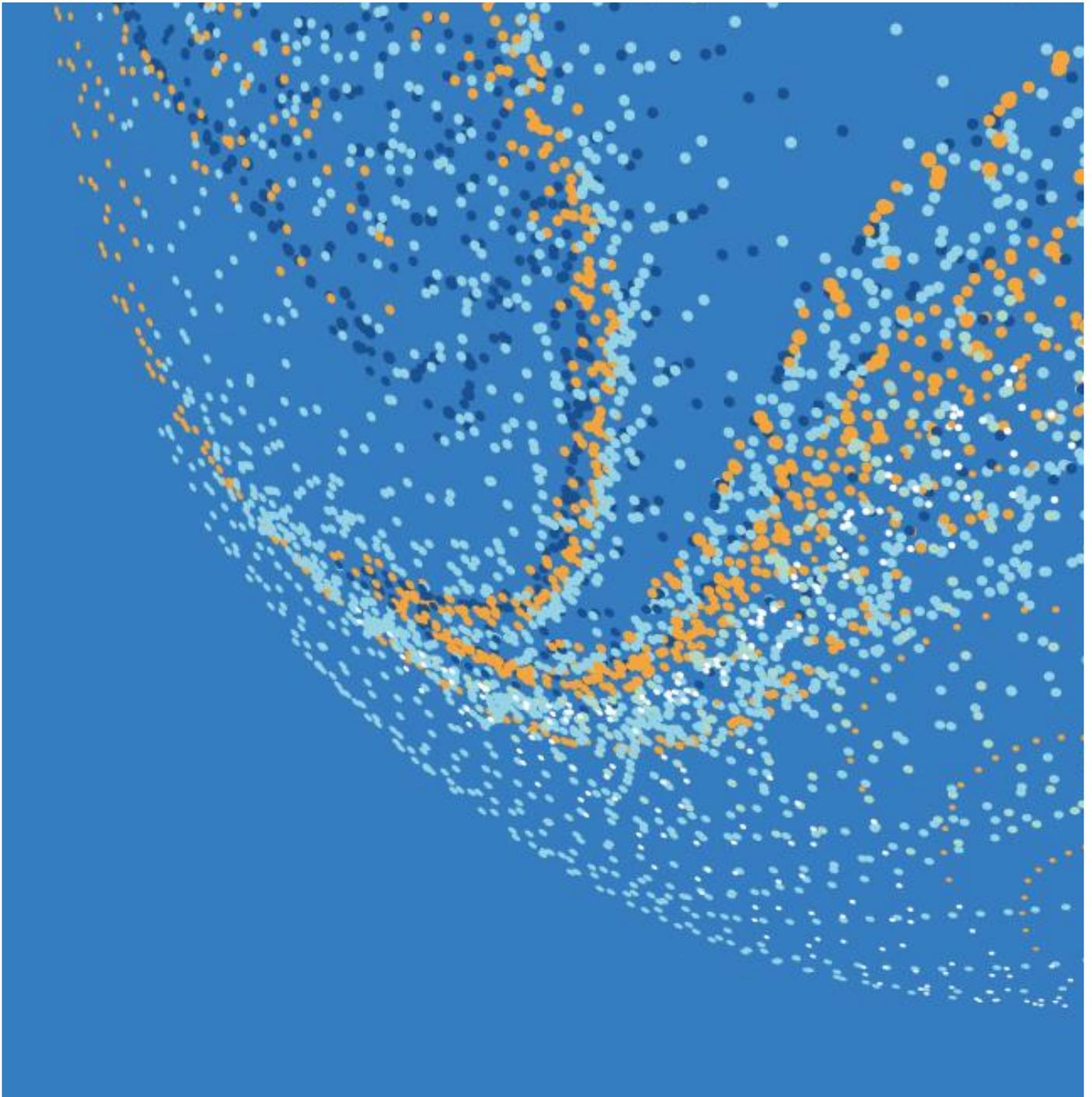


WILH. WILHELMSSEN HOLDING ASA

# Third quarter report 2017



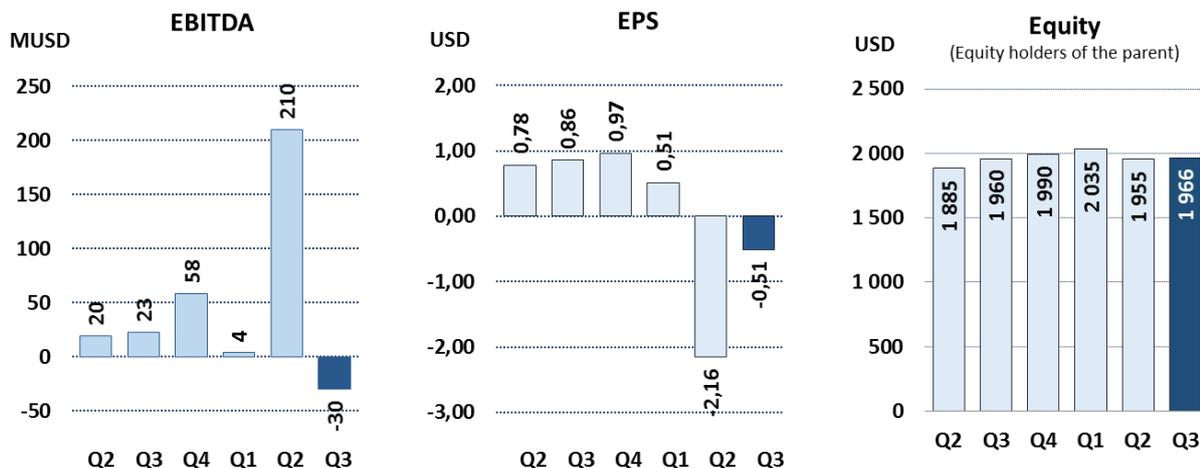
## Highlights for the quarter

- Major structural milestones successfully completed, creating substantial shareholder value
- Financial and business platform positioned for future growth
- Wilhelmsen becomes majority owner in NorSea Group
  - Ownership increased from ~40% to ~72%
- Mixed operating result
  - Reduced operating profit for the group's maritime services segment, partly due to currency and seasonality
  - Increase in net operating profit for activities reported under the holding and investment segment, supported by improved performance in Wallenius Wilhelmsen Logistics ASA
- Total income and net profit impacted by accounting effects of group restructuring
  - Accounting loss from reclassification of NorSea Group from associate to subsidiary
  - Reversal of second quarter currency gain from Wilh. Wilhelmsen ASA merger
- Continued value appreciation for investments subject to external market pricing, mainly due to currency
- Long term financing of maritime services secured

## Post quarter events

- On 8 November, Wilhelmsen board declared second dividend of NOK 1.50

## Key figures



# Financial performance

| USD mill<br>- unless otherwise indicated           | Q3'17        | Q2'17 *)     | Q-on-Q<br>Change | Q3'16        | Y-o-Y<br>Change | 01.01-<br>30.09.17 | 01.01-<br>30.09.16 | Y-o-Y<br>Change |
|--|--------------|--------------|------------------|--------------|-----------------|--------------------|--------------------|-----------------|
| <b>Total income</b>                                | <b>104</b>   | <b>344</b>   | <b>-70 %</b>     | <b>224</b>   | <b>-54 %</b>    | <b>589</b>         | <b>698</b>         | <b>-16 %</b>    |
| - of which operating revenue                       | 143          | 146          | -2 %             | 223          | -36 %           | 429                | 694                | -38 %           |
| - of which gain/(loss) on sale of assets           | -39          | 198          | neg.             | 1            | neg.            | 160                | 3                  | >500%           |
| <b>EBITDA</b>                                      | <b>-30</b>   | <b>210</b>   | <b>neg.</b>      | <b>23</b>    | <b>neg.</b>     | <b>184</b>         | <b>58</b>          | <b>216 %</b>    |
| <b>Operating profit/EBIT</b>                       | <b>-34</b>   | <b>206</b>   | <b>neg.</b>      | <b>17</b>    | <b>neg.</b>     | <b>172</b>         | <b>40</b>          | <b>326 %</b>    |
| Share of profits from associates                   | 22           | -4           | neg.             | 14           | 65 %            | 18                 | 54                 | -66 %           |
| Net financial income/(expenses)                    | -10          | 23           | neg.             | -3           | neg.            | 21                 | -14                | neg.            |
| Tax income/(expenses)                              | -2           | -7           | neg.             | -3           | neg.            | -12                | -9                 | neg.            |
| <b>Profit/(loss) from continued operations</b>     | <b>-23</b>   | <b>218</b>   | <b>neg.</b>      | <b>25</b>    | <b>neg.</b>     | <b>199</b>         | <b>71</b>          | <b>179 %</b>    |
| Discontinued operations                            | 0            | -264         | neg.             | 25           | -100 %          | -239               | 133                | neg.            |
| <b>Profit/(loss) for the period</b>                | <b>-23</b>   | <b>-47</b>   | <b>neg.</b>      | <b>50</b>    | <b>neg.</b>     | <b>-40</b>         | <b>205</b>         | <b>neg.</b>     |
| <b>Profit/(loss) to owners of the parent</b>       | <b>-24</b>   | <b>-100</b>  | <b>neg.</b>      | <b>40</b>    | <b>neg.</b>     | <b>-100</b>        | <b>156</b>         | <b>neg.</b>     |
| <b>EPS (USD)</b>                                   | <b>-0,51</b> | <b>-2,16</b> | <b>neg.</b>      | <b>0,86</b>  | <b>neg.</b>     | <b>-2,16</b>       | <b>3,37</b>        | <b>neg.</b>     |
| <b>Other comprehensive income</b>                  | <b>24</b>    | <b>52</b>    | <b>-54 %</b>     | <b>35</b>    | <b>-30 %</b>    | <b>98</b>          | <b>68</b>          | <b>44 %</b>     |
| Total comprehensive income                         | 1            | 6            | -83 %            | 85           | -99 %           | 58                 | 273                | -79 %           |
| <b>Total comprehensive income owners of parent</b> | <b>18</b>    | <b>-68</b>   | <b>neg.</b>      | <b>74</b>    | <b>-75 %</b>    | <b>-5</b>          | <b>222</b>         | <b>neg.</b>     |
| <b>Total assets</b>                                | <b>3 283</b> | <b>2 760</b> | <b>19 %</b>      | <b>5 052</b> | <b>-35 %</b>    | <b>3 283</b>       | <b>5 052</b>       | <b>-35 %</b>    |
| Equity parent                                      | 1 966        | 1 955        | 1 %              | 1 960        | 0 %             | 1 966              | 1 960              | 0 %             |
| <b>Total equity</b>                                | <b>2 181</b> | <b>2 129</b> | <b>2 %</b>       | <b>2 461</b> | <b>-11 %</b>    | <b>2 181</b>       | <b>2 461</b>       | <b>-11 %</b>    |
| Equity ratio                                       | 66 %         | 77 %         | -11 %            | 49 %         | 18 %            | 66 %               | 49 %               | 18 %            |

