperatures down to -28 degrees Celsius.

Safe protection of LNG carriers  
sailing in cold climates.



## Houston, 08:00. Empowered employees.

A Wilhelmsen Ships Service instructor explains safety procedures during a fire systems training session.

Four days – the average number of registered training days  
per land based employees.

# Corporate governance

A summary of the corporate governance report for 2014

## Corporate governance comply or explain overview

Principle	Deviations	Reference in this report
1. Implementation and reporting on corporate governance		on page 106
2. The business		on page 106
3. Equity and dividends		on page 107
4. Equal treatment of shareholders and transactions with close associates	The company has two share classes. The B shares do not carry voting rights at the general meeting. Apart from this, each B share carries the same rights in the company and holders of the respective classes are treated equally. Converting to a single share class is not regarded as appropriate in the present circumstances.	on page 107
5. Freely negotiable shares		on page 108
6. General meetings	The chair of the board also acts as chair of the general meeting as stated in the company's Articles of Association.	on page 108
7. Nomination committee	The nomination committee is not described in the Articles of Association and the company has not developed a formal way for shareholders to submit proposals for candidates to the committee.	on page 109
8. Corporate assembly and board of directors: composition and independence	Executive committee for industrial democracy in foreign trade shipping instead of Corporate assembly. General meeting elects the board.	on page 109
9. The work of the board of directors	The whole board acts as remuneration and audit committee. Without a Corporate assembly, the board elects its own chair.	on page 109
10. Risk management and internal control		on page 111
11. Remuneration of the board of directors		on page 113
12. Remuneration of the executive personnel		on page 113
13. Information and communications		on page 114
14. Take-overs	No policy developed. However, intention is described in the report.	on page 114
15. Auditor		on page 114

## Reducing risk and improving accountability

Wilh. Wilhelmsen Holding (WWH) contributes to value creation in the societies in which it operates. With a genuine belief in transparency, the board therefore issues an annual report on the company's corporate governance performance.

- ensures fair treatment of all our stakeholders
- ensures easy access to timely, accurate and relevant information about the company's business
- strengthens

Why we believe sound corporate governance important? Because it...

- reduces risk
- contributes to the greatest possible value creation over time in the best interests of the company's shareholders, employees and other stakeholders

The WWH board discussed and approved this report 18 March 2015. All the directors were present at the meeting.

Lysaker, 18 March 2015  
On behalf of the board



Diderik Schnitler

# The board's corporate governance report for 2014

” Dividend 2014  
NOK 5 per share

## IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

WWH is a public limited company organised under Norwegian law. Listed on the Oslo Stock Exchange, the company is subject to Norwegian securities legislation and stock exchange regulations.

This report is based on the requirements covered in the Norwegian Code of Practice for Corporate Governance (“the code”, dated 30 October 2014), the Public Limited Liabilities Companies Act and the Norwegian Accounting Act, approved by the board and published as part of the company's annual report. The report is also available on the [company's webpage](#).

### Comply or explain principle

In addition to provisions and guidance that in part elaborate on company, accounting, stock exchange and securities legislations, as well as the Stock Exchange Rules (dated 1 October 2014), the code also covers areas not addressed by legislation. Build on a “comply or explain” principle, the code requires the company to justify deviations from its 15 provisions and to describe alternative solutions where and if applicable. A summary of WWH's adherence to the code can be found on page 104 in this report.

### Sustainable business model

A responsible business model is necessary to be sustainable. Acknowledging that the company's activities affect its surroundings, the company issues a report based on the requirements stated by the Global Reporting Initiative. The report describes how WWH combine long-term profitability with emphasis on ethical business conduct including respect for human rights, the natural environment and the societies in which the company operates. The report includes how the company addresses employee rights and working environment, human rights, health and safety issues, the environment, prevention of corruption and last but not least how the company works to the best of the communities in which it operates.

## Governing elements

Employees and others working for and with the group should carry out their business in a sustainable, ethical and responsible manner and in accordance with current legislation and the company's standards.

To ensure the right results are achieved the right way, the company has a set of governing elements including its vision “shaping the maritime industry”, values, basic philosophy, leadership expectations, code of conduct and company principles. A corporate social responsibility statement is part of the group's principles. Making up the core of the company's governance framework, the governing elements guide the employees in making the right decisions and navigating safely in a rapidly changing environment.

A summary of the governing elements are available electronically on the group's intranet, as written documentation, as e-learning and on the [company's webpages](#).

In 2014, anti-corruption, competition law, fraud and theft as well as whistleblowing received particular attention. The company ran the “I comply” campaign, where 87% of employees conducted the mandatory training. The focus on anti-corruption, competition law etc will continue in 2015. More information on the “I comply” campaign can be found on the [company's webpages](#).

*Deviations from the code: None*

## THE BUSINESS

### Articles of Association

The company's business activities and the scope of the board's authority are restricted to the business specified in its Articles of Association. In brief, the company's objective is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith. The full articles of association is presented on the [company's webpages](#).

## Strategy

The company's main strategy is to create value by developing a diversified business portfolio. The company will leverage its market positions, global network and collective competence to continue to grow a sustainable and profitable business. The portfolio currently consists of three main business segments:

- Shipping and integrated logistics services for cars and rolling cargo through a 72.72% shareholding in Wilh. Wilhelmsen ASA (WWASA). Main five-year strategic targets: Improve profitability and strengthen market position.
- Maritime services through 100% ownership of Wilhelmsen Maritime Services (WMS). Main five-year strategic target: Build distinct platforms for further growth.
- Explore and invest in new opportunities within the maritime sector through 100% owned Wilh. Wilhelmsen Holding Invest. Main strategic target: Open for pursuing investments outside core business (WWASA and WMS).

For a further presentation of the business segments, see the [company's webpages](#).

*Deviations from the code: None*

## EQUITY AND DIVIDEND

### Equity

The parent company and the group have a sound level of equity tailored to its objectives, strategy and risk profile.

As of 31 December 2014, the total equity of the parent amounted to USD 601 million, corresponding to 93% of the total capital of the parent account.

The group has a healthy balance sheet and a healthy financial position. The group equity at year-end totaled USD 2 329 million, representing an equity ratio of 48% based on booked values.

### Dividend policy

A dividend policy approved by the board states that

the company's goal is to provide shareholders with a high return over time through a combination of rising value for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually.

### Dividend 2014

In 2014, the company paid NOK 5 in dividend per share, totalling USD 37 million. The payable dividend was in line with the company's dividend policy and based on approved annual accounts.

### Dividend 2015

The board has proposed that the annual general meeting (AGM) to be held 23 April 2015 approves a dividend of NOK 3.00 per share to be paid on or about 7 May 2015.

With reference to The Norwegian Companies Act, the board proposes that the AGM gives the board authority to approve further dividend of up to NOK 3.00 per share for a period limited in time up to the next AGM scheduled 21 April 2016.

The proposal is in line with the company's dividend policy and depends on AGM's approval of the annual accounts for 2014.

### Own shares

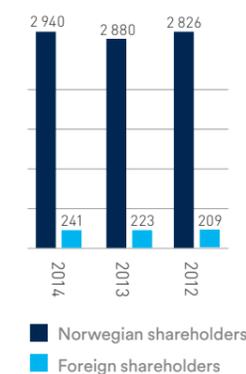
As of 31 December 2014, the company held 100 000 own shares. On behalf of WWH, the board is authorised by the AGM to acquire shares in the company. The company can own up to 10% of the current share capital. The minutes from the AGM held 24 April 2014 describes the authorisation, expiring 30 June 2015, in more detail. The board cannot increase the company's share capital without a specific mandate from the AGM.

*Deviations from the code: None*

## EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Shareholders  
As of 31 December 2014, the company had 3 181 (3 103) shareholders, of which 241 (223) were foreign and the remaining were Norwegian. This

## Number of Norwegian and foreign shareholders



## % of shares owned by Norwegian and foreign shareholders



” 48% equity ratio

implicated a total increase of 78 shareholders at the turn of the year, of which 18 were non-Norwegians. The Norwegian shareholders count for 92.4% of the company's shareholderbase or 92.6% of the total number of shares, as shown in the graphs on previous page.

#### Two share classes

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

#### Share capital

Where the board resolves to carry out an increase in share capital and waive the preemption rights of existing shareholders on the basis of a mandate granted to the board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

#### Transactions with close associates

Any transactions the company carries out in its own shares are carried out through the stock exchange and at prevailing stock exchange prices.

Any transactions taking place between a principal shareholder or close associates and the company will be conducted on arm's length terms.

In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency. Pursuant to the instructions issued by and for the board, directors are required to inform the board if

they have interests and/or relations, directly or indirectly, with the WWH group (WWH including subsidiaries).

#### Overview of insiders

A list of primary insiders can be found on the Oslo Stock Exchange under the [company's ticker](#).

*Deviations from the code: The code recommends only one share class. The company has two share classes. The B shares do not carry voting rights at general meetings. Apart from this, each B share carries the same rights in the company and holders of the respective classes are treated equally. Converting to a single share class is not regarded as appropriate in the present circumstances.*

#### FREELY NEGOTIABLE SHARES

Listed on the Oslo Stock Exchange with the tickers "WWI" and "WWIB" for the A and B share respectively, both shares are freely negotiable. There are no restrictions on negotiability in the company's Articles of Associations.

*Deviations from the code: None*

#### GOVERNING BODIES

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

#### General meeting

The general meetings deals with and decides on the following matters:

- Adoption of the annual report and accounts including the consolidated accounts and the distribution of dividend
- Adoption of the auditor's remuneration
- Determination of the remuneration for board and committee members
- Election of members to the board and election of the auditors

- Any other matter that belongs under the annual general meeting by law or according to the Articles of Association.

The general meeting is held late April.

Shareholders with known address are notified by mail no later than 21 days prior to the meeting and all relevant documents are published on WWH's website no later than 21 days prior to the meeting. Shareholders may, upon request, receive hard copies of the material.

Shareholders wishing to attend the general meeting must notify the company at least two working days before the meeting takes place. Shareholders may participate at the meeting without being present in person, and can vote in advance through electronic communication. Guidelines for voting are included in the notice to the meeting. Last, but not least, the shareholders can appoint a proxy to vote for their shares. Shareholders with known address receives a proxy appointment form. The form is downloadable from the company's webpages.

The chair, auditor and representatives from the company are present at the general meeting, which is organised in a way that facilitates dialogue between shareholders and representatives from the company.

The chair of the board opens and directs the general meeting, as described in the Articles of Association.

The minutes from the general meeting are available on the [company's website](#) immediately after the meeting and may be inspected by shareholders at the company's office.

#### Nomination committee

The general meeting appoints the nomination committee.

The committee nominates candidates to the board and proposes board members' remuneration. As part of its nomination process, the committee will have contact with the major shareholder, the board and the company's executives to ensure the process takes the board's and company's needs into consideration. A justification for a candidate will include information on each candidate's competence, capacity and independence.

The nomination committee currently consists of [Wilhelm Wilhelmsen](#) (chair), [Gunnar Frederik](#)

[Selvaag](#) and [Jan Gunnar Hartvig](#). Elected at the general meeting in April 2014 for a period of two years, the committee members are up for election in 2016.

