

WILSON ASA

4th quarter report - 2014

Summary

- A marginal increase in net earnings/day compared to 3Q, but somewhat below the corresponding period in 2013 due to a weak closing of the 4th quarter
- EBITDA of MEUR 9,8 in the quarter and operating result of MEUR 4,1
- The year 2014 gave an EBITDA of MEUR 38,5, an improvement of MEUR 2,6 from 2013 (MEUR 35,9)
- Total result 2014 MEUR 4,0 after calculated, not payable tax amounting to MEUR 2,9

Figures in MEUR except daily figures and per share	4Q-2014	4Q-2013	3Q-2014	Changes	
				4Q-2013	3Q-2014
Daily income TC equivalent	3 147	3 255	3 121	(108)	26.00
Gross freight income	70.9	69.6	67.9	1.3	3.00
EBITDA	9.8	10.7	9.3	(0.9)	0.50
Operating result	4.1	4.0	3.7	0.1	0.40
Result from financial items	(0.5)	1.2	(1.2)	(1.7)	0.70
Result before tax and minority	3.6	5.2	2.5	(1.6)	1.10
Result per share / majority	(0.02)	0.12	0.06	(0.14)	(0.08)

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 25th February 2014 the company operates 110 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 duration of the contract portfolio.

Result 4th quarter 2014

Gross turnover was MEUR 70,9 for the 4th quarter 2014 compared to MEUR 69,6 for the 4th quarter 2013. Net freight income, corresponding to ships income on TC basis, went down from MEUR 35,9 for the 4th quarter 2013 to MEUR 35,1 for the 4th quarter 2014. The earnings level in the quarter was EUR 3 147 compared to EUR 3 255 in the 4th quarter 2013.

The company's operating cost including TC hires and administration cost, but excluding depreciation was MEUR 25,8 in the quarter, which was MEUR 0,5 higher than in the 4th quarter 2013. Cost to TC hire was MEUR 1,2 higher, operating cost and crew cost ships were in total MEUR 0,4 lower, but administration cost was MEUR 0,2 lower.

Operating result before depreciation (EBITDA) was MEUR 9,8 in the 4th quarter and was thus MEUR 0,9 lower than in the 4th quarter 2013. The decrease was primarily a result of lower net operating income.

Total depreciation in the company was MEUR 5,7 in the 4th quarter 2014 which was MEUR 1,1 lower than the corresponding period in 2013, but where 2013 included a one-time adjustment in ships depreciation basis.

The operating result for the 4th quarter 2014 became MEUR 4,1 compared to MEUR 4,0 for the 4th quarter 2013.

Net result from financial items showed MEUR -0,5 in the quarter compared to MEUR 1,2 for the 4th quarter 2013. Financial items in both periods were positively affected by currency value changes, but for the 4th quarter 2014 to a lesser degree than the corresponding period 2013 with MEUR 2,0 and MEUR 4,2 respectively as total agio and value changes of financial instruments. Interest cost in the 4th quarter 2014 became MEUR 2,4 compared to MEUR 2,9 for the 4th quarter 2013.

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The company's result before tax became MEUR 3,6 for the 4th quarter 2014 compared to MEUR 5,2 for the 4th quarter 2013. Calculated, not payable tax is charged to the statement of earnings with MEUR 2,8 for the 4th quarter 2014 compared to MEUR 0,1 for the 4th quarter 2013, whereas other income and cost was MEUR -1,5 for the 4th quarter 2014 and MEUR -1,8 for the 4th quarter 2013. The total result for the period thereby became MEUR -0,7 for the 4th quarter 2014 compared to MEUR 3,3 for the 4th quarter 2013.

The market

The company's earnings level in the quarter became EUR 3 147/day compared to EUR 3 121/day for the previous quarter and EUR 3 255/day for the corresponding period 2013. Continual periods of bad weather towards the end of the 4th quarter affected the system negatively through increased voyage duration and thereby lower net earnings. The company generally had good activity from the contracts in the quarter.

Contract coverage in the 4th quarter 2014 became 58 % which was 4 % points higher both for the previous quarter and for the 4th quarter 2013 (54 %).

The activity level, measured as the number of voyage days, was in the 4th quarter at level with the previous quarter, but showed an increase of 2 % compared to the corresponding period in 2013.

