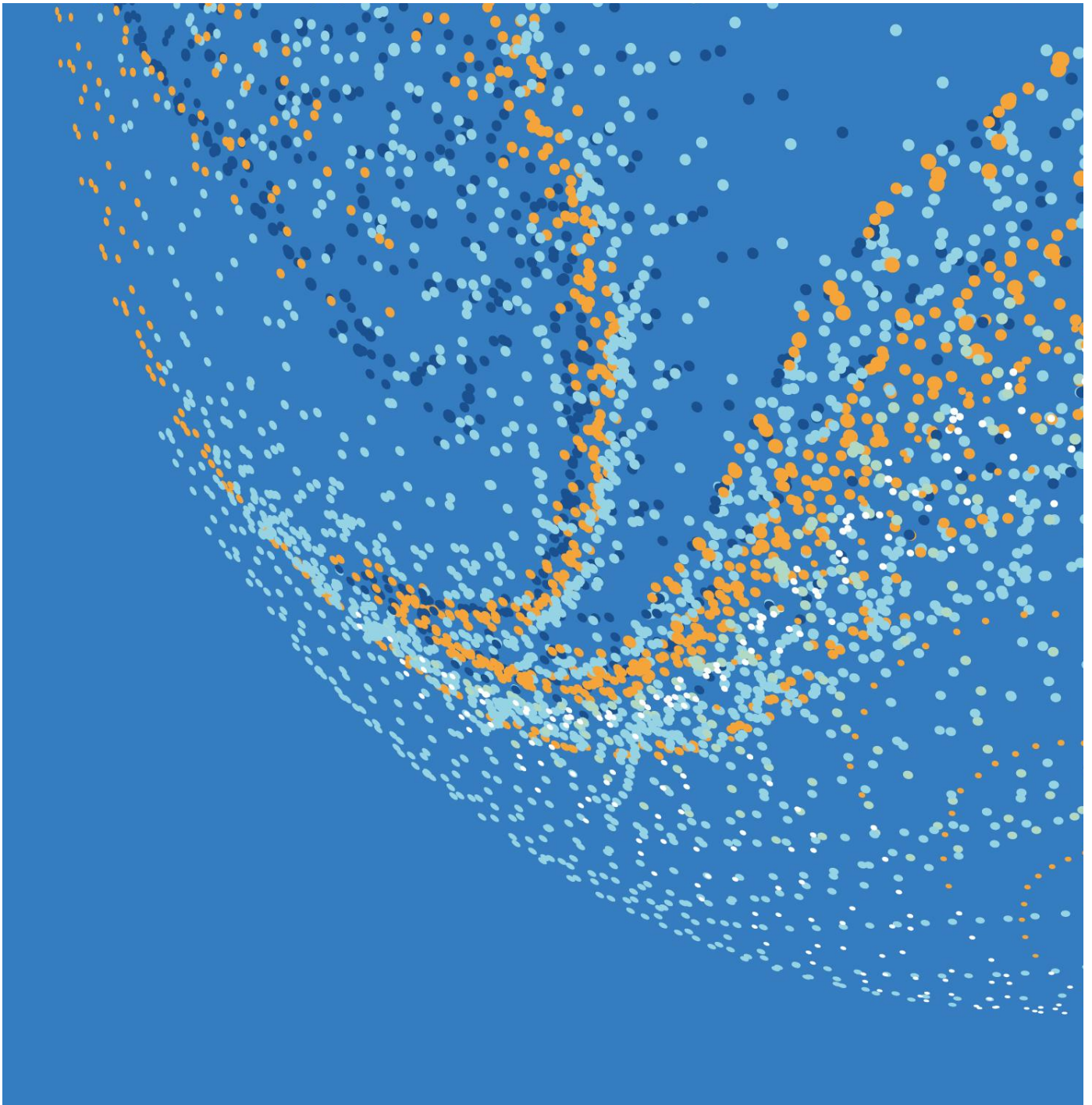


WILH. WILHELMSSEN HOLDING ASA

First quarter report 2018



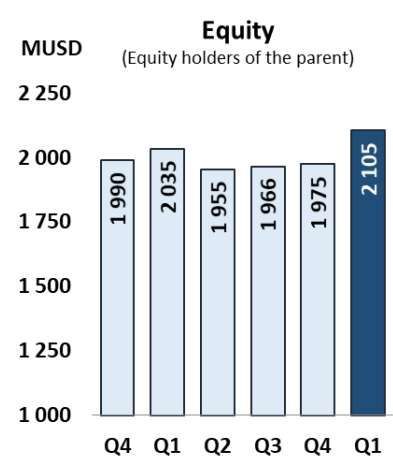
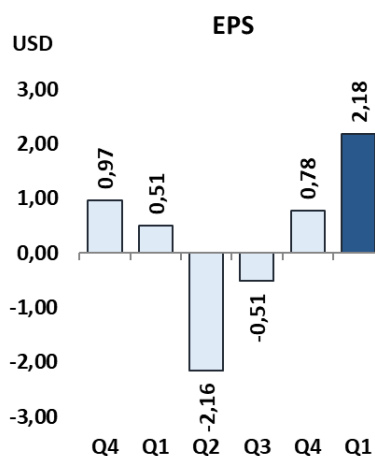
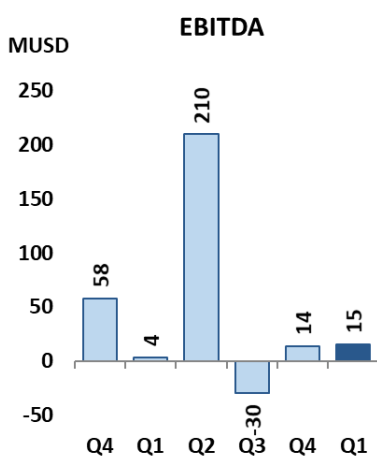
Highlights for the quarter

