

WILSON ASA

3rd quarter report - 2014

Summary

- Development from 2Q as expected in earnings and operating result
- Good nominations from the freight contracts, but a weak spot market
- EBITDA in 3Q of MEUR 9,3
- Result before tax of MEUR 2,5 for the quarter

Figures in MEUR except daily figures and per share	3Q-2014	3Q-2013	2Q-2014	Changes	
				3Q-2013	2Q-2014
Daily income TC equivalent	3 121	3 381	3 257	(260)	(136)
Gross freight income	67,9	66,3	68,4	1,6	(0,5)
EBITDA	9,3	10,9	10,7	(1,6)	(1,4)
Operating result	3,7	5,0	4,8	(1,3)	(1,1)
Result from financial items	(1,2)	(2,8)	(2,3)	1,6	1,1
Result before tax and minority	2,5	2,2	2,4	0,3	0,1
Result per share / majority	0,06	0,05	0,06	0,01	0,00

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 5th November 2014 the company operates 113 ships, whereof 83 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. The company has adapted to the latest years weak markets by reducing the average length of the contract portfolio.

Result 3rd quarter 2014

Gross turnover in the 3rd quarter became MEUR 67,9 compared to MEUR 66,3 for the 3rd quarter 2013. Net freight income, corresponding to ships income on TC basis, amounted to MEUR 34,4 in the quarter which was MEUR 1,1 lower than the corresponding period in 2013. The earnings level in the quarter was EUR 3 121/day compared to EUR 3 381/day for the 3rd quarter 2013.

The company's operating cost incl. TC hires and administration cost was MEUR 25,5 in the quarter compared to MEUR 24,8 in the 3rd quarter 2013. Operating cost ships showed a decrease, whereas TC hire cost showed an increase, the latter due to more hired in ships in the current year compared to 2013.

The operating result before depreciations (EBITDA) was MEUR 9,3 in the quarter, compared to MEUR 10,9 in the 3rd quarter 2013. In the first nine months of the year EBITDA became MEUR 28,7 compared to MEUR 25,1 for the first nine months of 2013.

Total depreciation in the company was MEUR 5,6 in the 3rd quarter 2014, which was MEUR 0,4 lower than in the 3rd quarter 2013 (MEUR 5,9).

The operating result for the 3rd quarter 2014 became MEUR 3,7 compared to MEUR 5,0 for the 3rd quarter 2013. The first nine months of 2014 showed an operating result of MEUR 11,5 compared to MEUR 6,3 for the first nine months of 2013.

Result from financial items in the quarter showed MEUR -1,2 compared to MEUR -2,8 for the 3rd quarter 2013. The current year's quarter was positively affected by changes in the rates of exchange, where the net effect of agio and value changes of financial instruments became MEUR 1,3, whereas the figures for the 3rd quarter 2013 was MEUR 0,4. Interest cost became MEUR 2,5 in the 3rd quarter 2014 compared to MEUR 3,0 in the 3rd quarter 2013.

Result before tax in the quarter became MEUR 2,5 compared to MEUR 2,2 for the corresponding period last year. After estimated tax the period result for the 3rd quarter 2014 became MEUR 2,4 compared to MEUR 2,2 for the 3rd quarter 2013.

WILSON ASA

3rd quarter report - 2014

The market

The company's earnings level became EUR 3 121/day in the quarter compared to EUR 3 257/day for the previous quarter, a decrease of EUR 136/day. Spot earnings mid-summer was very weak in periods, but the company generally had a good degree of cargo nominations under the freight contracts. Due to normal season variations with summer stillness for some of the 3rd quarter, a decrease in net earnings compared to the 2nd quarter was as expected.

Contract coverage in the 3rd quarter was 54 % which was 2 % points higher than the previous quarter and 5 % points higher than the corresponding period in 2013.

The activity level in the 3rd quarter measured as the number of voyage days was on level with the previous quarter, but showed an increase of 6 % compared to the corresponding period in 2013. The primary reason to the activity increase comes from more hired in ships (TC tonnage).

Financing and capital structure

The company's book equity per 30.09.2014 was MEUR 106,6 compared to MEUR 104,2 per 30.06.2014. Book equity was thus 32 % per 30.09.2014 compared to 31 % per 30.06.2014 of a total balance of MEUR 331,5 and MEUR 333,6 respectively. Including long term shareholder loans the ratio was 40 % per 30.09.2014 compared to 39 % per 30.06.2014.