The majority of the committee is independent of the board and executives in the company. Mr Wilhelmsen meets in the Executive committee and acts as an advisor for the board. None of the committee members are executives in the company.

#### Board of directors – composition and independence

The company does not have a corporate assembly (see executive committee), and therefore the general meeting elects the board. The board comprises five directors, of which minimum two are women, elected for minimum two years at a time. Four of the directors are independent of the majority owner and the executive management. The board does not include executive personnel. However, the group CEO and group CFO are normally present at the board meetings as is other executives depending on agenda and issues to be discussed.

Information on the background and experience of the directors is available on the [company's webpages](#), which also lists the number of shares in the company held by each director.

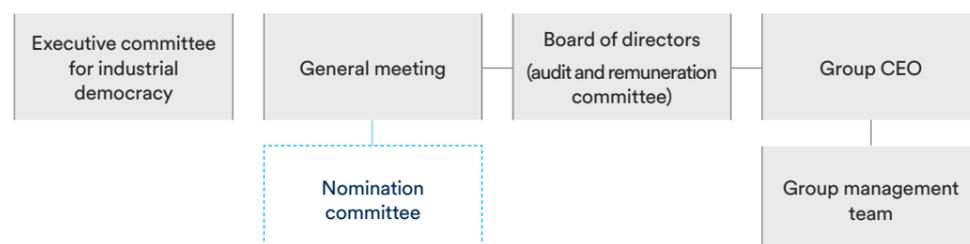
All the board members have attended a seminar hosted by the Oslo Stock Exchange. The objective of the course was to provide information on legislation, rules, regulations and best practice that are relevant for board members of listed companies.

Board member:	Elected:	Up for election:
Diderik Schnitler, chair	Apr. 12	Apr. 15
Helen Juell	Apr. 12	Apr. 15
Odd Rune Austgulen	Apr. 14	Apr. 16
Bettina Banoun	Apr. 14	Apr. 16
Carl Erik Steen	Apr. 13	Apr. 15

#### Board responsibility and work

The instruction for the board includes rules on the work of the board and its administrative procedures determining what matters should be considered by the board. The board has the

## Governing bodies





## Group management team

### From left:

Nils P Dyvik  
Jan Eyvin Wang  
Thomas Wilhelmsen  
(group CEO)  
Jørn Even Hanssen  
Benedicte Teigen Gude  
Dag Schjerven

ultimate responsibility for the management of the company and that the business is run in a sustainable and responsible way.

The board heads the company's strategic planning and makes decisions that form the basis for the administration's execution of the agreed strategy.

The chair of the board has an extended duty to ensure the board operates well and carries out its duties.

The board establishes an annual plan for its work. In 2014, the company hosted nine board meetings, including one full day strategy meeting. All the board members were present at seven of the meetings. At two meetings, one and two directors respectively had a lawful excuse for non-appearance.

In addition to the board meetings, the board visit business related locations to ensure they have a solid understanding of the business, market and outlook for the maritime industry. The company keeps the board regularly updated on development in the group through a variety of communication channels, including a board portal containing timely and relevant information.

### Audit committee

The extraordinary general meeting in December 2011 decided that the whole board serves as the company's audit committee, as the board only comprises five members. In addition, WWASA, representing a material part of the WWH group, has its own audit committee. The audit committee in WWASA assists the WWH board/audit committee on issues related to the integrity of WWASA's financial statements, financial reporting processes, internal control and risk assessments and risk management policies.

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

In 2014, the audit committee have had a particular attention at anti-corruption, theft and fraud, whistleblowing and competition law and the roll-out of an awareness programme related to these topics. The focus will continue in 2015 with a follow-up session of the awareness programme.

### Remuneration committee

The board has not seen it as relevant to have a separate remuneration committee, and therefore acts collectively as the remuneration committee.

The board sets guidelines for remuneration for the executive personnel, including long- and short-term bonus schemes and pension plans. The board also decides the general remuneration principles for other employees in the company.

### Executive committee

An executive committee for industrial democracy in foreign trade shipping, chaired by the group CEO Thomas Wilhelmsen, ensures the interest of the employees. The committee comprises six members, four appointed from the management and two elected by the workforce. It meets regularly through the year. Issues submitted for consideration by the committee include a draft of the accounts and budget as well as matters of major financial significance for the company or of special importance for the workforce. The executive committee members were elected in 2014 for a three-year period.

### Group management team

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

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

GMT discusses and coordinates all main business and management issues relevant for the group of companies. It also makes benefit of the group's total expertise and knowledge when executing strategies and goals set by the board. An overview of the background and expertise of the GMT member is available on the [company's website](#).

### Group CEO

The board's instruction to the group CEO includes a statement of duties, responsibilities and delegated authorities. The group CEO has the overall responsibility for the company's results and for conducting the businesses and affairs of the company and its subsidiaries in a proper and efficient manner, in the company's and its shareholders' best interest.

The group CEO has a particular responsibility to ensure that the board receives accurate, relevant and timely information that is sufficient to allow it to carry out its duties. Group's operations, financial results, projections, financial status or

other topics specified by the board, is regularly shared with the board between board meetings.

The group CEO has delegated the responsibility of the different professions and subsidiaries to other members of the GMT.

### Group CFO

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

### Governance of subsidiaries

The WWH group consists of several legal entities (for a full overview, please see pages 142-148). Each entity has its own board responsible for issues related to the specific entity.

WWH's ambition is to be a demanding and reliable owner, taking the long-term interests of the companies and the total group into consideration when developing its future strategy, including how ownership will be exercised, financial prospects as well as expectation towards code of conduct, environmental and sustainable standards and aspirations.

Control and management of all entities are based on the same governance principles applicable to WWH.

In the case of partly owned subsidiary, the same principle applies concerning control and management of the business. WWH is represented on the board of partly owned subsidiaries. WWH's ownership in the subsidiaries is formally exercised through the respective companies' general meetings.

*Deviations from the code: The chair of the board also acts as chair of the general meeting as stated in the company's Articles of Association. Further, the company has an Executive committee for industrial democracy in foreign trade shipping instead of a corporate assembly. Without a corporate assembly, the board elects its own chair. Given the size of the board and the fact that the board jointly is responsible for its decisions, separate committees is not valued as necessary. The whole board therefore acts as remuneration*

## ” A sound and appropriate risk management and internal control system.

and audit committee. Last, the Articles of Association does not include a reference to the nomination committee and the company has not developed a formal way for shareholders to submit proposals for candidates to the committee.

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Board responsibility

The board is responsible for the company's internal control and risk management, and believes that the company's systems are sound and appropriate given the extent and nature of the company's activities. The system contributes to sound control characterised by integrity and ethical attitudes throughout the organisation. It is based on the company's governing elements including the guidelines for business standard and corporate social responsibility.

The board reviews the company's risk matrix at least four times a year and the internal control arrangements at least once a year, preferably together with the company's auditor.

#### About the system

Governing documents, code of conduct, company principles (including corporate social responsibility), policies, guidelines and process descriptions are documented and electronically available to the company's employees through the company's global integrated management system. Various internal control activities give management assurance that the internal control of financial systems is working adequately and according to segment management's expectations.

The company's internal control is a process designed to provide reasonable assurance of:

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

Internal control includes:

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

reporting of the segment's internal control

- Quarterly reporting on risk assessment to the board
- Risk factors are described and made public to the market in the company's second quarter and annual reports.

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

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

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

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

WWASA has implemented similar governing documents approved by the WWASA board and in line with the group financial strategy.

#### External reassurance

Confirmation from external auditors and internal procedures i.e. business reviews (financial, operational and quality) give the management and board confidence that the group complies with external and internal rules and regulations.

The company's auditors conduct audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway and give reasonable assurance as to whether the financial statements

are free from material misstatements. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. It also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management as well as evaluation of the overall financial statement presentation.

#### Whistleblowing

The company has a global whistle blowing system including procedures and channels for giving notice to the company about potential non-compliance, e.g. corruption, theft, fraud, sexual harassment or other breaches to the company's business standards. Strengthening transparency and safeguarding that the business standards are applied the way they are intended, the procedures also ensure that the group has a professional way of handling potential breaches to laws and regulations, self-imposed business standards or other serious irregularities. The procedures also includes guidelines to safeguard the whistle-blower.

*Deviations from the code: None*

### REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of directors is determined by the annual general meeting and is not dependent upon the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the company's businesses. No director holds share options in the company.

None of the directors performs assignments for the company other than serving on the board of the company or one or more of its subsidiaries, except for board member Diderik Schnitler's company, Løkta AS, which performs certain consultancy work for WWASA. Amongst others, Mr Schnitler represents WWASA on the joint WWASA/Wallenius steering committee governing the joint ventures Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Shipping and Logistics. The board has approved the assignment including remuneration. An overview of the directors' remuneration is specified in note 4 to WWH group accounts and note 2 to the parent company accounts, of which the latter includes

an overview of shares in the company held by the individual director.

*Deviations from the code: None*

### REMUNERATION OF EXECUTIVE PERSONNEL

#### Remuneration policy

WWH's remuneration policy covers all employees and is developed to ensure the company attracts and retains competent employees. The remuneration principles are communicated to all employees to ensure a common understanding of expectations and rewards, both linked to the company's strategic ambitions, financial targets and business standards. The board determines the group CEO's remuneration and establishes the framework for adjustments for other employees. Salary adjustment for each employee is settled administratively within the limits set. For these purposes the board carries out a comparison with salary conditions in other Norwegian shipping companies and also looks to the general level of pay adjustments in Norway.

An overview of employee benefits, including salary and other components of the chief executive's and CFO's remuneration packages, is detailed in note 4 to the group accounts and note 2 and 16 to the parent company accounts. The board's statement of executive personnel is also a separate appendix to the agenda for the annual general meeting, which approves the remuneration as part of the annual report.

#### Short-term incentive scheme

The board determines the annual norm for the bonus scheme developed for employees in WWH and its main subsidiaries. Intended to reinforce the focus on performance and results, the bonus scheme is based on the group's return on capital employed and other selected predefined key performance indicators. As a principle, a minimum of 50% of the KPIs are linked to financial targets, while the remaining are linked to group and/or individual KPIs. One discretionary KPI is linked to the employee's overall performance.

#### Long-term incentive scheme

The senior executives participate in a long-term variable remuneration scheme, which aims to align the senior executive's risk and investment decisions with shareholder interests, as well as being a retention element in the total

## ” Remuneration policy linked to strategic ambitions, financial targets and business standards.

## Financial calendar for 2015

<b>13 February</b>	Q4 2014 results and presentation
<b>23 April</b>	Annual general meeting
<b>7 May</b>	Q1 2015 results
<b>8 May</b>	Q1 2015 presentation
<b>6 August</b>	Q2 2015 results and presentation
<b>17 September</b>	Capital Markets Day
<b>11 November</b>	Q3 2015 results and presentation

The company reserves the right to revise the dates, and will in case of changes inform the market in due time.

remuneration package. In 2014, the senior executives were granted a synthetic option programme, comprising share equivalents and entitled the holders to a cash reward based on a positive total share return of the underlying shares. The maximum annual payment in the scheme was set to 50 % of the individual executive's basic salary.

