

# WILSON ASA

## 1st quarter report - 2012

### Summary

- Still low and stable operating expenses
- 5 % increase of capacity through delivery of newbuildings this year
- Good increase in EBITDA from 1Q 2011
- Still weak spot market

Figures in MNOK except daily figures and per sh	1Q-2012	1Q-2011	4Q-2011	Changes	
				1Q-2011	4Q-2011
Daily income TC equivalent	<b>23,729</b>	23,257	25,563	472	(1,834)
Gross freight income	<b>514</b>	470	529	45	(15)
EBITDA	<b>44</b>	24	60	21	(16)
Operating result	<b>(3)</b>	(24)	1	21	(4)
Result from financial items	<b>(15)</b>	(19)	(11)	5	(4)
Result before tax and minority	<b>(18)</b>	(44)	(10)	26	(8)
Result per share / majority	<b>(0.29)</b>	(0.70)	(0.58)	0.41	0.29

### **Wilson ASA – Business description**

Wilson's main activity is the chartering and operation of small dry bulk vessels between 1 500 and 10 000 dwt. Wilson is a premier player in this market. Per 08.05.2012 the Wilson system operates 111 ships, whereof 85 are owning-wise controlled. The company's first newbuilding program (8 x 8 300 dwt) was completed in January and all these newbuildings are now sailing as an integrated part of the fleet with good results. Under the second newbuilding program which was reduced from 8 to 4 ships (4 500 dwt), the first ship was delivered on the 20th March. The remaining three ships are all stipulated to be delivered in the current year.

Wilson's strategy is to offer Norwegian and European industry competitive, reliable, flexible and long-term transportation services. By controlling large contract volumes and long-term contract portfolios, Wilson may optimize vessel operations and over time secure stable income levels.

### **Result 1st quarter 2012**

Net freight income, corresponding to freight income on TC basis amounted to MNOK 243 in the 1st quarter 2012 which was MNOK 15 better than the corresponding period in 2011. The earnings level in the quarter was NOK 23 729/day compared to NOK 23 257/day in the 1st quarter 2011. Additional sailing days in the current year's quarter lifted the turnover more than the relative changes in the earnings levels should indicate.

The company's operating cost including TC hire and administration cost, but excl. depreciations was MNOK 201 in the quarter which was a decrease of MNOK 6 compared to the 1st quarter 2011. Cost for hired in tonnage was decreased with MNOK 10 from the 1st quarter 2011 to 1st quarter 2012 through both redelivery of tonnage and renewals on a lower level. Other operating expenses increased with a total of MNOK 2. The company has continued its low, but adequate level on ships operating expenses.

The operating result before depreciations (EBITDA) was MNOK 44 in the quarter which was MNOK 21 higher than the corresponding period in 2011. The increase can primarily be attributed to more sailing days in the current year's quarter as well as a moderate improvement in the earning levels.

Total depreciations in the company were MNOK 48 in the 1st quarter 2012 which was on level with 1st quarter 2011. The operating result for the current year's quarter was MNOK -3 compared to MNOK -24 for the 1st quarter 2011, an improvement of MNOK 21.

Net result from financial items showed MNOK -15 in the quarter compared to MNOK -19 in the 1st quarter 2011. This year's quarter was affected positively by changes in rates of exchanges. Net effect from agio/disagio/value changes on financial instruments was MNOK 10 for the 1st quarter 2012.

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The company's result before minority and calculated tax was MNOK -18 in the 1st quarter 2012 which was MNOK 26 better than for the corresponding period in 2011. Calculated tax for the quarter was MNOK -6 which gave a period result of MNOK -12. Correspondingly the period result for the 1st quarter 2011 was MNOK -30.

### **The market**

The market in the 1st quarter was weak although somewhat better than the corresponding period last year. At the same time voyage cost was higher compared to last year which gave relatively lower net earnings. Contract coverage was 54 % in the quarter, an increase of 2 % points compared to the 4th quarter.

The activity level measured as the number of voyage days, showed an increase of about 5 % from 1st quarter 2011 to 1st quarter 2012 where the increase came as a result of delivery of newbuildings. From 4th quarter 2011 to 1st quarter 2012 it was about 1 % change in the activity level.

### **Financing and capital structure**

The company's book equity was MNOK 769 per 31.03.2012 compared to MNOK 832 per 31.03.2011. Book equity was thus 28 % per 31.03.2012 compared to 31 % per 31.03.2011 of a total balance of MNOK 2 733 and MNOK 2 716 respectively. Including long term shareholders loan the ratio was 31 % and 34 % on 31.03.2012 and 31.03.2011 respectively.