Financing and capital structure

The company's book equity per 31.12.2014 was MEUR 105,9 compared to MEUR 106,6 per 30.09.2014. Book equity ratio was thus 32 % both per 31.12. and per 30.09.2014 of a total balance of MEUR 330,4 and MEUR 331,5 respectively. Including long term shareholders loan the ratio was 39 % per 31.12.2014 compared to 40 % per 30.09.2014.

Interest bearing debt and leasing obligations totalled MEUR 188,0 per 31.12.2014 compared to MEUR 193,1 per 30.09.2014, whereof total mortgage debt and leasing obligations were MEUR 161,2 and MEUR 164,7 respectively. Debt to related company was MEUR 24,6 per 31.12.2014 compared to MEUR 26,0 per 30.09.2014 where the changes were due to unrealized agio from the NOK based loans.

The company considers the financing agreement with its main bank to be restrictive with regard to investment opportunities as well as for general economical manoeuvrings. As previously informed the company is continually evaluating alternative financing solutions, hereunder both in the bond market and in the bank market, which may give the company the wanted scope for actions. Due to unrest and increased spreads in the bond market since autumn 2014 this alternative currently appears to be less attractive.

The company's liquidity position per 31.12.2014 was MEUR 14,9. Furthermore the company had a credit facility of MNOK 55. The liquidity position per 30.09.2014 was MEUR 10,6 in addition to the mentioned credit facility.

The company has previously used Bergen Bunkers relating to bunkers purchases and after bankruptcy for this company a situation arose where several suppliers of bunkers have demanded direct settlement for missing payments. In total this amounts approximately to MEUR 4 where the rightful party for settlement may be at dispute. The company has so far refrained from payments awaiting a legal clarification of the rightful settlement party. The company considers the risk to be limited of having to pay twice for the same delivery.

Prospects

Expectations for the 4th quarter were earnings level above the 3rd quarter. The closing of the quarter was however affected by continual periods with bad weather which delayed the voyages and pulled the earnings level down. Earnings per day ended thus corresponding to the 3rd quarter.

In spite of daily income figures for the 4th quarter being at the level of the 3rd quarter, the company experienced an underlying positive drive in the market. The company is experiencing that this drive has continued into the 1st quarter 2015. However, the 1st quarter will normally be affected by generally bad weather conditions with the mentioned effect for the net result. For the 1st quarter 2015 it is therefore expected earnings level and operating result at the level of the 4th quarter 2014.

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Principles for the quarterly accounts

The quarterly report has been established according to international accounting standards (IAS 34).

**The Board of Directors of
Wilson ASA**

Bergen, 25th February 2015

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Profit and loss

Group

(All figures in TEUR)

OPERATING REVENUE AND EXPENSES	4. kvartal 2014	4. kvartal 2013	1.1 - 31.12. 2014	1.1 - 31.12. 2013
Freight income	70 908	69 569	277 919	268 153
Voyage related expenses	35 856	33 710	139 017	132 424
Ships income on TC basis	35 052	35 859	138 902	135 729
Other operating income	139	156	597	607
Total operating revenue	35 191	36 015	139 499	136 336
Profit/(loss) from purchase or sale of assets	358	0	505	- 1 160
Crew cost ships	8 517	8 316	33 691	34 074
Other operating expenses	4 942	5 561	21 724	23 537
T/C and BB hires	7 965	6 810	28 970	24 320
Administration expenses	4 368	4 599	17 165	17 375
Total operating expenses	25 792	25 286	101 550	99 306
Operating result before depreciations	9 757	10 729	38 454	35 870
Depreciations	5 690	6 765	22 894	25 577
Total depreciations and write down	5,690	6 765	22,894	25,577
Operating result (EBIT)	4 067	3 964	15 560	10 293
FINANCIAL INCOME AND COST				
Interest income	14	27	27	39
Share of result in non-consolidated investees	- 52	- 61	- 52	- 233
Agio	1 597	3 713	1 030	14 135
Value changes in financial instruments	382	446	2 501	236
Interest cost	2 370	2 855	10 255	12 199
Other finance cost	69	69	311	549
Financial result	- 498	1 201	- 7 060	1 429
Result before tax	3 569	5 165	8 500	11 722
Tax cost	2 784	57	2 909	298
Annual result	785	5 108	5 591	11 424
OTHER COMPREHENSIVE INCOME				
Translation differences	87	- 948	- 23	- 319
Purchase of jointly controlled companies	- 2 185	- 855	- 2 185	- 855
Mergers	590	0	590	0
Other comprehensive income after tax	-1,508	- 1 803	-1,618	-1,174
Total result	- 723	3 305	3 973	10 250
Annual result - Majority share	785	5 143	5 591	11 424
Annual result - Minority share	0	- 35	0	0
	785	5 108	5 591	11 424
Total result - Majority share	- 723	3 340	3 973	10 250
Total result - Minority share	0	- 35	0	0
	- 723	3 305	3 973	10 250

