

# WILSON ASA

## 4th quarter report- 2010

### Summary

- Increase in daily income combined with increased activity lifted EBITDA and the operating result further in 4Q
- The period's result on level with the previous quarter due to a more normal financial result
- A considerable increase in the operating result on yearly basis; MNOK 91 (2010) compared to MNOK -133 (2009)
- Year end result 2010 MNOK 58 (NOK 1.38/share)
- No dividend has been proposed for 2010

Figures in MNOK except daily figures and per share	4Q-2010	4Q-2009	3Q-2010	Changes	
				4Q-2009	3Q-2010
Daily income TC equivalent	<b>27 655</b>	25 044	26 823	2 611	832
Gross freight income	<b>537</b>	444	498	93	38
EBITDA	<b>76</b>	45	64	31	12
Operating result	<b>30</b>	( 1)	21	32	10
Result from financial items	<b>( 12)</b>	6	( 3)	( 18)	( 9)
Result before tax and minority	<b>18</b>	4	17	14	1
Result per share / majority	<b>0.78</b>	0.63	0.78	0.15	0

### Wilson ASA – Business idea

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 23.02.2011 the Wilson system operated 116 ships, whereof 80 are owning-wise controlled by the company. The company has now taken delivery of four out of eight new-buildings in the 8 300 dwt program, whereas the fifth is expected to be delivered in 2Q-2011. Deliveries under the second new building program (8 x 4 500 dwt) are expected to start in 2Q/3Q-2011.

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 4th quarter 2010

Ships income on TC basis amounted to MNOK 275 in the 4th quarter 2010 compared to MNOK 223 in the 4th quarter 2009. The company's main activity, Wilson EuroCarriers, showed an improvement from the corresponding period last year in the earnings level of around NOK 2 500/day; from NOK 25 044/day in the 4th quarter 2009 to NOK 27 655/day in the 4th quarter 2010. At the same time the company had a considerable higher activity measured as the number of income days with an increase towards 20 %.

The company's total operating expenses incl. TC hire excl. depreciations was MNOK 202 in the quarter which is an increase of MNOK 23 compared to the 4th quarter 2009. The changes between the periods are primarily due to increased activity. The company has continued its low, but adequate level on ships operating expenses as established in the first part of 2009.

In the 4th quarter 2010 the operating result before depreciations (EBITDA) was MNOK 76. This is an increase of MNOK 31 compared to the corresponding period last year. The operating result has increased due to a higher activity and improved earnings levels.

Total depreciations in the company were MNOK 45 in the quarter compared to MNOK 46 in the corresponding period last year. The operating result for the current year's quarter was MNOK 30 compared to MNOK -1 for the 4th quarter 2009.

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Net result of financial items showed MNOK -12 in the 4th quarter compared to MNOK 6 in the 4th quarter 2009. Both periods deviates from a normalized financial result due to currency translation changes. Currency translation changes had larger fluctuations in 2009 than in 2010. Net contribution from agio and value changes on financial instruments amounted to MNOK 22 in the 4th quarter 2009 compared to MNOK 7 in the 4th quarter 2010.

The company's result before minority and calculated tax was MNOK 18 in the quarter which was MNOK 14 higher than for the corresponding period in 2009. Calculated tax for the 4th quarter 2010 was an income transaction of MNOK 15 which is arising from deferred tax gain after the purchase of the owning company for MV Wilson Express. The period result for the 4th quarter 2010 became MNOK 33 compared to MNOK 27 in the 4th quarter 2009.

### **The market**

During the quarter the company had contract coverage of 55 % which is somewhat up from 51 % for the 4th quarter 2009. Historically the company has had contract coverage of around 2/3. Contract coverage of 10 % points below the company's historical average partly reflects that the market has something to regain after the market downturn, and partly that the company has increased its activity during 2010.

The activity level measured as the number of voyage days showed an increase of around 4 % compared to the 3rd quarter. The increase was a combination of more TC ships and lower docking activity in this quarter.

There was a positive development during the late summer market and into the 4th quarter, however later in the quarter the activity decreased. This was in particular evident in the spot market with a general lower level in the latter part of the 4th quarter. Waiting time appeared around the turn of the year which affected the company negatively, corresponding to the summer stillness in the beginning of the 3rd quarter.

### **Financing and capital structure**

Per 31.12.2010 interest bearing debt and leasing obligations in the balance were totaling MNOK 1 600 compared to MNOK 1 561 per 30.09.2010 where the increase primarily came due to draw down from the newbuilding credit facility in the period.

The company's book equity per 31.12.2010 was MNOK 862 compared to MNOK 826 per 30.09.2010. Book equity was thus 32 % both on 31.12. and 30.09. of a total balance of MNOK 2 705 and MNOK 2 607 respectively.

