

WILSON ASA

4th quarter report - 2011

Summary

- Improvement in the market; the best quarterly daily earnings figures in 2011
- Operating cost continued at the same low level as before
- EBITDA of MNOK 60

- 2011 EBITDA MNOK 192 / 2011 result MNOK -81 (NOK -1.93/share)

Figures in MNOK except daily figures and per share	4Q-2011	4Q-2010	3Q-2011	Changes	
				4Q-2010	3Q-2011
Daily income TC equivalent	25,563	27,655	22,860	(2,092)	2,703
Gross freight income	529	537	482	(7)	47
EBITDA	60	76	47	(15)	13
Operating result	1	30	1	(30)	(1)
Result from financial items	(11)	(12)	(34)	2	24
Result before tax and minority	(10)	18	(33)	(28)	23
Result per share / majority	(0.58)	0.78	(0.53)	(1.36)	(0.05)

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 23.02.2012 the Wilson system operates 110 ships, whereof 84 are owning-wise controlled. The company completed the newbuilding program in the 8 400 dwt series in 2011 on the delivery of the last ship the 4th of January 2012. For the 4 500 dwt series it was at the same time entered into an agreement with the shipbuilding yard of a halving of the building program due to considerable delays at the yard. The program has thus been reduced to 4 ships which all are stipulated to be delivered in the current year.

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 2011

Net freight income, corresponding to ships income on TC basis, amounted to MNOK 256 in the 4th quarter 2011 which was MNOK 18 weaker than the corresponding period in 2010. The earnings level in the quarter was NOK 25 563/day compared to NOK 27 655/day in the 4th quarter 2010. Additional sailing days in the current quarter contributed somewhat to diminish the decrease.

The company's operating cost including TC hire and administration cost, but excluding depreciations in the quarter was MNOK 198 which was a decrease of MNOK 4 compared to the 4th quarter 2010. The company has continued its low, but adequate level on ships operating expenses. Cost for hired in tonnage has been reduced with MNOK 10 from the 4th quarter 2010 to the 4th quarter 2011 through both redelivery of tonnage as well as renewals at a lower level.

The operating result before depreciations (EBITDA) was MNOK 60 in the quarter which was MNOK 15 lower than the corresponding period in 2010. The reason for the decrease was primarily in a weakening of the earnings with NOK 2 092/day in the core area Wilson EuroCarriers, and that the subsidiary company Euro Container Line had a weaker 4th quarter in 2011 than in 2010.

The company has tested booked values through the calculation of the residual value of the fleet, both in total and on segment level according to the practical organization of the company. The calculation showed a need for a write down for an atypical bulkship presently being laid up with MNOK 10. Ordinary depreciation for the quarter was MNOK 50 so that total depreciation and write down for the 4th quarter 2011 are MNOK 60. For the corresponding period last year ordinary depreciation was MNOK 45.

The operating result for the current year's quarter became MNOK 1 compared to MNOK 30 for the 4th quarter 2010.

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Net result from financial items in the quarter was MNOK -11 compared to MNOK -12 in the 4th quarter 2010. Both quarters were positively affected by currency translation. Ordinary interest cost increased from MNOK 18 for the 4th quarter 2010 to MNOK 24 for the 4th quarter 2011 due to higher loan levels and a change in the loan margins.

The company's result before minority interests and calculated tax in the quarter was MNOK -10 compared to MNOK 18 for the corresponding period 2010. Calculated tax cost for the quarter showed MNOK 15 compared to MNOK -15 for the 4th quarter 2010. The change in tax cost is in main related to a reduction of booked deferred tax benefit. In total this gave a period result of MNOK -25 for the 4th quarter 2011 compared to MNOK 33 for the 4th quarter 2010.

The market

The positive market sentiment which was established towards the end of the 3rd quarter continued through the major part of the 4th quarter. Towards the end of the period the activity diminished as usual at the turn of the year. The contract coverage was 52 % in the quarter which was an increase of 4 % points compared to the 3rd quarter.

The activity level, measured as the number of voyage days, showed an increase of around 3 % from the 4th quarter 2010 to the 4th quarter 2011, where the increase was due to delivery of newbuildings. From the 3rd quarter 2011 to the 4th quarter 2011 it was around 2 % change in the activity level, primarily due to lower docking activity in the 4th quarter.