Interest bearing debt and leasing obligations totalled MEUR 193,1 per 30.09.2014 compared to MEUR 197,0 per 30.06.2014, whereof total mortgage debt and leasing obligations was MEUR 164,7 and MEUR 169,4 respectively. Debt to related party was MEUR 26,0 per 30.09.2014 compared to MEUR 25,2 per 30.06.2014 where changes came due to unrealized disagio as well as accumulation of interest on a share of the loans.

The company's liquidity position per 30.09.2014 was MEUR 10,6 in addition to an available credit facility of MNOK 55. Per 30.06.2014 the liquidity position was MEUR 8,3 in addition to the mentioned credit facility.

As informed in the previous quarterly report the company has looked towards the bond market to assess whether this might be attractive as a source of finance. However, since late summer there has been observed considerable unrest in this market which mean that the bond market for the time being appears as less attractive than how it appeared before the summer.

Prospects

In the first part of the 3rd quarter the earnings level was as normally marked by the summer stillness and the earnings level increased gradually in the latter part of the quarter. For the fourth quarter it is expected a flattening of today's earnings level such that the total level for the 4th quarter is expected to be higher than for the 3rd quarter.

For the coming quarter the company thus expects an increase in net earnings compared to the 3rd quarter and thereby also a higher operating result.

Principles for the quarterly accounts

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

**The Board of Directors of
Wilson ASA**

Bergen, 5th November 2014

WILSON ASA

3rd quarter report - 2014

Profit and loss

Group

(All figures in TEUR)

OPERATING REVENUE AND EXPENSES	3Q 2014	3 Q 2013	1.1 - 30.09. 2014	1.1 - 30.09. 2013	1.1 - 31.12. 2013
Freight income	67 864	66 330	207 011	198 584	268 153
Voyage related expenses	33 445	30 834	103 161	98 714	132 424
Ships income on TC basis	34 419	35 496	103 850	99 870	135 729
Other operating income	190	155	458	451	607
Total operating revenue	34 609	35 651	104 308	100 321	136 336
Profit/(loss) from purchase or sale of assets	158	25	147	- 1 160	- 1 160
Crew cost ships	8 509	8 442	25 174	25 758	34 074
Other operating expenses	5 228	5 881	16 782	17 976	23 537
T/C and BB hires	7 205	5 988	21 005	17 510	24 320
Administration expenses	4 572	4 456	12 797	12 776	17 375
Total operating expenses	25 514	24 767	75 758	74 020	99 306
Operating result before depreciations	9 253	10 909	28 697	25 141	35 870
Depreciations	5 557	5 928	17 204	18 812	25 577
Total depreciations and write down	5.557	5 928	17.204	18.812	25.577
Operating result (EBIT)	3 696	4 981	11 493	6 329	10 293
FINANCIAL INCOME AND COST					
Interest income	13	4	13	12	39
Share of result in non-consolidated investees	0	- 93	0	- 172	- 233
Agio	- 530	1 280	- 567	10 422	14 135
Value changes in financial instruments	1 831	- 903	2 119	- 210	236
Interest cost	2 491	2 972	7 885	9 344	12 199
Other finance cost	68	81	242	480	549
Financial result	- 1 245	- 2 765	- 6 562	228	1 429
Result before tax	2 451	2 216	4 931	6 557	11 722
Tax cost	56	51	125	241	298
Annual result	2 395	2 165	4 806	6 316	11 424
OTHER COMPREHENSIVE INCOME					
Translation differences	- 14	1 468	- 110	629	- 319
Purchase of jointly controlled companies	0	0	0	0	- 855
Other comprehensive income after tax	-14	1 468	-110	629	-1.174
Total result	2 381	3 633	4 696	6 945	10 250
Annual result - Majority share	2 395	2 095	4 806	6 281	11 424
Annual result - Minority share	0	70	0	35	0
	2 395	2 165	4 806	6 316	11 424
Total result - Majority share	2 381	3 563	4 696	6 910	10 250
Total result - Minority share	0	70	0	35	0
	2 381	3 633	4 696	6 945	10 250

WILSON ASA

3rd quarter report - 2014

Balance

Group

(All figures in TEUR)