The scheme in 2014 was based on a programme endorsed by the AGM in April 2011 and November 2013/April 2014. A new long-term incentive programme, linked to long-term value creation, is being evaluated as an alternative to the synthetic option programme that expired 31 December 2014.

*Deviations from the code: None*

### INFORMATION AND COMMUNICATION Communication principles and standards

Transparency, accountability and timeliness guides the group's communication activities. The company follow the guidelines set out by the Oslo Stock Exchange and The Norwegian Investor Relations Association and their opinion of best practice related to financial reporting and Investor Relations information.

#### Communication channels and activities

The interim and annual results are presented to invited investors, analysts and business journalists. At least two of these presentations are transmitted directly by webcast. Results are also posted on the [group's webpages](#). Further, the company strives to host one [capital markets day](#) a year, to give the stakeholders more in-depth knowledge about the group's activities and strategies. The market is regularly informed about the group's activities and results through stock exchange notices, annual and interim reports, press releases and updates on the group's web site.

Extensive information about the activities of the group is provided on the group's webpages. A separate section named "[Investors](#)" includes relevant information to shareholders, including reports and presentations, financial calendar, analysts, share information, corporate governance, IR contact and news and media. The company has a dedicated Investor relations team, and main point of contact is [Mr Åge S Holm and Ms Hiva Ghiri](#).

The group is present on social media, but have strict rules on who can utilise social media for

company purposes and has clear guidelines stating that stock sensitive information must be published through the stock exchange before it is made available on social media.

#### Silent period

Two weeks before the planned release of quarterly financial reports – the silent period – the company will not comment on matters related to the general financial results or expectations, and contact with external analysts, investors and journalists will be minimised. This is done to reduce the risk of information leakages and that the market has access to different information.

*Deviations from the code: None*

#### TAKE-OVERS

The board has not established a policy for its response to possible takeover bids. The board and management will seek to treat any take-over bids for the company's activities or shares in a professional way and in the best interest of the company's shareholders. If such circumstances arise, the board and the company's management will seek to treat all shareholders equally and take action to secure that shareholders receive sufficient and timely information to consider the offer.

*Deviations from the code: No policy developed, but intention described above.*

#### AUDITOR

The company's auditor PricewaterhouseCoopers (PwC) - attends board meetings as required and is always present when the annual accounts are approved.

To ensure the board has solid understanding of the accounts and any changes in the accounting principles, the auditor discuss changes in IFRS relevant for the group's accounting principles or other law requirements relevant for the company with the board. The auditor also runs through the main features of the audits carried out. There were no disagreements between the management and PwC during 2014.

It is of importance to the board that the auditor is independent of management. The board therefore has at least one meeting with PwC without senior management being present. If used for other services than accounting, the parties will follow guidelines as described in the

Auditing and Auditors' Act. The auditor provides the board with a confirmation of independence in relation to non-audit services provided.

In 2014, PwC has audited accounts, notes, the director's report and read through and commented on the board's report on corporate governance and the company's sustainability report.

The auditor's fee, broken down by audit work, audited related services, tax services and other consultancy services, is specified in note 4 to the WWH group accounts and note 3 to the parent company accounts.

For the financial year 2015, Fredrik Melle will succeed Rita Granlund as the company's main auditor at PwC.

*Deviations from the code: None*

## Further information

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# Sustainability reporting



## Gothenburg, 16:00. Acquisition.

Wilhelmsen Technical Solutions signs an agreement to acquire 100% of the shares in Integrated Engineering Services Ltd. (IES).

Strengthened product offer within HVAC in the offshore market.



## Phoenix, 08:00. Leadership development.

16 managers start their second session in the leadership development program LeAP.

Engaged and innovative leaders are important to motivate and evolve employees for the future.



## Port Said, 17:00. Competence development.

As a member of the MV Tønsberg repair team, this seafarer has recently completed a ten day Advanced Gas and ARC welding workshop.

The Wilh. Wilhelmsen group seeks to provide a positive and stimulating work environment in which all employees are motivated and can work and utilise their full potential.

# Sustainability report

Since our previous sustainability report, we have continued aligning corporate responsibility with our business efforts. We have made improvements on our environmental footprint, further increased employee safety, further intensified our work on compliance and positively influenced our community. There is still much to be done to be the shaper within the field of sustainability in our industry, but we have a lot to be proud of when we look back at 2014.



*T. Wil*  
Thomas Wilhelmsen  
Group CEO

### Selected highlights 2014

In 2014, we rolled out a major compliance training program called "I Comply!". Nearly 100% of our employees went through eLearnings and workshops. However, we are not stopping now. We will reach 100% of our employees worldwide, and we will see to it that all new employees signing on with WW receive the same training.

In the past year, we completed a substantial number of risk campaigns working on further improving our safety standards. Reducing risks and securing a safe operation is imperative for us. By always working towards the best possible standards, we secure our employees a safe workplace. We want everyone to return home safely after work, including all who do business with us.

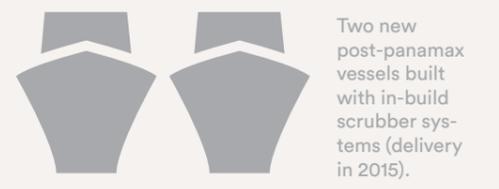
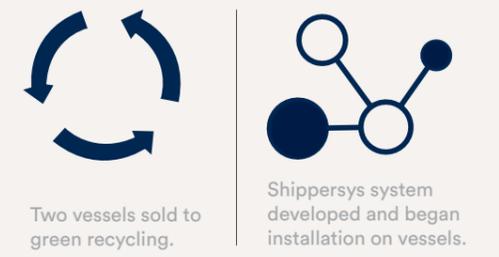
The global environmental footprint of the WW group is comprehensive. We run ships across the globe. Yet we strive for the cleanest way of running a modern fleet of vessels. We have successfully taken steps towards a cleaner future in shipping. Scrubbers and Shippersys systems have led the way.

### Future

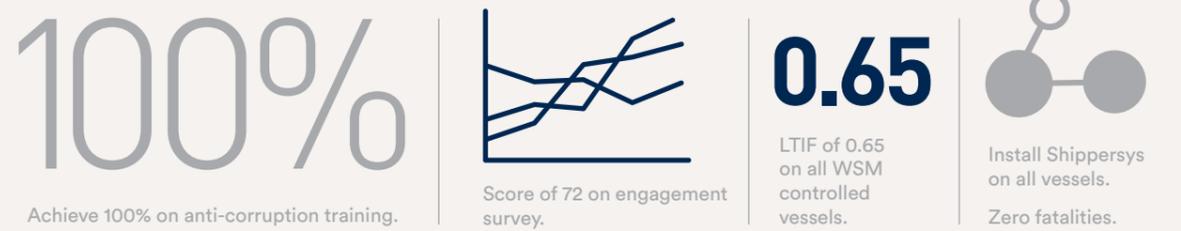
For 2015, the WW group will continue to be at the very forefront of sustainability in our industry. Notable targets for 2015 are new and greener vessels in the fleet, continuous focus on safety and compliance, and being a great place to work. Through these focus areas we will continue to aim for our vision "The shaper of the maritime industry".

As group CEO and fifth generation heading up the Wilhelmsen group, I have a strong personal commitment to our long-term goals and ambitions. A sustainable business model and solid business standards are not something we can turn on and off at will. They are permanent. They are a commitment. They are just how we do business.

## 2014 Highlights



## Targets 2015



# Our way

The way a company reaches its results is becoming as important as the results achieved. While shipping is known as the cleanest mode of transport, concerns still arise for the environment, human rights and corruption to name a few. Last year, we embarked on our first sustainability report and since then we have seen good improvement within several important areas. Now we are aiming for more.

We acknowledge that corporate social responsibility (CSR) is an important prerequisite for creating long-term profitability for the company's stakeholders. The WW group accepts this responsibility and constructively includes relevant stakeholders in building a competent and sustainable governance structure. In addition to ongoing dialogues, this includes development of policies, proper processes, describing roles and responsibilities and ensuring accountable, transparent reporting.

Our board has the ultimate responsibility for the group's business performance, including the social, environmental and economic results of our company. However, each employee is challenged to make a difference, and conduct their work in a responsible manner in day-to-day operations.

To measure and manage our CSR-performance, we have adopted the global non-financial reporting standard Global Reporting Initiative (GRI). GRI reporting was first initiated in the WW group in 2013, and we are reporting on GRI 4 core values for the second time. Apart from increased transparency towards external parties, GRI reporting also provides us with an opportunity to better control risks and develop an efficient way of working with sustainability in the group.

### Achievements 2014

The Wilhelmsen boards of WWH and WWASA identified anti-corruption, climate change, working conditions and stakeholder engagement as the group's four sustainability focus areas in

2013. Since then, we have implemented a range of different activities, programs and standards, resulting in important achievements within all areas. Our most important achievements from 2014 are illustrated in the highlights overview on page 119, and you can read more about our accomplishments, ongoing projects and targets for 2015 in this report.

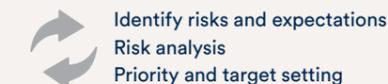
### Materiality assessment process 2014

The focus areas covered in this report are based on a materiality assessment process from 2013, conducted according to the GRI G4 guidelines.

The analysis is primarily based on findings derived from dialogue with our stakeholders. We evaluate the input and expectations by engaging in communication with colleagues from the specialist departments as well as management. We then reconcile stakeholders' expectations with priorities from the perspective of the company. The result of this assessment was a materiality matrix showing our priorities and future focus areas.

This year, we used the management's quarterly risk evaluations and the 2013 materiality matrix as a starting point for discussions, and adjusted the matrix in terms of current status and priorities. No new elements were identified, but the priority of certain issues have changed. See page 121 for updated matrix.

## The assessment process



Risk mapping	Identify external stakeholder expectations	Peer & media review	Analysis and findings	Internal WW materiality workshop	Finalise materiality assessment
A corporate responsibility assessment (CRA) was conducted to map key risk issues for WW and assessing whether the issue is a high priority to WW internally.	Review and measure perceived external stakeholder expectations of identified risk issues.	A peer review was conducted to identify issues of importance to WW's peers while a media review was conducted to assess media attention around identified issues.	Each issue was given an external stakeholder scoring based on collection from peers, the CRA risk assessment, Norwegian Accounting Act and experience.	Collective debate within WW on results and findings from the assessment. Prioritising and setting targets for further work.	Final materiality matrix approved by WW global management team and discussed with the boards of WWH and WWASA. Agreed on focus areas.

## Materiality matrix 2014

		<b>PRIORITY A</b> Labour relations and standards Innovation Waste Human rights Business ethics Anti-corruption Climate change and emission Stakeholder engagement Working conditions and HSE Sustainability governance
Importance to external stakeholders		<b>PRIORITY B</b> Diversity and inclusion Society and community Supply chain management Tax Piracy Controversial/illegal cargo Biodiversity Ballast water
	<b>PRIORITY C</b> Lobbying	
		Importance to WW

# How we engage with our stakeholders

## Stakeholder engagement 2014

We are regularly in dialogue with key stakeholders such as customers, employees, investors, suppliers and others who engage with issues relating to the maritime industry and the corporate activities of WW. The dialogue contributes to understanding the expectations of the community and transferring them to the

company. At the same time, we can communicate corporate decisions to our stakeholders and provide them with a better explanation for the underlying motives.

