

# WILSON ASA

## 4th quarter report - 2013

### Summary

- The company has changed to EUR as functional- and presentation currency
- A minor decrease in net earnings/day in the 4th quarter, but a positive drive in the market
- EBITDA of MEUR 10,7 in the quarter and operating result of MEUR 4,0
- Year 2013 gave an EBITDA of MEUR 35,9, an improvement of MEUR 5,4 from 2012
- Result from financial items considerably affected by the change to EUR
- Year end result 2013 MEUR 11,4

Figures in MNOK except daily figures and per share	4Q-2013	4Q-2012	3Q-2013	Changes	
				4Q-2012	3Q-2013
Daily income TC equivalent	<b>3 255</b>	3 265	3 381	(10)	(126)
Gross freight income	<b>69,6</b>	72,1	66,3	(2,5)	3,3
EBITDA	<b>10,7</b>	9,2	10,9	1,5	(0,2)
Operating result	<b>4,0</b>	2,2	5,0	1,8	(1,0)
Result from financial items	<b>1,2</b>	(3,6)	(2,8)	4,8	4,0
Result before tax and minority	<b>5,2</b>	(1,4)	2,2	6,6	3,0
Result per share / majority	<b>0,12</b>	(0,26)	0,05	0,38	0,07

### **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 26th February 2014 the Wilson system operates 113 ships, whereof 86 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 4th quarter 2013**

Gross turnover was MEUR 69,6 for the 4th quarter 2013 compared to MEUR 72,1 for the 4th quarter 2012. Net freight income, corresponding to ships income on TC basis, increased with MEUR 0,8 from MEUR 35,0 for the 4th quarter 2012 to MEUR 35,8 for the 4th quarter 2013. The earnings level in the quarter was EUR 3 255 compared to EUR 3 265 in the 4th quarter 2012.

The company's operating cost incl. TC hires and administration cost, but excluding depreciation was MEUR 25,3 in the quarter which was MEUR 0,9 lower than in the 4th quarter 2012. Operating cost ships was MEUR 0,5 lower, administration cost was MEUR 0,3 lower, whereas cost to TC hires was MEUR 0,2 lower.

The operating result before depreciation (EBITDA) was MEUR 10,7 in the 4th quarter and was thus MEUR 1,6 higher than in the 4th quarter 2012. The increase came as a combination of improved total net freight income and lower cost.

The total depreciation in the group was MEUR 6,7 in the 4th quarter 2013 which was MEUR 0,2 higher than in the corresponding quarter 2012.

The operating result for the 4th quarter 2013 was MEUR 4,0 compared to MEUR 2,2 for the 4th quarter 2012 where the 2012 quarter included a write down of MEUR 0,4 related to a downscaling of an activity area.

Result from financial items in the quarter showed MEUR 1,2 in the quarter compared to MEUR -3,6 for the corresponding quarter in 2012. Financial items in the 4th quarter 2013 was affected by net agio of MEUR 3,7 whereas financial items in the 4th quarter 2012 was affected by net agio of

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MEUR 0,5. Both items were primarily related to currency loan. Interest cost in the 4th quarter 2013 became MEUR 2,9 compared to MEUR 3,4 for the 4th quarter 2012.

The company's result before tax became MEUR 5,2 for the 4th quarter 2013 compared to MEUR -1,4 for the 4th quarter 2012, an improvement of MEUR 6,6. The period result after tax for the quarter became MEUR 5,1 compared to MEUR -11,1 for the corresponding period in 2012. In 2012 the company chose temporarily not to recognize the value of deferred tax advantage in the balance, which charged the financial statement for the 4th quarter 2012 with MEUR 9,6.

### **Market**

The company's earnings level in the 4th quarter became somewhat lower than in the 3rd quarter. The earnings level expressed in daily figures (to equivalent net earnings per day) became EUR 3 255 in the 4th quarter 2013, a decrease of EUR 126/day from the previous quarter (EUR 3 381). The market was however seen to be in a positive drive wherefore the negative change is ascribed amongst others to a dissymmetry between loading nominations and the fleet's positioning in the quarter due to longer periods of bad weather.