\*) Q2'17 restated related to discontinued operations/non-controlling interests

## Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (later referred to as Wilhelmsen or group) was USD 104 million in the third quarter of 2017. Total income included a USD 40 million accounting loss from reclassification of NorSea Group from associate to subsidiary following an increase in Wilhelmsen ownership. A corresponding accounting gain of USD 23 million is included in comprehensive income.

EBITDA was a loss of USD 30 million for the quarter. Adjusting for the above reclassification of NorSea Group, EBITDA came in at a profit of USD 10 million. The group's maritime services segment experienced a reduction in operating profit from a seasonally stronger second quarter, with a weaker USD also having a negative impact.

Share of profit from associates was USD 22 million, reflecting a strong rebound in net result for Wallenius Wilhelmsen Logistics ASA, reported under the group's holding and investments segment.

Net financial was an expense of USD 10 million for the quarter, including reversal of a currency gain within the holding and investments segment.

Other comprehensive income for the quarter was positive with USD 24 million.

Total comprehensive income attributable to owners of the parent was USD 18 million in the third quarter.

## Balance sheet

Total assets were up 19% in the third quarter following consolidation of NorSea Group. The investment in NorSea Group was previously recognised on a net asset basis in the groups's accounts, while assets and liabilities are recognised in full from 26 September 2017.

Total equity was also up, reflecting positive total comprehensive income for the quarter. With assets increasing more than equity, the Wilhelmsen equity ratio was reduced to 66% as of 30 September 2017.

## Cash flow

Cash and cash equivalents was USD 184 million by the end of the third quarter, of which USD 5 million was in NorSea Group. This was a reduction of USD 51 million compared with the previous quarter.

Interest bearing debt was USD 632 million by the end of the quarter, including USD 381 million in NorSea Group and an increase in the rest of the group of USD 22 million.

Cash outflow for the quarter included a USD 70 million investment in Norse Group, funded through cash balance and available credit facilities.

## Segment information

# Maritime services

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

| USD mill<br>- unless otherwise indicated     | Q3'17      | Q2'17      | Q-on-Q<br>Change | Q3'16      | Y-o-Y<br>Change | 01.01-<br>30.09.17 | 01.01-<br>30.09.16 | Y-o-Y<br>Change |
|--|------------|------------|------------------|------------|-----------------|--------------------|--------------------|-----------------|
| <b>Total income</b>                          | <b>142</b> | <b>147</b> | <b>-3 %</b>      | <b>225</b> | <b>-37 %</b>    | <b>429</b>         | <b>692</b>         | <b>-38 %</b>    |
| - Ships service                              | 132        | 134        | -2 %             | 149        | -11 %           | 395                | 449                | -12 %           |
| - Ship management                            | 11         | 11         | -1 %             | 11         | -1 %            | 34                 | 35                 | -3 %            |
| - Technical solutions                        | 0          | 0          |                  | 63         |                 | 0                  | 205                |                 |
| - Other/eliminations                         | -1         | 1          |                  | 1          |                 | 1                  | 3                  |                 |
| <b>EBITDA</b>                                | <b>14</b>  | <b>17</b>  | <b>-16 %</b>     | <b>24</b>  | <b>-40 %</b>    | <b>41</b>          | <b>64</b>          | <b>-36 %</b>    |
| - EBITDA margin (%)                          | 10,2 %     | 11,8 %     |                  | 10,7 %     |                 | 9,5 %              | 9,3 %              |                 |
| <b>Operating profit/EBIT</b>                 | <b>11</b>  | <b>13</b>  | <b>-22 %</b>     | <b>18</b>  | <b>-43 %</b>    | <b>29</b>          | <b>47</b>          | <b>-37 %</b>    |
| - EBIT margin (%)                            | 7,4 %      | 9,2 %      |                  | 8,2 %      |                 | 6,9 %              | 6,8 %              |                 |
| Share of profit from associates              | 1          | 1          |                  | 1          |                 | 3                  | 3                  |                 |
| Financial income/(expense)                   | -1         | 1          |                  | -2         |                 | 6                  | -14                |                 |
| Tax income/(expense)                         | -3         | -4         |                  | -4         |                 | -9                 | -9                 |                 |
| <b>Profit/(loss)</b>                         | <b>8</b>   | <b>11</b>  | <b>-28 %</b>     | <b>13</b>  | <b>-35 %</b>    | <b>29</b>          | <b>27</b>          | <b>7 %</b>      |
| - Profit margin (%)                          | 5,8 %      | 7,8 %      |                  | 5,6 %      |                 | 6,7 %              | 3,9 %              |                 |
| - Non controlling interest                   | 0          | 0          |                  | 0          |                 | 0                  | 1                  |                 |
| <b>Profit/(loss) to owners of the parent</b> | <b>8</b>   | <b>11</b>  | <b>-29 %</b>     | <b>12</b>  | <b>-35 %</b>    | <b>28</b>          | <b>26</b>          | <b>8 %</b>      |

### Result for the quarter

Total income from maritime services was USD 142 million in the third quarter, down 3% from the previous quarter. Operating profit and margin was also down due to reduced contribution from ships service. This was partly offset by less corporate costs for the quarter.

Financial income for the quarter was positively impacted by net gains on currency hedges, while tax expenses were at normal levels.

The decrease in total income and operating result when compared with last year reflects sale of Callenberg Technology Group and safety activities in the second half of 2016.

### 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 a wholly owned Wilhelmsen subsidiary.

Total income for ships service was down 2% from the previous quarter. The reduction was evenly spread between product sales and other activities, and was partly seasonal. Operating profit was down for the quarter, partly reflecting reduced income and currency.

Markets remains challenging, with restructuring and cost-cutting initiatives among customers.

On 27 April, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine, subject regulatory approval. During the quarter, Wilhelmsen received approval in the UK, while the process is still ongoing in other jurisdictions.

### Ship management

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

Total income and operating profit was broadly in line with the previous quarter. The difficult market conditions continued, with pressure on operating margin.

Average number of vessels on full technical management were stable for the quarter. By the end of the quarter, ship management served 390 ships worldwide, of which approximately 35% were on full technical management and 10% were on layup management. The remaining contracts were related to crewing services.

### Other maritime services activities

This includes Wilhelmsen Insurance Services (wholly owned Wilhelmsen subsidiary), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as available-for-sale financial assets, with changes in market value reported under comprehensive income.

Income from corporate and other activities was stable for the quarter.

The third quarter included a total of USD 3 million in corporate cost, mainly related to ongoing M&A projects.

Revaluation of the Survitec investment was negative USD 1 million for the quarter.

## Segment information

# Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen Logistics ASA and Treasure ASA, financial investments, and other holding and investments activities. The investments in NorSea Group and WilNor Governmental Services have been reported as part of the segment up until 26 September 2017.

| USD mill                                     |            |            | Q-on-Q      | Y-o-Y     | 01.01-      | 01.01-     | Y-o-Y     |                 |
|--|------------|------------|-------------|-----------|-------------|------------|-----------|-----------------|
| - unless otherwise indicated                 | Q3'17      | Q2'17 *)   | Change      | Q3'16     | Change      | 30.09.17   | 30.09.16  | Change          |
| <b>Total income</b>                          | <b>-35</b> | <b>200</b> | <i>neg.</i> | <b>6</b>  | <i>neg.</i> | <b>166</b> | <b>17</b> | <i>&gt;500%</i> |
| - Operating revenue                          | 5          | 5          | 7 %         | 6         | -3 %        | 10         | 17        | -40 %           |
| - Gain on sale of assets                     | -40        | 195        |             | 0         |             | 155        | 0         |                 |
| <b>EBITDA</b>                                | <b>-44</b> | <b>193</b> |             | <b>-1</b> |             | <b>148</b> | <b>-3</b> |                 |
| <b>Operating profit/EBIT</b>                 | <b>-44</b> | <b>192</b> |             | <b>-1</b> |             | <b>148</b> | <b>-4</b> |                 |
| <b>Share of profit from associates</b>       | <b>21</b>  | <b>-5</b>  | <i>neg.</i> | <b>13</b> | <b>67 %</b> | <b>16</b>  | <b>33</b> | <b>-51 %</b>    |
| - Wallenius Wilhelmsen Logistics ASA         | 19         | -9         | <i>neg.</i> |           |             | 10         |           |                 |
| - NorSea Group                               | 2          | 4          | -39 %       | 2         | 47 %        | 5          | 8         | -32 %           |
| - Hyundai Glovis (Treasure ASA)              |            | 0          |             | 11        |             | 0          | 42        | -100 %          |
| - Other/eliminations                         | 0          | 0          |             | 0         |             | 0          | 0         | <i>neg.</i>     |
| <b>Financial income/(expenses)</b>           | <b>-9</b>  | <b>22</b>  | <i>neg.</i> | <b>-1</b> | <i>neg.</i> | <b>13</b>  | <b>2</b>  | <b>&gt;100%</b> |
| - Investment management (Holding)            | 3          | 1          |             | -1        |             | 4          | -1        |                 |
| - Available-for-sale (Treasure ASA)          | 0          | 0          |             | 0         |             | 0          | 0         |                 |
| - Available-for-sale (WWHL)                  | 1          | 8          |             | 1         |             | 11         | 5         |                 |
| - Other financial income/(expense)           | -14        | 14         |             | -1        |             | -2         | -3        |                 |
| <b>Tax income/(expense)</b>                  | <b>1</b>   | <b>-3</b>  |             | <b>2</b>  |             | <b>-2</b>  | <b>3</b>  |                 |
| <b>Profit/(loss) for the period</b>          | <b>-32</b> | <b>206</b> |             | <b>12</b> |             | <b>175</b> | <b>34</b> |                 |
| - Non controlling interest                   | 0          | 53         |             | 3         |             | 53         | 8         |                 |
| <b>Profit/(loss) to owners of the parent</b> | <b>-32</b> | <b>153</b> |             | <b>9</b>  |             | <b>122</b> | <b>26</b> |                 |