ASSETS	30.09.14	30.09.13	31.12.13
Fixed assets			
Intangible fixed assets			
Intangible fixed assets	0	72	0
Goodwill	20 632	20 632	20 632
Total intangible fixed assets	20 632	20 704	20 632
Tangible non-current assets			
Property	238	259	254
Vessels	261 833	276 339	274 774
Fixtures and furniture, office machines etc.	1 055	1 132	1 317
Total tangible non-current assets	263 126	277 730	276 345
Financial fixed assets			
Investments in non-consolidated investees	0	2 695	0
Loans to non-consolidated investees	0	711	0
Total financial fixed assets	0	3 406	0
Total fixed assets	283 758	301 840	296 977
Current assets			
Stores and fuel	7 510	6 512	7 890
Receivables			
Accounts receivable	14 981	13 957	13 780
Financial instruments	1 419	0	0
Other receivables	13 273	10 508	8 413
Total receivables	29 673	24 465	22 193
Cash at bank, at hand, etc.	10 565	10 835	11 583
Total current assets	47 748	41 812	41 666
TOTAL ASSETS	331 506	343 652	338 643

WILSON ASA

3rd quarter report - 2014

Group

(All figures in TEUR)

SHAREHOLDERS' FUND AND LIABILITIES	30.09.14	30.09.13	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	28 754	28 754	28 754
Retained earnings			
Group funds	77 164	69 141	72 468
Total retained earnings	77 164	69 141	72 468
Minority interest	668	1 709	668
Total equity	106 586	99 604	101 890
Liabilities			
Accrued liabilities			
Accrued pension liabilities	1 419	1 242	1 419
Deferred tax	72	47	49
Total provisions	1 491	1 289	1 468
Other long term debt			
Interest-bearing liabilities to financial institutions	141 959	167 515	159 106
Liabilities to group company	25 993	24 896	24 656
Interest bearing leasing obligations	3 910	4 768	4 527
Financial instruments	1 368	1 449	1 645
Other long term debt	0	2 637	2 386
Total other long term liabilities	173 230	201 265	192 320
Current liabilities			
Current liability of long term debt	21 260	14 328	16 358
Overdraft facility	0	925	423
Accounts payable	11 705	9 985	9 513
Social security tax, withholding tax, etc.	2 595	1 330	1 316
Other short term liabilities	14 639	14 926	15 355
Total current liabilities	50 199	41 494	42 965
Total liabilities	224 920	244 048	236 753
TOTAL EQUITY AND LIABILITIES	331 506	343 652	338 643

The Board of Directors of Wilson ASA

Bergen, 5th November 2014

WILSON ASA

3rd quarter report - 2014

Equity changes

(All figures in TEUR)	01.01-30.09 2014	01.01-30.09 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	4 696	6 945	10 250
Equity at end of period	106 586	99 604	101 890

Cash flow statement

(All figures TEUR)	01.01-30.09 2014	01.01-30.09 2013	01.01-31.12 2013
Cash flow from operating activities	17 453	19 761	27 445
Cash flow from investing activities	-4 473	-6 534	-9 445
Cash flow from financing activities	-13 998	-11 886	-15 911
Changes in bank deposits and cash at hand	-1 018	1 341	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	10 565	10 835	11 583

WILSON ASA

3rd quarter report - 2014

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.

The company has established a joint venture for the subsidiary company Wilson NRL Transport GmbH with effect from 1st October 2014.

Note 2 – Segment information

2 000 dwt / System

Net operating income in the segment was MEUR 7,1 in the 3rd quarter 2014 compared to MEUR 6,9 in the 3rd quarter 2013. The operating result for the 3rd quarter 2014 was MEUR 2,0 compared to MEUR 1,9 in the corresponding quarter in 2013.

Booked value ships per 30.09.2014 showed MEUR 24,4 compared to MEUR 24,3 per 31.03.2014.

3 - 4 500 dwt

The operating result in the segment showed MEUR 0,3 for the quarter compared to MEUR 2,0 in the 3rd quarter 2013. Net operating income showed a decrease from MEUR 16,5 in the 3rd quarter 2013 to MEUR 16,1 in the 3rd quarter 2014, whereas operating expenses went from MEUR 11,5 in the 3rd quarter 2013 to MEUR 13,0 in the 3rd 2014 where the increase was related to more ships hired in on time charter.

Booked value ships per 30.09.2014 showed MEUR 115,9 compared to MEUR 118,2 per 30.06.2014.

6 – 8 500 dwt

The segment showed net operating income of MEUR 8,8 in the quarter which was MEUR 0,5 lower than the 3rd quarter 2013. Operating cost went from MEUR 6,6 in the 3rd quarter 2013 to MEUR 5,9 for the 3rd quarter 2014. The operating result showed MEUR 1,5 in the quarter compared to MEUR 1,1 for the 3rd quarter 2013.

Booked value ships showed MEUR 109,9 per 30.09.2014 compared to MEUR 112,6 per 30.06.2014. In the 3rd quarter the company has sold the vessel MV Wilson Tana (7 174 dwt / 1977).