- Stable income in maritime services
 - EBITDA lifted by reduced non-recurring corporate cost; weaker underlying margin
- Seasonality impacted EBITDA for the offshore supply services
- Mixed contribution from holding and investments activities
 - Reduced net profit in Wallenius Wilhelmsen, with seasonality and reduced Hyundai Motor Group volumes offsetting improved cargo mix
 - Announced restructuring of Hyundai Motor Group lifting value of Treasure ASA's investment in Hyundai Glovis
 - Reduced value of other investments
- Increase in group net profit, supported by increase in financial assets value

Post quarter events

- On 3 April, Wilhelmsen and Kongsberg announced world's first autonomous shipping company, Massterly.
- On 26 April, the Wilhelmsen annual general meeting approved first dividend of NOK 3.50 per share and authorised the board to declare a second dividend of up to NOK 2.50 per share

Key figures



Financial performance

USD mill - unless otherwise indicated	Q1'18	Q4'17	Q-on-Q Change	Q1'17	Y-o-Y Change
Total income	211	205	3 %	140	51 %
- of which operating revenue	210	204	3 %	139	51 %
- of which gain/(loss) on sale of assets	1	1	-3 %	1	32 %
EBITDA	15	14	12 %	4	306 %
Operating profit/EBIT	5	4	46 %	0	>500%
Share of profits from associates	6	37	-83 %	0	>500%
Change in fair value financial assets	124				
Other financial income/(expenses)	11	1	>500%	8	43 %
Tax income/(expenses)	-5	-4	<i>neg.</i>	-4	<i>neg.</i>
Profit/(loss) from continued operations	142	37	280 %	5	>500%
Discontinued operations				26	
Profit/(loss) for the period	142	37	280 %	30	368 %
Profit/(loss) to owners of the parent	101	36	180 %	24	329 %
EPS (USD)	2,18	0,78	180 %	0,51	329 %
Other comprehensive income	31	-22	<i>neg.</i>	21	47 %
Total comprehensive income	174	16	>500%	52	236 %
Total comprehensive income owners of parent	130	16	>500%	45	191 %
Total assets	3 478	3 288	6 %	4 660	-25 %
Equity parent	2 105	1 975	7 %	2 035	3 %
Total equity	2 361	2 188	8 %	2 543	-7 %
Equity ratio	68 %	67 %	1 %	55 %	13 %

Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (referred to as Wilhelmsen or group) was USD 211 million in the first quarter of 2018. This was a 3% increase from the previous quarter, supported by stable or higher operating revenue within all three reporting segments.

EBITDA was USD 15 million for the quarter, up 12%. The increase was mainly due to reduced corporate cost within the maritime services segment.

Share of profit from associates was USD 6 million, reflecting reduced net result in Wallenius Wilhelmsen.

Change in fair value of financial assets was positive with USD 124 million for the quarter, supported by increased value of Treasure ASA's investment in Hyundai Glovis.

Other financial income was USD 11 million for the quarter, lifted by dividend income from financial assets.

Other comprehensive income for the quarter was USD 31 million, mainly currency translation differences related to non-USD assets.

Total comprehensive income, including net profit and other comprehensive income, attributable to owners of the parent was USD 130 million in the first quarter.

Balance sheet

Total assets were up 6% in the first quarter, mainly due to increased value of financial assets. A weaker USD had a positive effect on value of both financial and other assets, when converting value of non-USD assets into USD.

A profit for the period and positive comprehensive income lifted equity attributable to owners of the parent with 7% in the first quarter. As of 31 March 2018, the Wilhelmsen equity ratio was 68%.

Cash, liquidity and debt

USD mill	Cash	Interest bearing debt
Maritime services	143	196
Supply services	10	380
Holding and investments	18	64
Elimination	0	-19
Wilhelmsen group	171	621

Cash and cash equivalents was USD 171 million by the end of the first quarter, up USD 4 million from the previous quarter.

Interest bearing debt was USD 621 million by the end of the quarter. The USD 21 million increase for the quarter was due to currency effect on non-USD debt and increased drawdown on holding facilities.

Segment information

Maritime services

The maritime services segment includes ships service, ship management and other maritime services activities.

USD mill			Q-on-Q		Y-o-Y
- unless otherwise indicated	Q1'18	Q4'17	Change	Q1'17	Change
Total income	151	150	0 %	140	7 %
- Ships service	140	139	1 %	129	9 %
- Ship management	10	11	-6 %	11	-8 %
- Other/eliminations	0	0		0	
EBITDA	13	10	29 %	9	42 %
- EBITDA margin (%)	8,6 %	6,6 %	1,9 %	6,5 %	2,1 %
Operating profit/EBIT	9	6	41 %	5	62 %
- EBIT margin (%)	5,9 %	4,2 %	1,7 %	3,9 %	2,0 %
Share of profits from associates	1	1	6 %	1	-10 %
Change in fair value financial assets	3				
Other financial income/(expenses)	1	1		6	
Tax income/(expense)	-3	-6		-3	
Profit/(loss)	11	2	>200%	9	19 %
- Profit margin (%)	7,3 %	1,1 %	6,2 %	6,5 %	0,7 %
- Non controlling interest	0	0		0	
Profit/(loss) to owners of the parent	11	1	>200%	9	21 %

Result for the quarter

Total income from maritime services was USD 151 million in the first quarter, broadly in line with the previous quarter.

EBITDA was USD 13 million for the quarter, up 29%. The improvement was due to reduced corporate cost, while contribution from operating companies was down.

Share of profit from associates was stable. A revaluation gain on investment in Survitec contributed positively, while other financial income was stable.

Net profit after minority interests ended at USD 11 million for the quarter.

Ships service

Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency. Ships service is fully owned by Wilhelmsen.

Total income for ships service was up 1% from the previous quarter. Marine product sales increased, while income from ships agency and non-marine chemicals was down. Operating profit was down following increased cost prices in marine products and an overall unfavourable product mix development.