\*) Q2'17 restated related to discontinued operations/non-controlling interests

### Market value - Investments and financial assets

| USD mill                                 |              |              | Q-on-Q     | Y-o-Y        | Net         | Dividend | Value    |        |
|--|--------------|--------------|------------|--------------|-------------|----------|----------|--------|
| - unless otherwise indicated             | Q3'17        | Q2'17        | Change     | Q3'16        | Change      | invest.  | received | change |
| Wallenius Wilhelmsen Logistics ASA       | 979          | 937          | 5 %        | 477          | 105 %       | 0        | 0        | 43     |
| Treasure ASA                             | 307          | 305          | 1 %        | 352          | -13 %       | 0        | 13       | 15     |
| Available-for-sale financial investments | 137          | 142          | -4 %       | 131          | 4 %         | 0        | 1        | -4     |
| Investment portfolio                     | 99           | 91           | 9 %        | 82           | 21 %        |          |          |        |
| <b>Total market value</b>                | <b>1 522</b> | <b>1 475</b> | <b>3 %</b> | <b>1 042</b> | <b>46 %</b> |          |          |        |

### Result for the quarter

The Holding and investments segment reported a net loss of USD 32 million in the third quarter. This reflected a USD 40 million accounting loss from reclassification of NorSea Group from associate to subsidiary, and reversal of a previous USD 14 million currency gain related to the Wallenius Wilhelmsen Logistics ASA merger accounts.

A strong improvement in net profit in Wallenius Wilhelmsen Logistics ASA and income from financial investments had a positive effect on result for the quarter.

### Wallenius Wilhelmsen Logistics ASA

Wallenius Wilhelmsen Logistics 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, with share of net result reported as share of profit from associates.

Total income for Wallenius Wilhelmsen Logistics ASA was USD 962 million in the third quarter. Adjusting for non-recurring items, total income was down 2% from a seasonally stronger second quarter.

Reported EBITDA was USD 188 million for the quarter, while EBITDA adjusted for non-recurring items was USD 193 million. This was an increase from the second quarter, and positively impacted by improved cargo and trade mix, synergies and project cargo shipments.

More than half of the targeted annualised synergies have been confirmed, of which USD 10 million was realised in the third quarter (annualised USD 40 million). The remaining part of confirmed synergies will gradually come into effect over the next six months. Wallenius Wilhelmsen Logistics ASA maintains the USD 100 million synergy target for 2019.

Wilhelmsen's share of profit in Wallenius Wilhelmsen Logistics ASA was USD 19 million in the third quarter.

The Wallenius Wilhelmsen Logistics ASA share price was down 0.6% for the quarter, closing at NOK 48.80. Measured in USD, the share price was up 4.2%. As of 30 September 2017, the market value of Wilhelmsen's investment was USD 979 million, while the book value of the shareholding was USD 796 million.

### 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 available-for-sale financial investments in the Wilhelmsen's accounts.*

The value of Treasure ASA's investment in Hyundai Glovis was USD 584 million by the end of the third quarter. This was a reduction of USD 36 million for the quarter. The ~72.7% investment value attributable to owners of Wilhelmsen was USD 424 million, a reduction of USD 27 million for the quarter.

In August, Treasure ASA paid a dividend of NOK 0.65 per share. Total cash proceeds to Wilhelmsen was USD 13 million.

The Treasure ASA share price was down 4.6% for the quarter, closing at NOK 16.00. Measured in USD, the share price was up 0.4%. This represented a discount of 28% compared with net asset value of the company. As of 30 September 2017, the market value of Wilhelmsen's shareholding in Treasure ASA was USD 307 million.

### NorSea Group

*NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~72% of NorSea Group (40% ownership until 26 September). NorSea Group was reported as associate in Wilhelmsen's accounts in the third quarter, with share of net result reported as share of profit from associates.*

Preliminary total income for NorSea Group was NOK 544 million in the third quarter, including share of profits from associates and joint ventures and sales gains.

Operating profit was down from the second quarter, which included a sales gain. Operating profit adjusted for sales gains was up. Activity levels were stable at Norwegian supply bases, while performance remained weak for non-Norwegian activities.

Wilhelmsen's share of net result in NorSea Group was USD 2 million for the quarter.

### Financial investments

*Financial investments includes cash and cash equivalents, current financial investments and available-for-sale financial assets held by the parent and fully owned subsidiaries.*

The market value of available-for-sale financial assets was USD 137 million by the end of the third quarter, down from USD 142 million by the end of the previous quarter. In September Qube declared dividend of AUD 0.028 per share, payable in October. Total proceeds to Wilhelmsen of USD 1 million was reported in the third quarter.

The current financial investment portfolio held by Wilhelmsen was USD 99 million by the end of the third quarter, up from USD 91 million by the end of the previous quarter. The portfolio primarily included Nordic equities and investment-grade bonds. Net income from investment management was a gain of USD 3 million in the third quarter.

### Other holding and investments activities

*Holding/other activities includes WilNor Governmental Services (owned 51%) and general holding activities.*

Income was stable for the quarter.

## Supply services

*The supply services segment includes, from 26 September 2017, investments in NorSea Group and WilNor Governmental Services.*

On 26 September, Wilhelmsen increased ownership in NorSea Group from previously ~40% to ~72%, with potential further increase up to ~74% pending acceptance from minority shareholders. As a consequence of the transaction, NorSea Group is reported in full in the Wilhelmsen accounts from date of transaction.

From the same date, the investment in NorSea Group together with the closely related investment in WilNor Governmental Services will be reported under a new segment in the Wilhelmsen accounts, named supply services.

Results for the third quarter, including transaction accounting loss, has been reported under the holding and investments segment.

The balance sheet of the new supply services segment as per 30 September 2017 has been included in this third quarter report. The segment reported total assets of USD 685 million and net assets (total equity) of USD 208 million.

# Outlook

## **Operating entities and investments**

New cost and organisational structure will gradually support an improved operating margin within the maritime services segment. Development of products activities will be sensitive to final outcome of the Drew acquisition, subject regulatory approval.

The increased ownership in NorSea Group creates a platform for taking part in future development of the North Sea offshore market.

Merger synergies will continue to positively impact net result for the holding and investments segment. Value development of investments subject market pricing will

remain sensitive to development of the global stock market and currency fluctuations, in addition to company specific events.

## **Wilhelmsen**

The group is positioned in challenging markets and have successfully completed several important structural changes creating shareholder value. Structural changes and performance improvement will continue to support an improvement in operating margin of main activities.

However, the board expects the general business environment to remain soft, affecting most group activities and performance.

Lysaker, 8 November 2017  
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 | 01.07 -30.09<br>2017 | 01.07 -30.09<br>2016 | YTD<br>2017 | YTD<br>2016 | Full year<br>2016 |
|---|------|----------------------|----------------------|-------------|-------------|-------------------|
| Operating revenue   |      | 143                  | 223                  | 429         | 694         | 867               |
| <b>Other income</b>   |      |                      |                      |             |             |                   |
| Gain on sale of assets  | 2    | (39)                 | 1                    | 160         | 3           | 62                |
| <b>Total income</b>   |      | <b>104</b>           | <b>224</b>           | <b>589</b>  | <b>698</b>  | <b>930</b>        |
| <b>Operating expenses</b>   |      |                      |                      |             |             |                   |
| Cost of goods and change in inventory   |      | (45)                 | (101)                | (132)       | (315)       | (377)             |
| Employee benefits   |      | (58)                 | (69)                 | (175)       | (213)       | (279)             |
| Other expenses  |      | (30)                 | (31)                 | (98)        | (112)       | (157)             |
| <b>Operating profit before depreciation and amortisation</b>  |      | <b>(30)</b>          | <b>23</b>            | <b>184</b>  | <b>58</b>   | <b>116</b>        |
| Depreciation and impairments  | 3    | (4)                  | (6)                  | (12)        | (18)        | (23)              |
| <b>Operating profit</b>   |      | <b>(34)</b>          | <b>17</b>            | <b>172</b>  | <b>40</b>   | <b>94</b>         |
| Share of profits from associates  | 4    | 22                   | 14                   | 18          | 54          | 82                |
| Financial income  |      | (7)                  | 2                    | 30          | 6           | 11                |
| Financial expenses  |      | (3)                  | (4)                  | (9)         | (20)        | (35)              |
| <b>Profit before tax</b>  |      | <b>(22)</b>          | <b>28</b>            | <b>211</b>  | <b>80</b>   | <b>151</b>        |
| Tax income/(expense)  |      | (2)                  | (3)                  | (12)        | (9)         | (14)              |
| <b>Profit from continued operations</b>   |      | <b>(23)</b>          | <b>25</b>            | <b>199</b>  | <b>71</b>   | <b>138</b>        |
| <b>Discontinued operations</b>  |      |                      |                      |             |             |                   |
| Net profit/(loss) from discontinued operations (net after tax)*   | 6    |                      | 25                   | (239)       | 133         | 113               |
| <b>Profit for the period</b>  |      | <b>(23)</b>          | <b>50</b>            | <b>(40)</b> | <b>205</b>  | <b>251</b>        |
| * Net profit/(loss) from discontinued operations is restated to be profit/(loss) from discontinued operations before non controlling interests. |      |                      |                      |             |             |                   |
| Attributable to: non-controlling interests continued operations   |      | 0                    | 3                    | 53          | 12          | 19                |
| non-controlling interests discontinued operations   |      |                      | 7                    | 7           | 36          | 31                |
| owners of the parent  |      | (24)                 | 40                   | (100)       | 156         | 201               |
| Basic earnings per share (USD)  | 7    | (0,51)               | 0,86                 | (2,16)      | 3,37        | 4,34              |