The table illustrated below provides some examples of how stakeholders were involved in important topics in 2014.

Key topics 2014	Employees	Investors	Customers	Suppliers	Community
Engagement, commitment, leadership, culture	Results and prospects	Campaigns, plans, feedback	Human rights, child labour, laws and regulations in regards to environmental protection	Climate & environmental impact	
Business ethics, results, targets and training needs	General knowledge sharing	Satisfaction, feedback	Sustainability governance, transparency, values	Anti-corruption	
Working conditions, HSE	Main drivers	Innovation, proper use and expertise advice	Working conditions, HSEQ, child-labour, environmental regulations	Education	
				Rules & regulations, labour relations & standards, training	

## Channels and activities

Engagement survey	Annual & quarter reports and presentations	Regular customer meetings and dialogues	Supply chain code of conduct	Meetings and discussions with NGOs
Performance appraisal	Capital markets day	Customer surveys	Procurement policies	Guest lectures at universities and public affairs
Industrial democracy	Press releases	Road-shows and fairs	Supplier audits	Ship owners associations
	Investor meetings			

## Material aspects 2014

We have divided the highly important issues in the materiality matrix into five groups. These groups constitute the structure of this report. The material aspects are relevant for all entities, throughout the whole value chain and in all geographical areas.

## WW and the environment

WWASA aims to be the shaper of the maritime industry within environmental and energy efficient vessel operations. To reach this ambition, the company invests in new technology, solutions and ways of working to reduce emissions and fuel consumption. The WW group also has the possibility to shape a greener industry at large, by providing environmentally sound products and solutions to the world fleet through its maritime services companies.

The environment section covers climate change and emissions, elements on innovation, waste management and sustainability governance.

## Ethics and anti-corruption

WW has clear policies on business standards, ethics and anti-corruption. Our primary goal is to work on creating a culture where making correct decisions and working according to best practise is something our employees are proud to be part of. We acknowledge the importance of a good business culture to stay sustainable and competitive when facing the future. In this section, we focus on what we do as a group to build a culture and awareness characterised by good ethics and low corruption.

## WW and the community

The Wilhelmsen group supports a large number of organisations and causes. This is our way of showing how we care for the local communities in which we operate. WW and the community focuses on society and community, stakeholder involvement and innovation.

## Our employees

We believe that empowered employees in an innovative, learning organisation are our main competitive advantage in meeting the needs and wants of our customers. Labour relations and standards, human rights, working conditions

and stakeholder engagement are therefore important topics for the group.

## Health and safety

No task is so important that we can allow it to compromise health and safety. Our commitment to maintaining high standards and preventing accidents and dangerous situations extends to every aspect of our operation, and encompasses all employees and others working on behalf of the company.

## Adjustments from 2013

In this year's CSR report, we have not included supply chain management as one of our focus areas of sustainability. We have a global and extensive supply chain which we commit to manage in an environmentally, ethical and socially responsible manner. However, we have not yet managed to establish a good system for control and reporting that enables us to communicate our impact in a relevant and consistent manner. This is a challenge that we will continue to work on in the future, but we have prioritized to strengthen our focus on the other material aspects in this year's report.

## Targets for 2015

To further improve our sustainability results in the future, we will continue to work strategically with our focus areas. In 2015, we will continue to improve guidelines and standards for the group. This will contribute to clearly express the group's expectations regarding material topics of sustainability towards employees, companies, suppliers, and business partners. Business relevant issues will be handled by the subsidiaries on a central or local level, depending on the nature of the issue. Some of our targets for 2015 are illustrated on page 3, and discussed in the relevant chapters in the online sustainability report.

# GRI index

The following index represents the GRI aspects for the WW group. The index is separated into general standard disclosures and specific standard disclosures translated into the corresponding chapters of this sustainability report. The indicators have been selected and prioritised through a materiality assessment which was conducted in 2013 and reviewed in 2014.

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Strategy and analysis</b>					
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Online sustainability report page 2 and "Why sustainability matter by group CEO" <a href="http://www.wilhelmsen.com/about/csr/ourway/Pages/CEOcomment.aspx">http://www.wilhelmsen.com/about/csr/ourway/Pages/CEOcomment.aspx</a>		Fully	No
<b>Organisational profile</b>					

G4-3	Report the name of the organisation.	Wilh. Wilhelmsen Holding ASA (WWH)		Fully	No
G4-4	Report the primary brands, products, and services.	WWH annual report, pages 12–18 and 142–149 and <a href="http://www.wilhelmsen.com">wilhelmsen.com</a>		Fully	No
G4-5	Report the location of the organisation's headoffice.	Lysaker, Norway		Fully	No
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	WWH annual report pages 21, 142–149, and map on <a href="http://www.wilhelmsen.com">wilhelmsen.com</a>		Fully	No
G4-7	Report the nature of ownership and legal form.	WWH is listed on the Oslo Stock Exchange. For an overview of shareholders, see WWH annual report page 89 or <a href="http://www.wilhelmsen.com">www.wilhelmsen.com</a>		Fully	No
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	WWH annual report pages 68–72 and <a href="http://www.wilhelmsen.com">wilhelmsen.com</a>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Organisational profile</b>					
G4-9	Report the scale of the organisation, including: <ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Total number of operations</li> <li>• Net sales (for private sector organisations) or net revenues (for public sector organisations)</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organisations)</li> <li>• Quantity of products or services provided</li> </ul>	WWH annual report pages 21, 46–47, <a href="http://www.wilhelmsen.com">wilhelmsen.com</a> , and "Our employees" in the online sustainability report.		Fully	No
G4-10	a) Report the total number of employees by employment contract and gender.	The "Our employees" section in the online sustainability report, and "Employee figures" on <a href="http://www.wilhelmsen.com">wilhelmsen.com</a> .	Partially due to lack of data on employment type (part time/full time).	Fully	No
	b) Report the total number of permanent employees by employment type and gender.			Partially	No
	c) Report the total workforce by employees and supervised workers and by gender.			Fully	No
	d) Report the total workforce by region and gender.			Fully	No
	e) Report whether a substantial portion of the organisation's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	None	Fully	No	
	f) Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	None	Fully	No	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	63% of total workforce (100% of seafarers)		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Organisational profile</b>					
G4-13	<p>Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including:</p> <ul style="list-style-type: none"> <li>• Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations)</li> <li>• Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination</li> </ul>	<p>In 2014, the group increased its shareholding in NorSea Group to 40%, supporting expansion into the Danish and UK sector and wind offshore services.</p> <p>A review has also been made in relation to the WSM product portfolio. As part of this, a process has been initiated related to the restructuring of the WTS business area, where HVAC, Insulation, Electrical &amp; Automation, and the 2014 acquired company IES Ltd. has been established as a separate stand-alone Group called Callenberg. Callenberg is fully owned by Wilhelmsen Maritime Services.</p>		Fully	No
G4 - 14	Report whether and how the precautionary approach or principle is addressed by the organisation.	WWH annual report pages 118–123, and the environmental section in the online sustainability report.		Fully	No
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	See "Initiatives, Principles & Associations" on <a href="http://www.wilhelmsen.com">www.wilhelmsen.com</a>		Fully	No
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation:</p> <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul> <p>This refers primarily to memberships maintained at the organisational level.</p>	See "Initiatives, Principles & Associations" on <a href="http://www.wilhelmsen.com">www.wilhelmsen.com</a>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Identified material aspects and boundaries</b>					
G4-17	<p>a) List all entities included in the organisation's consolidated financial statements or equivalent documents.</p> <p>b) Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.</p>	WWH annual report pages 12–18, 33, and 142–149.		Fully	No
G4-18	<p>a) Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b) Explain how the organisation has implemented the Reporting Principles for Defining Report Content.</p>	WWH annual report pages 22, 106, 118–123, the online sustainability report and <a href="http://wilhelmsen.com">wilhelmsen.com</a> .		Fully	No
G4-19	List all the material Aspects identified in the process for defining report content.				
G4-20	For each material Aspect, WW should report the Aspect Boundary within the organisation.				
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation				
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None		Fully	No
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None		Fully	No

<b>Stakeholder engagement</b>					
G4-24	Provide a list of stakeholder groups engaged by the organisation.	WWH annual report page 23 and the sections "Sustainability report" and "Our way" in the online sustainability report.		Fully	No
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.			Fully	No
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.			Fully	No
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.			Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Report profile</b>					
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Fiscal year 2014		Fully	No
G4-29	Date of most recent previous report (if any).	Fiscal year 2013		Fully	No
G4-30	Reporting cycle (such as annual, biennial).	Annual		Fully	No
G4-31	Provide the contact point for questions regarding the report or its contents.	Group Vice President Corporate Communications, <a href="mailto:benedicte.teigen.gude@wilhelmsen.com">benedicte.teigen.gude@wilhelmsen.com</a>		Fully	No
G4-32	a) Report the 'in accordance' option the organisation has chosen. b) Report the GRI Content Index for the chosen option c) Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	In accordance with GRI 4, core level.		Fully	No
G4-33	a) Report the organisation's policy and current practice with regard to seeking external assurance for the report. b) If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c) Report the relationship between the organisation and the assurance providers. d) Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	The report has not been verified by externals, but DNV GL, as sustainability advisors, has been consulted in the development of the report. The reports has been discussed and approved by the boards of the group. PWC, as the group's auditor, has also included the sustainability report in their Auditor report. See WWH annual report pages 99-100.		Fully	No

<b>Governance</b>					
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	WWH annual report pages 104-115, and "Board and Management" on <a href="http://wilhelmsen.com">wilhelmsen.com</a>		Fully	No

<b>Ethics and integrity</b>					
G4-56	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	WWH annual report pages 22 and 118-123 and the "Ethics and anti-corruption" section in the online sustainability report.		Fully	No