On 27 April 2017, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine, subject regulatory approval. The United States' Federal Trade Commission (FTC) announced on 23 February 2018 that they will file a complaint opposing the Wilhelmsen group's planned acquisition. This is standard

procedure in cases where the FTC considers that a proposed transaction will substantially lessen competition. Wilhelmsen disagrees with the FTC's evaluation and will continue to work towards a positive outcome. A ruling is expected later this year. The approval process in Singapore is also still ongoing.

Ship management

Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types. Ship management is fully owned by Wilhelmsen.

Total income and operating profit was down for the quarter. This followed a reduction in fleet under management and reduced crewing activity.

During the quarter, ship management started relocating its global head office from Kuala Lumpur, Malaysia, to Singapore.

In February, ship management and NSG Wind secured a 5-year frame agreement within the wind offshore sector.

Other maritime services activities

This includes Wilhelmsen Insurance Services (fully owned Wilhelmsen), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as financial assets.

The quarter included a USD 3 million gain from change in fair value of the Survitec investment, mainly currency related.

Corporate cost was limited for the quarter, with M&A expenses related to ongoing projects mainly covered through previous year provisions.

Segment information

Supply services

The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities. (New segment from 26 September 2017, with activities previously reported under the holding and investments segment)

USD mill	Q1'18	Q4'17	Q-on-Q	Q1'17	Y-o-Y
- unless otherwise indicated			Change		Change
Total income	59	57	5 %		
- NorSea Group	56	52	9 %		
- Other/eliminations	3	5			
EBITDA	6	9	-27 %		
- EBITDA margin (%)	10,5 %	15,1 %			
Operating profit/EBIT	1	2	-78 %		
- EBIT margin (%)	0,9 %	4,1 %			
Share of profit from associates	1	1			
Other financial income/(expense)	-4	-1			
Tax income/(expense)	-1	1			
Profit/(loss)	-3	4	neg.		
- Profit margin (%)	-4,7 %	7,0 %			
- Non controlling interest	-1	1			
Profit/(loss) to owners of the parent	-2	3	neg.		

Result for the quarter

Total income from supply services was USD 59 million in the first quarter, up 5% from the previous quarter. The increase followed higher income in NorSea Group.

EBITDA came in at USD 6 million, while share of profit from associates was USD 1 million for the quarter.

Other financial items and tax was included with a total expense of USD 5 million.

Net profit after minority interests was a loss of USD 2 million for the quarter.

NorSea Group

NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~74,6% of NorSea Group (40% ownership until 26 September and ~74,2% as per 31 December 2017). NorSea Group is fully consolidated in the Wilhelmsen's accounts from end of third quarter 2017.

Total income for NorSea Group was USD 56 million in the first quarter, up 5% from the previous quarter. The increase was mainly due to increased vessel chartering

activities, offered mainly on a pass-through basis. Income from supply base services remained at a low level, reflecting a traditionally weak winter season for part of the Norwegian offshore industry. Income from infrastructure and facilities was stable.

Underlying operating profit improved from the previous quarter, which included a gain related to pension liabilities.

During the quarter, NorSea Group signed three new contracts within the offshore wind business segment, including a joint frame agreement with Wilhelmsen Ship Management.

Other supply services activities

This includes WilNor Governmental Services (owned 51% directly and 49% through NorSea Group) and certain minor supply services activities.

Income for WilNor Governmental Services, mainly reported on a pass-through basis, was stable for the quarter. Reduction from previously quarter was due to changes in segment reporting impacting 2017 reporting.

Segment information

Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen ASA and Treasure ASA, financial assets, and other holding and investments activities.

USD mill					
- unless otherwise indicated	Q1'18	Q4'17	Q-on-Q Change	Q1'17	Y-o-Y Change
Total income	3	1	>200%	5	-47 %
- Operating revenue	3	0	>200%	5	-47 %
- Gain on sale of assets	0	0		0	
EBITDA	-4	-5		-5	
Operating profit/EBIT	-4	-5		-5	
Share of profit from associates	4	34	-89 %	-1	neg.
- Wallenius Wilhelmsen ASA	4	34	-89 %		
- Other/eliminations	0	0		-1	
Change in fair value financial assets	121				
- Treasure ASA (Hyundai Glovis)	144				
- Other financial assets	-23				
Other financial income/(expenses)	14	1	>200%	2	>200%
- Investment management (Holding)	-1	0		1	
- Treasure ASA	12	0		0	
- WWHI	1	1		1	
- Other financial income/(expense)	1	0		0	
Tax income/(expense)	0	1		-1	
Profit/(loss) for the period	134	32		-5	
- Non controlling interest	42	0		-1	
Profit/(loss) to owners of the parent	92	32		-4	

Result for the quarter

The holding and investments segment reported a net profit of USD 92 million in the first quarter, lifted by a strong appreciation of the value of Treasure ASA's investment in Hyundai Glovis. A lower net result in Wallenius Wilhelmsen ASA and reduced value of other investments had a negative impact.

Market value of financial assets was marginally up for the quarter. Increased value of shareholding in Treasure ASA was offset by reduced value of other investments, including Wallenius Wilhelmsen ASA.

Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen ASA is a global provider of ocean and land-based logistics services towards car and ro-ro customers, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~37,8% of the company, which is reported as associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen ASA was USD 968 million in the first quarter, down 6% from the previous quarter. This followed a 12% reduction in ocean volumes partly offset by increased fuel compensation and improved revenues from landbased activities.

Reported EBITDA was USD 125 million for the quarter, down 29% from the previous quarter. The decline was mainly driven by the ocean segment which was negatively impacted by contracted reductions in Hyundai Motor

Group volumes, rate reductions, increased bunker prices and unfavourable currency movements. The negative effects were only partly offset by underlying positive volume and cargo mix development and realization of synergies. At the end of the first quarter about USD 85 million of the USD 120 million synergy target was confirmed.

Wilhelmsen's share of profit in Wallenius Wilhelmsen ASA was USD 4 million in the first quarter.

Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~72.7% of Treasure ASA. Hyundai Glovis is from 4 April 2017 reported as financial assets in the Wilhelmsen's accounts.

On 28 March, the Hyundai Motor Group issued a press release describing a restructuring plan to eliminate circular ownership within the group. As part of this transaction, Hyundai Glovis will purchase operating assets from Hyundai Mobis through issuance of new shares. The restructuring is among other subject approval from shareholders of the involved companies. If the transaction obtains all necessary approvals in Korea (including the general meeting scheduled for 29 May), Treasure ASA's shareholding will be reduced from currently 12.04% to 4,64% once the planned transaction is completed in July 2018.

The result for the first quarter included a net USD 11 million dividend from Hyundai Glovis.

The value of Treasure ASA's investment in Hyundai Glovis was up USD 144 million for the quarter, to USD 719 million. The ~72.7% investment value attributable to owners of Wilhelmsen was USD 523 million, up USD 104 million for the quarter.

Financial investments

Financial investments include cash and cash equivalents, current financial investments and other financial assets held by the parent and fully owned subsidiaries.

The market value of other financial assets was USD 120 million by the end of the first quarter, down USD 22 million. Main reason was a lower share price in Qube Holdings Limited. A USD 1 million dividend income was booked in the first quarter.

Outlook

Maritime services

Focus on improving the operating margin, strengthening profitability and growing the business will remain. Development of marine products will be sensitive to final outcome of the Drew acquisition, subject regulatory approval. An outcome of the process is expected in the third quarter.

Supply services

A restructuring process has been initiated within NorSea Group to adapt the organisation to the present market environment. This is expected to have a positive effect on the supply services segment margin when fully implemented.

The current financial investment portfolio held by Wilhelmsen was USD 99 million by the end of the first quarter, a reduction of USD 2 million. The portfolio primarily included listed equities and investment-grade bonds. Net income from investment management was nil in the first quarter.

Other holding and investments activities

Holding/other activities includes general holding activities.

Underlying income and EBITDA was at normal levels for the quarter. Changes from last year was mainly due to a change in segment reporting, with WilNor Governmental Services now reported as part of the new supply services segment.

Holding and investments

Wallenius Wilhelmsen maintains a balanced view on prospects.

The future development of Treasure ASA's investment in Hyundai Glovis will depend on outcome of the announced Hyundai Motor Group restructuring plan.

Wilhelmsen group

Focus on operational excellence, improved cash flow and financial robustness will continue

Markets remain challenging, but the underlying sentiments for the group's businesses are positive.

Lysaker, 8 May 2018

The board of directors of Wilh. Wilhelmsen Holding ASA

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

Income statement - financial report

USD mill	Note	Q1 2018	Q1 2017	Full year 2017
Operating revenue		210	139	632
Other income				
Gain/(loss) on sale of assets	2	1	1	161
Total income		211	140	793
Operating expenses				
Cost of goods and change in inventory		(67)	(44)	(194)
Employee benefits		(82)	(60)	(252)
Other expenses		(46)	(32)	(150)
Operating profit before depreciation and amortisation		15	4	198
Depreciation and impairments	3	(10)	(4)	(22)
Operating profit		5	0	176
Share of profits from joint ventures and associates	4	6		55
Change in fair value financial assets	8	124		
Other financial income		17	3	36
Other financial expenses		(6)	5	(14)
Profit before tax		147	8	253
Tax income/(expense)		(5)	(4)	(16)
Profit from continued operations		142	5	236
Discontinued operations				
Net profit/(loss) from discontinued operations (net after tax)	6		26	(239)
Profit for the period		142	30	(2)
Attributable to: non-controlling interests continued operations		41		55
non-controlling interests discontinued operations			7	7
owners of the parent		101	24	(64)
Basic earnings per share (USD)	7	2,18	0,51	(1,38)

Comprehensive income - financial report

USD mill		Q1 2018	Q1 2017	Full year 2017
Profit for the period		142	30	(2)
Items that may be reclassified to income statement				
Cash flow hedges (net after tax)		2		
Revaluation mark to market value available for sale financial assets			6	3
Comprehensive income from associates				(1)
Currency translation differences		29	14	47
Currency translation differences recycled to income statement as part of loss of sale of assets				28
Comprehensive income discontinued operations			1	(1)
Items that will not be reclassified to income statement				
Remeasurement pension liabilities, net of tax				
Other comprehensive income, net of tax		31	21	77
Total comprehensive income for the period		174	52	75
Total comprehensive income attributable to:				
Owners of the parent continued operations		130	20	251
Owners of the parent discontinued operations			25	(239)
Non-controlling interests		44	7	64
Total comprehensive income for the period		174	52	75

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

Balance sheet - financial report

USD mill	Note	31.03.2018	31.03.2017	31.12.2017
Deferred tax asset	5	11	77	18
Goodwill and other intangible assets	3	178	144	171
Vessels, property and other tangible assets	3	610	1 995	590
Investments in joint ventures and associates	4	1 033	1 254	1 019
Financial assets to fair value	8	924	228	801
Other non current assets		40	47	37
Total non current assets		2 796	3 744	2 637
Inventory		78	67	81
Current financial investments		99	237	101
Other current assets		333	283	302
Cash and cash equivalents		171	328	167
Total current assets		682	915	651
Total assets		3 478	4 660	3 288
Paid-in capital	7	122	122	122
Retained earnings	7/9	1 983	1 913	1 853
Attributable to equity holders of the parent		2 105	2 035	1 975
Non-controlling interests		256	509	212
Total equity		2 361	2 543	2 188
Pension liabilities		24	63	23
Deferred tax	5	5	14	6
Non-current interest-bearing debt	10	507	1 357	493
Other non-current liabilities		109	224	112
Total non current liabilities		645	1 658	634
Current income tax		7	15	11
Public duties payable		9	5	7
Current interest-bearing debt	10	114	112	108
Other current liabilities		342	327	341
Total current liabilities		472	459	466
Total equity and liabilities		3 478	4 660	3 288