Financing and capital structure

The company's book equity was MNOK 782 per 31.12.2011 compared to MNOK 862 per 31.12.2010. Book equity was thus 28 % compared to 32 % per 31.12.2010 of a total balance of MNOK 2 753 and MNOK 2 705 respectively. Including long term shareholder's loan, the ratio was 32 % and 35 % at 31.12.2011 and 31.12.2010 respectively.

Interest bearing debt and leasing obligations amounted to MNOK 1 709 compared to MNOK 1 600 per 31.12.2010. The increase was due to draw down on the newbuilding credit facility related to the company's two newbuilding programs. As the newbuilding program in the 4 500 dwt series is reduced to 4 ships, the capital requirement and future debt related to the program are being halved. The payments on the ships that have been cancelled will be applied towards the remaining payments on ships to be delivered. The major part of these payments is equity, and ships for delivery will be financed in line with the original plan. The proceeds from the above will substantially strengthen the company's working capital.

Due to the difficult market in 2011 the company obtained a change in the financial loan conditions through a temporary arrangement with duration until June this year. Additionally, the cash generating capability of the company was not sufficient to cover installments according to plan, which was handled through a short term loan facility which also has duration until June in the current year. The company does not have free capital to pay off this facility on maturity, nor is the current earnings level creating a foundation until June in order to expect to be able to repay the loan. Various optional solutions are being looked at in the market, towards the major owner and the financing company, and the company has a firm belief in that the obligation will be solved within maturity.

Prospects

The earnings level for the 4th quarter was reduced due to a softening in the activity at the turn of the year which affected the company into the 1st quarter 2012. At the same time the ships voyage results, and thereby the company's net earnings, are affected by the weather conditions where one typically is using longer time on the same voyages during the winter. In the beginning of 2012 this has been in particular evident. Additionally the voyage results are affected negatively by spot voyages due to high bunker price. For the coming period the company thus expects a somewhat weaker result.

Considerable uncertainty concerning the future economical development in several European countries is currently weakening the regional demand in Europe. Contrary to several other shipping segments the short sea segment does not experience to be marked by over-ordering of newbuildings. In the company's opinion the challenge for the European short sea therefore has been a diminished demand and a stagnating industrial production. Increased clarification of the economical conditions and packages of financial measures in the EU are thus therefore creating anticipations in having a positive effect on the demand in the market.

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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 Board of Directors of
Wilson ASA**

Bergen, 23rd February 2012

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Statement of income

Wilson Group

(All figures in TNOK)

OPERATING REVENUE AND EXPENSES	Q4 2011	Q4 2010	1.1 - 31.12. 2011	1.1 - 31.12. 2010
Freight income	529 313	536 726	1 988 195	1 969 432
Voyage related expenses	273 022	262 082	1 020 434	963 891
Ships income on TC basis	256 291	274 644	967 761	1 005 541
Other operating income	1 779	2 985	7 869	33 496
Total operating revenue	258 070	277 629	975 630	1 039 037
Profit/(loss) from purchase or sale of assets	0	0	0	29
Crew cost ships	61 706	58 054	234 332	221 154
Other operating expenses	42 171	43 787	181 413	173 613
T/C and BB hires	58 777	68 360	242 361	257 461
Administration expenses	35 219	31 805	125 034	117 419
Total operating expenses	197 873	202 007	783 140	769 647
Operating result before depreciations	60 197	75 623	192 490	269 419
Depreciations	49 666	45 395	190 400	178 550
Write down	10 000	0	10 000	0
	59 666	45 395	200 400	178 550
Operating result (EBIT)	531	30 228	- 7 910	90 869
FINANCIAL INCOME AND COST				
Interest income	341	486	882	703
Share of result in non-consolidated investees	18	- 1 213	7	- 2 350
Agio	11 795	14 139	25 914	56 918
Value changes in financial instruments	2 740	1 178	6 540	- 4 146
Interest cost	23 687	18 041	84 904	66 681
Disagio	815	8 203	29 653	24 237
Other finance cost	997	506	2 843	2 022
Financial result	- 10 605	- 12 160	- 84 057	- 41 815
Result before tax	- 10 074	18 068	- 91 967	49 054
Tax cost	15 091	- 14 709	-10 986	- 9 020
Annual result	- 25 165	32 777	- 80 981	58 074
OTHER COMPREHENSIVE INCOME				
Translation differences	812	3 607	456	5 343
Purchase of jointly controlled companies	0	0		0
Mergers	0	0		0
Other comprehensive income after tax	812	3 607	456	5 343
Total result	- 24 353	36 384	- 80 525	63 417
Annual result - Majority share	- 25 345	33 028	- 81 499	58 409
Annual result - Minority share	180	- 251	518	- 335
	- 25 165	32 777	- 80 981	58 074
Total result - Majority share	- 24 533	36 635	- 81 043	63 752
Total result - Minority share	180	- 251	518	- 335
	- 24 353	36 384	- 80 525	63 417