## Comprehensive income - financial report

| USD mill   |  | 01.07 -30.09<br>2017 | 01.07 -30.09<br>2016 | YTD<br>2017 | YTD<br>2016 | Full year<br>2016 |
|--|--|----------------------|----------------------|-------------|-------------|-------------------|
| <b>Profit for the period</b>   |  | <b>(23)</b>          | <b>50</b>            | <b>(40)</b> | <b>205</b>  | <b>251</b>        |
| <b>Items that may be reclassified to income statement</b>            |  |                      |                      |             |             |                   |
| Revaluation mark to market value available for sale financial assets |  | (43)                 | 6                    | 11          | 2           | 8                 |
| Comprehensive income from associates                                 |  |                      |                      | (2)         |             |                   |
| Currency translation differences                                     |  | 67                   | 28                   | 90          | 62          | 51                |
| Comprehensive income discontinued operations                         |  |                      | 1                    | (1)         | 3           | 6                 |
| <b>Items that will not be reclassified to income statement</b>       |  |                      |                      |             |             |                   |
| Remeasurement pension liabilities, net of tax                        |  |                      |                      |             |             |                   |
| <b>Other comprehensive income, net of tax</b>                        |  | <b>24</b>            | <b>35</b>            | <b>98</b>   | <b>68</b>   | <b>65</b>         |
| <b>Total comprehensive income for the period</b>                     |  | <b>1</b>             | <b>85</b>            | <b>59</b>   | <b>273</b>  | <b>315</b>        |
| <b>Total comprehensive income attributable to:</b>                   |  |                      |                      |             |             |                   |
| Owners of the parent continued operations                            |  | 18                   | 55                   | 235         | 118         | 172               |
| Owners of the parent discontinued operations                         |  |                      | 19                   | (239)       | 104         | 91                |
| Non-controlling interests  |  | (17)                 | 10                   | 63          | 51          | 52                |
| <b>Total comprehensive income for the period</b>                     |  | <b>1</b>             | <b>85</b>            | <b>59</b>   | <b>273</b>  | <b>315</b>        |

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

## Balance sheet - financial report

| USD mill  | Note | 30.09.2017   | 30.09.2016   | 31.12.2016   |
|---|------|--------------|--------------|--------------|
| Deferred tax asset                                  | 5    | 16           | 106          | 75           |
| Goodwill and other intangible assets                | 3    | 176          | 217          | 145          |
| Vessels, property and other tangible assets         | 3    | 602          | 2 099        | 2 047        |
| Investments in joint ventures and associates        | 4    | 989          | 1 269        | 1 259        |
| Available-for-sale financial assets                 | 8    | 805          | 131          | 209          |
| Other non current assets                            |      | 38           | 28           | 47           |
| <b>Total non current assets</b>                     |      | <b>2 626</b> | <b>3 850</b> | <b>3 781</b> |
| Inventory   |      | 80           | 114          | 65           |
| Current financial investments                       |      | 99           | 343          | 285          |
| Other current assets                                |      | 293          | 381          | 268          |
| Cash and cash equivalents                           |      | 184          | 363          | 296          |
| <b>Total current assets</b>                         |      | <b>657</b>   | <b>1 202</b> | <b>914</b>   |
| <b>Total assets</b>                                 |      | <b>3 283</b> | <b>5 052</b> | <b>4 695</b> |
| Paid-in capital                                     | 7    | 122          | 122          | 122          |
| Retained earnings                                   | 7/9  | 1 844        | 1 838        | 1 868        |
| <b>Attributable to equity holders of the parent</b> |      | <b>1 966</b> | <b>1 960</b> | <b>1 990</b> |
| Non-controlling interests                           |      | 215          | 501          | 502          |
| <b>Total equity</b>                                 |      | <b>2 181</b> | <b>2 461</b> | <b>2 492</b> |
| Pension liabilities                                 |      | 29           | 72           | 63           |
| Deferred tax  | 5    | 10           | 17           | 12           |
| Non-current interest-bearing debt                   | 10   | 566          | 1 616        | 1 418        |
| Other non-current liabilities                       |      | 98           | 253          | 233          |
| <b>Total non current liabilities</b>                |      | <b>702</b>   | <b>1 957</b> | <b>1 727</b> |
| Current income tax                                  |      | 5            | 11           | 15           |
| Public duties payable                               |      | 7            | 7            | 7            |
| Current interest-bearing debt                       | 10   | 66           | 182          | 115          |
| Other current liabilities                           |      | 323          | 435          | 340          |
| <b>Total current liabilities</b>                    |      | <b>400</b>   | <b>634</b>   | <b>477</b>   |
| <b>Total equity and liabilities</b>                 |      | <b>3 283</b> | <b>5 052</b> | <b>4 695</b> |

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

## Cash flow statement - financial report

| USD mill   | Note | 01.07 -30.09<br>2017 | 01.07 -30.09<br>2016 | YTD<br>2017  | YTD<br>2016  |
|--|------|----------------------|----------------------|--------------|--------------|
| <b>Cash flow from operating activities</b>   |      |                      |                      |              |              |
| Profit before tax (included discontinued operations and before non-controlling interests)  |      | (23)                 | 54                   | (28)         | 217          |
| Financial (income)/expenses  |      | 13                   | 69                   | 2            | 101          |
| Financial derivatives unrealised   |      | (2)                  | (69)                 | (15)         | (66)         |
| Depreciation/impairment  | 3    | 4                    | 26                   | 32           | 78           |
| Loss/ (gain) on sale of fixed assets   | 3    | (2)                  | 1                    | (11)         | 3            |
| (Gain)/loss from sale of subsidiaries, joint ventures and associates (excluding cash)  | 6    | 39                   |                      | (15)         |              |
| Change in net pension asset/liability  |      |                      | 2                    | 1            | 4            |
| Change in inventory  |      | (2)                  | 4                    | (14)         | (2)          |
| Change in other working capital  |      | (7)                  | 6                    | (3)          | 55           |
| Tax paid (company income tax, withholding tax)   |      | (4)                  | (3)                  | (11)         | (9)          |
| <b>Net cash provided by operating activities</b>   |      | <b>15</b>            | <b>91</b>            | <b>(61)</b>  | <b>382</b>   |
| <b>Cash flow from investing activities</b>   |      |                      |                      |              |              |
| Share of profit from joint ventures and associates   |      | (22)                 | (47)                 | (32)         | (191)        |
| Dividend received from joint ventures and associates   |      | 2                    | 1                    | 17           | 57           |
| Proceeds from sale of fixed assets   | 3    | 9                    | 3                    | 63           | 22           |
| Investments in fixed assets  | 3    | (12)                 | (19)                 | (24)         | (178)        |
| Net proceeds from sale of subsidiaries   |      |                      |                      | 14           |              |
| Investments in subsidiaries, joint ventures and associates   |      | (67)                 | (8)                  | (88)         | (10)         |
| Loans granted to joint ventures and associates   |      |                      | 1                    |              | (7)          |
| Proceeds from sale of financial investments  |      | 3                    | 27                   | 104          | 84           |
| Current financial investments  |      | (6)                  | (46)                 | (50)         | (120)        |
| Interest received  |      | 1                    | 1                    | 2            | 3            |
| <b>Net cash flow from investing activities</b>   |      | <b>(92)</b>          | <b>(85)</b>          | <b>6</b>     | <b>(339)</b> |
| <b>Cash flow from financing activities</b>   |      |                      |                      |              |              |
| Proceeds from issue of debt  |      | 222                  | 89                   | 252          | 291          |
| Repayment of debt  |      | (200)                | (85)                 | (264)        | (185)        |
| Interest paid including interest derivatives   |      | (3)                  | (24)                 | (36)         | (64)         |
| Cash from financial derivatives  |      | 7                    | (1)                  | 14           | (16)         |
| Dividend to shareholders/purchase of own shares  |      |                      | (1)                  | (23)         | (18)         |
| <b>Net cash flow from financing activities</b>   |      | <b>26</b>            | <b>(21)</b>          | <b>(57)</b>  | <b>9</b>     |
| <b>Net increase in cash and cash equivalents <sup>1</sup></b>  |      | <b>(51)</b>          | <b>(15)</b>          | <b>(112)</b> | <b>51</b>    |
| Cash and cash equivalents at the beg. of the period <sup>1</sup>   |      | 235                  | 378                  | 296          | 312          |
| <b>Cash and cash equivalents at the end of the period <sup>1</sup></b>   |      | <b>184</b>           | <b>363</b>           | <b>184</b>   | <b>363</b>   |
| <b>The net cash flow from discontinued operations are:</b>   |      |                      |                      |              |              |
|  | 6    |                      |                      |              |              |
| Net cash provided by operative activities from discontinued operations   |      |                      | 26                   | 7            | 279          |
| Net cash provided by investing activities from discontinued operations   |      |                      | (7)                  | 107          | (244)        |
| Net cash provided by financing activities from discontinued operations   |      |                      | (18)                 | (74)         | 8            |
| <b>Cash and cash equivalents related to discontinued operations (at the end of the period) the date of merger and 30.09.2016</b> |      | <b>121</b>           | <b>150</b>           | <b>121</b>   | <b>150</b>   |