The contract coverage was 54 % in the quarter which was 5 % points higher than in the previous quarter (49 %) and 1 % point higher than in the corresponding quarter in 2012 (53 %).

The activity level, measured as the number of voyage days showed an increase of 4 % compared to the previous quarter and an increase of 5 % compared to the 4th quarter 2012. The changes came as a function in the number of ships hired in on timecharter and a move of docking activity between the quarters.

### **Financing and capital structure**

The company's book equity was MEUR 101,9 per 31.12.2013 compared to MEUR 99,6 per 30.09.2013. Book equity was thus 30 % pr. 31.12.2013 compared to 29 % per 30.09.2013 of a total balance of MEUR 338,6 and MEUR 343,7 respectively. Including long term shareholder's loan the ratio was 37 % per 31.12.2013 compared to 36 % per 30.09.2013.

Interest bearing debt and leasing obligations totalled MEUR 207,0 per 31.12.2013 compared to MEUR 214,1 per 30.09.2013, whereof mortgage debt and leasing obligations were MEUR 180,0 and MEUR 186,6 respectively. Debt to related company was MEUR 24,7 per 31.12.2013 compared to MEUR 24,9 per 30.09.2013 where the changes were related to unrealized agio towards EUR on the underlying NOK-loan.

The company's liquidity position per 31.12.2013 was MEUR 11,6 in addition to an available credit facility of MNOK 55. Per 30.09.2013 the liquidity position was MEUR 10,8 in addition to the mentioned credit facility.

### **Prospects**

In many ways 2013 became a sideways movement from 2012 where the flat development in rates evidenced the continued economic depression in Europa. At present the market appears to be in a positive sentiment. Improved economic activity in Europe will be decisive in giving this trend a more firm footing and to give lasting improved rates.

In spite of the daily figures in the 4th quarter becoming lower than in the 3rd quarter, the market showed an underlying positive drive. The company is experiencing that this drive has continued into the 1st quarter 2014. At the same time the 1st quarter will normally be characterized by generally worse weather conditions, which gives increased duration for the voyages and pulls the net earnings downwards. For the 1st quarter 2014 it is expected an operating result on the level of that of the 4th quarter 2013.

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

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

The company's turnover and other cash flow items connected to operations have over time moved from primarily being NOK-based towards an increasing EUR-share. With reference to the 3rd quarter 2013 report the parent company and the largest subsidiary companies as a consequence of this changed functional currency 01.01.2013 from NOK to EUR. Presentation currency has changed correspondingly. EBITDA and the operating result will be little affected, but result from financial items for 2013 becomes considerably affected; where one previously measured the value changes towards NOK one will now measure the value changes towards EUR. Based on the development in rate of exchange in 2013 the difference is calculated to around MEUR +27 compared to keeping the accounts in EUR. As a function of the change the company has placed the whole mortgage debt over to EUR.

**The Board of Directors of  
Wilson ASA  
Bergen, 26th Februar 2014**

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### Profit and loss

#### Group

(All figures in TEUR )

