

WILSON ASA

2nd quarter report - 2014

Summary

- Improved EBITDA compared to 1st quarter
- Good withdrawals under the freight contracts, but a weak spot market
- EBITDA 1st half year of MEUR 19,4 (2013: MEUR 14,2)

Figures in MEUR except daily figures and per share	2Q-2014	2Q-2013	1Q-2014	Changes	
				2Q-2013	1Q-2014
Daily income TC equivalent	3 257	3 397	3 306	(140)	(49)
Gross freight income	68,4	66,9	70,8	1,5	(2,4)
EBITDA	10,7	8,2	8,8	2,5	1,9
Operating result	4,8	1,8	3,0	3,0	1,8
Result from financial items	(2,3)	2,5	(3,0)	(4,8)	0,7
Result before tax and minority	2,4	4,3	0,0	(1,9)	2,4
Result per share / majority	0,06	0,10	(0,00)	(0,04)	0,06

Wilson ASA – Business description

Wilson's main activity is the chartering and operation of small dry bulk vessels between 1 500 and 8 500 dwt. Wilson is a premier player in this market. Per 7th August 2014 the company operates 111 ships, whereof 84 are owning-wise controlled. In the 2nd quarter the company has sold one vessel for scrapping and in the 3rd quarter one vessel. One more vessel (MV Wilson Split) is expected to leave the portfolio during August.

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. The company has adapted to the latest years weak markets by reducing the average length of the contract portfolio.

Result 2nd quarter 2014 / first half year 2014

Gross turnover in the 2nd quarter became MEUR 68,4 compared to MEUR 66,9 for the 2nd quarter 2013. For the first half year gross turnover showed EUR 139,1 compared to MEUR 132,3 for the corresponding period in 2013. Net freight income, corresponding to ships income on TC basis, amounted to MEUR 35,1 in the 2nd quarter 2014 which was MEUR 2,2 higher than the corresponding period in 2013. The earnings level in the quarter was EUR 3 257/day compared to EUR 3 397/day for the 2nd quarter 2013. For the first half year net freight income was MEUR 69,4 compared to MEUR 64,4 for the first half year 2013.

The company's operating cost including TC hires and administrations cost, but excluding depreciation was MEUR 24,6 in the quarter compared to MEUR 23,7 in the 2nd quarter 2013. Operating cost in the first half year was MEUR 50,2 compared to MEUR 49,3 for the first half year the previous year. Operating cost ships showed a decrease (1st H: MEUR 1,2), whereas cost TC hire cost showed an increase (1st H: MEUR 2,3), the latter due to more hired in ships in the current year compared to 2013.

Operating result before depreciation (EBITDA) was MEUR 10,7 in the 2nd quarter compared to MEUR 8,2 in the 2nd quarter 2013. In the year's first six months EBITDA became MEUR 19,4 compared to MEUR 14,2 for the first six months of 2013.

Total depreciation in the company was MEUR 5,9 in the 2nd quarter 2014 which was MEUR 0,5 lower than in the 2nd quarter 2013 (MEUR 6,4). For the first half year depreciation was MEUR 11,6 compared to MEUR 12,9 for 2013.

The operating result for the current year's quarter became MEUR 4,8 compared to MEUR 1,8 in the 2nd quarter 2013, whereas the first half year showed an operating result of MEUR 7,8 for 2014 compared to MEUR 1,3 for 2013.

Result from financial items showed MEUR -2,3 in the quarter compared to MEUR 2,5 for the 2nd quarter 2013. For the first half year result from financial items showed MEUR -5,3 compared to MEUR 3,0 for the first half year 2013. In 2013 the result from financial items was considerably affected by positive, but

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unrealized agio from the company's foreign currency loans. Interest cost became MEUR 2,6 in the 2nd quarter 2014 compared to MEUR 3,1 in the 2nd quarter 2013 and MEUR 5,4 for the first half year 2014 compared to MEUR 6,4 for the first half year 2013.

Result before tax became MEUR 2,4 compared to MEUR 4,3 in the corresponding period last year. Calculated tax for the quarter was MEUR 0 which gave a period result of MEUR 2,4 for the 2nd quarter 2014. For the first half year 2014 the period result became MEUR 2,4 compared to MEUR 4,2 for 2013, but where 2013 was significantly affected by unrealized agio.