Bank and cash deposits per 31.12.2010 were MNOK 101 in addition to an available credit facility totaling MNOK 55.

### **Tonnage**

Per 1st November Wilson purchased the ship MV Wilson Express (1983, 5 800 dwt) from Green Reefers ASA after having had the ship on time charter since 2004. The ship is employed on a long term contract with Hydro Aluminium. MV Wilson Express was purchased by the acquisition of the shares in the ship owning company Green Maritime AS.

The third new building in the 8 400 dwt series was delivered on 4th of January and the fourth ship was delivered on the 31st of January 2011.

### **Prospects**

The earnings level for the 4th quarter was weakened by a slowdown in the activity at the turn of the year which affects the company into the 1st quarter 2011. For the coming period the company thus expects a weaker result. It is also pointed out that the ships during the winter half year period are using more time on the same voyages than during the summer half year which affects efficiency and thereby the company's net earnings.

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Longer term the company still maintains its positive expectations, although it has proven that it has taken longer time than expected to reach a satisfactory income level.

### **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, 23rd February 2011**

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## 4th quarter report- 2010

### Profit and loss

#### Wilson Group

(All figures in TNOK )

OPERATING REVENUE AND EXPENSES	4Q 2010	4Q 2009	1.1 - 31.12. 2010	1.1 - 31.12. 2009
Freight income	536 726	443 850	1 969 432	1 648 255
Voyage related expenses	262 082	221 152	963 891	816 536
Ships income on TC basis	274 644	222 698	1 005 541	831 719
Other operating income	2 985	3 026	33 496	11 874
<b>Total operating revenue</b>	<b>277 629</b>	<b>225 724</b>	<b>1 039 037</b>	<b>843 593</b>
Profit/(loss) from purchase or sale of assets	0	- 2 253	29	- 2 632
Crew cost ships	58 054	48 567	221 154	221 925
Other operating expenses	43 787	41 444	173 613	192 737
T/C and BB hires	68 360	59 274	257 461	250 130
Administration expenses	31 805	29 671	117 419	120 429
<b>Total operating expenses</b>	<b>202 006</b>	<b>178 956</b>	<b>769 647</b>	<b>785 221</b>
<b>Operating result before depreciations</b>	<b>75 623</b>	<b>44 515</b>	<b>269 419</b>	<b>55 740</b>
Depreciations	45 395	45 876	178 550	188 982
<b>Operating result (EBIT)</b>	<b>30 228</b>	<b>- 1 361</b>	<b>90 869</b>	<b>- 133 242</b>
<b>FINANCIAL INCOME AND COST</b>				
Interest income	486	173	703	1 020
Share of result in non-consolidated investees	- 1 213	- 340	- 2 350	- 1 947
Agio	14 139	19 548	56 918	167 717
Value changes in financial instruments	1 178	2 376	- 4 146	30 064
Interest cost	18 041	16 181	66 681	64 628
Disagio	8 203	- 413	24 237	29 193
Other finance cost	506	358	2 022	1 549
<b>Financial result</b>	<b>- 12 160</b>	<b>5 631</b>	<b>- 41 815</b>	<b>101 484</b>
<b>Result before tax</b>	<b>18 068</b>	<b>4 270</b>	<b>49 054</b>	<b>- 31 758</b>
Tax cost	- 14 709	- 22 379	- 9 020	- 32 426
<b>Annual result</b>	<b>32 777</b>	<b>26 649</b>	<b>58 074</b>	<b>668</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Translation differences	3 607	1 097	5 343	3 888
Purchase of jointly controlled companies	0	0	0	0
Mergers	0	0	0	0
<b>Other comprehensive income after tax</b>	<b>3 607</b>	<b>1 097</b>	<b>5 343</b>	<b>3 888</b>
<b>Total result</b>	<b>36 384</b>	<b>27 746</b>	<b>63 417</b>	<b>4 556</b>
Annual result - Majority share	33 028	26 510	58 409	600
Annual result - Minority share	- 251	139	- 335	68
	<b>32 777</b>	<b>26 649</b>	<b>58 074</b>	<b>668</b>
Total result - Majority share	36 635	27 607	63 752	4 488
Total result - Minority share	- 251	139	- 335	68
	<b>36 384</b>	<b>27 746</b>	<b>63 417</b>	<b>4 556</b>
Annual result and diluted result per share	0.78	0.63	1.38	0.01

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### Balance

#### Wilson Group

(All figures in TNOK)