<sup>1</sup> 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 |
|------------------------------------|---------------|-------------------|--------------|---------------------------|--------------|
| <b>Balance at 31.12.2016</b>       | 122           | 1 868             | 1 990        | 502                       | 2 492        |
| Profit for the period              |               | (100)             | (100)        | 61                        | (40)         |
| Other comprehensive income*        |               | 95                | 95           | 3                         | 98           |
| Incoming non controlling interests |               |                   |              | 57                        | 57           |
| Outgoing non-controlling interests |               |                   |              | (398)                     | (398)        |
| Paid dividends to shareholders     |               | (20)              | (20)         | (8)                       | (28)         |
| <b>Balance 30.09.2017</b>          | <b>122</b>    | <b>1 845</b>      | <b>1 966</b> | <b>215</b>                | <b>2 181</b> |
| <b>Balance at 31.12.2015</b>       | 122           | 1 632             | 1 754        | 452                       | 2 206        |
| Profit for the period              |               | 156               | 205          | 48                        | 205          |
| Other comprehensive income *       |               | 66                | 66           | 2                         | 68           |
| Paid dividends to shareholders     |               | (17)              | (17)         | (1)                       | (18)         |
| <b>Balance 30.09.2016</b>          | <b>122</b>    | <b>1 838</b>      | <b>2 009</b> | <b>501</b>                | <b>2 461</b> |

### Statement of changes in equity - [Full year 2016](#)

| USD mill                       | Share capital | Retained earnings | Total        | Non-controlling interests | Total equity |
|--------------------------------|---------------|-------------------|--------------|---------------------------|--------------|
| <b>Balance at 31.12.2015</b>   | 122           | 1 632             | 1 754        | 452                       | 2 206        |
| Profit for the period          |               | 201               | 201          | 49                        | 251          |
| Comprehensive income *         |               | 62                | 62           | 2                         | 65           |
| Paid dividends to shareholders |               | (28)              | (28)         | (2)                       | (30)         |
| <b>Balance 31.12.2016</b>      | <b>122</b>    | <b>1 868</b>      | <b>1 990</b> | <b>502</b>                | <b>2 492</b> |

\*) Other comprehensive income in Statement of equity (2016) is not restated in discontinued and continued operations.

## 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 2016 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 2016.

#### 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

#### 2017

##### 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 is financed through existing liquidity and funding reserves.

The disposal of NorSea group as an associate created an accounting loss of 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 Rederi AB) and WWASA was completed in beginning of April. After the completion the group own 37.8% of Wallenius Wilhelmsen Logistics ASA (WWL). The investment in WWL

ASA is treated as an associate company (equity method). The merger effect was an accounting loss of USD 367 mill and presented as discontinued operations. The initial investment cost of WWL 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 is changed from an associate to available-for-sale financial assets. 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.

#### 2016

##### Fourth quarter

Disposal of 100% shares in Callenberg group with a loss of USD 15 mill. Disposal of Wilhelmsen safety activities (100% of shares in Wilhelmsen Technical Solution AS and safety division in Wilhelmsen Ships Service group) by a gain of USD 71 mill. The net proceeds (cash) from both disposals were USD 150 mill.

##### Third quarter

There has not been any significant acquisitions or disposals during the third quarter

##### Second quarter

Treasure ASA was demerger from WWASA and the company was listed at 8 June 2016. Treasure ASA hold 12.04% ownership in the listed company Hyundai Glovis. Treasure ASA group is a part of Holding & Investment segment. See separate note for restated figures.

##### First quarter

Investments in WWASA segment

WWL has acquired the full ownership of WWL Vehicle Services Americas (VSA), previously a joint venture, based in USA. The company employs 3 400 employees and handles some 4.7 million units annually.

With full ownership, WWL strengthens its position as a leading provider of vehicle processing for automotive manufacturers in North America.

WWL has also acquired the full ownership of CAT-WWL, previously a joint venture, based in South Africa.

With full ownership in CAT-WWL, a network of ten vehicle-processing facilities, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.

The business employs more than 900 workers and handles some 680 000 units.

In addition, WWL has sold Vehicle Services Europe (VSE) to Groupe CAT. The company employs some 400 employees with truck based inland distribution in Europe and three vehicle processing centres in Germany.

## Notes - financial report

### Note 3 - Tangible and intangible assets

| USD mill  | Vessels /<br>Newbuilding<br>contracts | Other tangible<br>assets | Intangible<br>assets | Total tangible<br>and intangible<br>assets |
|---|---------------------------------------|--------------------------|----------------------|--|
| <b>2017</b>   |                                       |                          |                      |  |
| Cost price 1.1  | 2 457                                 | 278                      | 208                  | 2 944                                      |
| Acquisition   | 18                                    | 554                      | 31                   | 603  |
| Reclass/disposal  | (2 458)                               | (4)                      | (7)                  | (2 469)                                    |
| Currency translation differences                            |                                       | 14                       | 15                   | 29   |
| <b>Cost price 30.09</b>                                     | <b>17</b>                             | <b>842</b>               | <b>247</b>           | <b>1 106</b>                               |
| Accumulated depreciation and impairment losses 1.1          | (579)                                 | (110)                    | (63)                 | (752)                                      |
| Depreciation/amortisation                                   |                                       | (7)                      | (4)                  | (12)                                       |
| Depreciation discontinued operations                        | (20)                                  |                          |                      | (20)                                       |
| Reclass/disposal  | 599                                   | (134)                    | 1                    | 467  |
| Currency translation differences                            |                                       |                          |                      |  |
| <b>Accumulated depreciation and impairment losses 30.09</b> | <b>0</b>                              | <b>(257)</b>             | <b>(71)</b>          | <b>(328)</b>                               |
| <b>Carrying amounts 30.09</b>                               | <b>17</b>                             | <b>585</b>               | <b>176</b>           | <b>778</b>                                 |
| <b>2016</b>   |                                       |                          |                      |  |
| Cost price 1.1  | 2 472                                 | 307                      | 325                  | 3 105                                      |
| Acquisition   | 147                                   | 25                       | 6                    | 178  |
| Reclass/disposal  | (163)                                 | (12)                     |                      | (175)                                      |
| Currency translation differences                            |                                       | 16                       | 19                   | 34   |
| <b>Cost price 30.09</b>                                     | <b>2 456</b>                          | <b>336</b>               | <b>350</b>           | <b>3 142</b>                               |
| Accumulated depreciation and impairment losses 1.1          | (646)                                 | (122)                    | (121)                | (889)                                      |
| Depreciation/amortisation                                   |                                       | (11)                     | (7)                  | (18)                                       |
| Depreciation discontinued operations                        | (60)                                  |                          |                      | (60)                                       |
| Reclass/disposal  | 147                                   | 6                        | (1)                  | 152  |
| Currency translation differences                            |                                       | (6)                      | (4)                  | (10)                                       |
| <b>Accumulated depreciation and impairment losses 30.09</b> | <b>(559)</b>                          | <b>(133)</b>             | <b>(133)</b>         | <b>(825)</b>                               |
| <b>Carrying amounts 30.09</b>                               | <b>1 897</b>                          | <b>203</b>               | <b>217</b>           | <b>2 317</b>                               |
| <b>2016 Full year</b>                                       |                                       |                          |                      |  |
| Cost price 1.1  | 2 472                                 | 307                      | 325                  | 3 105                                      |
| Acquisition   | 149                                   | 50                       | 6                    | 206  |
| Reclass/disposal  | (164)                                 | (75)                     | (126)                | (365)                                      |
| Currency translation differences                            |                                       | (4)                      | 2                    | (2)  |
| <b>Cost price 31.12</b>                                     | <b>2 457</b>                          | <b>278</b>               | <b>208</b>           | <b>2 944</b>                               |
| Accumulated depreciation and impairment losses 1.1          | (646)                                 | (122)                    | (121)                | (889)                                      |
| Depreciation/amortisation                                   |                                       | (14)                     | (9)                  | (23)                                       |
| Depreciation discontinued operations                        | (81)                                  |                          |                      | (81)                                       |
| Reclass/disposal  | 148                                   | 25                       | 66                   | 239  |
| Currency translation differences                            |                                       | 1                        |                      | 1  |
| <b>Accumulated depreciation and impairment losses 31.12</b> | <b>(579)</b>                          | <b>(110)</b>             | <b>(63)</b>          | <b>(752)</b>                               |
| <b>Carrying amounts 31.12</b>                               | <b>1 878</b>                          | <b>168</b>               | <b>145</b>           | <b>2 191</b>                               |

## 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 WWASA and Wall Roll AB, the investment in WWL ASA is classified as associate.

In addition the investment in Hyundai Glovis has been changed from associate to an available-for-sale financial assets at the same time as the merger between WWASA and Wallroll.

Per 26.09.2017 the group increased the ownership in NorSea Group to 72% changing the presentation of NorSea from investment in associate to investment in subsidiary.