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Balance

Group

(All figures in TEUR)

ASSETS	31.12.14	31.12.13
Fixed assets		
Intangible fixed assets		
Intangible fixed assets	0	0
Goodwill	20 481	20 632
Total intangible fixed assets	<u>20 481</u>	<u>20 632</u>
Tangible non-current assets		
Property	233	254
Vessels	258 708	274 774
Fixtures and furniture, office machines etc.	920	1 317
Total tangible non-current assets	<u>259 861</u>	<u>276 345</u>
Financial fixed assets		
Investments in non-consolidated investees	509	0
Loans to non-consolidated investees	152	0
Financial instruments	460	0
Total financial fixed assets	1 121	0
Total fixed assets	<u>281 463</u>	<u>296 977</u>
Current assets		
Stores and fuel	6 161	7 890
Receivables		
Accounts receivable	12 631	13 780
Financial instruments	1 816	0
	346	0
Other receivables	13 101	8 413
Total receivables	<u>27 894</u>	<u>22 193</u>
Cash at bank, at hand, etc.	14 878	11 583
Total current assets	48 933	41 666
TOTAL ASSETS	<u>330 396</u>	<u>338 643</u>

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Group

(All figures in TEUR)

SHAREHOLDERS' FUND AND LIABILITIES	31.12.14	31.12.13
Equity		
Paid-in capital		
Share capital (42,216,000 share a kr 5.-)	28 754	28 754
Total paid-in capital	28 754	28 754
Retained earnings		
Group funds	76 441	72 468
Total retained earnings	76 441	72 468
Minority interest	668	668
Total equity	105 863	101 890
Liabilities		
Accrued liabilities		
Accrued pension liabilities	3 146	1 419
Deferred tax	2 215	49
Total provisions	5 361	1 468
Other long term debt		
Interest-bearing liabilities to financial institutions	122 450	159 106
Liabilities to group company	24 561	24 656
Interest bearing leasing obligations	3 851	4 527
Financial instruments	1 843	1 645
Other long term debt	0	2 386
Total other long term liabilities	152 705	192 320
Current liabilities		
Current liability of long term debt	37 125	16 358
Overdraft facility	0	423
Accounts payable	11 177	9 513
Social security tax, withholding tax, etc.	1 082	1 316
Other short term liabilities	17 083	15 355
Total current liabilities	66 467	42 965
Total liabilities	224 533	236 753
TOTAL EQUITY AND LIABILITIES	330 396	338 643

The Board of Directors of Wilson ASA

Bergen, 25th February 2015

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Equity changes

(All figures in TEUR)	01.01-31.12 2014	01.01-31.12 2013
Equity at the start of period	101 890	92 659
Actinor Bulk AS - new minority	0	-1 019
Total income and expenses	3 973	10 250
Equity at end of period	105 863	101 890

Cash flow statement

(All figures TEUR)	01.01-31.12 2014	01.01-31.12 2013
Cash flow from operating activities	27 630	27 445
Cash flow from investing activities	-6 883	-9 445
Cash flow from financing activities	-17 452	-15 911
Changes in bank deposits and cash at hand	3 295	2 089
Bank balances and cash at hand at start of period	11 583	9 494
Bank balances and cash at hand at end of period	14 878	11 583

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Noter til kvartalsrapporten

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 2014.

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 6,5 in the 4th quarter 2014 compared to MEUR 6,8 in the 4th quarter 2013. The operating result became MEUR 1,2, which was MEUR 0,4 weaker than the corresponding period in 2013.

Booked value ships per 31.12.2014 showed MEUR 23,9 compared to MEUR 24,4 per 30.09.2014.