<b>ASSETS</b>	<b>31.12.10</b>	<b>31.12.09</b>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Intangible fixed assets	0	0
Deferred tax assets	45 051	29 340
Goodwill	154 704	154 704
Total intangible fixed assets	199 755	184 044
<b>Tangible non-current assets</b>		
Property	2 314	2 465
Vessels	1 694 425	1 579 013
Vessels under construction	465 171	355 019
Fixtures and furniture, office machines etc.	8 304	7 165
Total tangible non-current assets	2 170 214	1 943 662
<b>Financial fixed assets</b>		
Investments in non-consolidated investees	24 188	26 538
Loans to non-consolidated investees	5 120	5 450
Other long term receivables	0	2 195
Total financial fixed assets	29 308	34 183
<b>Total fixed assets</b>	<b>2 399 277</b>	<b>2 161 889</b>
<b>Current assets</b>		
<b>Stores and fuel</b>	46 594	30 825
<b>Receivables</b>		
Accounts receivable	99 880	80 829
Other receivables	54 165	59 475
Total receivables	154 045	140 304
<b>Investments</b>		
Financial instruments	3 967	9 253
<b>Cash at bank, at hand, etc.</b>	101 007	42 552
<b>Total current assets</b>	<b>305 613</b>	<b>222 934</b>
<b>TOTAL ASSETS</b>	<b>2 704 890</b>	<b>2 384 823</b>

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### Wilson Group

(All figures in TNOK)

<b>SHAREHOLDERS' FUND AND LIABILITIES</b>	<b>31.12.10</b>	<b>31.12.09</b>
<b>Equity</b>		
<b>Paid-in capital</b>		
Share capital (42,216,000 share a kr 5.-)	211 080	211 080
Total paid-in capital	211 080	211 080
<b>Retained earnings</b>		
Group funds	639 811	576 059
Total retained earnings	639 811	576 059
Minority interest	11 457	11 792
<b>Total equity</b>	<b>862 348</b>	<b>798 931</b>
<b>Liabilities</b>		
<b>Accrued liabilities</b>		
Accrued pension liabilities	9 661	9 657
Total provisions	9 661	9 657
<b>Other long term debt</b>		
Interest-bearing liabilities to financial institutions	1 275 560	1 149 019
Liabilities to group company	92 852	20 000
Interest bearing leasing obligations	47 918	51 208
Financial instruments	11 477	2 303
Other long term debt	21 348	1 434
Total other long term liabilities	1 449 155	1 223 964
<b>Current liabilities</b>		
Current liability of long term debt	164 133	147 898
Accounts payable	88 497	76 174
Social security tax, withholding tax, etc.	10 617	9 299
Financial obligations purchase options	20 410	37 176
Other short term liabilities	100 069	81 724
Total current liabilities	383 726	352 271
<b>Total liabilities</b>	<b>1 842 542</b>	<b>1 585 892</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 704 890</b>	<b>2 384 823</b>

Board of Directors of Wilson ASA

Bergen, 23rd February 2011

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### Changes to equitiy

	01.01-31.12 2010	01.01-31.12 2009
Equity at the start of period	798 931	836 591
Dividend Wilson ASA	0	-42 216
Total income and expenses	63 417	4 556
Equity at end of period	862 348	798 931

### Cash flow

(All figures TNOK)	01.01-31.12 2010	01.01-31.12 2009
Cash flow from operating activities	210 580	154 194
Cash flow from investing activities	-395 934	-176 315
Cash flow from financing activities	243 808	-10 094
Changes in bank deposits and cash at hand	58 454	-32 215
Bank balances and cash at hand at start of period	42 552	74 767
Bank balances and cash at hand at end of period	101 006	42 552

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### Notes to the quarterly report

#### Note 1 – Accounting principles

The quarterly report has been established according to the IFRS requirements for interim reporting, IAS 34. The Financial Statement for 2010 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2009.

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 4 th quarter 2010 was MNOK 50 compared to MNOK 44 in the 4th quarter 2009. The operating result increased with MNOK 6 from MNOK -1 in the 4th quarter 2009 to NOK 5 in the 4th quarter 2010. Booked value ships per 31.12.2010 shows MNOK 308 compared to MNOK 298 per 31.12.2010.

##### 3 - 4 500 dwt

The operating result in the segment showed MNOK 9 for the quarter compared to MNOK -2 in the 4th quarter 2009. The operating income increased with MNOK 30 from MNOK 99 in the 4th quarter 2009 to MNOK 129 in the 4th quarter 2010. The increase is due to a somewhat improved market and higher activity. The operating cost increased from MNOK 82 to MNOK 101 for the quarter due to more ships in activity. Booked value ships per 31.12.2010 showed MNOK 892 compared to MNOK 863 per 31.12.2009.