Material joint ventures and associates at the end September 2017 are:

**USD mill**

|  | <b>Ownership</b> | <b>30.09.2017<br/>Booked value</b> |
|--|------------------|------------------------------------|
| <b>Holding and Investments segment:</b>                  |                  |                                    |
| Wallenius Wilhelmsen Logistics ASA                       | 37.8%            | 796                                |
| <b>Maritime service segment:</b>                         |                  |                                    |
| Associates   | 20 - 50%         | 13                                 |
| <b>Supply services segment:</b>                          |                  |                                    |
| <i>Joint venture</i>                                     |                  |                                    |
| Cost Center Base   | 50 %             | 104                                |
| Vikan Næringspark Invest AS                              | 50 %             | 16                                 |
| Other  | 50 %             | 1                                  |
| <i>Associates</i>  |                  |                                    |
| Risavika Havn AS   | 42.8%            | 40                                 |
| Risavika Eiendom AS                                      | 42 %             | 10                                 |
| Hammerfest Næringsinvest AS                              | 32 %             | 2                                  |
| Other  | 33 - 49%         | 5                                  |
| <b>Total investment in joint ventures and associates</b> |                  | <b>989</b>                         |

|  | <b>Q3 2017</b> | <b>YTD Q3 2017</b> |
|--|----------------|--------------------|
| <b>Share of profit from associates</b> |                |                    |
| Wallenius Wilhelmsen Logistics ASA     | 19             | 10                 |
| NorSea Group AS                        | 2              | 5                  |
| Associates in Maritime Services        | 1              | 3                  |
| <b>Share of profit from associates</b> | <b>22</b>      | <b>18</b>          |

### 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 WW ASA was merged with Wall Roll AB. After the merger the group own 37.8% of the WWL ASA. The profit in WWASA previous periods is presented as discontinued operations in WWH. The assets and liabilities from WWASA segment are included in the group balance sheet at 30.06 2016 and 31.12.2016.

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

The financial performance and cash flow information presented are for the Q1 2017, Q2 2016, YTD 2016 and the year ended 31 December 2016

| USD mill   | Q1 2017     | Q3 2016     | YTD Q3 2016        | Full year 2016 |
|--|-------------|-------------|--------------------|----------------|
| Operating revenue  | 59          | 57          | 191                | 257            |
| <b>Other income</b>  |             |             |                    |                |
| Share of profits from associates   | 14          | 17          | 122                | 106            |
| Gain on sale of assets   | 9           |             |                    |                |
| <b>Total income</b>  | <b>82</b>   | <b>74</b>   | <b>313</b>         | <b>363</b>     |
| <b>Operating expenses</b>  |             |             |                    |                |
| Vessel expenses  | (15)        | (16)        | (46)               | (61)           |
| Inventory cost   |             |             |                    |                |
| Employee benefits  | (11)        | (11)        | (36)               | (51)           |
| Other expenses   | (3)         | (3)         | (12)               | (18)           |
| Depreciation and impairments   | (20)        | (21)        | (60)               | (81)           |
| <b>Total operating expenses</b>  | <b>(49)</b> | <b>(50)</b> | <b>(154)</b>       | <b>(212)</b>   |
| <b>Operating profit</b>  | <b>33</b>   | <b>24</b>   | <b>159</b>         | <b>151</b>     |
| Financial income/(expenses)  | (8)         | 3           | (22)               | (17)           |
| Profit before tax  | 25          | 26          | 137                | 134            |
| Tax income/(expense)   | 1           | (2)         | (3)                | (22)           |
| <b>Profit from discontinued operations</b>                                 | <b>26</b>   | <b>25</b>   | <b>133</b>         | <b>113</b>     |
| Non controlling interests  | 7           | 7           | 36                 | 31             |
| Changes in fair value cash flow hedge                                      |             | 1           | 10                 | 12             |
| Exchange differences on translation of discontinued operations             | 2           | (1)         |                    | (2)            |
| Remeasurement pension liabilities, net of tax                              |             |             |                    | 1              |
| <b>Other comprehensive income from discontinued operations</b>             | <b>1</b>    | <b>0</b>    | <b>9</b>           | <b>10</b>      |
| <b>Cash flow from discontinued operations</b>                              |             |             |                    |                |
| Net cash flow from operating activities                                    | 7           | 117         | 155                | 211            |
| Net cash flow from investing activities                                    | 107         | (138)       | (139)              | (95)           |
| Net cash flow from financing activities                                    | (74)        | 84          | 26                 | (143)          |
| <b>Net increase in cash generated by the discontinued operations</b>       | <b>40</b>   | <b>63</b>   | <b>42</b>          | <b>(27)</b>    |
| <b>Details of the merger between the subsidiary WWASA and Wall Roll AB</b> |             |             | <b>YTD Q3 2017</b> |                |
| Cash   |             |             |                    | 14             |
| Shares in Wallenius Wilhelmsen Logistics ASA (market value)                |             |             |                    | 789            |
| Total disposals consideration  |             |             |                    | 804            |
| Carrying amount of net assets disposal                                     |             |             |                    | 1 062          |
| Currency translation differences in WWASA group                            |             |             |                    | (5)            |
| <b>Accounting loss (discontinued operations) majority (Q2 2017)</b>        |             |             |                    | <b>(264)</b>   |
| Net profit before non-controlling interests Q1 2017                        |             |             |                    | 26             |
| <b>Profit from discontinued operations</b>                                 |             |             |                    | <b>(239)</b>   |

## Notes - financial report

### Note 6 - Discontinued operations WWASA segment cont.

Details of the merger between WWASA group and Wall Roll AB

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

|  | <b>04.04.2017</b> |
|--|-------------------|
| 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               |
| <b>Total Assets</b>                          | <b>2 946</b>      |
| Deferred tax                                 |                   |
| Interest-bearing debt                        | 1 267             |
| Other non current liabilities                | 164               |
| Other current liabilities                    | 55                |
| Non controlling interests                    | 398               |
| <b>Total liabilities</b>                     | <b>1 884</b>      |
| <b>Net assets</b>                            | <b>1 062</b>      |

#### Assets and liabilities of disposed group

The following assets and liabilities are related to the discontinued operations as at 30. September 2016 and 31 December 2016:

|   | <b>30.09.2016</b> | <b>31.12.2016</b> |
|---|-------------------|-------------------|
| Assets and liabilities related to discontinued operations |                   |                   |
| Deferred tax asset  | 81                | 55                |
| Intangible assets   | 6                 | 6                 |
| Tangible assets   | 1 897             | 1 879             |
| Investments in joint ventures and associates              | 795               | 768               |
| Other non current assets                                  | 1                 | 1                 |
| Current financial investments                             | 261               | 202               |
| Other current assets                                      | 17                | 22                |
| Cash and cash equivalents                                 | 150               | 81                |
| <b>Total Assets</b>                                       | <b>3 207</b>      | <b>3 013</b>      |
| Interest-bearing debt                                     | 1 441             | 1 320             |
| Other non current liabilities                             | 193               | 169               |
| Other current liabilities                                 | 118               | 89                |
| <b>Total liabilities</b>                                  | <b>1 752</b>      | <b>1 578</b>      |

## 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        |
| <b>Total shares</b> | <b>46 503 824</b> |

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 2017, and each quarter in 2016.

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

### Note 8 - Available-for-sale financial assets

| USD mill   | 30.09.2017 | 30.09.2016 | 31.12.2016 |
|--|------------|------------|------------|
| <b>Available-for-sale financial assets</b>       |            |            |            |
| At 1 January                                     | 209        | 122        | 122        |
| Acquisition                                      | 12         | 12         | 91         |
| Sale during the year                             | (11)       | (7)        | (7)        |
| Change of accounting principle Hyundai Glovis    | 573        |            |            |
| Mark to market valuation                         | 5          | (1)        | 4          |
| Currency translation adjustment                  | 16         | 6          | (2)        |
| <b>Total available-for-sale financial assets</b> | <b>805</b> | <b>131</b> | <b>209</b> |

Available-for-sale financial assets is held in subsidiaries with different functional currencies and thereby creating translation adjustment.

### Note 9 - Paid dividend

Dividend for fiscal year 2015 was NOK 5.00 per share, where NOK 3.00 per share was paid in May 2016 and NOK 2.00 per share was paid in November 2016.

The proposed dividend for fiscal year 2016 is NOK 3.50 per share, was approved

by the annual general meeting on 27 April 2017, and paid to the shareholders in May 2017.

## Notes - financial report

### Note 10 - Interest-bearing debt

| USD mill  | 30.09.2017 | 30.09.2016   | 31.12.2016   |
|---|------------|--------------|--------------|
| Non current interest-bearing debt   | 566        | 357          | 213          |
| Current interest-bearing debt   | 66         |              |              |
| Interest-bearing debt discontinued operations                                       |            | 1 441        | 1 320        |
| <b>Total interest-bearing debt</b>  | <b>632</b> | <b>1 798</b> | <b>1 533</b> |
| Cash and cash equivalents   | 184        | 212          | 215          |
| Current financial investments   | 99         | 82           | 83           |
| Cash and cash equivalents and current financial investments discontinued operations |            | 412          | 283          |
| <b>Net interest-bearing debt</b>  | <b>348</b> | <b>1 092</b> | <b>953</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 30 September 2017 (analogous for 30 September 2016).