Market

The company's earnings level in the 2nd quarter ended on a similar level as the 1st quarter; EUR 3 257/day compared to EUR 3 306/day, a decrease of EUR 49/day. Normally one should expect an improvement in the earnings level from the 1st to the 2nd quarter, but a weak spot market during the quarter has diminished total earnings. The company's contract activity has however been good in the period.

Contract coverage in the 2nd quarter became 52 % which was 9 % points lower than the previous quarter, but on level with the corresponding period in 2013. The reason for the high contract coverage in the 1st quarter is partly due to longer voyage duration due to bad weather.

The activity level measured as the number of voyage days showed an increase of 5 % in the 2nd quarter 2014 compared to the previous quarter and an increase of 11 % compared to the 2nd quarter 2013. The primary reason for the activity increase comes from more hired in ships (TC tonnage).

Financing and capital structure

The company's book equity per 30.06.2014 was MEUR 104,2 compared to MEUR 101,8 per 31.03.2014. Book equity was thus 31 % per 30.06.2014 compared to 30 % per 31.03.2014 of a total balance of MEUR 333,6 and MEUR 337,7 respectively. Including long term shareholder's loan the ratio was 39 % per 30.06.2014 compared to 38 % per 31.03.2014.

Interest bearing debt and leasing obligations amounted in total to MEUR 197,0 per 30.06.2014 compared to MEUR 201,7 per 31.03.2014, whereof mortgage debt and leasing obligations were MEUR 169,4 and MEUR 174,1 respectively. Debt to related party was MEUR 25,2 per 30.06.2014, which was on level with 31.03.2014.

The company's liquidity position per 30.06.2014 was MEUR 8,3 in addition to an available credit facility of MNOK 55. Per 31.03.2014 the liquidity position was MEUR 8,7 in addition to the mentioned credit facility.

In order to seize opportunities more quickly in the second hand market the company is working on a possible refinancing of its external finance capital. Hereunder the company register that the Norwegian bond market showed an exceedingly high activity in the first half year 2014, and there is therefore a continuous assessment of whether this market might be attractive for Wilson.

Prospects

The second quarter 2014 showed an almost sideways movement in the company's net earnings (TC equivalent earnings per day) compared to the first quarter. The activity under the contract was good, but the spot market generally showed a weaker development than expected. The low spot market continued into the summer period where the activity under contracts is somewhat reduced due to the holiday period.

For the coming quarter the company thus expects a reduction in net earnings compared to the 2nd quarter and thereby also a lower operating result.

Central risks – and uncertainty factors for the coming period

Market risk.

The prospects in today's freight markets are uncertain and the spot market has shown negative tendencies. Industrial production activity in Europe and developments in this sector will be decisive for the demand for the company's services and directly affect the offering of cargoes in the market. A low offering

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of cargoes may also affect the company's net earnings negatively by establishing a less optimal sailing pattern.

In spite of that of Wilson sharing the general view that the growth in Europe is increasing, it might not be impossible that the expected growth might be missing or lower than expected. In the coming periods the company might therefore become exposed to an economic depression in Europe with a corresponding low demand.

Financial risk.

A weakening of EUR primarily towards USD will be negative for the company. The company's primary income stream is denominated in EUR, whereas USD constitute a considerable share of the company's cost, mainly related to bunkers and crew cost. The company employs forward currency contracts to secure some of its currency demand.

Significant transactions with related parties first half year 2014

In the first half year the company has extended the term to maturity with 3 years plus 4 annual options on a bareboat agreement for one ship from Caiano against a reduction in the bareboat hire.

Principles for the quarterly accounts

The quarterly report has been established according to the IFRS requirements for interim reporting, IAS 34.

Declaration by the Board of Directors and the CEO

We confirm that the financial statement for the period 1st January to 30th June 2014 have, to the best of our belief, been prepared in compliance with IAS 34 Interim Financial Reporting and gives a true and fair view of the company's consolidated assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions and the description of the principal risks and uncertainties that the company is facing for the next financial period.

**The Board of Directors of
Wilson ASA**

Haugesund, 7th August 2014

Kristian Eidesvik
Chairman of the board

Gudmundur Asgeirsson

Eivind Eidesvik

Lasse Selvik
Employee repr.

Synnøve Seglem

Ellen Solstad

Øyvind Gjerde
Managing dir.

