

# WILSON ASA

## 3rd quarter report - 2012

### Summary

- Period result shows a profit of MNOK 4
- Some positive market development since the 2nd quarter
- EBITDA of MNOK 67 in the quarter in spite of a continued weak market
- Operating result of MNOK 21 in the quarter, an increase of MNOK 19 compared to the 2nd quarter
- Agreement of long term finance solution in place

Figures in MNOK except daily figures and per sha	3Q-2012	3Q-2011	2Q-2012	Changes	
				3Q-2011	2Q-2012
Daily income TC equivalent	<b>24 469</b>	22 860	23 391	1 609	1 078
Gross freight income	<b>535</b>	482	516	53	19
EBITDA	<b>67</b>	48	49	20	18
Operating result	<b>21</b>	2	2	20	19
Result from financial items	<b>(17)</b>	(34)	(20)	17	3
Result before tax and minority	<b>4</b>	(32)	(18)	37	23
Result per share / majority	<b>0,11</b>	(0,52)	(0,29)	0,63	0,40

### **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 07.11.2012 the Wilson system operates 111 ships, whereof 87 are owning-wise controlled.

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 3rd quarter 2012**

Net freight income, corresponding to freight income on TC basis, amounted to MNOK 260 in the 3rd quarter 2012, which was MNOK 25 higher than the corresponding period in 2011. The increase was due to an increase in the earnings level and additional earning days. The earnings level in the quarter was NOK 24 469/day compared to NOK 22 860/day in the 3rd quarter 2011, an increase of NOK 1 609/day.

The company's total operating cost incl. TC hires and administration cost, but excluding depreciations was MNOK 193 in the quarter which was an increase of MNOK 6 compared to the same period in 2011. The increase is resulting from an increase in crew cost as the company has increased the number of owned ships through the delivery of newbuildings.

The operating result before depreciations (EBITDA) was MNOK 67 in the 3rd quarter which was MNOK 19 higher than in the 3rd quarter 2011. The increase was due to an improvement in net freight income.

Total depreciations in the company was MNOK 46 in the 3rd quarter 2012 which was on level with the 3rd quarter 2011.

The operating result for the current year's quarter was MNOK 21 compared to MNOK 2 for the 3rd quarter 2011.

Net result from financial items showed MNOK -17 in the quarter which was MNOK 17 better than the corresponding quarter 2011. The financial result from the current year's quarter is positively affected by net agio of MNOK 9 compared to net disagio of MNOK 10 for the corresponding period in 2011. Interest cost showed an increase of MNOK 2 from the 3rd quarter 2011 until the 3rd quarter 2012.

The company's result before minority interest and calculated tax was MNOK 4 in the 3rd quarter 2012 which was MNOK 36 better than the corresponding period in 2011. Calculated tax for the quarter was MNOK 0 which gave a period result of MNOK 4. The period result was correspondingly MNOK -21 for the 3rd quarter 2011 after calculated tax of MNOK -11.

# **WILSON ASA**

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### **The market**

The market in the 3rd quarter showed a small improvement compared to the 2nd quarter with an increase in daily income close to NOK 1 100 to NOK 24 469. Compared to the corresponding period in 2011 the summer months in the current year were better, wherefore the total earnings level in the quarter became about NOK 1 600/day higher than in 2011. High bunkers price is however still lessening net earnings.

The contract coverage was 48 % in the quarter which was a decrease of 6 percentage points compared to the previous quarter, but on level with the corresponding quarter in 2011.

The activity level, measured as the number of voyage days, showed an increase of around 6 % from the 3rd quarter 2011 to the 3rd quarter 2012. The increase was in main due to the delivery of newbuildings. Compared to the 2nd quarter the activity level in the 3rd quarter was ca. 5 % higher, primarily due to lower docking activity this quarter.