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Balance

Group

(All figures in TNOK)

ASSETS	31.12.11	31.12.10
Fixed assets		
Intangible fixed assets		
Intangible fixed assets	4 200	0
Deferred tax assets	57 575	45 051
Goodwill	154 704	154 704
Total intangible fixed assets	216 479	199 755
Tangible non-current assets		
Property	2 164	2 314
Vessels	1 988 767	1 694 425
Vessels under construction	263 289	465 171
Fixtures and furniture, office machines etc.	8 900	8 304
Total tangible non-current assets	2 263 120	2 170 214
Financial fixed assets		
Investments in non-consolidated investees	24 195	24 188
Loans to non-consolidated investees	5 082	5 120
Total financial fixed assets	29 277	29 308
Total fixed assets	2 508 876	2 399 277
Current assets		
Stores and fuel	64 219	46 594
Receivables		
Accounts receivable	97 866	99 880
Other receivables	68 497	54 165
Total receivables	166 363	154 045
Investments		
Financial instruments	10 003	3 967
Cash at bank, at hand, etc.	3 524	101 007
Total current assets	244 109	305 613
TOTAL ASSETS	2 752 985	2 704 890

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Group

(All figures in TNOK)

SHAREHOLDERS' FUND AND LIABILITIES	31.12.11	31.12.10
Equity		
Paid-in capital		
Share capital (42,216,000 share a kr 5.-)	211 080	211 080
Total paid-in capital	<u>211 080</u>	<u>211 080</u>
Retained earnings		
Group funds	558 769	639 811
Total retained earnings	<u>558 769</u>	<u>639 811</u>
Minority interest	11 974	11 457
Total equity	<u>781 823</u>	<u>862 348</u>
Liabilities		
Accrued liabilities		
Accrued pension liabilities	10 993	9 661
Total provisions	<u>10 993</u>	<u>9 661</u>
Other long term debt		
Interest-bearing liabilities to financial institutions	1 248 732	1 275 560
Liabilities to group company	92 306	92 852
Interest bearing leasing obligations	44 575	47 918
Financial instruments	12 947	11 477
Other long term debt	21 338	21 348
Total other long term liabilities	<u>1 419 898</u>	<u>1 449 155</u>
Current liabilities		
Current liability of long term debt	303 389	164 133
Accounts payable	88 601	88 497
Social security tax, withholding tax, etc.	10 858	10 617
Financial obligations purchase options	12 592	20 410
Other short term liabilities	124 831	100 069
Total current liabilities	<u>540 271</u>	<u>383 726</u>
Total liabilities	<u>1 971 162</u>	<u>1 842 542</u>
TOTAL EQUITY AND LIABILITIES	<u>2 752 985</u>	<u>2 704 890</u>

The Board of Directors of Wilson ASA

Bergen, 23rd February 2012

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Equity changes

	01.01-31.12 2011	01.01-31.12 2010
Equity at the start of period	862 348	798 931
Total income and expenses	-80 525	63 417
Equity at end of period	781 823	862 348

Cash flow statement

(All figures TNOK)	01.01-31.12 2011	01.01-31.12 2010
Cash flow from operating activities	95 775	210 580
Cash flow from investing activities	-295 130	-395 934
Cash flow from financing activities	101 873	243 808
Changes in bank deposits and cash at hand	-97 482	58 454
Bank balances and cash at hand at start of period	101 006	42 552
Bank balances and cash at hand at end of period	3 524	101 006

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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 2011 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 4th quarter 2011 was MNOK 45 compared to MNOK 50 in the 4th quarter 2010. The operating result was MNOK 6, which is somewhat above the level with the corresponding period last year. Booked value ships per 31.12.2011 shows MNOK 225 compared to MNOK 308 per 31.12.2010. The decrease in booked value ships was due to 2 system ships left this segment and entered into the 3 – 4 500 dwt segment.