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Profit and loss

Group

(All figures in TEUR)

OPERATING REVENUE AND EXPENSES	Q2 2014	Q2 2013	1.1 - 30.06. 2014	1.1 - 30.06. 2013	1.1 - 31.12. 2013
Freight income	68 368	66 859	139 147	132 254	268 153
Voyage related expenses	33 263	33 957	69 716	67 880	132 424
Ships income on TC basis	35 105	32 902	69 431	64 374	135 729
Other operating income	123	145	268	296	607
Total operating revenue	35 228	33 047	69 699	64 670	136 336
Profit/(loss) from purchase or sale of assets	- 11	- 1 185	- 11	- 1 185	- 1 160
Crew cost ships	8 398	8 596	16 665	17 316	34 074
Other operating expenses	5 191	5 843	11 554	12 095	23 537
T/C and BB hires	7 252	5 543	13 800	11 522	24 320
Administration expenses	3 724	3 701	8 225	8 320	17 375
Total operating expenses	24 565	23 683	50 244	49 253	99 306
Operating result before depreciations	10 652	8 179	19 444	14 232	35 870
Depreciations	5 868	6 355	11 647	12 884	25 577
Write down	0	0	0	0	0
Total depreciations and write down	5.868	6 355	11.647	12.884	25.577
Operating result (EBIT)	4 784	1 824	7 797	1 348	10 293
FINANCIAL INCOME AND COST					
Interest income	0	3	0	8	39
Share of result in non-consolidated investees	0	- 19	0	- 79	- 233
Agio	901	6 300	- 37	9 142	14 135
Value changes in financial instruments	- 547	- 498	288	693	236
Interest cost	2 612	3 072	5 394	6 372	12 199
Other finance cost	79	218	174	399	549
Financial result	- 2 337	2 496	- 5 317	2 993	1 429
Result before tax	2 447	4 320	2 480	4 341	11 722
Tax cost	31	46	69	190	298
Annual result	2 416	4 274	2 411	4 151	11 424
OTHER COMPREHENSIVE INCOME					
Translation differences	2	31	- 96	- 839	- 319
Purchase of jointly controlled companies	0	0	0	0	- 855
Other comprehensive income after tax	2	31	-96	-839	-1.174
Total result	2 418	4 305	2 315	3 312	10 250
Annual result - Majority share	2 416	4 297	2 411	4 186	11 424
Annual result - Minority share	0	- 23	0	- 35	0
	2 416	4 274	2 411	4 151	11 424
Total result - Majority share	2 418	4 328	2 315	3 347	10 250
Total result - Minority share	0	- 23	0	- 35	0
	2 418	4 305	2 315	3 312	10 250

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Balance

Group

(All figures in TEUR)

ASSETS	30.06.14	30.06.13	31.12.13
Fixed assets			
Intangible fixed assets			
Intangible fixed assets	0	143	0
Goodwill	20 632	20 632	20 632
Total intangible fixed assets	20 632	20 775	20 632
Tangible non-current assets			
Property	243	264	254
Vessels	265 870	280 109	274 774
Fixtures and furniture, office machines etc.	1 165	1 122	1 317
Total tangible non-current assets	267 278	281 495	276 345
Financial fixed assets			
Investments in non-consolidated investees	0	2 787	0
Loans to non-consolidated investees	0	658	0
Total financial fixed assets	0	3 445	0
Total fixed assets	287 910	305 715	296 977
Current assets			
Stores and fuel	7 573	6 617	7 890
Receivables			
Accounts receivable	13 149	13 534	13 780
Financial instruments	0	282	0
Other receivables	15 492	11 096	8 413
Total receivables	28 641	24 912	22 193
Andre markedsbaserte finansielle instrumenter	1 157	0	0
Cash at bank, at hand, etc.	8 301	9 798	11 583
Total current assets	45 672	41 327	41 666
TOTAL ASSETS	333 582	347 042	338 643

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Group

(All figures in TEUR)