#### Specification of interest-bearing debt

| USD mill  | 30.09.2017 | 30.09.2016   | 31.12.2016   |
|---|------------|--------------|--------------|
| <b>Interest-bearing debt</b>                        |            |              |              |
| Bankloan  | 632        | 357          | 213          |
| Interest-bearing debt discontinued operations       |            | 1 441        | 1 320        |
| <b>Total interest-bearing debt</b>                  | <b>632</b> | <b>1 798</b> | <b>1 533</b> |
| <b>Repayment schedule for interest-bearing debt</b> |            |              |              |
| Due in 1 year                                       | 66         | 107          | 115          |
| Due in 2 year                                       | 43         | 115          | 325          |
| Due in 3 year                                       | 25         | 335          | 486          |
| Due in 4 year                                       | 20         | 633          | 83           |
| Due in 5 year and later                             | 477        | 607          | 523          |
| <b>Total interest-bearing debt</b>                  | <b>632</b> | <b>1 798</b> | <b>1 533</b> |

## Notes - financial report

### Note 11 - Financial level

| USD mill                                   | Level 1    | Level 2    | Level 3   | Total      |
|--|------------|------------|-----------|------------|
| <b>2017</b>                                |            |            |           |            |
| <b>Financial assets at fair value</b>      |            |            |           |            |
| Equities                                   | 52         |            | 1         | 53         |
| Bonds                                      | 46         |            |           | 46         |
| Financial derivatives                      |            | 6          |           | 6          |
| Available-for-sale financial assets        | 709        |            | 95        | 805        |
| <b>Total financial assets 30.09</b>        | <b>808</b> | <b>6</b>   | <b>96</b> | <b>910</b> |
| <b>Financial liabilities at fair value</b> |            |            |           |            |
| Financial derivatives                      |            | 13         |           | 13         |
| <b>Total financial liabilities 30.09</b>   | <b>0</b>   | <b>13</b>  | <b>0</b>  | <b>13</b>  |
| <b>2016</b>                                |            |            |           |            |
| <b>Financial assets at fair value</b>      |            |            |           |            |
| Equities                                   | 111        |            |           | 111        |
| Bonds                                      | 232        |            |           | 232        |
| Financial derivatives                      |            |            |           |            |
| Available-for-sale financial assets        | 125        |            | 6         | 131        |
| <b>Total financial assets 30.09</b>        | <b>468</b> | <b>0</b>   | <b>6</b>  | <b>474</b> |
| <b>Financial liabilities at fair value</b> |            |            |           |            |
| Financial derivatives                      |            | 181        |           | 181        |
| <b>Total financial liabilities 30.09</b>   | <b>0</b>   | <b>181</b> | <b>0</b>  | <b>181</b> |

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 September 2017 are liquid investment grade bonds (analogous for 2016).

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.

## Notes - financial report

### Note 12 - Segment reporting: Income statement per operating segments

| USD mill                                     | Maritime Services |              | Holding & Investments |            | Eliminations /discontinued operations |            | WWH group total |              |
|--|-------------------|--------------|-----------------------|------------|---------------------------------------|------------|-----------------|--------------|
|  | Q3 2017           | Q3 2016      | Q3 2017               | Q3 2016    | Q3 2017                               | Q3 2016    | Q3 2017         | Q3 2016      |
| <b>Quarter</b>                               |                   |              |                       |            |                                       |            |                 |              |
| Operating revenue                            | 141               | 223          | 5                     | 6          | (3)                                   | (6)        | 143             | 223          |
| Gain on sale of assets                       | 1                 | 1            | (40)                  |            |                                       |            | (39)            | 1            |
| <b>Total income</b>                          | <b>142</b>        | <b>225</b>   | <b>(35)</b>           | <b>6</b>   | <b>(3)</b>                            | <b>(6)</b> | <b>104</b>      | <b>224</b>   |
| <b>Operating expenses</b>                    |                   |              |                       |            |                                       |            |                 |              |
| Cost of goods and change in inventory        | (45)              | (101)        | (0)                   |            |                                       |            | (45)            | (101)        |
| Employee benefits                            | (53)              | (65)         | (5)                   | (4)        |                                       |            | (58)            | (69)         |
| Other expenses                               | (29)              | (35)         | (4)                   | (2)        | 3                                     | 6          | (30)            | (31)         |
| Depreciation and impairments                 | (4)               | (6)          | (0)                   |            |                                       |            | (4)             | (6)          |
| <b>Total operating expenses</b>              | <b>(132)</b>      | <b>(206)</b> | <b>(10)</b>           | <b>(7)</b> | <b>3</b>                              | <b>6</b>   | <b>(138)</b>    | <b>(207)</b> |
| <b>Operating profit</b>                      | <b>11</b>         | <b>18</b>    | <b>(44)</b>           | <b>(1)</b> | <b>0</b>                              | <b>(0)</b> | <b>(34)</b>     | <b>17</b>    |
| Share of profits from associates             | 1                 | 1            | 21                    | 13         |                                       |            | 22              | 14           |
| Net finance income / expenses                | (1)               | (2)          | (9)                   | (1)        |                                       |            | (10)            | (3)          |
| <b>Profit/(loss) before tax</b>              | <b>11</b>         | <b>17</b>    | <b>(32)</b>           | <b>11</b>  | <b>0</b>                              | <b>(0)</b> | <b>(22)</b>     | <b>28</b>    |
| Tax income/(expense)                         | (3)               | (4)          | 1                     | 2          |                                       |            | (2)             | (3)          |
| <b>Profit/(loss)</b>                         | <b>8</b>          | <b>13</b>    | <b>(32)</b>           | <b>12</b>  | <b>0</b>                              | <b>(0)</b> | <b>(23)</b>     | <b>25</b>    |
| Result of discontinued operations            |                   |              |                       |            |                                       | 25         | 0               | 25           |
| Non-controlling interests                    |                   |              |                       | 3          |                                       | 7          | (0)             | 10           |
| <b>Profit/(loss) to the owners of parent</b> | <b>8</b>          | <b>12</b>    | <b>(32)</b>           | <b>9</b>   | <b>0</b>                              | <b>18</b>  | <b>(23)</b>     | <b>40</b>    |

| USD mill                                     | Maritime Services |              |                | Holding & Investments |             |                | Eliminations /discontinued operations |             |                | Total        |              |                |
|--|-------------------|--------------|----------------|-----------------------|-------------|----------------|---------------------------------------|-------------|----------------|--------------|--------------|----------------|
|  | YTD 2017          | YTD 2016     | Full year 2016 | YTD 2017              | YTD 2016    | Full year 2016 | YTD 2017                              | YTD 2016    | Full year 2016 | YTD 2017     | YTD 2016     | Full year 2016 |
| <b>YTD</b>                                   |                   |              |                |                       |             |                |                                       |             |                |              |              |                |
| Operating revenue                            | 425               | 689          | 862            | 16                    | 23          | 29             | (12)                                  | (17)        | (23)           | 429          | 694          | 867            |
| Gain on sale of assets                       | 5                 | 3            | 62             | 155                   |             |                |                                       |             |                | 160          | 3            | 62             |
| <b>Total income</b>                          | <b>429</b>        | <b>692</b>   | <b>924</b>     | <b>171</b>            | <b>23</b>   | <b>29</b>      | <b>(12)</b>                           | <b>(17)</b> | <b>(23)</b>    | <b>589</b>   | <b>698</b>   | <b>930</b>     |
| <b>Operating expenses</b>                    |                   |              |                |                       |             |                |                                       |             |                |              |              |                |
| Cost of goods and change in inventory        | (132)             | (314)        | (376)          |                       |             | (1)            |                                       |             |                | (132)        | (314)        | (377)          |
| Employee benefits                            | (160)             | (201)        | (263)          | (15)                  | (12)        | (17)           |                                       |             |                | (175)        | (213)        | (280)          |
| Other expenses                               | (97)              | (113)        | (158)          | (12)                  | (16)        | (21)           | 11                                    | 17          | 23             | (98)         | (112)        | (156)          |
| Depreciation and impairments                 | (11)              | (17)         | (22)           |                       |             |                |                                       |             |                | (12)         | (18)         | (22)           |
| <b>Total operating expenses</b>              | <b>(400)</b>      | <b>(645)</b> | <b>(820)</b>   | <b>(28)</b>           | <b>(29)</b> | <b>(39)</b>    | <b>12</b>                             | <b>17</b>   | <b>23</b>      | <b>(416)</b> | <b>(657)</b> | <b>(836)</b>   |
| <b>Operating profit</b>                      | <b>29</b>         | <b>47</b>    | <b>104</b>     | <b>143</b>            | <b>(6)</b>  | <b>(10)</b>    | <b>(0)</b>                            | <b>(0)</b>  | <b>0</b>       | <b>172</b>   | <b>41</b>    | <b>94</b>      |
| Share of profit from associates              | 3                 | 3            | 4              | 15                    | 50          | 77             |                                       |             |                | 18           | 54           | 82             |
| Net finance income / expenses                | 6                 | (14)         | (28)           | 15                    | (0)         | 4              |                                       |             |                | 21           | (14)         | (24)           |
| <b>Profit/(loss) before tax</b>              | <b>38</b>         | <b>36</b>    | <b>80</b>      | <b>173</b>            | <b>44</b>   | <b>72</b>      | <b>(0)</b>                            | <b>(0)</b>  | <b>0</b>       | <b>211</b>   | <b>80</b>    | <b>152</b>     |
| Tax income/(expense)                         | (9)               | (9)          | (15)           | (3)                   | 1           | 2              |                                       |             |                | (12)         | (9)          | (14)           |
| <b>Profit/(loss)</b>                         | <b>29</b>         | <b>27</b>    | <b>65</b>      | <b>170</b>            | <b>45</b>   | <b>73</b>      | <b>(0)</b>                            | <b>(0)</b>  | <b>0</b>       | <b>199</b>   | <b>72</b>    | <b>138</b>     |
| Result of discontinued operations            |                   |              |                |                       |             |                | (239)                                 | 133         | 113            | (239)        | 133          | 113            |
| Non-controlling interests                    | 1                 | 1            | 1              | 53                    | 11          | 18             | 7                                     | 36          | 31             | 60           | 49           | 49             |
| <b>Profit/(loss) to the owners of parent</b> | <b>28</b>         | <b>26</b>    | <b>64</b>      | <b>118</b>            | <b>34</b>   | <b>56</b>      | <b>(246)</b>                          | <b>97</b>   | <b>82</b>      | <b>(101)</b> | <b>156</b>   | <b>201</b>     |