3 - 4 500 dwt

The operating result in the segment showed MNOK 7 for the quarter compared to MNOK 9 in the 4th quarter 2010. The operating income decreased by MNOK 8 from MNOK 129 in the 4th quarter 2010 to MNOK 121 in the 4th quarter 2011, at the same time as operating cost decreased from MNOK 101 to MNOK 93 for the quarter. Depreciations increased by MNOK 1 from MNOK 19 in the 4th quarter 2010 to MNOK 20 for the 4th quarter 2011. Booked value ships per 31.12.2011 showed MNOK 991 compared to MNOK 892 per 31.12.2010. Booked value ships increased due to the capitalization of ongoing payments on newbuilding programs as well as the transfer of three ships to this segment.

6 – 10 000 dwt

The segment showed total operating income of MNOK 73 in the quarter, which was MNOK 4 higher than the 4th quarter 2010. The operating result showed MNOK -3 which was a decrease of MNOK 16 compared to the 4th quarter 2010. Booked value ships showed MNOK 929 per 31.12.2011 compared to MNOK 808 per 31.12.2010. Booked value increased due to the delivery of newbuildings in addition to the capitalization of ongoing payments on the building program. Included is also write down on an atypical bulkship presently being laid up with MNOK 10.

After 31.12.2011 the company has taken delivery of the eight ship in the series of 8 x 8 300 dwt bulkships from YiChang Shipyard, Kina.

Other

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

The segment showed total operating income of MNOK 20 for the quarter compared to MNOK 30 for the same period last year. The operating result showed MNOK -10 compared to MNOK 4 for the 4th quarter 2010. Booked value ships showed MNOK 107 per 31.12.2011 compared to MNOK 151 per 31.12.2010. The decrease in booked value ships was due to a transfer of a selfunloader from this segment to the 3 – 4 500 dwt segment.

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01.10-31.12.11	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	44 956	120 719	72 713	19 683	258 071
Operating expenses *	30 957	93 293	50 578	23 046	197 874
Operating result before depreciations (EBITDA)	13 999	27 426	22 135	- 3 363	60 197
Depreciations	8 189	20 300	24 807	6 370	59 666
Operating result (EBIT)	5 810	7 126	- 2 672	- 9 733	531
Ships net book value	224 886	991 305	929 324	106 542	2 252 057
whereof					
Ships aquisition	0	0		0	0
Ships being built	0	2 070	13 746		15 816
	Import	Export	Domestic	Abroad	Sum
Operating income	61 937	85 163	15 484	95 486	258 071
in %	24%	33%	6%	37%	100%

* Operating expenses includes TC hires

** Includes profit and loss from sale of ships

01.10 - 31.12.10	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
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	308,181	892,293	808,462	150,660	2,159,596
whereof					
Ships aquisition	-	-		-	0
Ships being built	-	23,487	50,467		73,954
	Import	Export	Domestic	Abroad	Sum
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

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01.01 - 31.12.11	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	183,646	448,699	254,973	88,312	975,630
Operating expenses *	124,002	389,564	187,190	82,384	783,140
Operating result before depreciations (EBITDA)	59,644	59,135	67,783	5,928	192,490
Depreciations	36,034	82,190	64,711	17,465	200,400
Operating result (EBIT)	23,610	-23,055	3,072	-11,537	-7,910
Ships net book value whereof	224,886	991,305	929,324	106,542	2,252,057
Ships aquisition	-	-	417,864	-	417,864
Ships being built	-	67,881	148,102	-	215,983
	Import	Export	Domestic	Abroad	Sum
Operating income	234,151	302,445	68,294	370,739	975,630
in %	24%	31%	7%	38%	100%

* Operating expenses includes TC hires

** Includes profit and loss from sale of ships

01.01 - 31.12.10	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
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	-	-	166,300	-	166,300
Ships being built	-	54,667	49,307	-	103,974
	Import	Export	Domestic	Abroad	Sum
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

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Note 3 – The company's major shareholders per 31.12.2011

The company's share capital as of 31.12.2011 consisted of 42 216 000 shares at NOK 5 totaling TNOK 211 080.

Navn	Aksjer	Eierandel	Stemmeandel
Caiano AS	38 070 599	90.18%	90.18%
Pareto Aksje Norge	881 800	2.09%	2.09%
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 % eierandel	40 476 953	95.88%	95.88%
Sum øvrige	1 739 047	4.12%	4.12%
Totalt antall aksjer	42 216 000	100.0 %	100.0 %

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.