Interest bearing debt and leasing obligations amounted to MNOK 1 714 per 31.03.2012 compared to MNOK 1 645 per 31.03.2011. The increase came as a consequence of drawdown on building loans related to the company's two newbuilding programs.

The company's earnings in 2011 and so far in 2012 have not been sufficient to be able to clear full installments to the bank according to the original installment plan. The company has thus a constructive dialogue with the lender on the handling of both the installment payment and -structure. It is expected that a solution will be found shortly with the company's two major banks.

### **Tonnage**

The first newbuilding, totaling four in the 4 500 dwt series was delivered on the 20th March. The ship's technical condition satisfies the company's requirements, but the long construction time has been challenging.

### **Prospects**

The earnings level for the 1st quarter; in particular in the spot market, was low, but somewhat better than for the corresponding period last year. Historically the market in the 2nd quarter has been better than in the 1st, but with a continued outlook for weak economies in Europe it is expected a general weak development in the demand within the company's core market. It is therefore difficult to quantify the effect of a positive season variance, but the company expects an improvement in the results for the 2nd quarter. At the same time it is expected that the result will be characterized by low industrial production and weak demand for industrial transportation services in Europe.

### **Financial principles for the quarterly report**

The quarterly report has been established on the basis of international accounting standards (IAS 34).

**The Board of Directors of  
Wilson ASA**

**Bergen, 8th May 2012**

# WILSON ASA

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### Statement of income

#### Wilson Group

(All figures in TNOK )

OPERATING REVENUE AND EXPENSES	1Q 2012	1Q 2011	1.1 - 31.12. 2011
Freight income	514 214	469 558	1,988,195
Voyage related expenses	270 961	241 351	1,020,434
Ships income on TC basis	243 253	228 207	967 761
Other operating income	1 562	2 014	7,869
<b>Total operating revenue</b>	<b>244 815</b>	<b>230 221</b>	<b>975 630</b>
Profit/(loss) from purchase or sale of assets	0	0	0
Crew cost ships	62 874	58 814	234,332
Other operating expenses	48 944	50 572	181,413
T/C and BB hires	52 977	63 021	242,361
Administration expenses	35 790	34 115	125,034
<b>Total operating expenses</b>	<b>200 585</b>	<b>206 522</b>	<b>783 140</b>
<b>Operating result before depreciations</b>	<b>44 230</b>	<b>23 699</b>	<b>192 490</b>
Depreciations	47 536	48 057	190,400
	0	0	10,000
	47,536	48,057	200,400
<b>Operating result (EBIT)</b>	<b>- 3 306</b>	<b>- 24 358</b>	<b>- 7 910</b>
<b>FINANCIAL INCOME AND COST</b>			
Interest income	50	116	882
Share of result in non-consolidated investees	- 855	203	7
Agio	18 174	7 004	25,914
Value changes in financial instruments	- 5 115	- 3 962	6,540
Interest cost	23 668	18 481	84,904
Disagio	2 488	3 903	29,653
Other finance cost	929	344	2,843
<b>Financial result</b>	<b>- 14 831</b>	<b>- 19 367</b>	<b>- 84 057</b>
<b>Result before tax</b>	<b>- 18 137</b>	<b>- 43 725</b>	<b>- 91 967</b>
Tax cost	- 5 780	- 13 807	-10,986
<b>Annual result</b>	<b>- 12 357</b>	<b>- 29 918</b>	<b>- 80 981</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Translation differences	- 743	- 319	456
Other comprehensive income after tax	- 743	- 319	456
<b>Total result</b>	<b>- 13 100</b>	<b>- 30 237</b>	<b>- 80 525</b>
Annual result - Majority share	- 12 276	- 29 667	- 81 499
Annual result - Minority share	- 81	- 251	518
	<b>- 12 357</b>	<b>- 29 918</b>	<b>- 80 981</b>
Total result - Majority share	- 13 019	- 29 986	- 81 043
Total result - Minority share	- 81	- 251	518
	<b>- 13 100</b>	<b>- 30 237</b>	<b>- 80 525</b>

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### Balance

#### Wilson Group

(All figures in TNOK)