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

Cash flow statement - financial report

USD mill		Q1	Q1	Full year
	Note	2018	2017*	2017*
Cash flow from operating activities				
Profit before tax		147	33	14
Change in fair value financial assets	8	(124)		
Other financial (income)/expenses		(11)	2	(6)
Financial derivatives unrealised			(2)	(8)
Depreciation/impairment	3	10	24	42
Loss/ (gain) on sale of fixed assets	3	1	(9)	(11)
(Gain)/loss from sale of subsidiaries, joint ventures and associates	6			121
Change in net pension asset/liability		(1)	(1)	(5)
Change in inventory		4	(1)	(18)
Change in other working capital		(1)	(12)	22
Tax paid (company income tax, withholding tax)		(3)	(3)	(11)
Net cash provided by operating activities		21	32	139
Cash flow from investing activities				
Share of profit from joint ventures and associates		(6)	(14)	(69)
Dividend received from joint ventures and associates		2	1	18
Proceeds from sale of fixed assets	3		54	63
Investments in fixed assets	3	(9)	(4)	(29)
Net proceeds from sale of subsidiaries				14
Cash discontinued operations	6			(121)
Investments in subsidiaries, joint ventures and associates		(1)		(89)
Proceeds from sale of financial investments		8	85	111
Current financial investments		(7)	(39)	(58)
Interest received			1	5
Net cash flow from investing activities		(12)	83	(156)
Cash flow from financing activities				
Proceeds from issue of debt		10		230
Repayment of debt		(9)	(64)	(271)
Interest paid including interest derivatives		(7)	(24)	(37)
Cash from financial derivatives			4	
Dividend to shareholders/purchase of own shares				(36)
Net cash flow from financing activities		(6)	(84)	(114)
Net increase in cash and cash equivalents ¹		3	32	(130)
Cash and cash equivalents at the beg. of the period ¹		167	296	296
Cash and cash equivalents at the end of the period ¹		171	328	167

* 2017 including discontinued operations

The net cash flow from discontinued operations are:

	6			
Net cash provided by operating activities from discontinued operations			7	7
Net cash provided by investing activities from discontinued operations			107	107
Net cash provided by financing activities from discontinued operations			(74)	(74)

Cash and cash equivalents related to discontinued operations (at the end of the period) at 31.03.2017

			121	121
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¹ Excluding restricted cash.

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

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity - financial report

Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31.12.2017	122	1 853	1 975	212	2 188
Profit for the period		101	101	41	142
Other comprehensive income		28	28	3	31
Paid dividends to shareholders					(0)
Balance 31.03.2018	122	1 983	2 105	256	2 361
Balance at 31.12.2016	122	1 868	1 990	502	2 492
Profit for the period		24	24	7	30
Other comprehensive income		21	21		21
Balance 31.03.2017	122	1 912	2 035	509	2 543

Statement of changes in equity - Full year 2017

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31.12.2016	122	1 868	1 990	502	2 492
Profit for the period		(64)	(64)	62	(2)
Other comprehensive income		75	75	2	77
Incoming non-controlling interests				53	53
Change in non-controlling interests				4	4
Outgoing non-controlling interests				(398)	(398)
Paid dividends to shareholders		(25)	(25)	(11)	(37)
Balance 31.12.2017	122	1 853	1 975	212	2 188

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

Notes - financial report

Note 1 - Accounting principles

General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2017 for Wilh. Wilhelmsen Holding ASA group (WWI), which has been prepared in accordance with IFRS's endorsed by the EU.

Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for WWI for the year end 31 December 2017.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments impairment of assets and hedge accounting. The adoption of IFRS 9 Financial instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

The group has only one type of financial asset that is subject to IFRS 9's new expected credit loss model:

- Trade receivables for sale of services

The group was required to revise its impairment methodology under IFRS 9 for the class of asset. The impact of the change in impairment on the group's level is immaterial and no adjustments have been done at the retained earnings.

Classification investments and other financial assets.

1 January 2018, the group classify its financial assets in the following measurement category:

- Financial assets at fair value through income statement.

Changes in the fair value of financial assets at fair value through income statement are recognized at income statement as "Changes in fair value financial assets", see note 8.

The group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in no material changes.

Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2 - Significant acquisitions and disposals

2018

First quarter

No material disposal or acquisition.

2017

Fourth quarter

No material disposal or acquisition has been made, except increased the ownership in NorSea Group with 2.11% through acquisition of shares from NorSea Group's management.

Third quarter

Per 26.09.2017 the group increased its ownership in NorSea to 72% from previously held 40%. Total consideration for the additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The investment was financed through existing liquidity and funding reserves.

The remeasurement loss upon consolidation of the former NorSea Group was USD 40 mill.

NorSea Group and WilNor Governmental Service will be presented in a new segment "Supply Services" from 30.09.2017.

Second quarter

The merger between Wall Roll AB (part of Wallenius Rederiarna AB) and Wilh. Wilhelmsen ASA was completed in beginning of April. After the completion the group own 37.8% of Wallenius Wilhelmsen ASA. The investment is treated as an

associate company (equity method). The merger effect was an accounting loss of USD 264 mill and presented as discontinued operations. The initial investment cost was stock price 4 April 2017 NOK 42.50 per share.

In addition the group acquired Kemetyl Konsument Norge AS at 1 April 2017. The investment cost was approximately USD 20 mill.

The presentation of the investment in Hyundai Glovis Ltd was changed from an associate to financial assets to fair value. The change in accounting principle give an accounting gain of USD 195 mill. The accounting principle of the investment is in line with Treasure ASA presentation.

First quarter

No material disposal or acquisition.

The presentation of segment WWASA is reclassified to discontinued operations.