### **Financing and capital structure**

The company's book equity was MNOK 761 per 30.09.2012 compared to MNOK 757 per 30.06.2012. Book equity ratio was thus 28 % both per 30.09.2012 and per 30.06.2012 of a total balance of MNOK 2 707 and MNOK 2 722 respectively. Including long term shareholders loan the ratio was 31 % both on 30.09.2012 and 30.06.2012.

Interest bearing debt and leasing obligations totaled MNOK 1 691 per 30.09.2012 compared to MNOK 1 716 per 30.06.2012. The change is due to a combination of reduced drawdown on the credit facility, agio on foreign currency debt and drawdown on the building loan in the period. The company's liquidity position is improved with MNOK 46 in the period from a drawdown level per 30.06.2012 of MNOK 21 from the available credit facility of MNOK 55, to a net liquidity position of MNOK 25 per 30.09.12 in addition to the mentioned credit facility of MNOK 55.

As published on 27th September the company has come to an agreement with its two main banks of refinancing close to all ships' debt to a new long term structure. The agreement involves a refinancing of around MNOK 1 500 of the company's debt, where the instalments structure is reduced to yearly MNOK 100. The refinancing is contingent of that the company will be provided with MNOK 100 in capital, whereof MNOK 75 will be applied as an extraordinary downward adjustment of debt. This added capital is guaranteed by the company's main shareholder, Caiano AS, and is expected to be carried through during the 4th quarter.

### **Prospects**

The market for the major part of the 3rd quarter showed a flat development compared to the 2nd quarter, but towards the end of the quarter there were signs of tightening. Such tightening towards autumn has been a normality over the last years. In spite of the uncertainty relating to the economic development in Europe the company expects that the earnings level for the 3rd quarter may be continued for a major part of the 4th quarter and that the development in the net earnings on TC basis (daily figures) thus will be neutral.

### **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, 7th November 2012**

# WILSON ASA

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### Profit and loss

#### Group

(All figures in TNOK )

	3. kvartal 2012	3. kvartal 2011	1.1 - 30.09. 2012	1.1 - 30.09. 2011	1.1 - 31.12. 2011
<b>OPERATING REVENUE AND EXPENSES</b>					
Freight income	535 229	482 301	1 565 928	1 458 882	1.988.195
Voyage related expenses	275 430	247 768	823 920	747 412	1.020.434
Ships income on TC basis	259 799	234 533	742 008	711 470	967 761
Other operating income	1 557	1 780	4 547	6 090	7.869
Total operating revenue	261 356	236 313	746 555	717 560	975 630
Profit/(loss) from purchase or sale of assets	0	0	0	0	0
Crew cost ships	65 156	57 794	194 424	172 626	234.332
Other operating expenses	42 871	43 046	138 677	139 242	181.413
T/C and BB hires	53 354	56 930	157 672	183 584	242.361
Administration expenses	32 502	30 352	94 870	89 815	125.034
Total operating expenses	193 883	188 122	585 643	585 267	783 140
<b>Operating result before depreciations</b>	<b>67 473</b>	<b>48 191</b>	<b>160 912</b>	<b>132 293</b>	<b>192 490</b>
Depreciations	46 169	45 963	141 004	140 734	190.400
Write down	0	0	0	0	10.000
Total depreciations and write down	46.169	45.963	141.004	140.734	200.400
<b>Operating result (EBIT)</b>	<b>21 304</b>	<b>2 228</b>	<b>19 908</b>	<b>- 8 441</b>	<b>- 7 910</b>
<b>FINANCIAL INCOME AND COST</b>					
Interest income	28	200	95	541	882
Share of result in non-consolidated investees	- 350	69	- 1 892	- 11	7
Agio	19 551	137	45 605	14 119	25.914
Value changes in financial instruments	- 6 209	7 447	- 10 003	3 800	6.540
Interest cost	24 991	23 335	71 361	61 217	84.904
Disagio	4 082	17 840	11 591	28 838	29.653
Other finance cost	833	917	2 670	1 847	2.843
<b>Financial result</b>	<b>- 16 886</b>	<b>- 34 239</b>	<b>- 51 817</b>	<b>- 73 453</b>	<b>- 84 057</b>
<b>Result before tax</b>	<b>4 418</b>	<b>- 32 011</b>	<b>- 31 909</b>	<b>- 81 894</b>	<b>- 91 967</b>
Tax cost	209	- 10 673	- 11 541	- 26 077	-10.986
<b>Annual result</b>	<b>4 209</b>	<b>- 21 338</b>	<b>- 20 368</b>	<b>- 55 817</b>	<b>- 80 981</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Translation differences	272	- 545	- 197	- 356	456
Other comprehensive income after tax	272	-545	-197	-356	456
<b>Total result</b>	<b>4 481</b>	<b>- 21 883</b>	<b>- 20 565</b>	<b>- 56 173</b>	<b>- 80 525</b>
Annual result - Majority share	4 332	- 21 584	- 20 067	- 56 154	- 81 499
Annual result - Minority share	- 123	246	- 301	337	518
	<b>4 209</b>	<b>- 21 338</b>	<b>- 20 368</b>	<b>- 55 817</b>	<b>- 80 981</b>
Total result - Majority share	4 481	- 22 129	- 20 387	- 56 510	- 81 043
Total result - Minority share	0	246	- 178	337	518
	<b>4 481</b>	<b>- 21 883</b>	<b>- 20 565</b>	<b>- 56 173</b>	<b>- 80 525</b>