SPECIFIC STANDARD DISCLOSURES					
Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>WW &amp; the environment</b>					
G4-EN3	Energy consumption within the organisation a) Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used. b) Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used. c) Report in joules, watt-hours or multiples, the total: • Electricity consumption • Heating consumption • Cooling consumption • Steam consumption" d) Report in joules, watt-hours or multiples, the total: • Electricity sold • Heating sold • Cooling sold • Steam sold" e) Report total energy consumption in joules or multiples. f) Report standards, methodologies, and assumptions used. Report the source of the conversion factors used.	The "Environmental section" in the online sustainability report.		Fully	No
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1) a) Report gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances. b) Report gases included in the calculation (whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all). c) Report biogenic CO2 emissions in metric tons of CO2 equivalent separately from the gross direct (Scope 1) GHG emissions. d) Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions. Report standards, methodologies, and assumptions used. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source. Report the chosen consolidation approach for emissions (equity share, financial control, operational control).	The "Environmental section" in the online sustainability report.		Fully	No
G4-EN21	NOX, SOX, and other significant air emissions a) Report the amount of significant air emissions, in kilograms or multiples for each of the following: • NOX • SOX • Persistent organic pollutants (POP) • Volatile organic compounds (VOC) • Hazardous air pollutants (HAP) • Particulate matter (PM) • Other standard categories of air emissions	The "Environmental section" in the online sustainability report .		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>WW in the community</b>					
G4- DMA	<p>Disclosure on Management Approach</p> <p>a) Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b) Report how the organisation manages the material Aspect or its impacts.</p> <p>c) Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p>WWH annual report 118–123, “WW and the community” in the online sustainability report, and “Sponsorships” on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>		Fully	No
G4-EC1	<p>Direct economic value generated and distributed</p> <p>a) Report the direct economic value generated and distributed (EVG&amp;D) on an accruals basis including the basic components for the organisation’s global operations as listed below. If data is presented on a cash basis, report the justification for this decision and report the basic components as listed below:</p> <ul style="list-style-type: none"> <li>Direct economic value generated:</li> <li>Revenues</li> <li>Economic value distributed:</li> <li>Operating costs</li> <li>Employee wages and benefits</li> <li>Payments to providers of capital</li> <li>Payments to government (by country)</li> <li>Community investments</li> <li>Economic value retained (calculated as ‘Direct economic value generated’ less ‘Economic value distributed’)</li> </ul> <p>b) To better assess local economic impacts, report EVG&amp;D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.</p>	<p>WWH annual report, Accounts and notes (income statement and in particular note 4 and 16 to group accounts) and “WW and the community” in the online sustainability report.</p>	<p>Most of the figures are reported, however not set up as required by GRI due to business complexity.</p> <p>Partially due to lack of global reporting of local contributions.</p>	Partially	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>WW in the community</b>					
G4-EC3	<p>Coverage of the organization’s benefit plan obligations</p> <p>a) Where the plan’s liabilities are met by the organization’s general resources, report the estimated value of those liabilities.</p> <p>b) Where a separate fund exists to pay the plan’s pension liabilities, report:</p> <ul style="list-style-type: none"> <li>The extent to which the scheme’s liabilities are estimated to be covered by the assets that have been set aside to meet them</li> <li>The basis on which that estimate has been arrived at</li> <li>When that estimate was made</li> </ul> <p>c) Where a fund set up to pay the plan’s pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d) Report the percentage of salary contributed by employee or employer.</p> <p>e) Report the level of participation in retirement plans (such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).</p>	<p>WWH annual report page 37 and note 8 to group accounts.</p>		Fully	No
G4- EC7	<p>Development and impact of infrastructure and services supported</p> <p>a) Report the extent of development of significant infrastructure investments and services supported</p> <p>b) Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant.</p> <p>c) Report whether these investments and services are commercial, in-kind, or pro bono engagements</p>	<p>“WW and the community” in the online sustainability report, and “Sponsorships” on <a href="http://wilhelmsen.com">wilhelmsen.com</a></p>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Our employees</b>					
G4- DMA	<p>Disclosure on Management Approach</p> <p>a) Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b) Report how the organisation manages the material Aspect or its impacts.</p> <p>c) Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p>WWH annual report pages 107–115, and the “Our employees” section in the online sustainability report.</p>		Fully	No
G4- EC6	<p>Proportion of senior management hired from the local community at significant locations of operation</p> <p>a) Report the percentage of senior management at significant locations of operation that are hired from the local community.</p>	<p>80% are hired locally (35 of 44)</p>		Fully	No
	<p>b) Report the definition of ‘senior management’ used.</p>	<p>Senior management is defined as the four highest layers of management hierarchy from group CEO and group and central management teams down to business stream and regional vice presidents</p>			
	<p>c) Report the organisation’s geographical definition of ‘local’.</p>	<p>Defined as hired on a local contract</p>			
	<p>d) Report the definition used for ‘significant locations of operation’.</p>	<p>Headoffice and regional headoffices</p>			
G4-LA1	<p>Total number and rates of new employee hires and employee turnover by age group, gender and region</p> <p>a) Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b) Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>	<p>WWH annual report page 20–21, the “Our employees” section in the online sustainability report, and “Employee figures” on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>		Fully	No
G4-LA4	<p>Minimum notice periods regarding operational changes, including whether these are specified in collective agreements</p> <p>a) Report the minimum number of weeks’ notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b) For organisations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>	<p>According to local rules and regulations. Example: min 3 months in Norway. According to standard CBA for seafarers.</p>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	Ext. assurance
<b>Our employees</b>					
G4 – LA9	<p>Average hours of training per year per employee by gender, and by employee category</p> <p>a) Report the average hours of training that the organisation’s employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> <li>Gender</li> <li>Employee category</li> </ul>	<p>Four days in average for land-based employees. Females have had 5 days of training in average, while men have had 4 days of training.</p> <p>Seafarers have extensive training throughout the year in order to be in compliance with rules and regulation and best practice.</p>	<p>Much of an employee’s training is directly linked to their respective work field and/or position and not recorded centrally. The figures reported is substantially lower than the actual time spend on personal and professional development for each employee.</p> <p>Our systems are built to ensure proper certificates and competences for the seafarers, and not for collecting quantitative statistics such as number of training hours/days. We are therefore not able to report on the average number of training hours per year for seafarers.</p>	Partially	No
G4-LA11	<p>Percentage of employees receiving regular performance and career development reviews, by gender and by employee category</p> <p>a) Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	<p>For landbased employees in total: 80%. Employees 77% and manager 88%. Female 91% and male 90%. All seafarers receive a performance and career development review minimum once a year (100%)</p>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Health and safety</b>					
G4- DMA	<p>Disclosure on Management Approach</p> <p>a) Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b) Report how the organisation manages the material Aspect or its impacts.</p> <p>c) Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p>WWH annual report pages 19–20 and 118–123 and the “Health and safety” section in the online sustainability report.</p>		Fully	No
G4 – LA6	<p>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender</p> <p>a) Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:</p> <ul style="list-style-type: none"> <li>Region</li> <li>Gender</li> </ul> <p>b) Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organisation is liable for the general safety of the working environment, by:</p> <ul style="list-style-type: none"> <li>Region</li> <li>Gender</li> </ul> <p>c) Report the system of rules applied in recording and reporting accident statistics.</p>	<p>WWH annual report pages 20 and the “Health and safety” section in the online sustainability report.</p>	<p>Partially due to lack of group level system for registering/collecting global health and safety issues.</p>	Partially	No
G4-LA8	<p>Health and safety topics covered in formal agreements with trade unions</p> <p>a) Report whether formal agreements (either local or global) with trade unions cover health and safety.</p> <p>b) If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.</p>	<p>The “Health and safety” section in the online sustainability report. For collective bargaining agreements conducted for seafarers, refer to e.g. the Norwegian Shipowners’ Association website <a href="http://rederi.no">rederi.no</a>.</p>		Fully	No

Indicator	Description	Where to find	Omissions	Disclosure	Ext. assurance
<b>Ethics and anti-corruption</b>					
G4-DMA	Disclosure on Management Approach	WWH annual report pages 22 and 118–123 and the “Ethics and anti-corruption” section in the online sustainability report.		Fully	No
G4-SO3	<p>Total number and percentage of operations assessed for risks related to corruption and the significant risks identified</p> <p>a) Report the total number and percentage of operations assessed for risks related to corruption.</p> <p>b) Report the significant risks related to corruption identified through the risk assessment.</p>	<p>WWH annual report pages 22 and 118–123 and the “Ethics and anti-corruption” section in the online sustainability report.</p> <p>WW makes proportional procedure assessments regarding anti-corruption reporting. Therefore we report on a limited number of companies in our group on the matter of assessment of operations with risk of corruption.</p> <p>WWH as mother company assesses the group risk continuously. In addition, four times a year a current risk report and current compliance issues are reported to the Board of Directors. Two times a year the risk report is published through our second quarter financial report and our annual report.</p> <p>Fully owned companies Wilhelmsen Ships Service (WSS), Wilhelmsen Ship Management (WSM), Wilhelmsen Technical Solutions (WTS)/ Callenberg and Wilh. Wilhelmsen ASA (WWASA) each assess risk on a business area basis.</p> <p>WTS/Callenberg</p> <p>All WTS and Callenberg Technology Group (“Callenberg”) operations have been assessed by location with respect to corruption. On the evaluation scale of “insignificant” to “high” risk, WTS and Callenberg’s operations are evenly split between “insignificant/low” and “medium” risk countries. Furthermore, employees do on occasion travel to countries of “medium” to “high” risk for short-term service assignments.</p> <p>WTS and Callenberg are in all locations actively working to reinforce good governance values, we shall do what is right, not what is convenient. In those locations identified as “medium” and “high” risk, additional measures are taken to provide guidance with respect to navigating local business practices.</p>	<p>The WW group conducts risk analysis on compliance. However, we are not currently able to provide the percentage of operations which have been assessed. We are working on procedures to report these numbers for next year.</p>	Partially	No

Indicator	Description	Where to find	Omissions	Disclosure	External assurance
<b>Ethics and anti-corruption</b>					
G4-SO3	<p>WSM</p> <p>WSM has a global network of ship management offices and manning agent offices. WSM has assessed the possible corruption risk related to geographical location for 16 countries. Using the scale of Insignificant to high, the percentage of operations assessed for possible risks related to operational corruption in WSM:</p> <ul style="list-style-type: none"> <li>• Insignificant: 20%</li> <li>• Low: 35%</li> <li>• Medium: 25%</li> <li>• High: 20%</li> </ul> <p>WSM has identified the following significant risks through the risk assessment:</p> <ul style="list-style-type: none"> <li>• Port State Control during vessel operation.</li> <li>• Visa and Work Permit applications for seafarers at various Embassies in High/Medium Risk countries, ref. risk analysis.</li> </ul> <p>WSS</p> <p>Wilhelmsen Ships Service Group (“WSS”) has a global network with offices in over 70 countries. An interview based country by country risk assessment covering all operations was carried out in 2014. Using the scale of insignificant to high, the percentage of operations assessed for possible risks related to corruption in WSS:</p> <ul style="list-style-type: none"> <li>• Insignificant: 23%</li> <li>• Low: 26%</li> <li>• Medium: 31%</li> <li>• High: 20%</li> </ul> <p>WWASA</p> <p>WWASA’s central management team meets on a quarterly basis to undertake a review in conjunction with its Enterprise Risk Management (ERM) policy, with support from DNV GL so as to ensure that WWASA can use best practice. A proportionate review of the risks, namely financial, operational, strategic and governance pertaining to the group activities are performed. Within the review a risk assessment is undertaken for ethics and anti-corruption. The risk assessment includes wholly owned subsidiaries in addition to information provided from the joint venture operating companies. They run their own risk assessment as well as compliance training. These activities are reported to their respective boards and form part of the overall WWASA risk assessment.</p> <p>In 2014 WWASA also completed an overall supplier assessment, where main suppliers were asked to confirm that they had policies and processes in place. This was completed during Q4 of 2014.</p>	<p>The WW group conducts risk analysis on compliance. However, we are not currently able to provide the percentage of operations which have been assessed. We are working on procedures to report these numbers for next year.</p>	Partially	No	