<b>OPERATING REVENUE AND EXPENSES</b>	<b>Q4 2013</b>	<b>Q4 2012</b>	<b>1.1 - 31.12. 2013</b>	<b>1.1 - 31.12. 2012</b>
Freight income	69 569	72 101	268 153	280 017
Voyage related expenses	33 710	37 057	132 424	146 465
Ships income on TC basis	35 859	35 044	135 729	133 552
Other operating income	156	298	607	900
<b>Total operating revenue</b>	<b>36 015</b>	<b>35 342</b>	<b>136 336</b>	<b>134 452</b>
Profit/(loss) from purchase or sale of assets	0	0	- 1 160	0
Crew cost ships	8 316	8 802	34 074	34 619
Other operating expenses	5 561	5 534	23 537	23 959
T/C and BB hires	6 810	6 965	24 320	27 904
Administration expenses	4 599	4 877	17 375	17 511
<b>Total operating expenses</b>	<b>25 286</b>	<b>26 179</b>	<b>99 306</b>	<b>103 993</b>
<b>Operating result before depreciations</b>	<b>10 729</b>	<b>9 163</b>	<b>35 870</b>	<b>30 459</b>
Depreciations	6 765	6 558	25 577	25 279
Write down	0	433	0	433
<b>Total depreciations and write down</b>	<b>6.765</b>	<b>6.991</b>	<b>25.577</b>	<b>25.711</b>
<b>Operating result (EBIT)</b>	<b>3 964</b>	<b>2 172</b>	<b>10 293</b>	<b>4 748</b>
<b>FINANCIAL INCOME AND COST</b>				
Interest income	26	29	39	41
Share of result in non-consolidated investees	- 61	- 119	- 233	- 370
Agio	4 980	790	33 650	6 864
Value changes in financial instruments	446	- 248	236	- 1 580
Interest cost	2 855	3 377	12 199	12 851
Disagio	1 267	253	19 515	1 796
Other finance cost	68	416	549	767
<b>Financial result</b>	<b>1 201</b>	<b>- 3 594</b>	<b>1 429</b>	<b>- 10 457</b>
<b>Result before tax</b>	<b>5 165</b>	<b>- 1 422</b>	<b>11 722</b>	<b>- 5 709</b>
Tax cost	57	9 632	298	7 957
<b>Annual result</b>	<b>5 108</b>	<b>- 11 054</b>	<b>11 424</b>	<b>- 13 666</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Translation differences	- 319	5 246	- 319	5 246
Purchase of jointly controlled companies	- 855	2 456	- 855	2 456
<b>Other comprehensive income after tax</b>	<b>-1.174</b>	<b>7.702</b>	<b>-1.174</b>	<b>7.702</b>
<b>Total result</b>	<b>3 934</b>	<b>- 3 352</b>	<b>10 250</b>	<b>- 5 964</b>
Annual result - Majority share	5 086	- 11 151	11 424	- 13 723
Annual result - Minority share	22	97	0	57
<b>Annual result</b>	<b>5 108</b>	<b>- 11 054</b>	<b>11 424</b>	<b>- 13 666</b>
Total result - Majority share	3 912	- 3 449	10 250	- 6 107
Total result - Minority share	22	97	0	143
<b>Total result</b>	<b>3 934</b>	<b>- 3 352</b>	<b>10 250</b>	<b>- 5 964</b>

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**Balance**

**Group**

(All figures in TEUR)

<b>ASSETS</b>	<b>31.12.13</b>	<b>31.12.12</b>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Intangible fixed assets	0	286
Goodwill	20 632	20 632
Total intangible fixed assets	<u>20 632</u>	<u>20 919</u>
<b>Tangible non-current assets</b>		
Property	254	274
Vessels	274 774	289 468
Fixtures and furniture, office machines etc.	1 317	1 190
Total tangible non-current assets	<u>276 345</u>	<u>290 933</u>
<b>Financial fixed assets</b>		
Investments in non-consolidated investees	0	2 918
Loans to non-consolidated investees	0	655
Total financial fixed assets	<u>0</u>	<u>3 574</u>
<b>Total fixed assets</b>	<u><b>296 977</b></u>	<u><b>315 425</b></u>
<b>Current assets</b>		
<b>Stores and fuel</b>	7 890	8 462
<b>Receivables</b>		
Accounts receivable	13 780	14 106
Other receivables	8 413	13 257
Total receivables	<u>22 193</u>	<u>27 363</u>
<b>Cash at bank, at hand, etc.</b>	11 583	9 494
<b>Total current assets</b>	<u><b>41 666</b></u>	<u><b>45 319</b></u>
<b>TOTAL ASSETS</b>	<u><b>338 643</b></u>	<u><b>360 744</b></u>

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### Group

(All figures in TEUR)