# WILSON ASA

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### Balance

#### Group

(All figures in TNOK)

<b>ASSETS</b>	<b>30.09.12</b>	<b>30.09.11</b>	<b>31.12.11</b>
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	2 625	4 720	4 200
Deferred tax assets	70 662	72 655	57 575
Goodwill	154 704	154 704	154 704
Total intangible fixed assets	227 991	232 079	216 479
<b>Tangible non-current assets</b>			
Property	2 051	2 201	2 164
Vessels	2 062 410	1 953 011	1 988 767
Vessels under construction	104 565	328 498	263 289
Fixtures and furniture, office machines etc.	9 483	8 074	8 900
Total tangible non-current assets	2 178 509	2 291 784	2 263 120
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	22 303	24 176	24 195
Loans to non-consolidated investees	4 830	5 149	5 082
Total financial fixed assets	27 133	29 325	29 277
<b>Total fixed assets</b>	<b>2 433 633</b>	<b>2 553 188</b>	<b>2 508 876</b>
<b>Current assets</b>			
<b>Stores and fuel</b>			
	59 982	60 684	64 219
<b>Receivables</b>			
Accounts receivable	100 083	113 882	97 866
Other receivables	87 566	44 573	68 497
Total receivables	187 649	158 455	166 363
<b>Investments</b>			
Financial instruments	736	8 833	10 003
<b>Cash at bank, at hand, etc.</b>	25 300	0	3 524
<b>Total current assets</b>	<b>273 667</b>	<b>227 972</b>	<b>244 109</b>
<b>TOTAL ASSETS</b>	<b>2 707 300</b>	<b>2 781 160</b>	<b>2 752 985</b>

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## 3rd quarter report - 2012

### Group

(All figures in TNOK)