SHAREHOLDERS' FUND AND LIABILITIES	30.06.14	30.06.13	31.12.13
Equity			
Paid-in capital			
Share capital (42,216,000 share a kr 5.-)	28 754	28 754	28 754
Total paid-in capital	<u>28 754</u>	<u>28 754</u>	<u>28 754</u>
Retained earnings			
Group funds	74 783	65 495	72 468
Total retained earnings	<u>74 783</u>	<u>65 495</u>	<u>72 468</u>
Minority interest	668	1 722	668
Total equity	<u>104 205</u>	<u>95 971</u>	<u>101 890</u>
Liabilities			
Accrued liabilities			
Accrued pension liabilities	1 419	1 215	1 419
Deferred tax	76	43	49
Total provisions	<u>1 495</u>	<u>1 258</u>	<u>1 468</u>
Other long term debt			
Interest-bearing liabilities to financial institutions	147 232	173 314	159 106
Liabilities to group company	25 150	25 077	24 656
Interest bearing leasing obligations	3 961	5 014	4 527
Financial instruments	1 775	1 796	1 645
Other long term debt	0	2 710	2 386
Total other long term liabilities	<u>178 118</u>	<u>207 911</u>	<u>192 320</u>
Current liabilities			
Current liability of long term debt	20 617	14 508	16 358
Overdraft facility	5	0	423
Accounts payable	11 020	10 191	9 513
Social security tax, withholding tax, etc.	1 651	1 090	1 316
Other short term liabilities	16 471	16 113	15 355
Total current liabilities	<u>49 764</u>	<u>41 902</u>	<u>42 965</u>
Total liabilities	<u>229 377</u>	<u>251 071</u>	<u>236 753</u>
TOTAL EQUITY AND LIABILITIES	<u>333 582</u>	<u>347 042</u>	<u>338 643</u>

The Board of Directors of Wilson ASA

Haugesund, 7th August 2014

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Equity changes

(All figures in TEUR)	01.01-30.06 2014	01.01-30.06 2013	01.01-31.12 2013
Equity at the start of period	101 890	92 659	92 659
Actinor Bulk AS - new minority	0	0	-1 019
Total income and expenses	2 315	3 312	10 250
Equity at end of period	104 205	95 971	101 890

Cash flow statement

(All figures TEUR)	01.01-30.06 2014	01.01-30.06 2013	01.01-31.12 2013
Cash flow from operating activities	10 301	13 058	27 445
Cash flow from investing activities	-3 755	-4 445	-9 445
Cash flow from financing activities	-9 828	-8 309	-15 911
Changes in bank deposits and cash at hand	-3 282	304	2 089
Bank balances and cash at hand at start of period	11 583	9 494	9 494
Bank balances and cash at hand at end of period	8 301	9 798	11 583

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 2014 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2013.

EUR is used as functional- and reporting currency. Numbers are stated as whole 1 000 (TEUR). The corresponding figures for 2013 are recalculated from NOK to EUR.

Note 2 – Segment information

2 000 dwt / System

Net operating income in the segment in the 2nd quarter 2014 was MEUR 7,2 compared to MEUR 6,7 in the 2nd quarter 2013. For the first half year 2014 net operating income was MEUR 14,5 compared to MEUR 12,8 in the corresponding period 2013. The operating result for the 2nd quarter was MEUR 1,8 in 2014 compared to MEUR 1,6 in the corresponding quarter 2013. For the first half year operating result increased from MEUR 2,6 in 2013 to MEUR 3,7 for the first half year 2014.

Booked value ships per 30.06.2014 showed MEUR 24,3 compared to MEUR 24,7 per 31.03.2014.

3 - 4 500 dwt

The operating result in the segment showed MEUR 2,2 for the quarter compared to MEUR 0,5 in the 2nd quarter 2013. Net operating income showed an increase from MEUR 14,3 in the 2nd quarter 2013 to MEUR 16,7 in the 2nd quarter 2014, whereas operating cost went from MEUR 11,0 in the 2nd quarter 2013 to MEUR 11,7 in the 2nd quarter 2014. The increase was related to more ships hired in on time charter. For the first half year 2014 the operating result showed MEUR 3,0 compared to MEUR -1,2 for the first half year 2013.

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Booked value ships per 30.06.2014 showed MEUR 118,2 compared to MEUR 120,5 per 31.03.2014. In the 2nd quarter 2014 the company has sold the ship MV Salmo (1979, 3 100 dwt).

6 – 8 500 dwt

The segment showed net operating income of MEUR 9,6 in the quarter which was MEUR 0,2 higher than in the 2nd quarter 2013. The operating result showed MEUR 1,7 compared to MEUR -0,3 for the 2nd quarter 2013. The first half year showed net operating income of MEUR 19,0 compared to MEUR 18,3 for the first half year 2013. The operating result for the first half year 2014 showed MEUR 2,8 compared to MEUR -0,3 for the first half year 2013. Net operating income and the operating result in 2013 was affected by loss of sale of a laid up ship with MEUR 1,2.

Booked value ships showed MEUR 112,6 per 30.06.2014 compared to MEUR 113,5 per 31.03.2014.