Indicator	Description	Where to find	Omissions	Disclosure	Ext. assurance
<b>Ethics and anti-corruption</b>					
G4-SO4	<p>Communication and training on anti-corruption policies and procedures</p> <p>a) Report the total number and percentage of governance body members that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b) Report the total number and percentage of employees that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c) Report the total number and percentage of business partners that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.</p> <p>d) Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by training</p> <p>e) Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>WWH annual report pages 22 and 118–123 and the “Ethics and anti-corruption” section in the online sustainability report.</p> <p>Nearly all WW employees (personnel part of our fully owned companies) have been through anti-corruption training. This has included eLearnings, workshops, and culminated in a signed document signifying that each employee has understood the WW groups’ policies and view on ethical business. This process has been monitored and factored into each employees annual operating plan (measured tasks during year).</p> <p>Numbers for completed trainings: 5 338 of tot 6 156 for 2014. For seafarers the numbers is 482 and will reach the majority of our seafarers during 2015. Numbers do not take into account maternity leave, sickness and group sessions. Meaning that the actual training percentage of 87% on group level is actually higher.</p> <p>All geographical regions are covered. Our organisation spreads to all continents, and all offices are treated equally regardless of geographical placement.</p> <p>The WW groups fully owned companies are constantly conducting a due diligence of all their partners. This secures a transparent business model. But due diligence processes are done with proportionate procedures. When the processes is put in motion we do third party verification in order to avoid Office of Foreign Assets Control (OFAC) restricted business. We use the Dow Jones Risk&amp;Compliance system for screenings.</p> <p>However corruption is a daily challenge in shipping. The UK Bribery Act states that we can only keep enhancing our routines and practises. The WW group plus Wallenius Wilhelmsen Logistics, joint venture company of WWASA, are members of the Maritime Anti-Corruption Network.</p>	<p>The WW group has done extensive work on anti-corruption training during 2014, and will continue into 2015 and onwards. We have reported on the number of employees who have trained on anti-corruption. We have not yet reported on employee category and region. We are working on those numbers for next year.</p>	Partially	No

Indicator	Description	Where to find	Omissions	Disclosure	Ext. assurance
<b>Ethics and anti-corruption</b>					
G4-SO5	Confirmed incidents of corruption and actions taken a) Report the total number and nature of confirmed incidents of corruption. b) Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c) Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d) Report public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.	The WW group with its fully owned companies had five separate incidents of employees breaking our compliance regulations in 2014. Each case was brought to attention through our Whistleblower system, and dealt with according to internal procedures. All five cases resulted in dismissals. All five cases were reported to the board of directors.		Fully	No
G4-DMA	Disclosure on Management Approach	The "Ethics and anti-corruption" section in the online sustainability report.		Fully	No
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes b) Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant c) Report the main outcomes of completed legal actions, including any decisions or judgments.	See page 14 in WWH annual report under "Update on anti-trust investigations".		Fully	No
G4-DMA	Disclosure on Management Approach	The "Ethics and anti-corruption" section in the online sustainability report.		Fully	No
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations a) Report significant fines and non-monetary sanctions in terms of: • Total monetary value of significant fines • Total number of non-monetary sanctions • Cases brought through dispute resolution mechanisms b) If the organisation has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient. Report the context against which significant fines and non-monetary sanctions were incurred.	See page 14 in WWH annual report under "Update on anti-trust investigations".		Fully	No

Abbreviations	
WWH	Wilh. Wilhelmsen Holding ASA
WWASA	Wilh. Wilhelmsen ASA
WMS	Wilhelmsen Maritime Services
WSS	Wilhelmsen Ships Service
WTS	Wilhelmsen Technical Solutions
WSM	Wilhelmsen Ship Management
ARC	American Roll-on Roll-off Carrier
WWL	Wallenius Wilhelmsen Logistics
GRI	Global Reporting Initiative
CSR	Corporate Social Responsibility
LTIF	Lost Time Injury Frequency
HSEQ	Health, Safety, Environment & Quality

PA	Performance Appraisal
AOP	Annual Operating Plan
SECA	Sulphur Emission Control Area
GHG	Greenhouse gas
ECAs	Emission Control Areas
BDNs	Bunker delivery notes
ROB	Remaining on board
NOx	Nitrogen oxide
SOx	Sulfur oxide
CO2	Carbon dioxide
HFO	Heavy fuel oil
MGO	Marine gas oil

**BOUNDARIES**

The basis for this GRI reporting is the majority controlled entities in the WW group including Wilh. Wilhelmsen ASA (WWASA), Wilhelmsen Maritime Services, Wilhelmsen Ships Service, Wilhelmsen Technical Solutions and Wilhelmsen Ship Management. WWASA joint ventures - Wallenius Wilhelmsen Logistics,

EUKOR Car Carriers and American Roll-on Roll-off Carriers - are partly excluded due to ownership structure. In cases where information is easily available, figures for the companies are specified in the report. WWASA has also included a section on sustainability in their annual and corporate governance reports for 2014.

# Corporate structure



## Shanghai, 10:00. Supporting local community.

Three employees from Wilhelmsen Technical Solutions volunteer as part of the teacher team at the Zi Luo Lan School in Shanghai, China.

Contributed to children's education and supported local community.



## Fujairah: 06:00. Ships agency port call.

A ships agency operator is delivering cash money to the captain of a vessel berthing outside of Fujairah.

Ships agency handled approximately 72 000 port calls in 2014.



## Pusan, 11:00. Under pressure.

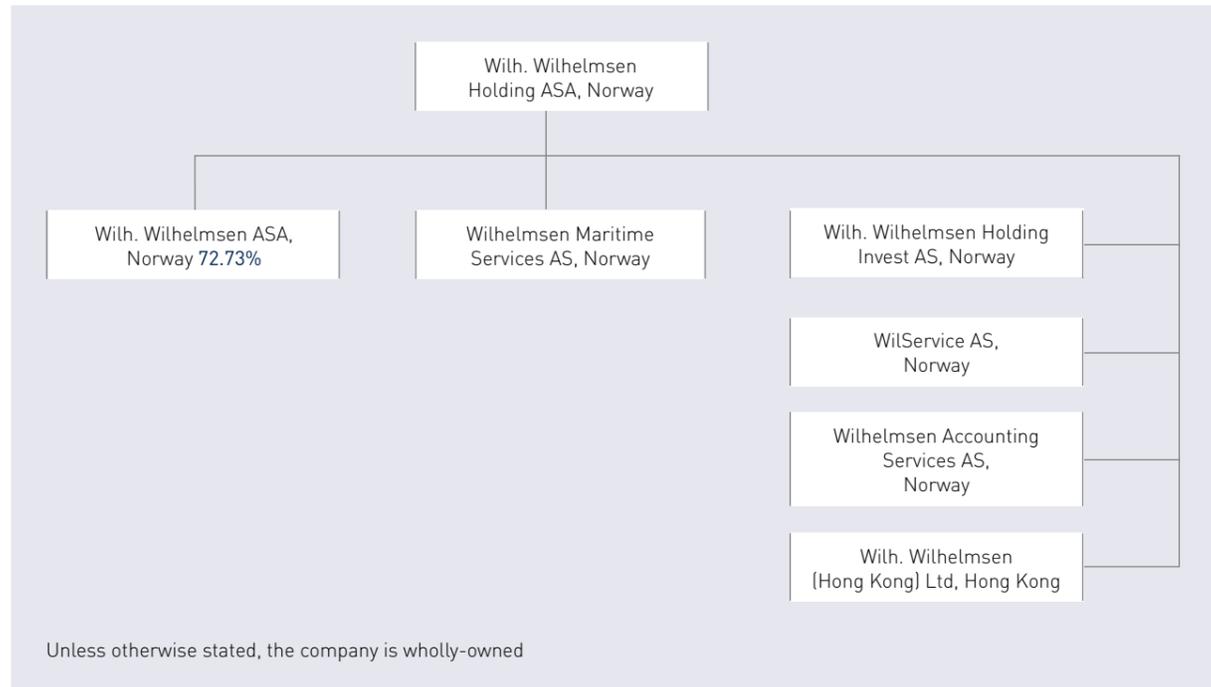
A technical engineer from Wilhelmsen Technical Solutions adjusts the connections of flexible high pressure hoses to the cylinder valves.

Unitor high pressure CO<sub>2</sub> fire fighting systems are proven to be fast and effective, and have been supplied to hundreds of vessels worldwide.

# Corporate structure

AS OF 31 DECEMBER 2014

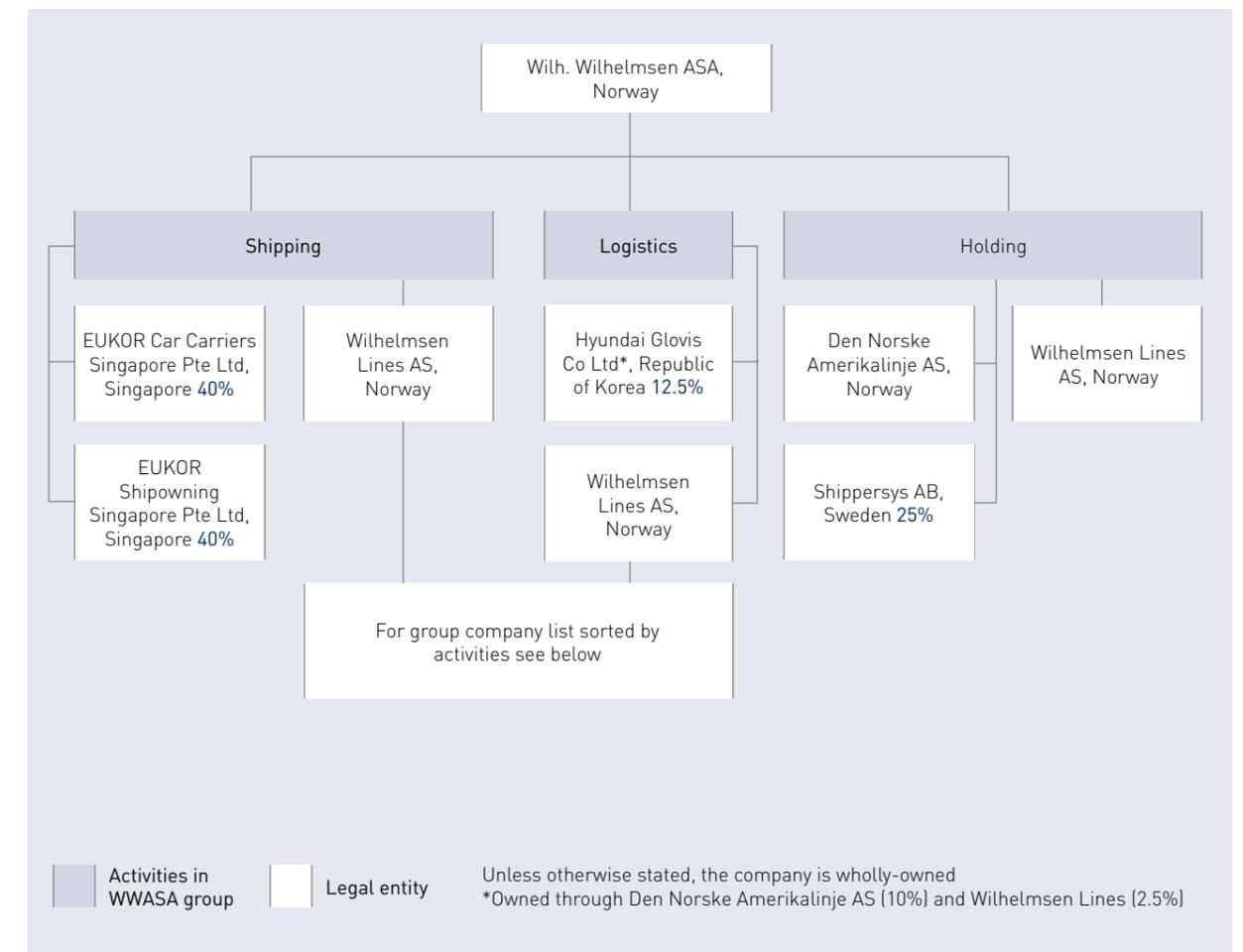
## WWH group main structure



## Holding and investments segment



## WWASA group segment



COMPANY NAME	COUNTRY	OWNER SHIP %
<b>Wilhelmsen Lines AS (Shipping activities)</b>		
Wilhelmsen Ships Holding Malta Ltd	Malta	100%
- Wallenius Wilhelmsen Logistics AS	Norway	50%
- EUKOR Car Carriers Inc	Republic of Korea	40%
Hyundai Glovis Co Ltd *	Republic of Korea	2.5%
Tellus Shipping AS	Norway	50%
Wilhelmsen Lines Shipowning AS	Norway	100%
Wilhelmsen Lines Malta Ltd	Malta	100%
Wilhelmsen Lines Shipowning Malta Ltd	Malta	100%
Wilhelmsen Lines Car Carriers Ltd	United Kingdom	100%
Mark I Shipping Pte Ltd **	Singapore	50%