SHAREHOLDERS' FUND AND LIABILITIES	30.09.12	30.09.11	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	<u>211 080</u>	<u>211 080</u>	<u>211 080</u>
<b>Retained earnings</b>			
Group funds	537 902	583 301	558 769
Total retained earnings	<u>537 902</u>	<u>583 301</u>	<u>558 769</u>
Minority interest	12 276	11 794	11 974
<b>Total equity</b>	<b><u>761 258</u></b>	<b><u>806 175</u></b>	<b><u>781 823</u></b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	10 993	10 041	10 993
Total provisions	<u>10 993</u>	<u>10 041</u>	<u>10 993</u>
<b>Other long term debt</b>			
Interest-bearing liabilities to financial institutions	1 163 738	1 313 144	1 248 732
Liabilities to group company	88 721	93 556	92 306
Interest bearing leasing obligations	42 092	45 456	44 575
Financial instruments	15 813	13 887	12 947
Other long term debt	21 271	21 355	21 338
Total other long term liabilities	<u>1 331 635</u>	<u>1 487 398</u>	<u>1 419 898</u>
<b>Current liabilities</b>			
Current liability of long term debt	377 316	236 176	303 389
Overdraft facility	0	15 735	0
Accounts payable	95 699	96 593	88 601
Social security tax, withholding tax, etc.	11 257	10 396	10 858
Financial obligations purchase options	8 332	13 507	12 592
Other short term liabilities	110 810	105 139	124 831
Total current liabilities	<u>603 414</u>	<u>477 546</u>	<u>540 271</u>
<b>Total liabilities</b>	<b><u>1 946 042</u></b>	<b><u>1 974 985</u></b>	<b><u>1 971 162</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2 707 300</u></b>	<b><u>2 781 160</u></b>	<b><u>2 752 985</u></b>

Board of Directors of Wilson ASA

Bergen, 7th November 2012

# WILSON ASA

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### Equity changes

	01.01-30.09 2012	01.01-30.09 2011	01.01-31.12 2011
Equity at the start of period	781 823	862 348	862 348
Total income and expenses	-20 565	-56 173	-80 525
Equity at end of period	761 258	806 175	781 823

### Cash flow statement

(All figures TNOK)	01.01-30.09 2012	01.01-30.09 2011	01.01-31.12 2011
Cash flow from operating activities	59 944	53 948	95 775
Cash flow from investing activities	-51 784	-264 570	-295 130
Cash flow from financing activities	13 616	93 881	101 873
Changes in bank deposits and cash at hand	21 776	-116 741	-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	25 300	-15 735	3 524

# WILSON ASA

## 3rd quarter report - 2012

### 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

The operating income in the segment in the 3rd quarter 2012 was MNOK 49 compared to MNOK 47 in the 3rd quarter 2011. The operating result became MNOK 9, which was MNOK 1 lower than the corresponding period last year. Booked value ships per 30.09.2012 shows MNOK 210 compared to MNOK 230 per 30.09.2011.

##### 3 - 4 500 dwt

The operating result in the segment showed MNOK 5 for the quarter compared to MNOK -12 in the 3rd quarter 2011. The operating income increased with MNOK 14 from MNOK 103 in the 3rd quarter 2011 to MNOK 117 in the 3rd quarter 2012 at the same time as the operating cost fell from MNOK 94 to MNOK 90 for the quarter. Depreciations were stable at MNOK 21 in the 3rd quarter both in 2011 and 2012. Booked value ships per 30.09.2012 showed MNOK 944 compared to MNOK 1 005 per 30.09.2011. Beyond depreciations booked value ships is affected by ongoing downpayments on the newbuilding program in the segment.

After 30.09.2012 the company has taken delivery of the third ship in the series of 4 x 4 500 dwt bulkskip from Shandong Baibuting Shipyard, China.

##### 6 – 10 000 dwt

The segmentet showed total operating income of MNOK 73 in the quarter, which was MNOK 11 higher than in the 3rd quarter 2011. The operating result showed MNOK 8 which was an increase of MNOK 5 compared to the 3rd quarter 2011. Booked value ships showed MNOK 905 per 30.09.2012 compared to MNOK 935 per 30.09.2011. Beyond depreciations booked value ships is also affected by ongoing payments towards the building program in the segment where the last ship in the series was delivered in the first quarter 2012.

#### Other

The company's wholly owner container activity is included in this segment.