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 MEUR 1,7 for the quarter compared to MEUR 2,6 for the same period last year. The operating result showed MEUR -1,0 compared to MEUR 0 for the 2nd quarter 2013. For the first half year net operating income showed MEUR 3,9 and the operating result MEUR -1,6 compared to MEUR 5,7 respectively and MEUR 0,3 for the first half year 2013.

Booked value ships showed MEUR 12,0 pr. 30.06.2014 compared to MEUR 12,7 per 31.03.2014.

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01.04.-30.06.14	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	7 216	16 696	9 569	1 746	35 227
Profit/(loss) sale of ships				- 11	- 11
Operating expenses *	4 580	11 736	6 000	2 248	24 564
Operating result before depreciations (EBITDA)	2 636	4 960	3 569	- 513	10 652
Depreciations	803	2 763	1 846	455	5 867
Operating result (EBIT)	1 833	2 197	1 723	- 968	4 785
Ships net book value whereof	24 250	118 166	112 568	12 043	267 027
Ships aquisition				- 301	- 301
Ships being built					0
	3 678	7 628	5 994	3 332	20 632
	Import	Export	Domestic	Abroad	Sum
Operating income	9 864	10 568	1 761	13 034	35 227
in %	28%	30%	5%	37%	100%

* Operating expenses includes TC hires

** Includes profit and loss from sale of ships

01.04 - 30.06.13	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	6.672	14.347	9.385	2.642	33.046
Profit/(loss) sale of ships			-1.184		-1.184
Operating expenses *	4.079	10.974	6.539	2.091	23.683
Operating result before depreciations (EBITDA)	2.593	3.373	1.662	551	8.179
Depreciations	1.027	2.876	1.941	511	6.355
Operating result (EBIT)	1.566	497	-279	40	1.824
Ships net book value whereof	26.167	121.959	118.236	13.746	280.108
Ships aquisition	-	-		-	0
Ships being built					0
	3.678	7.628	5.994	3.332	20.632
	Import	Export	Domestic	Abroad	Sum
Operating income	8.592	10.244	1.983	12.227	33.046
in %	26%	31%	6%	37%	100%

* Operating expenses includes TC hires

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01.01-30.06.14	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other	Sum
Operating income	14 464	32 333	18 993	3 908	69 698
Profit/(loss) sale of ships				- 11	- 11
Operating expenses	9 205	23 856	12 537	4 645	50 243
Operating result before depreciation (EBITDA)	5 259	8 477	6 456	- 748	19 444
Depreciation	1 600	5 478	3 671	898	11 647
Write down					0
Operating result (EBIT)	3 659	2 999	2 785	- 1 646	7 797
Ships net book value	24 250	118 166	112 568	12 043	267 027
whereof					
Ships aquisition				- 301	- 301
Ships being built					0
Booked value goodwill	3 678	7.628	5 994	3 332	20 632
01.01-30.06.14	Import	Export	Domestic	Abroad	Sum
Operating income	18 818	20 212	3 485	27 182	69 698
as %	27%	29%	5%	39%	100%

01.01-30.06.13	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other	Sum
Operating income	12 840	27 892	18 262	5 675	64 669
Profit/(loss) sale of ships			- 1 185		- 1 185
Operating expenses	8 194	23 281	13 450	4 327	49 252
Operating result before depreciation (EBITDA)	4 646	4 611	3 627	1 348	14 232
Depreciation	2 067	5 814	3 965	1 038	12 884
Write down					0
Operating result (EBIT)	2 579	- 1 203	- 338	310	1 348
Ships net book value	26 167	121 959	118 236	13 746	280 108
whereof					
Ships aquisition			- 1 808		- 1 808
Ships being built					0
Booked value goodwill	3 678	7.628	5 994	3 332	20 632
01.01-30.06.13	Import	Export	Domestic	Abroad	Sum
Operating income	16 167	20 047	3 880	24 574	64 669
as %	25%	31%	6%	38%	100%

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Note 3 – The company's major shareholders

The company's share capital per 30.06.2014 consisted of 42 216 000 shares at NOK 5 totalling TNOK 211 080 (TEUR 28 754).

The major shareholders per 30.06.2014:

Name	Shares	Owning share	Voting share
Caiano AS	38 070 599	90,18%	90,18%
Pareto Aksje Norge	955 000	2,26%	2,19%
Ivan AS	623 000	1,48%	1,48%
Slethei AS	468 954	1,11%	1,11%
Sum > 1 % owning share	40 117 553	95,03%	94,96%
Sum other	2 098 447	4,97%	5,04%
Total shares	42 216 000	100,00%	100,00%

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

+ + +

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