Notes - financial report

Note 3 - Tangible and intangible assets

USD mill	Vessels / Newbuilding contracts	Other tangible assets	Intangible assets	Total tangible and intangible assets
2018				
Cost price 1.1	36	844	243	1 123
Acquisition		7	2	9
Reclass/disposal		(34)	(1)	(35)
Currency translation differences	2	32	10	44
Cost price 31.03	38	849	253	1 140
Accumulated depreciation and impairment losses 1.1	(17)	(273)	(71)	(362)
Depreciation/amortisation		(8)	(2)	(10)
Reclass/disposal		32	1	33
Currency translation differences	(1)	(10)	(3)	(14)
Accumulated depreciation and impairment losses 31.03	(18)	(259)	(75)	(352)
Carrying amounts 31.03	20	590	178	788
2017				
Cost price 1.1	2 457	278	208	2 944
Acquisition		3		4
Reclass/disposal	(54)	(2)		(55)
Currency translation differences		6	1	7
Cost price 31.03	2 404	286	209	2 899
Accumulated depreciation and impairment losses 1.1	(579)	(110)	(63)	(752)
Depreciation/amortisation		(3)	(1)	(4)
Depreciation discontinued operations	(20)			(20)
Reclass/disposal	17	1		18
Currency translation differences		(1)		(1)
Accumulated depreciation and impairment losses 31.03	(582)	(113)	(65)	(760)
Carrying amounts 31.03	1 821	173	144	2 139
2017 Full year				
Cost price 1.1	2 457	278	208	2 944
Acquisition		26	3	29
Business combination	38	536	30	604
Reclass/disposal	(2 458)	3	(8)	(2 462)
Currency translation differences	(1)	1	10	9
Cost price 31.12	36	844	243	1 123
Accumulated depreciation and impairment losses 1.1	(579)	(110)	(63)	(752)
Depreciation/amortisation		(15)	(6)	(22)
Depreciation discontinued operations	(20)			(20)
Business combination	(17)	(138)	(1)	(156)
Reclass/disposal	599	(9)	1	592
Currency translation differences	1	(2)	(2)	(4)
Accumulated depreciation and impairment losses 31.12	(17)	(273)	(71)	(362)
Carrying amounts 31.12	19	571	171	761

Notes - financial report

Note 4 - Investment in associates

The restructuring of the group has changed the presentation of investment in associates. The net profit from associates has been moved from operating activities to be a part of investing and financial activities in the group.

As a consequence of the merger between Wilh. Wilhelmsen ASA and Wall Roll AB, the investment in Wallenius Wilhelmsen ASA (previously named Wallenius Wilhelmsen Logistics ASA) is classified as associate.

Material joint ventures and associates at the end March 2018 are:

USD mill

	Ownership	31.03.2018 Booked value
Holding and Investments segment:		
Wallenius Wilhelmsen ASA	37.8%	836
Maritime service segment:		
Associates	20 - 50%	13
Supply services segment:		
<i>Joint venture</i>		
Cost Center Base	50 %	107
Vikan Næringspark Invest AS	50 %	16
Other	50 %	
<i>Associates</i>		
Risavika Havn AS	42.8%	40
Risavika Eiendom AS	42 %	12
Hammerfest Næringsinvest AS	32 %	2
Other	33 - 49%	7
Total investment in joint ventures and associates		1 033

	Q1 2018
Share of profit from joint ventures and associates	
Wallenius Wilhelmsen ASA	4
Joint ventures and associates in Supply Services	1
Associates in Maritime Services	1
Share of profit from joint ventures and associates	6

Note 5 - Tax

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

Notes - financial report

Note 6 - Discontinued operations WWASA segment

On 4 April 2017 the subsidiary Wilh. Wilhelmsen ASA was merged with Wall Roll AB. After the merger the group own 37.8% of the Wallenius Wilhelmsen ASA (renamed in 2018). The profit in Wilh. Wilhelmsen ASA previous periods is presented as discontinued operations in WWH. The assets and liabilities from WWASA segment are included in the group balance sheet at 31.03.2017.

Financial information (income statement and net assets) relating to the discontinued operations for each period to the date of disposal is set out below.

Prior to the merger, WWH owned 160 000 000 shares in Wilh. Wilhelmsen ASA. Number of shares in Wallenius Wilhelmsen ASA remains unchanged after the merger.

The financial performance and cash flow information presented are for the Q1 2017.

USD mill	Q1 2017
Operating revenue	59
Other income	
Share of profits from joint ventures and associates	14
Gain/(loss) on sale of assets	9
Total income	82
Operating expenses	
Vessel expenses	(15)
Inventory cost	
Employee benefits	(11)
Other expenses	(3)
Depreciation and impairments	(20)
Total operating expenses	(49)
Operating profit	33
Financial income/(expenses)	(8)
Profit before tax	25
Tax income/(expense)	1
Profit from discontinued operations	26
Non controlling interests	7
Changes in fair value cash flow hedge	
Exchange differences on translation of discontinued operations	2
Remeasurement pension liabilities, net of tax	
Other comprehensive income from discontinued operations	1
Cash flow from discontinued operations	
Net cash flow from operating activities	7
Net cash flow from investing activities	107
Net cash flow from financing activities	(74)
Net increase in cash generated by the discontinued operations	40

Full year 2017

Details of the merger between the subsidiary Wilh. Wilhelmsen ASA and Wall Roll AB

Cash	14
Shares in Wallenius Wilhelmsen ASA (market value)	789
Total disposals consideration	804
Carrying amount of net assets disposal	1 062
Currency translation differences	(5)
Accounting loss (discontinued operations) majority (Q2 2017)	(264)
Net profit before non-controlling interests Q1 2017	26
Profit from discontinued operations	(239)

Notes - financial report

Note 6 - Discontinued operations WWASA segment cont.