<b>SHAREHOLDERS' FUND AND LIABILITIES</b>	<b>31.12.13</b>	<b>31.12.12</b>
<b>Equity</b>		
<b>Paid-in capital</b>		
Share capital (42,216,000 share a kr 5.-)	28 754	28 754
Total paid-in capital	<u>28 754</u>	<u>28 754</u>
<b>Retained earnings</b>		
Group funds	72 468	62 218
Total retained earnings	<u>72 468</u>	<u>62 218</u>
Minority interest	668	1 688
<b>Total equity</b>	<u><b>101 890</b></u>	<u><b>92 659</b></u>
<b>Liabilities</b>		
<b>Accrued liabilities</b>		
Accrued pension liabilities	1 419	1 098
Deferred tax	49	0
Total provisions	<u>1 468</u>	<u>1 098</u>
<b>Other long term debt</b>		
Interest-bearing liabilities to financial institutions	159 106	186 945
Liabilities to group company	24 656	25 672
Interest bearing leasing obligations	4 527	5 614
Financial instruments	1 645	1 944
Other long term debt	2 386	2 897
Total other long term liabilities	<u>192 320</u>	<u>223 072</u>
<b>Current liabilities</b>		
Current liability of long term debt	16 358	15 243
Overdraft facility	423	360
Accounts payable	9 513	10 922
Social security tax, withholding tax, etc.	1 316	1 476
Other short term liabilities	15 355	15 913
Total current liabilities	<u>42 965</u>	<u>43 915</u>
<b>Total liabilities</b>	<u><b>236 753</b></u>	<u><b>268 085</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>338 643</b></u>	<u><b>360 744</b></u>

The Board of Directors of Wilson ASA

Bergen, 26th Februar 2014

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### Equity changes

(All figures TEUR)	01.01-31.12 2013	01.01-31.12 2012
Equity at the start of period	92 659	98 624
Actinor Bulk AS - new minority	-1 019	0
Total income and expenses	10 250	-5 965
Equity at end of period	101 890	92 659

### Cash flow statement

(All figures TEUR)	01.01-31.12 2013	01.01-31.12 2012
Cash flow from operating activities	27 445	10 255
Cash flow from investing activities	-9 445	-7 588
Cash flow from financing activities	-15 911	6 373
Changes in bank deposits and cash at hand	2 089	9 040
Bank balances and cash at hand at start of period	9 494	454
Bank balances and cash at hand at end of period	11 583	9 494

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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 2013 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. Figures are stated in whole 1 000 (TEUR). Comparative figures for 2012 have been recalculated from NOK to EUR. The result has been recalculated with rate of exchange NOK/EUR 7.39 for the 4th quarter 2012 and 7.50 for the whole 2012. The balance of 31.12.2012 has been recalculated at the rate of 7.34.

#### Note 2 – Segment information

##### 2 000 dwt / System

Net freight income in the segment was MEUR 6,8 in the 4th quarter 2014 compared to MEUR 6,3 in the 4th quarter 2012. The operating result became MEUR 1,6, which was MEUR 0,7 better than the corresponding period in 2012.

Booked value ships per 31.12.2013 showed MEUR 25,4 compared to MEUR 26,0 per 30.09.2013.

##### 3 - 4 500 dwt

The operating result in the segment showed MEUR 0,9 for the quarter compared to MEUR -0,1 in the 4th quarter 2012. Net operating income increased with MEUR 0,8 from MEUR 15,0 in the 4th quarter 2012 to MEUR 15,8 in the 4th quarter 2013. At the same time operating cost and depreciation showed a cost of MEUR 12,3 and MEUR 2,6 respectively for the 4th quarter 2013 compared to MEUR 12,2 and MEUR 2,9 for the 4th quarter 2012.

Booked equity ships per 31.12.2013 showed MEUR 122,0 compared to MEUR 120,0 per 30.09.2013. The addition was due to changes in the ownership in the three part-owned companies on Cyprus where the ship MV Wilson Sky now is being consolidated. See note 4 and note 6 to the group's financial statement for 2013.

##### 6 – 8 500 dwt

The segment showed net operating income of MEUR 9,7 in the quarter, which was on level with the 4th quarter 2012. The operating result in the 4th quarter 2013 showed MEUR 0,7 which was MEUR 0,2 weaker than in the 4th quarter 2012.

Booked equity ships showed MEUR 114,4 per 31.12.2013 compared to MEUR 116,9 per 30.09.2013.