## Notes - financial report

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

| USD mill                                     | WWASA group<br>(discontinued<br>operations) |               | Maritime Services |               | Holding &<br>Investments |               | Supply Services |               | Eliminations  |               | Total         |               |
|--|---|---------------|-------------------|---------------|--------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
|  | 30.09<br>2017                               | 31.12<br>2016 | 30.09<br>2017     | 31.12<br>2016 | 30.09<br>2017            | 31.12<br>2016 | 30.09<br>2017   | 31.12<br>2016 | 30.09<br>2017 | 31.12<br>2016 | 30.09<br>2017 | 31.12<br>2016 |
| <b>Year to date</b>                          |   |               |                   |               |                          |               |                 |               |               |               |               |               |
| <b>Assets</b>                                |   |               |                   |               |                          |               |                 |               |               |               |               |               |
| Deferred tax asset                           |   | 55            | 14                | 15            | 1                        | 5             | 2               |               |               |               | 16            | 75            |
| Intangible assets                            |   | 6             | 167               | 138           | 1                        |               | 8               |               |               |               | 176           | 145           |
| Tangible assets                              |   | 1 879         | 183               | 166           | 2                        | 2             | 417             |               |               |               | 602           | 2 047         |
| Investments in joint ventures and associates |   | 768           | 13                | 13            | 796                      | 479           | 180             |               |               |               | 989           | 1 259         |
| Other non current assets                     |   | 1             | 114               | 108           | 742                      | 147           | 5               |               | (19)          |               | 843           | 256           |
| Current financial investments                |   | 202           |                   |               | 99                       | 83            |                 |               |               |               | 99            | 285           |
| Other current assets                         |   | 22            | 301               | 307           | 39                       | 7             | 67              |               | (34)          | (2)           | 374           | 333           |
| Cash and cash equivalents                    |   | 81            | 145               | 161           | 34                       | 54            | 5               |               |               |               | 184           | 296           |
| <b>Total assets</b>                          |   | <b>3 013</b>  | <b>936</b>        | <b>908</b>    | <b>1 714</b>             | <b>776</b>    | <b>685</b>      |               | <b>(52)</b>   | <b>(2)</b>    | <b>3 283</b>  | <b>4 695</b>  |
| <b>Equity and liabilities</b>                |   |               |                   |               |                          |               |                 |               |               |               |               |               |
| Equity majority *                            |   | 1 044         | 337               | 330           | 1 476                    | 616           | 152             |               |               |               | 1 966         | 1 990         |
| Equity minority interests *                  |   | 391           | (1)               | (1)           | 160                      | 112           | 56              |               |               |               | 215           | 501           |
| Deferred tax                                 |   |               | 10                | 12            |                          |               |                 |               |               |               | 10            | 12            |
| Interest-bearing debt                        |   | 1 320         | 196               | 179           | 55                       | 34            | 381             |               |               |               | 632           | 1 533         |
| Other non current liabilities                |   | 169           | 114               | 120           | 8                        | 7             | 23              |               | (19)          |               | 127           | 296           |
| Other current liabilities                    |   | 89            | 281               | 267           | 14                       | 7             | 74              |               | (34)          | (2)           | 334           | 362           |
| <b>Total equity and liabilities</b>          |   | <b>3 013</b>  | <b>936</b>        | <b>908</b>    | <b>1 714</b>             | <b>776</b>    | <b>685</b>      |               | <b>(52)</b>   | <b>(2)</b>    | <b>3 283</b>  | <b>4 695</b>  |

\* NCI part of unrealised gain per 31.12.2016 related to investment in Hyundai Glovis has been change from WWASA segment to Holding & Investments segment with USD 102 million.

## Notes - financial report

### Cont note 12 - Segment reporting: Cash flow per segment

| USD mill   | Maritime Services |            | Holding & Investments |             | WWASA discontinued operations |         |             |
|--|-------------------|------------|-----------------------|-------------|-------------------------------|---------|-------------|
|  | Quarter           | Q3 2017    | Q3 2016               | Q3 2017     | Q3 2016                       | Q3 2017 | Q3 2016     |
| Profit before tax  |                   | 11         | 17                    | (32)        | 11                            |         | 26          |
| Net financial (income)/expenses                            |                   | 1          |                       | 9           | 3                             |         | (3)         |
| Depreciation/impairment                                    |                   | 4          | 6                     |             |                               |         | 21          |
| Change in working capital                                  |                   | (5)        | (10)                  | 9           | (1)                           |         | 14          |
| Net (gain)/loss from sale of subsidiaries and fixed assets |                   |            |                       | 40          |                               |         |             |
| <b>Net cash provided by operating activities</b>           |                   | <b>10</b>  | <b>12</b>             | <b>26</b>   | <b>12</b>                     |         | <b>59</b>   |
| Share of profit from joint ventures and associates         |                   | (1)        | (1)                   | (21)        | (13)                          |         | (33)        |
| Dividend received from joint ventures and associates       |                   |            | 1                     | 2           |                               |         |             |
| Net sale/(investments) in fixed assets                     |                   | (3)        | (13)                  |             |                               |         | (4)         |
| Net sale/(investments) in entities and segments            |                   |            |                       | (67)        | (2)                           |         |             |
| Current financial investments                              |                   |            |                       | (3)         | (15)                          |         | (3)         |
| Net changes in other investments                           |                   | (1)        |                       |             |                               |         |             |
| <b>Net cash flow from investing activities</b>             |                   | <b>(4)</b> | <b>(12)</b>           | <b>(89)</b> | <b>(30)</b>                   |         | <b>(40)</b> |
| Net change of debt   |                   |            |                       | 19          | 1                             |         | 3           |
| Net change in other financial items                        |                   | (5)        |                       |             | (1)                           |         | (21)        |
| Net dividend from other segments/ to shareholders          |                   | (2)        |                       | (5)         | 2                             |         |             |
| <b>Net cash flow from financing activities</b>             |                   | <b>(7)</b> | <b>(0)</b>            | <b>14</b>   | <b>2</b>                      |         | <b>(18)</b> |
| <b>Net increase in cash and cash equivalents</b>           |                   | <b>(1)</b> | <b>(1)</b>            | <b>(50)</b> | <b>(15)</b>                   |         | <b>0</b>    |
| Cash and cash equivalents at the beg. of the period        |                   | 146        | 162                   | 88          | 66                            |         | 150         |
| <b>Cash and cash equivalents at the end of period*</b>     |                   | <b>145</b> | <b>162</b>            | <b>38</b>   | <b>51</b>                     |         | <b>150</b>  |

\*Holding and Investments including incoming cash from Supply Services

## 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 will buy a small portion of management controlled shares, approximately 2 %.

Total consideration for the Wilhelmsen's additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The acquisition from management will increase 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 shareholder loans to NorSea Group.

The acquisition balance from NorSea group is consolidated at the end of September 2017 and a part of the segment "Supplier 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.

### Details of net assets acquired and goodwill are as follows:

#### USD mill

|  |          |
|--|----------|
| Share consideration  | 152      |
| Option share from management (approx 2 %)                  | 4        |
| Total purchase consideration                               | 155      |
| Non-controlling interest                                   | 53       |
| Fair value of net identifiable assets acquired (see below) | 208      |
| <b>Goodwill</b>  | <b>0</b> |

### 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)      |
| <b>Net identifiable assets acquired</b>                  | <b>208</b> |

## Note 14 - Pro forma information

NorSea group is consolidated from the period the group achieved a dominant position (26 September 2017). According to IFRS pro forma comparable numbers towards earlier periods should be prepared.

In preparing the pro forma comparable numbers the following assumptions are

taken:

- \* 100 % of NorSea group's profit & loss and balance sheet is consolidated;
- \* NorSea group's profit & loss and balance sheet is converted from NOK to USD using average exchange rate and balance sheet date respectively;
- \* Allocation of the acquisitions excess value and financing is converted to

NorSea group

Profit & loss

**USD mill**

**YTD Q3 2017**

|                          |           |
|--------------------------|-----------|
| Total income             | 185       |
| Material cost            | (41)      |
| Personell expenses       | (64)      |
| Other operating expenses | (41)      |
| Depreciation             | (15)      |
| <b>Operating profit</b>  | <b>23</b> |
| Net finance expenses     | (11)      |
| <b>Profit before tax</b> | <b>12</b> |

**Consolidated balance**

**30.09.2017**

**USD mill**

|  |            |
|--|------------|
| Deferred tax asset                           | 2          |
| Intangible assets                            | 8          |
| Tangible assets                              | 417        |
| Investments in joint ventures and associates | 181        |
| Other non current assets                     | 4          |
| Other current assets                         | 67         |
| Cash and cash equivalents                    | 5          |
| Interest-bearing debt                        | 381        |
| Other non current liabilities                | 23         |
| Other current liabilities                    | 74         |
| <b>Net assets</b>                            | <b>208</b> |

## Notes - financial report

### Note 15 - Related party transactions

WWH delivers services to WWLASA. 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 16 - Restructuring of the group

The demerger of Den Norske Amerikaline AS (owning the 12% shareholding in Hyundai Glovis) from WWASA was effective on 8th June 2016.

The demerged entity named Treasure ASA was listed on the Oslo Stock Exchange on 8th June and is part of the Holding & Investment segment.

All shareholders of WWASA received 1 share in Treasure ASA for every share held in WWASA.

### Note 17 - Contingencies

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

However, the group is not aware of any financial risk associated with disputes

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

### Note 18 - Events occurring after the balance sheet date

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

prevailing on the balance sheet date.

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