Details of the merger between Wilh. Wilhelmsen ASA and Wall Roll AB

The carry amounts of assets and liabilities as at the date of the merger 04. April 2017 were: **04.04.2017**

Deferred tax asset	56
Intangible assets	6
Tangible assets	1 822
Investments in joint ventures and associates	775
Other non current assets	1
Current financial investments	150
Other current assets	16
Cash and cash equivalents	121
Total Assets	2 946
<hr/>	
Deferred tax	
Interest-bearing debt	1 267
Other non current liabilities	164
Other current liabilities	55
Non controlling interests	398
Liabilities and non-controlling interests	1 884
<hr/>	
Net assets for controlling shareholders	1 062

Notes - financial report

Note 7 - Shares

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

A - shares	34 637 092
B - shares	11 866 732
Total shares	46 503 824

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

Earnings per share is calculated based on 46 403 824 shares for 2018, and each quarter in 2017.

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

Note 8 - Financial assets to fair value

USD mill	31.12.2017
Available-for-sale financial assets	
At 1 January	209
Acquisition	12
Sale during the year	(11)
Change of accounting principle Hyundai Glovis	573
Mark to market valuation	
Currency translation adjustment	18
Total available-for-sale financial assets	801

Financial assets to fair value are held in subsidiaries with different functional currencies and thereby creating translation adjustment.

Effective from 1. January 2018 the financial assets to fair value are measured at fair value through the income statement in accordance with IFRS 9.

Accumulated unrealised gain at 31.12.2017 will not be recycled through income statement.	31.03.2018
Fair value at 1. January 2018	801
Change in fair value through income statement	124
Fair value at 31. March 2018	924

Note 9 - Paid dividend

Dividend for fiscal year 2016 was NOK 5.00 per share, where NOK 3.50 per share was paid in May 2017 and NOK 1.50 per share was paid in November 2017.

shareholders in May 2018. The dividends have effect on retained earnings in the second quarter of 2018.

The proposed dividend for fiscal year 2017 in 2018 is NOK 3.50 per share, was approved by the annual general meeting on 26 April 2018, and will be paid to the

Notes - financial report

Note 10 - Interest-bearing debt

USD mill	31.03.2018	31.03.2017	31.12.2017
Non current interest-bearing debt	507	203	493
Current interest-bearing debt	114		108
Interest-bearing debt discontinued operations		1 267	
Total interest-bearing debt	621	1 469	601
Cash and cash equivalents	171	206	167
Current financial investments	99	87	101
Cash and cash equivalents and current financial investments discontinued operations		272	
Net interest-bearing debt	351	905	333

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 March 2018 (analogous for 31 March 2017).

Specification of interest-bearing debt

USD mill	31.03.2018	31.03.2017	31.12.2017
Interest-bearing debt			
Bankloan	621	203	601
Interest-bearing debt discontinued operations		1 267	
Total interest-bearing debt	621	1 469	601
Repayment schedule for interest-bearing debt			
Due in 1 year	114	0	108
Due in 2 year	25	33	25
Due in 3 year	28	170	22
Due in 4 year	21	0	22
Due in 5 year and later	433	0	425
Interest-bearing debt discontinued operations		1 267	
Total interest-bearing debt	621	1 469	601

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Note 11 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
2018				
Financial assets at fair value				
Equities	51		1	52
Bonds	47			47
Financial derivatives		13		13
Financial assets at fair value	828		97	924
Total financial assets 31.03	925	13	98	1 036
Financial liabilities at fair value				
Financial derivatives		9		9
Total financial liabilities 31.03	0	9	0	9
2017				
Financial assets at fair value				
Equities	43			43
Bonds	193			193
Financial derivatives		1		1
Financial assets at fair value	137		91	228
Total financial assets 31.03	373	1	91	466
Financial liabilities at fair value				
Financial derivatives		153		153
Total financial liabilities 31.03	0	153	0	153

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

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

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

The fair values, except for bond debt, are based on cash flows discounted using a

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

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

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of March 2018 are liquid investment grade bonds (analogous for 2017).

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.

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Note 12 - Segment reporting: Income statement per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Quarter										
Operating revenue	150	140	59		3	5	(2)	(6)	210	139
Gain on sale of assets	1	1							1	1
Total income	151	140	59		3	5	(2)	(6)	211	140
Operating expenses										
Cost of goods and change in inventory	(55)	(44)	(12)						(67)	(44)
Employee benefits	(55)	(53)	(23)		(4)	(6)			(82)	(60)
Other expenses	(27)	(34)	(18)		(3)	(4)	2	6	(46)	(32)
Operating profit before depreciation and amortisation	13	9	6		(4)	(5)	0	(0)	15	4
Depreciation and impairments	(4)	(4)	(6)						(10)	(4)
Operating profit	9	5	1		(4)	(5)	0	(0)	5	0
Share of profits from associates	1	1	1		4	(1)			6	0
Changes in fair value financial assets	3				121				124	
Other financial income/(expenses)	1	6	(4)		14	2			11	8
Profit/(loss) before tax	14	12	(2)		134	(4)	0	(0)	147	8
Tax income/(expense)	(3)	(3)	(1)		(0)	(1)			(5)	(4)
Profit/(loss)	11	9	(3)		134	(5)	0	(0)	142	5
Result of discontinued operations								26		26
Non-controlling interests			(1)		42	(1)		7	41	7
Profit/(loss) to the owners of parent	11	9	(2)		92	(4)	0	19	101	24

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

USD mill	WWASA group (discontinued operations)		Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
	31.03 2018	31.03 2017	31.03 2018	31.03 2017	31.03 2018	31.03 2017	31.03 2018	31.03 2017	31.03 2018	31.03 2017	31.03 2018	31.03 2017
Year to date												
Assets												
Deferred tax asset		56	4	14	3		4	6			11	77
Intangible assets		6	168	138	9		0	0			178	144
Tangible assets		1 822	192	171	415		2	2			610	1 995
Investments in joint ventures and associates		775	13	13	184		836	466			1 033	1 254
Other non current assets		1	115	109	6		864	166	(21)		965	275
Current financial investments		150					99	87			99	237
Other current assets		16	328	316	67		57	20	(40)	(2)	412	351
Cash and cash equivalents		121	143	166	10		18	41			171	328
Total assets	0	2 946	965	927	694		1 881	788	(61)	(2)	3 478	4 660
Equity and liabilities												
Equity majority		1 062	355	345	159		1 592	525			2 105	1 932
Equity non controlling interest		398	(1)		57		200	213			256	611
Deferred tax			5	14							5	14
Interest-bearing debt		1 267	196	170	380		64	33	(19)		621	1 469
Other non current liabilities		164	107	115	19		10	8	(2)		133	287
Other current liabilities		55	303	284	79		16	10	(40)	(2)	358	347
Total equity and liabilities	0	2 946	965	927	694		1 881	788	(61)	(2)	3 478	4 660