##### Other

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

The segment showed total net operating income of MEUR 3,6 for the quarter which was MEUR 0,7 lower than for the corresponding quarter in 2012. The operating result showed MEUR 0,8 which was an improvement of MEUR 0,3 from MEUR 0,4 for the 4th quarter 2012.

Booked equity ships showed MEUR 13,0 per 31.12.2013 compared to MEUR 13,4 per 30.09.2013.



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01.10.-31.12.13	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	6 797	15 838	9 731	3 649	36 015
Operating expenses *	4 433	12 336	6 226	2 291	25 286
Operating result before depreciations (EBITDA)	2 364	3 502	3 505	1 358	10 729
Depreciations	747	2 573	2 844	601	6 765
Operating result (EBIT)	1 617	929	661	757	3 964
Ships net book value	25 397	122 002	114 364	13 011	274 774
whereof					
Ships aquisition		4 000			4 000
Ships being built					0
	3 678	7 628	5 994	3 332	20 632
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	9 364	11 165	1 441	14 046	36 015
in %	26%	31%	4%	39%	100%

\* Operating expenses includes TC hires

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

01.10 - 31.12.12	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	6.281	15.021	9.717	4.323	35.342
Operating expenses *	4.335	12.212	6.691	2.941	26.179
Operating result before depreciations (EBITDA)	1.945	2.809	3.027	1.382	9.163
Depreciations	1.045	2.901	2.096	516	6.558
				433	433
Operating result (EBIT)	900	-92	931	433	2.172
Ships net book value	27.734	125.472	121.820	14.442	289.468
whereof					
Ships aquisition	-	-		-	0
Ships being built	0	-1.426	-103	0	-1.529
	3.678	7.628	5.994	3.332	20.632
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	8.835	9.896	2.474	14.137	35.342
in %	25%	28%	7%	40%	100%

\* Operating expenses includes TC hires

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

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Year 2013	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other	Sum
Operating income	26 562	60 245	37 313	12 216	136 336
Loss sale of ships			- 1 160		- 1 160
Operating expenses	16 937	47 129	26 284	8 956	99 306
Operating result before depreciation (EBITDA)	9 625	13 116	9 869	3 260	35 870
Depreciation	3 558	11 326	8 498	2 195	25 577
Write down					0
Operating result (EBIT)	6 067	1 790	1 371	1 065	10 293
Ships net book value whereof	25 397	122 002	114 364	13 011	274 774
Ships aquisition		4 000	- 1 808		2 192
Ships being built					0
Booked value goodwill	3 678	7.628	5 994	3 332	20 632
Year 2013	Import	Export	Domestic	Abroad	Sum
Operating income	35 447	40 901	6 817	53 171	136 336
as %	26%	30%	5%	39%	100%
Year 2012	2 000 dwt / system	3 500-4 500 dwt	6 000-8500 dwt	Other	Sum
Operating income	25 022	58 421	38 071	12 937	134 452
Operating expenses	17 080	48 450	27 392	11 071	103 993
operating result before depreciation (EBITDA)	7 943	9 971	10 679	1 867	30 459
Depreciation	4 117	10 995	8 039	2 128	25 279
Write down	0	0	0	433	433
Operating result (EBIT)	3 826	- 1 025	2 640	- 693	4 749
Ships net book value whereof	27 734	125 472	121 820	14 442	289 468
Ships aquisition		24 202	10 766		34 968
Ships being built		- 2 883	2 394		- 488
Booked value goodwill	3 678	7 628	5 994	3 332	20 632
Year 2012	Import	Export	Domestic	Abroad	Sum
Operating income	33 613	37 647	9 412	53 781	134 452
as %	25%	28%	7%	40%	100%

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### Note 3 – The company’s major shareholders

The company’s share capital as of 31.12.2013 consisted of 42 216 000 shares at NOK 5 totaling TNOK 211 080.

Major shareholders per 31.12.2013:

<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	925 000	2,19%	2,19%
Ivan AS	623 000	1,48%	1,48%
Slethei AS	468 954	1,11%	1,11%
Sum > 1 % owning share	40 087 553	94,96%	94,96%
Sum other	2 128 447	5,04%	5,04%
<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.*