<b>ASSETS</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.12.11</b>
<b><i>Fixed assets</i></b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	3 675	0	4 200
Deferred tax assets	63 979	59 112	57 575
Goodwill	154 704	154 704	154 704
Total intangible fixed assets	222 358	213 816	216 479
<b>Tangible non-current assets</b>			
Property	2 126	2 277	2 164
Vessels	2 078 457	1 829 091	1 988 767
Vessels under construction	149 743	374 144	263 289
Fixtures and furniture, office machines etc.	9 592	8 109	8 900
Total tangible non-current assets	2 239 918	2 213 621	2 263 120
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	23 340	24 391	24 195
Loans to non-consolidated investees	5 006	5 165	5 082
Total financial fixed assets	28 346	29 556	29 277
<b>Total fixed assets</b>	<b>2 490 622</b>	<b>2 456 993</b>	<b>2 508 876</b>
<b><i>Current assets</i></b>			
<b>Stores and fuel</b>			
	64 397	55 003	64 219
<b>Receivables</b>			
Accounts receivable	104 670	108 365	97 866
Other receivables	71 435	52 894	68 497
Total receivables	176 105	161 259	166 363
<b>Investments</b>			
Financial instruments	2 149	0	10 003
<b>Cash at bank, at hand, etc.</b>	0	43 070	3 524
<b>Total current assets</b>	<b>242 651</b>	<b>259 332</b>	<b>244 109</b>
<b>TOTAL ASSETS</b>	<b>2 733 273</b>	<b>2 716 325</b>	<b>2 752 985</b>

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### Wilson Group

(All figures in TNOK)

SHAREHOLDERS' FUND AND LIABILITIES	31.03.12	31.03.11	31.12.11
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (42,216,000 share a kr 5.-)	211 080	211 080	211 080
Total paid-in capital	211 080	211 080	211 080
<b>Retained earnings</b>			
Group funds	545 588	609 322	558 769
Total retained earnings	545 588	609 322	558 769
Minority interest	12 055	11 709	11 974
<b>Total equity</b>	<b>768 723</b>	<b>832 111</b>	<b>781 823</b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	10 993	10 491	10 993
Total provisions	10 993	10 491	10 993
<b>Other long term debt</b>			
Interest-bearing liabilities to financial institutions	1 243 511	1 312 900	1 248 732
Liabilities to group company	90 907	93 043	92 306
Interest bearing leasing obligations	43 758	47 098	44 575
Financial instruments	12 339	10 179	12 947
Other long term debt	21 318	21 359	21 338
Total other long term liabilities	1 411 833	1 484 579	1 419 898
<b>Current liabilities</b>			
Current liability of long term debt	307 902	171 851	303 389
Financial instruments	7 475	0	0
	0	6 884	0
Accounts payable	99 606	80 831	88 601
Social security tax, withholding tax, etc.	10 017	9 302	10 858
Financial obligations purchase options	11 332	17 393	12 592
Other short term liabilities	105 392	102 883	124 831
Total current liabilities	541 724	389 144	540 271
<b>Total liabilities</b>	<b>1 964 550</b>	<b>1 884 214</b>	<b>1 971 162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 733 273</b>	<b>2 716 325</b>	<b>2 752 985</b>

The Board of Directors of Wilson ASA

Bergen, 8th May 2012

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### Equity changes

	01.01-31.03 2012	01.01-31.03 2011	01.01-31.12 2011
Equity at the start of period	781 823	862 348	862 348
Total income and expenses	-13 100	-30 237	-80 525
Equity at end of period	768 723	832 111	781 823

### Cash flow statement

(All figures TNOK)	01.01-31.03 2012	01.01-31.03 2011	01.01-31.12 2011
Cash flow from operating activities	5 839	-15 322	95 775
Cash flow from investing activities	-26 694	-85 670	-295 130
Cash flow from financing activities	9 856	43 056	101 873
Changes in bank deposits and cash at hand	-10 999	-57 936	-97 482
Bank balances and cash at hand at start of period	3 524	101 006	101 006
Bank balances and cash at hand at end of period	-7 475	43 070	3 524

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### Notes to the quarterly report

#### Note 1 – Accounting principles

The interim report has been established according to the IFRS requirements for interim reporting, IAS 34. The Financial Statement for 2012 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2011.

Norwegian kroner is used as functional- and reporting currency. Numbers are stated as whole 1 000 kr (TNOK).

#### Note 2 – Segment information

##### 2 000 dwt / System

Net operating income in the 1st quarter 2012 was MNOK 47 compared to MNOK 43 in the 1st quarter 2011. The operating result increased with MNOK 5 from MNOK 0 in the 1st quarter 2011 to MNOK 5 in the 1st quarter 2012. Booked value ships per 31.03.2012 showed MNOK 220 compared to MNOK 298 per 31.03.2011. The change arises primarily as a consequence of company internal transfer of ships from this segment and into the 3 – 4 500 dwt segment.

##### 3 - 4 500 dwt

The operating result in the segment showed MNOK -4 for the quarter compared to MNOK -14 in the 1st quarter 2011. Operating income was reduced with MNOK 2 from MNOK 112 in the 1st quarter 2011 to MNOK 110 in the 1st quarter 2012 whereas operating expenses, incl. TC hire cost, was reduced with MNOK 11 to MNOK 94 for the quarter. The decrease can primarily be ascribed to a reduction in TC cost. Booked value ships per 31.03.2012 showed MNOK 971 compared to MNOK 932 per 31.03.2011. Booked value in 2011 increased due to the activation of ongoing payments on the newbuilding program as well as a company internal transfer of two ships from the 2 000 dwt / system segment.