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Cont note 12 - Segment reporting: Cash flow per segment

USD mill Quarter	Maritime Services		Supply services		Holding & Investments	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Profit before tax	14	12	(2)		134	(4)
Change in fair value financial assets	(3)				(121)	
Other financial (income)/expenses	(1)	(6)	4		(14)	(2)
Depreciation/impairment	4	4	6			
Change in working capital	(7)	9	7		(4)	
Net (gain)/loss from sale of subsidiaries and fixed assets	(1)	(1)				
Net cash provided by operating activities	6	18	15		(3)	(6)
Share of profit from joint ventures and associates	(1)	(1)	(1)		(4)	1
Dividend received from joint ventures and associates		1	1			
Net sale/(investments) in fixed assets	(3)	(2)	(2)			
Current financial investments					2	(7)
Net cash flow from investing activities	(4)	(2)	(2)		(2)	(6)
Net change of debt		(10)	(7)			
Net change in other financial items	(3)	(2)	(4)		1	
Net dividend from other segments/ to shareholders						1
Net cash flow from financing activities	(3)	(12)	(10)		9	1
Net increase in cash and cash equivalents	(1)	4	2		3	(12)
Cash and cash equivalents at the beg. of the period	144	161	7		15	54
Cash and cash equivalents at the end of period	143	165	10		18	42

Note 13 - Business combinations

With effect from 26 September 2017, the group increased its shareholding in NorSea Group from 40% to approximately 72%. Eidesvik Eiendomsinvest AS and Simon Møkster Eiendom AS will hold approximately 12% each, while management in NorSea Group controls the remaining 4%. Following the transaction, Wilhelmsen acquired a small portion of management controlled shares, 2.11 %.

During Q1 2018, the group acquiree additional portion of shares from management. The total ownership is 74.57 % at end of March 2018.

Total consideration for the Wilhelmsen's additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The acquisition from management increased the total consideration with USD 4 million.

The investment is financed through existing liquidity and funding reserves. The group originally acquired 35.4% of the shares in NorSea Group in July 2012, and increased to 40% ownership in April 2014. In addition, the group has USD 18 million in loans to NorSea Group.

The acquisition balance from NorSea Group is consolidated at the end of September 2017 and a part of the segment "Supply Services". With effect from the fourth quarter 2017, NorSea Group will be reported as a subsidiary in the group accounts. Total income, cost and balance sheet items of NorSea Group will then be consolidated on a 100% basis, with non-controlling interests deducted on a net basis.

NorSea Group has previously been reported as associate in the group accounts Accounting loss of the disposal of associate is USD 40 million, mainly due to change in NOK/USD from 2012 to 2017.

The Purchase Price Allocation is preliminary due to final valuation of fair value of assets.

Updated 31 March 2018 details of net assets acquired and goodwill are as follows:

USD mill

Cash	74
Option fair value *	2
Non-controlling interest	52
Fair value of previously held equity interest	80
Total purchase consideration	208
Fair value of net identifiable assets acquired (see below)	208
Goodwill	0

* The option is related to remaining part of the shares, currently held by non controlling interests.

The preliminary purchase price allocation are as follows:

USD mill	Fair value
Intangible assets	10
Property, fixtures and vessels	417
Other long-term assets/ associate and joint arrangements	185
Other current assets	67
Cash and cash equivalents	5
Non current interest-bearing debt	(352)
Other non-current liabilities	(4)
Other current liabilities	(121)
Net identifiable assets acquired	208

Summary of acquisition

The group recognises non-controlling interests in an acquired entity at fair value. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in NorSea group, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets.

Cont note 13 - Business combinations

Revenue and profit contribution

The acquired business contributed revenues of USD 53 million and net profit before non-controlling interests of USD 3,9 million to the group for the period from 26 September to 31 December 2017.

If the acquisition had occurred on 1 January 2017, consolidated pro-forma revenue and profit before non-controlling interests for the period from 1 January to 26 September 2017 would have been USD 186 million and USD 12 million respectively.

Purchase consideration - cash outflow

Cash consideration at the end of March 2018	74
Less balance acquired	
Cash	5
Net	5
Net outflow of cash => investing activities	(69)

Acquisition-related costs

Acquisition-related costs of USD 1 million that were not directly attributable to the issue of shares are included in other expenses in income statement and in operating cash flows in the statement of cash flows.

Reported net profit from NorSea Group as an associate in 2016 and up to consolidation 26 September 2017 are:

	2017	Q1	Q2	Q3	YTD
Net profit from NorSea Group as an associate a part of segment Holding & Investments	USD mill	2	1	1	5
Loss upon consolidation of the former NorSea Group				(40)	(40)

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Note 14 - Related party transactions

WWH delivers services to the Wallenius Wilhelmsen group. These include primarily human resources, tax and treasury up to 30.06.2017, and in-house services such as canteen, post, switchboard, accounting and rent of office facilities.

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

In addition Maritime Services have several transactions with associates. The contracts governing such transactions are based on commercial market terms.

Note 15 - Contingencies

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

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 16 - Events occurring after the balance sheet date

The annual general meeting on 26 April 2018 approved the proposed liquidation of 100 000 own class A shares demoninated NOK 20 per share.
The share capital is reduced from NOK 930 076 480 by NOK 2 000 000 to NOK 928 076 480.

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

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