##### 6 – 10 000 dwt

The segment showed total operating income of MNOK 69 in the quarter which was MNOK 16 higher than in the 4th quarter 2009. The operating income showed MNOK 13 which was an improvement of MNOK 13 compared to the 4th quarter 2009. The improvement was due to an improved market and higher activity. Booked value ships per 31.12.2010 showed MNOK 808 compared to MNOK 617 per 31.12.2009. Booked value increased due to the delivery of two newbuildings in addition to ongoing payments to the newbuilding program.

In January 2011 the company took delivery of the third and fourth ships in the series of 8 x 8 300 dwt bulkships from YiChang Shipyard, China.

#### Other

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

All together this segment showed total operating income of MNOK 30 for the quarter compared to MNOK 28 the same period last year. The operating income showed MNOK 4 compared to MNOK 2 for the 4th quarter 2009. Booked value ships showed MNOK 151 per 31.12.2010 compared to MNOK 156 per 31.12.2009.

An extraordinary income of MNOK 22.5 is included in the 2010 year-to-date figures arising from a settlement with a major contract customer.



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<b>01.10-31.12.10</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	49 788	129 178	68 559	30 104	277 629
Operating expenses *	36 032	100 799	43 446	21 731	202 008
Operating result before depreciations (EBITDA)	13 756	28 379	25 113	8 373	75 621
Depreciations	8 971	19 208	12 465	4 751	45 395
Operating result (EBIT)	4 785	9 171	12 648	3 622	30 226
Ships net book value whereof	308 181	892 293	808 462	150 660	2 159 596
Ships aquisition	0	0		0	0
Ships being built	0	23 487	50 467		73 954
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	72 184	77 736	16 658	111 052	277 629
in %	26%	28%	6%	40%	100%

\* Operating expenses includes TC hires

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

<b>01.10 - 31.12.09</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	43 528	98 842	52 787	28 314	223 471
Operating expenses *	35 891	82 372	39 928	20 765	178 956
Operating result before depreciations (EBITDA)	7 637	16 470	12 859	7 549	44 515
Depreciations	9 041	18 723	12 783	5 330	45 877
Operating result (EBIT)	-1 404	-2 253	76	2 219	-1 362
Ships net book value whereof	298 347	862 500	616 948	156 236	1934 031
Ships aquisition					
Ships being built			33 559		33 559
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	53 633	60 337	13 408	96 093	223 471
in %	24%	27%	6%	43%	100%

\* Operating expenses includes TC hires

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

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<b>01.01 - 31.12.10</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	197 626	467 314	246 192	127 935	1 039 067
Operating expenses *	148 501	373 155	165 199	82 793	769 648
Operating result before depreciations (EBITDA)	49 125	94 159	80 993	45 142	269 419
Depreciations	34 806	75 230	49 281	19 233	178 550
Operating result (EBIT)	14 319	18 929	31 712	25 909	90 869
Ships net book value whereof	308 181	892 293	808 462	150 660	2 159 596
Ships aquisition	0	0	166 300	0	166 300
Ships being built	0	54 667	49 307		103 974
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	270 157	290 939	72 735	405 236	1 039 067
in %	26%	28%	7%	39%	100%

\* Operating expenses includes TC hires

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

<b>01.01 - 31.12.09</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	188 273	351 549	185 854	115 285	840 961
Operating expenses *	155 852	358 548	179 143	91 678	785 221
Operating result before depreciations (EBITDA)	32 421	- 6 999	6 711	23 607	55 740
Depreciations	34 888	80 630	52 559	20 906	188 983
Operating result (EBIT)	- 2 467	- 87 629	- 45 848	2 701	- 133 243
Ships net book value whereof	298 347	862 500	616 948	156 236	1 934 031
Ships aquisition	0	0	0	0	0
Ships being built	0		89 144	0	89 144
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	210 240	260 698	50 458	319 565	840 961
in %	25%	31%	6%	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 31.12.2010

The share capital in the company per 31.12.2010 consists of 42 216 000 shares at NOK 5. Total TNOK 211 080.

<b>NAVN</b>	<b>AKSJER</b>	<b>EIERANDEL</b>	<b>STEMMEANDEL</b>
CAIANO AS	38 070 599	90,18 %	90,18 %
PARETO AKSJE NORGE	931 800	2,21 %	2,21 %
IVAN AS	623 000	1,48 %	1,48 %
SLETHEI AS	468 954	1,11 %	1,11 %
PARETO AKTIV	432 600	1,02 %	1,02 %
SUM > 1 % ANDEL	40 526 953	96,00 %	96,00 %
SUM ØVRIGE	1 689 047	4,00 %	4,00 %
<b>TOTALT ANTALL AKSJER</b>	<b>42 216 000</b>	<b>100,00 %</b>	<b>100,00 %</b>

Via Caiano AS as associate party Kristian Eidesvik controls a total of 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.*