Other

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

The segment showed in total net operating income of MEUR 2,6 in the quarter compared to MEUR 2,9 for the same period last year. The operating expenses in the 3rd quarter 2014 became MEUR 2,2 compared to MEUR 2,3 in the 3rd quarter 2013. The operating result showed MEUR -0,1 compared to MEUR 0 for the 3rd quarter 2013.

Booked value ships showed MEUR 11,7 per 30.09.2014 compared to MEUR 12,0 per 30.06.2014.

WILSON ASA

3rd quarter report - 2014

01.07.-30.09.14	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	7 141	16 055	8 847	2 566	34 609
Profit/(loss) sale of ships			158		158
Operating expenses *	4 406	13 023	5 852	2 233	25 514
Operating result before depreciations (EBITDA)	2 735	3 032	3 153	333	9 253
Depreciations	785	2 716	1 615	441	5 557
Operating result (EBIT)	1 950	316	1 538	- 108	3 696
Ships net book value whereof	24 356	115 858	109 884	11 735	261 833
Ships aquisition			- 1 126		- 1 126
	3 678	7 628	5 994	3 332	20 632
	Import	Export	Domestic	Abroad	Sum
Operating income	9 344	10 383	1 730	13 151	34 609
in %	27%	30%	5%	38%	100%

* Operating expenses includes TC hires

** Includes profit and loss from sale of ships

01.07 - 30.09.13	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	6.929	16.478	9.344	2.900	35.651
Profit/(loss) sale of ships			25		25
Operating expenses *	4.298	11.525	6.611	2.333	24.767
Operating result before depreciations (EBITDA)	2.631	4.953	2.758	567	10.909
Depreciations	747	2.930	1.691	560	5.928
Operating result (EBIT)	1.884	2.023	1.067	7	4.981
Ships net book value whereof	26.056	119.966	116.924	13.393	276.339
Ships aquisition	-	-		-	0
	3.678	7.628	5.994	3.332	20.632
	Import	Export	Domestic	Abroad	Sum
Operating income	9.269	10.695	1.783	13.904	35.651
in %	26%	30%	5%	39%	100%

* Operating expenses includes TC hires

WILSON ASA

3rd quarter report - 2014

01.01-30.09.14	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other**	Sum
Operating income	21 605	48 388	27 840	6 475	104 308
Profit/(loss) sale of ships			158	- 11	147
Operating expenses	13 611	36 879	18 389	6 879	75 758
Operating result before depreciation (EBITDA)	7 994	11 509	9 609	- 415	28 697
Depreciation	2 385	8 194	5 285	1 340	17 204
Operating result (EBIT)	5 609	3 315	4 324	- 1 755	11 493
Ships net book value whereof	24 356	115 858	109 884	11 735	261 833
Ships aquisition			- 1 126	- 301	- 1 427
Booked value goodwill	3 678	7.628	5 994	3 332	20 632
01.01-30.09.14	Import	Export	Domestic	Abroad	Sum
Operating income	28 163	30 249	5 215	39 637	103 265
as %	27%	29%	5%	38%	99%

01.01-30.09.13	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other**	Sum
Operating income	19 769	44 371	27 606	8 575	100 321
Profit/(loss) sale of ships			- 1 160		- 1 160
Operating expenses	12 493	34 806	20 062	6 659	74 020
Operating result before depreciation (EBITDA)	7 276	9 565	6 384	1 916	25 141
Depreciation	2 814	8 745	5 656	1 597	18 812
Operating result (EBIT)	4 462	820	728	319	6 329
Ships net book value whereof	26 056	119 966	116 924	13 393	276 339
Ships aquisition			- 1 808		- 1 808
Booked value goodwill	3 678	7.628	5 994	3 332	20 632
01.01-30.09.13	Import	Export	Domestic	Abroad	Sum
Operating income	26 083	30 096	5 016	39 125	100 321
as %	26%	30%	5%	39%	100%

WILSON ASA

3rd quarter report - 2014

Note 3 – The company’s major shareholders

The company’s share capital per 30.09.2014 consisted of 42 216 000 shares at NOK 5 totalling TNOK 211 080 (TEUR 28 754).

The major shareholders per 30.09.2014:

Name	Shares	Owning share	Voting share
Caiano AS	38 070 599	90,18%	90,18%
Pareto Aksje Norge	955 000	2,26%	2,26%
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%	95,03%
Sum other	2 098 447	4,97%	4,97%
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.

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