The whole segment showed total operating income of MNOK 24 for the quarter compared to MNOK 25 for the same period last year. The operating result showed MNOK - 1 compared to MNOK 1 for the 3rd quarter 2011. Booked value ships showed MNOK 108 pr. 30.09.2012 compared to MNOK 112 per 30.09.2011.

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<b>01.07-30.09.12</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	48 501	116 521	72 511	23 823	261 356
Operating expenses *	31 505	90 444	50 443	21 492	193 884
Operating result before depreciations (EBITDA)	16 996	26 077	22 068	2 331	67 472
Depreciations	7 697	20 769	14 053	3 650	46 169
Operating result (EBIT)	9 299	5 308	8 015	- 1 319	21 303
Ships net book value	209 950	944 092	904 502	108 431	2 166 975
whereof					
Ships aquisition					0
Ships being built		- 6 014	1 006		- 5 008
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	60 112	67 953	20 908	112 383	261 356
in %	23 %	26 %	8 %	43 %	100 %

\* Operating expenses includes TC hires

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

<b>01.07 - 30.09.11</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	46.735	102.967	61.516	25.095	236.313
Operating expenses *	29.252	94.079	44.803	19.988	188.122
Operating result before depreciations (EBITDA)	17.483	8.888	16.713	5.107	48.191
Depreciations	7.277	20.819	13.669	4.198	45.963
Operating result (EBIT)	10.206	-11.931	3.044	909	2.228
Ships net book value	230.093	1.004.667	935.169	111.579	2.281.508
whereof					
Ships aquisition	-	-		-	0
Ships being built	-	3.364	47.675		51.039
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	56.715	75.620	18.905	85.073	236.313
in %	24%	32%	8%	36%	100%

\* Operating expenses includes TC hires

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



# WILSON ASA

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01.01 - 30.09.12	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	141 133	326 867	213 536	65 019	746 555
Operating expenses *	95 981	272 554	155 862	61 246	585 643
Operating result before depreciations (EBITDA)	45 152	54 313	57 674	3 773	160 912
Depreciations	23 131	60 977	44 763	12 133	141 004
Operating result (EBIT)	22 021	-6 664	12 911	-8 360	19 908
Ships net book value whereof	209 950	944 092	904 502	108 431	2 166 975
Ships aquisition	-	87 700	81 100	-	168 800
Ships being built	-	-9 346	17 292	-	7 946
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	186 639	209 035	52 259	298 622	746 555
in %	25 %	28 %	7 %	40 %	100 %

\* Operating expenses includes TC hires

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

01.01 - 30.09.11	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	138.690	327.980	182.260	68.630	717.560
Operating expenses *	93.045	296.270	136.612	59.340	585.267
Operating result before depreciations (EBITDA)	45.645	31.710	45.648	9.290	132.293
Depreciations	27.845	61.889	39.904	11.096	140.734
Operating result (EBIT)	17.800	-30.179	5.744	-1.806	-8.441
Ships net book value whereof	230.093	1.004.667	935.169	111.579	2.281.508
Ships aquisition	-	-	-	-	0
Ships being built	-	61.964	132.519	-	194.483
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	172.214	215.268	57.405	272.673	717.560
in %	24%	30%	8%	38%	100%

\* Operating expenses includes TC hires

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

# WILSON ASA

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### Note 3 – The company's major shareholders per 30.06.2012

The company's share capital as of 30.09.2012 consisted of 42 216 000 shares at NOK 5 totaling TNOK 211 080.

<b>Name</b>	<b>Shares</b>	<b>Owning share</b>	<b>Voting share</b>
Caiano AS	38 070 599	90,18%	90,18%
Pareto Aksje Norge	884 000	2,09%	2,09%
Ivan AS	623 000	1,48%	1,48%
Slethei AS	468 954	1,11%	1,11%
Sum > 1 % owning share	40 046 553	94,86%	94,86%
Sum other	2 169 447	5,14%	5,14%
<b>Total shares</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.*