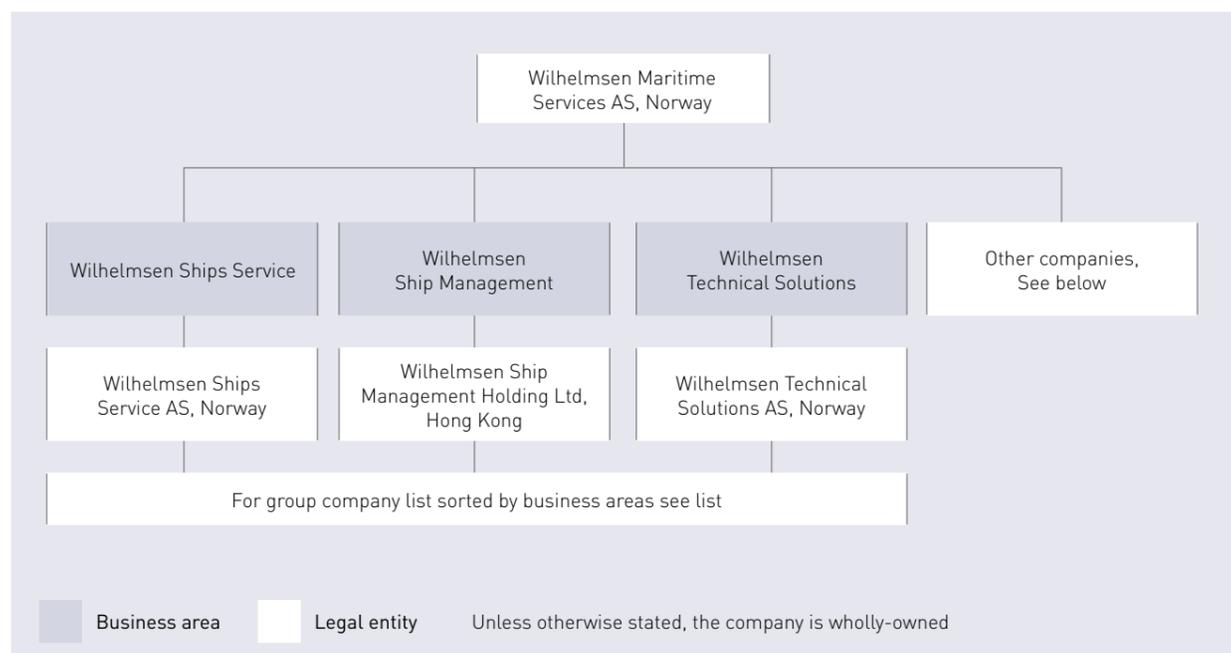
## Cont. WWASA group segment

COMPANY NAME	COUNTRY	OWNER SHIP %
American Roll-on Roll-off Carrier Holdings Inc	USA	50%
- American Roll-on Roll-off Carrier LLC	USA	100%
Fidelio Inc.	USA	50%
- Fidelio Limited Partnership	USA	2%
Wilhelmsen Ships Holding AS*	Norway	100%
- Fidelio Limited Partnership*	USA	49%
<b>Wilhelmsen Lines AS (Logistics activities)</b>		
American Logistics Network LLC	USA	50%
- AP Logistics LLC	USA	50%
American Shipping & Logistics Group Inc	USA	50%
- American Insurance Providers Inc	USA	100%
- American Auto Logistics Limited Partnership	USA	100%
- Transcar GmbH	Germany	100%

\* The company is allocated both to WWASA group's shipping and logistics activities

\*\*Under liquidation

## WMS group segment



COMPANY NAME	COUNTRY	OWNERSHIP %
Wilhelmsen IT Services Sdn Bhd	Malaysia	100.00%
Wilhelmsen IT Services AS	Norway	100.00%
Wilhelmsen Insurance Services AS	Norway	100.00%

## Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
<b>Wilhelmsen Ships Service</b>		
Wilhelmsen Ships Service Algeria SPA	Algeria	49.00%*
Wilhelmsen Ships Service Argentina SA	Argentina	100.00%
New Wave Maritime Services Pty Ltd	Australia	100.00%
Wilh. Wilhelmsen Oceania Pty Ltd	Australia	50.00%*
Wilhelmsen Ships Service Pty Limited	Australia	100.00%
Wiltrading (Darwin) Pty Ltd	Australia	50.00%*
WLB Shipping Pty Ltd	Australia	100.00%
WWHI Property Australia Pty Ltd	Australia	100.00%
Almoayed Wilhelmsen Ltd	Bahrain	40.00%*
Wilhelmsen Ships Service Limited	Bangladesh	50.00%
Wilhelmsen Ships Service NV	Belgium	100.00%
Barwil Brasil Agencias Maritimas Ltda	Brazil	100.00%
Wilhelmsen Ships Service do Brasil Ltda	Brazil	100.00%
Wilhelmsen Ships Service Ltd	Bulgaria	100.00%
Wilhelmsen Ships Service Inc	Canada	100.00%
Wilhelmsen Ships Service Agencia Maritima SA	Chile	100.00%
Wilhelmsen Ships Service (Chile) S.A.	Chile	100.00%
Wilhelmsen Huayang Ships Service (Beijing) Co Ltd	China	50.00%
Wilhelmsen Huayang Ships Service (Shanghai) Co Ltd	China	49.00%*
Wilhelmsen Ships Service Co Ltd	China	100.00%
Wilhelmsen Ships Service Colombia SAS	Colombia	100.00%
Wilhelmsen Ships Service Cote d'Ivoire SARL	Cote d'Ivoire	100.00%
Wilhelmsen Ships Service Cyprus Ltd	Cyprus	100.00%
Wilhelmsen Ships Service A/S	Denmark	100.00%
Wilhelmsen Ships Service Ecuador SA	Ecuador	100.00%
Barwil Arabia Shipping Agencies SAE	Egypt	24.50%
Barwil Egytrans Shipping Agencies SAE	Egypt	49.00%*
Scan Arabia Shipping Agencies SAE	Egypt	49.00%*
Wilhelmsen Ships Service Oy Ab	Finland	100.00%
Auxiliaire Maritime SAS	France	100.00%
Wilhelmsen Ships Service France SAS	France	100.00%
Barwil Georgia Ltd	Georgia	50.00%
Wilhelmsen Ships Service Georgia Ltd	Georgia	50.00%
Barwil Agencies GmbH	Germany	100.00%
Wilhelmsen Ships Service GmbH	Germany	100.00%
Barwil Black Sea Shipping Ltd	Gibraltar	50.00%
Wilhelmsen Ships Service (Gibraltar) Limited	Gibraltar	100.00%
Wiltrans (Gibraltar) Limited	Gibraltar	100.00%
Barwil Hellas Ltd	Greece	60.00%
Uniref SA	Greece	100.00%
Wilhelmsen Ships Service Hellas SA	Greece	100.00%
Wilhelmsen Ships Service Limited	Hong Kong	100.00%
Wilhelmsen Maritime Services Private Limited	India	100.00%
Wilhelmsen Ships Service Private Limited	India	100.00%
Wiltrans Logistics & Shipping Company Private Limited	India	100.00%
WSS Business Services India Private Limited	India	100.00%
P.T. Tirta Samudera Caraka	Indonesia	0.00%*
P.T. Tirta Sarana Banjar	Indonesia	0.00%*
P.T. Tirta Sarana Borneo	Indonesia	0.00%*
P.T. Tirta Sarana Dermaga	Indonesia	0.00%*
P.T. Tirta Sarana Jasatama	Indonesia	0.00%*

## Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
P.T. Tirta Wahana Transportama	Indonesia	0.00%*
Barwil For Maritime Services Co Ltd	Iraq	100.00%
Wilhelmsen Ships Service SpA	Italy	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd - Legal Branch	Japan	100.00%
Wilhelmsen Ships Service Co Ltd	Japan	100.00%
Wilhelmsen Ships Service Ltd	Kenya	100.00%
Alghanim Barwil Shipping Co-Kutayba Yusuf Ahmed & Partners WLL	Kuwait	49.00%
Barwil-Andersson Agencies Ltd	Latvia	49.00%
Wilhelmsen Ships Service Lebanon SAL	Lebanon	49.00%
Barwil Westext Sdn Bhd	Malaysia	25.00%*
Wilhelmsen Agencies Sdn Bhd	Malaysia	100.00%
Wilhelmsen Freight & Logistics Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Holdings Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malaysia Sdn Bhd	Malaysia	30.00%*
Wilhelmsen Ships Service Trading Sdn Bhd	Malaysia	100.00%
WSS Global Business Services Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ships Service Malta Limited	Malta	100.00%
Unitor de Mexico, SA de CV	Mexico	100.00%
Wilhelmsen Ships Service (Mozambique), Limitada	Mozambique	100.00%
Wilhelmsen Ships Service BV	Netherlands	100.00%
Unitor Ships Service NV Netherlands Antilles	Netherlands Antilles	100.00%
Wilh. Wilhelmsen (New Zealand) Limited	New Zealand	100.00%
Wilhelmsen Ships Service Limited	New Zealand	100.00%
Barwil Agencies AS	Norway	100.00%
Wilhelmsen Chemicals AS	Norway	100.00%
Wilhelmsen Ships Service AS	Norway	100.00%
Wilhelmsen Towell Co LLC (formerly known as Towell Barwil Co LLC)	Oman	60.00%
Wilhelmsen Ships Service (Private) Limited	Pakistan	49.00%*
Barwil Agencies SA	Panama	100.00%
Intertransport Air Logistics SA	Panama	100.00%
Lonemar SA	Panama	100.00%
Lowill SA	Panama	100.00%
Scan Cargo Services SA	Panama	100.00%
Transcanal Agency SA	Panama	100.00%
Wilhelmsen Ships Service SA	Panama	100.00%
Wilhelmsen Ships Service Peru SA	Peru	100.00%
Wilhelmsen-Smith Bell (Subic) Inc	Philippines	50.00%
Wilhelmsen-Smith Bell Shipping Inc	Philippines	40.00%*
Wilhelmsen Ships Service Philippines Inc	Philippines	100.00%
Wilhelmsen Ships Service Polska Sp z.o.o.	Poland	100.00%
Argomar-Navegcao e Transportes SA	Portugal	100.00%
Barwil-Knudsen, Agente de Navagacao Lda	Portugal	100.00%
Wilhelmsen Ships Service Portugal, SA	Portugal	100.00%
Wilhelmsen Ship Services Qatar Ltd	Qatar	0.00%*
Wilhelmsen Hyopwoon Ships Service Ltd	Republic of Korea	50.00%
Wilhelmsen Ship Services Co Ltd	Republic of Korea	100.00%
Barwil Star Agencies SRL	Romania	100.00%
Barwil Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ships Service 000	Russia	100.00%
Barwil Agencies Ltd For Shipping	Saudi Arabia	70.00%
Binzagr Barwil Maritime Transport Co Ltd	Saudi Arabia	50.00%
Nagliyat Al-Saudia Co Ltd	Saudi Arabia	0.00%*
Wilhelmsen Ships Service Senegal SUARL	Senegal	100.00%

## Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
Unitor Cylinder Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (Japan) Pte Ltd	Singapore	100.00%
Wilhelmsen Ships Service (S) Pte Ltd	Singapore	100.00%
Barwil (South Africa) Pty Ltd	South Africa	100.00%
Krew-Barwil (Pty) Ltd	South Africa	49.00%
Wilhelmsen Ships Services (Pty) Ltd	South Africa	100.00%
Wilhelmsen Ships Services South Africa (Pty) Ltd	South Africa	70.00%
Wilhelmsen Ships Service Canarias SA	Spain	100.00%
Wilhelmsen Ships Service Spain SAU	Spain	100.00%
Wilhelmsen Meridian Navigation Ltd	Sri Lanka	40.00%
Baasher Barwil Agencies Ltd	Sudan	50.00%
Alarbab For Shipping Co. Ltd	Sudan	0.00%*
Wilhelmsen Ships Service AB	Sweden	100.00%
Wilhelmsen Ships Service Inc	Taiwan	100.00%
Wilhelmsen Ship Services Ltd	Tanzania	100.00%
Wilhelmsen Ships Service (Thailand) Ltd	Thailand	49.00%*
Wilhelmsen Denizcilik Hizmetleri Ltd Sirketi	Turkey	100.00%
Wilhelmsen Lojistik Hizmetleri Ltd Sirketi	Turkey	100.00%
Crewing Agency "Barber Manning"	Ukraine	100.00%
Wilhelmsen Ships Service Ukraine Ltd	Ukraine	100.00%
Barwil Abu Dhabi Ruwais LLC	United Arab Emirates	0.00%*
Barwil Dubai LLC	United Arab Emirates	49.00%*
Wilhelmsen Ship Services LLC	United Arab Emirates	42.50%
Triangle Shipping Agencies LLC	United Arab Emirates	49.00%*
Wilhelmsen Ships Service AS (Dubai Branch)	United Arab Emirates	100.00%
Wilhelmsen Maritime Services JAFZA	United Arab Emirates	100.00%
Wilhelmsen Ships Service (LLC)	United Arab Emirates	49.00%*
Denholm Wilhelmsen Ltd. (formerly known as Denholm Barwil Ltd.)	United Kingdom	40.00%
Wilhelmsen Ships Service Limited	United Kingdom	100.00%
Knight Transport Ltd	United States	33.34%
Wilhelmsen Ships Service Inc	United States	100.00%
Barwil de Venezuela CA	Venezuela	50.00%
Barwil-Sunnytrans Ltd	Vietnam	49.00%*
International Shipping Co Ltd	Yemen	0.00%*
<b>Wilhelmsen Ship Management</b>		
Unicorn Shipping Services Ltd	Bangladesh	51.00%
Wilhelmsen Ship Management Serviços Marítimos do Brasil Ltda	Brazil	100.00%
Wilhelmsen Ship Management d.o.o.	Croatia	100.00%
Barklav (Hong Kong) Limited	Hong Kong	50.00%
Wilhelmsen Marine Personnel (Hong Kong) Ltd	Hong Kong	100.00%
Wilhelmsen Ship Management Holding Limited	Hong Kong	100.00%
Wilhelmsen Ship Management Limited	Hong Kong	100.00%
WSM Global Services Limited	Hong Kong	100.00%
Wilhelmsen Ship Management (India) Private Limited	India	100.00%
Global Vessel Management Ltd	Liberia	33.33%
Wilhelmsen Ship Management Sdn Bhd	Malaysia	100.00%
Wilhelmsen Ship Management Services Sdn Bhd	Malaysia	100.00%
WSM Offshore Services Sdn Bhd	Malaysia	100.00%
Diana Wilhelmsen Management Inc	Marshall Islands	50.00%
Unicorn Shipping Services Limited	Mauritius	51.00%
Wilhelmsen Marine Personnel (Myanmar) Company Limited	Myanmar	100.00%
Barber Moss Ship Management AS	Norway	50.00%

## Cont. WMS group segment

COMPANY NAME	COUNTRY	OWNERSHIP %
Golar Wilhelmsen Management AS	Norway	40.00%
Wilhelmsen Marine Personnel (Norway) AS	Norway	100.00%
Wilhelmsen Ship Management (Norway) AS	Norway	100.00%
OOPS (Panama) SA	Panama	100.00%
Wilhelmsen-Smith Bell Manning Inc	Philippines	25.00%*
Wilhelmsen Marine Personnel Sp z.o.o.	Poland	100.00%
Haeyoung Maritime Services Co Ltd	Republic of Korea	20.00%
Wilhelmsen Ship Management Korea Ltd	Republic of Korea	100.00%
Barklav SRL	Romania	50.00%
Wilhelmsen Marine Personnel Novorossiysk Ltd	Russia	100.00%
Wilhelmsen Ship Management Singapore Pte Ltd	Singapore	100.00%
Wilhelmsen Marine Personnel (Ukraine) Ltd	Ukraine	100.00%
Wilhelmsen Ship Management (USA) Inc	United States	100.00%
<b>Wilhelmsen Technical Solutions</b>		
Wilhelmsen Technical Solutions do Brasil Ltda	Brazil	100.00%
Ti Callenberg China Co Ltd (formerly known as Ti China Co Ltd)	China	100.00%
Wilhelmsen Technical Solutions Production Co Ltd	China	100.00%
Wilhelmsen Technical Solutions China Co Ltd	China	100.00%
Novenco Fire Fighting A/S	Denmark	100.00%
Callenberg A/S (formerly known as Wilhelmsen Technical Solutions A/S)	Denmark	100.00%
Ti Callenberg Japan Co Ltd (formerly known as TI Marine Contracting Japan Co Ltd)	Japan	100.00%
Wilhelmsen Technical Solutions Co Ltd	Japan	100.00%
Maritime Protection AS	Norway	100.00%
TI Marine Contracting AS	Norway	100.00%
Wilhelmsen Technical Solutions AS	Norway	100.00%
Callenberg AS (formerly known as Wilhelmsen Technical Solutions Norway AS)	Norway	100.00%
Wilhelmsen Technical Solutions Sp z.o.o.	Poland	100.00%
Ti Callenberg Korea Co Ltd (formerly known as TI Korea Co Ltd)	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Korea Co Ltd	Republic of Korea	100.00%
Wilhelmsen Technical Solutions Pte Ltd	Singapore	100.00%
Callenberg Technology AB (formerly known as Wilhelmsen Technical Solutions Sweden AB)	Sweden	100.00%
Callenberg Group AB (formerly known as Wilhelmsen Technical Solutions AB)	Sweden	100.00%
European Manning Services Ltd	United Kingdom	100.00%
Integrated Engineering Services (Aberdeen) Limited	United Kingdom	100.00%
Ti Callenberg UK Limited (formerly known as Ticon Insulation Limited)	United Kingdom	100.00%
Callenberg Inc (Formerly known as Wilhelmsen Technical Solutions, Inc)	United States	100.00%

\* Additional profit share agreement

WW fleet  
Flag and ownership status as per 31.12.2014

Name	Imo	Built	Type	Flag	WWASA ownership/control
<b>PCTC</b>					
<b>MHI TYPE</b>					
TORRENS	9 293 612	2004/10	PCTC	GBR	Financial lease
TORONTO	9 293 624	2005/02	PCTC	GBR	Financial lease
TOLEDO	9 302 205	2005/08	PCTC	GBR	Financial lease
TOPEKA	9 310 109	2006/06	PCTC	GBR	100 %
TOMBARRA	9 319 753	2006/09	PCTC	GBR	100 %
TORTUGAS	9 319 765	2006/12	PCTC	GBR	100 %
TOMAR	9 375 264	2008/10	PCTC	GBR	100 %
TOREADOR	9 375 288	2008/12	PCTC	GBR	100 %
TORINO	9 398 321	2009/03	PCTC	GBR	100 %
TOSCANA	9 398 333	2009/06	PCTC	GBR	100 %
TONGALA	9 605 786	2012/09	PCTC	MLT	100 %
<b>OTHER</b>					
TANCRED	8 605 167	1987/04	PCTC	NIS	100 %
TRIANON	8 520 680	1987/04	PCTC	NIS	100 %
TRINIDAD	8 602 579	1987/09	PCTC	NIS	100 %
TASCO*	8 309 581	1985/02	PCTC	NIS	100 %
TAGUS*	8 309 579	1985/03	PCTC	NIS	100 %
MORNING CONCERT	9 312 822	2006/04	PCTC	GBR	100 %
<b>LCTC</b>					
<b>LCTC1</b>					
TIJUCA	9 377 511	2008/12	LCTC	NIS	100 %
TIRRANNA	9 377 523	2009/06	LCTC	NIS	100 %
<b>LCTC2</b>					
TIGER	9 505 039	2011/06	LCTC	MLT	100 %
TUGELA	9 505 065	2011/07	LCTC	MLT	100 %
TITANIA	9 505 053	2011/12	LCTC	MLT	100 %
TULANE	9 505 089	2012/06	LCTC	MLT	100 %
<b>RORO</b>					
<b>MARK V</b>					
TØNSBERG	9 515 383	2011/03	RO/RO	MLT	100 %
TYSLA	9 515 400	2012/01	RO/RO	MLT	100 %
<b>MARK IV</b>					
TAMESIS	9 191 307	2000/04	RO/RO	NIS	100 %
TALISMAN	9 191 319	2000/06	RO/RO	NIS	100 %
TARAGO	9 191 321	2000/09	RO/RO	NIS	100 %
TAMERLANE	9 218 648	2001/02	RO/RO	NIS	100 %

\* Tagus and Tasco were sold for recycling in February 2015.

\*\* Thermopylae (Post-Panamax design) was delivered in January 2015

\*\*\* Thalatta (Post-Panamax design) was delivered in April 2015

An updated fleet list is available at wilhelmsenasa.com

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