##### 6 – 10 000 dwt

The segment showed total operating income of MNOK 69 in the quarter which was MNOK 15 higher than in the 1st quarter 2011. The operating result showed MNOK 0 which was an improvement of MNOK 7 compared to the 1st quarter 2011. The increase in income came as a consequence of increased activity through the delivery of newbuildings during 2011. Booked value ships showed MNOK 931 per 31.03.2012 compared to MNOK 856 per 31.03.2011. Booked value in 2011 increased due to the delivery of newbuildings as well as the activation of ongoing payments on the building program.

#### Other

The company's wholly owned container activity Euro Container Line is included in this segment.

In total the segment showed net operating income of MNOK 19 for the quarter compared to MNOK 21 for the same period last year. The operating result showed MNOK -4 which was on level with 1st quarter 2011. Booked value ships showed MNOK 106 per 31.03.2012 compared to MNOK 117 per 31.03.2011.

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<b>01.01-31.03.12</b>	<b>2 000 dwt / system</b>	<b>3 500 - 4 500 dwt</b>	<b>6 000 - 10 000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	46 631	109 862	68 941	19 381	244 815
Operating expenses *	33 677	93 952	53 531	19 425	200 585
Operating result before depreciations (EBITDA)	12 954	15 910	15 410	- 44	44 230
Depreciations	7 650	20 158	15 355	4 373	47 536
Operating result (EBIT)	5 304	- 4 248	55	- 4 417	- 3 306
Ships net book value whereof	219 559	970 832	931 380	106 429	2 228 200
Ships aquisition					0
Ships being built		- 6 350	16 074		9 724
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income in %	65 855 27%	75 158 31%	16 403 7%	87 399 36%	244 815 100%

\* Operating expenses includes TC hires

\*\* Includes profit and loss from sale of ships

<b>01.01 - 31.03.11</b>	<b>2 000 dwt / system</b>	<b>3 500 - 4 500 dwt</b>	<b>6 000 - 10 000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	43,130	111,911	54,279	20,901	230,221
Operating expenses *	32,349	104,506	48,535	21,133	206,523
Operating result before depreciations (EBITDA)	10,781	7,405	5,744	-232	23,698
Depreciations	10,342	21,153	13,123	3,438	48,056
Operating result (EBIT)	439	-13,748	-7,379	-3,670	-24,358
Ships net book value whereof	297,604	932,485	856,104	117,041	2,203,234
Ships aquisition	-	-		-	0
Ships being built	-	23,257	50,324		73,581
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income in %	57,555 25%	66,764 29%	16,115 7%	89,786 39%	230,221 100%

\* Operating expenses includes TC hires

\*\*\* Includes profit and loss from sale of ships



# WILSON ASA

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01.01 - 31.12.11	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	183,646	448,699	254,973	88,312	975,630
Operating expenses *	124,002	389,564	187,190	82,384	783,140
Operating result before depreciations (EBITDA)	59,644	59,135	67,783	5,928	192,490
Depreciations	36,034	82,190	64,711	17,465	200,400
Operating result (EBIT)	23,610	-23,055	3,072	-11,537	-7,910
Ships net book value whereof	224,886	991,305	929,324	106,542	2,252,057
Ships aquisition	-	-	417,864	-	417,864
Ships being built	-	67,881	148,102	-	215,983
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	234,151	302,445	68,294	370,739	975,630
in %	24%	31%	7%	38%	100%

\* Operating expenses includes TC hires

\*\* Includes profit and loss from sale of ships

### Note 3 – The company's major shareholders per 31.03.2012

The company's share capital as of 31.03.2012 consisted of 42 216 000 shares at NOK 5 totaling TNOK 211 080.

Navn	Aksjer	Eierandel	Stemmeandel
Caiano AS	38 070 599	90,18 %	90,18 %
Pareto Aksje Norge	871 800	2,07 %	2,07 %
Ivan AS	623 000	1,48 %	1,48 %
Slethei AS	468 954	1,11 %	1,11 %
Sum > 1 % eierandel	40 034 353	94,83 %	94,83 %
Sum øvrige	2 181 647	5,17 %	5,17 %
<b>Totalt antall aksjer</b>	<b>42 216 000</b>	<b>100,00 %</b>	<b>100,00 %</b>

Through the related party Caiano AS, Kristian Eidesvik controls in total 90.18 % of Wilson ASA.

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*In case of contradiction between the Norwegian and the English version of this Report, the Norwegian version shall prevail.*