3 - 4 500 dwt

The operating result in the segment showed MEUR 0,8 for the quarter compared to MEUR 0,9 in the 4th quarter 2013. Net operating income increased with MEUR 1,1 from MEUR 15,8 in the 4th quarter 2013 to MEUR 16,9 in the 4th quarter 2014. At the same time operating cost and depreciations showed a cost of MEUR 13,3 and MEUR 2,8 respectively for the 4th quarter 2014 compared to MEUR 12,3 and MEUR 2,6 for the 4th quarter 2013.

Booked value ships per 31.12.2014 showed MEUR 114,6 compared to MEUR 115,9 per 30.09.2014.

6 – 8 500 dwt

The segment showed net operating income of MEUR 8,7 in the quarter, which was MEUR 1,0 than in the 4th quarter 2013 (MEUR 9,7). The operating result in the 4th quarter 2014 showed MEUR 1,1 which was MEUR 0,4 better than in the 4th quarter 2013 (MEUR 0,7).

Booked value ships showed MEUR 108,8 per 31.12.2014 compared to MEUR 109,9 per 30.09.2014.

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 3,2 for the quarter which was MEUR 0,4 lower than the corresponding quarter in 2013. The operating result showed MEUR 0,9 for the 4th quarter 2014 compared to MEUR 0,8 for the 4th quarter 2013. The 4th quarter 2014 includes MEUR 0,4 in profit from sale of assets related to the establishment of a joint venture of the subsidiary company Wilson NRL Transport GmbH, as mentioned in note 1 above.

Booked value ships showed MEUR 11,4 per 31.12.2014 compared to MEUR 11,7 per 30.09.2014.

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01.10.-31.12.14	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other	Sum
Operating income	6 474	16 856	8 706	3 155	35 191
Profit/(loss) sale of ships				358	358
Operating expenses *	4 458	13 252	5 916	2 166	25 792
Operating result before depreciations (EBITDA)	2 016	3 604	2 790	1 347	9 757
Depreciations	780	2 767	1 671	472	5 690
Operating result (EBIT)	1 236	837	1 119	875	4 067
Ships net book value whereof	23 859	114 596	108 827	11 426	258 708
Ships aquisition					0
	3 678	7 628	5 994	3 181	20 481
	Import	Export	Domestic	Abroad	Sum
Operating income in %	9 607 27%	10 909 31%	1 408 4%	13 267 38%	35 191 100%

* Operating expenses includes TC hires

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
Profit/(loss) sale of ships					0
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 whereof	25,397	122,002	114,364	13,011	274,774
Ships aquisition	-	4,000		-	4,000
	3,678	7,628	5,994	3,332	20,632
	Import	Export	Domestic	Abroad	Sum
Operating income in %	9,364 26%	11,165 31%	1,441 4%	14,046 39%	36,015 100%

* Operating expenses includes TC hires

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01.01-31.12.14	2 000 dwt / system	3 500-4 500 dwt	6 000- 8500 dwt	Other	Sum
Operating income	28 079	65 244	36 546	9 630	139 499
Profit/(loss) sale of ships		- 11	158	358	505
Operating expenses	18 069	50 131	24 305	9 045	101 550
Operating result before depreciation (EBITDA)	10 010	15 102	12 399	943	38 454
Depreciation	3 165	10 961	6 956	1 812	22 894
Operating result (EBIT)	6 845	4 141	5 443	- 869	15 560
Ships net book value whereof	23 859	114 596	108 827	11 426	258 708
Ships aquisition/(sale)		- 301	- 1 126		- 1 427
Booked value goodwill	3 678	7,628	5 994	3 181	20 481
01.01-31.12.14	Import	Export	Domestic	Abroad	Sum
Operating income	37 665	41 850	6 975	53 010	139 499
as %	27%	30%	5%	38%	100%

* Operating expenses includes TC hires

01.01-31.12.13	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
Profit/(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
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/(sale)		4 000	- 1 808		2 192
Booked value goodwill	3 678	7,628	5 994	3 332	20 632
01.01-31.12.13	Import	Export	Domestic	Abroad	Sum
Operating income	35 447	40 901	6 817	53 171	136 336
as %	26%	30%	5%	39%	100%

* Operating expenses includes TC hire

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Note 4 – The company’s major shareholders

The company’s share capital per 31.12.2014 consisted of 42 216 000 shares at NOK 5 totalling TNOK 211 080 (TEUR 28 754).

The major shareholders per 31.12.2014:

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.