

# WILSON ASA

## 4th quarter report - 2012

### Summary

- Almost flat development in net earnings/day in spite of normal seasonal drop in the market towards the end of the 4th quarter
- EBITDA of MNOK 68 in the quarter and an operating result of MNOK 16
- Improvement in EBITDA of MNOK 37 for 2012 compared to 2011
- Positive operating result for 2012; MNOK 36, an increase of MNOK 42 from 2011

Figures in MNOK except daily figures and per share	4Q-2012	4Q-2011	3Q-2012	Changes	
				4Q-2011	3Q-2012
Daily income TC equivalent	<b>24 128</b>	25 563	24 469	(1 435)	( 341)
Gross freight income	<b>533</b>	529	535	4	(2)
EBITDA	<b>68</b>	60	67	8	-
Operating result	<b>16</b>	1	21	15	(5)
Result from financial items	<b>(27)</b>	(11)	(17)	(16)	(10)
Result before tax and minority	<b>(11)</b>	(10)	4	-	(15)
Result per share / majority	<b>(1,97)</b>	(0,52)	0,11	(1,45)	(2,08)

### **Wilson ASA – Business description**

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 27.02.2013 the Wilson system operates 110 ships, whereof 88 are owning-wise controlled. In 2012 the company has completed both newbuilding programmes and all the 12 newbuildings are now in operation. Both newbuilding programmes were completed within the company's quality requirements and according to budget, however with some delivery delays.

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 2012**

Gross turnover in the 4th quarter was MNOK 533, an increase of MNOK 4 compared to the 4th quarter 2011. Net freight income, corresponding to ships income on TC basis amounted to MNOK 259 in the quarter compared to MNOK 256 for the corresponding period in 2011. The increase was due to more earning days. The earnings level in the quarter was NOK 24 128/day compared to NOK 25 563/day in the 4th quarter 2011, a decrease of NOK 1 435/day.

The company's total operating cost incl. TC hire and administration cost, but excluding depreciation was MNOK 193 in the quarter which was MNOK 4 lower than in the 4th quarter 2011. The company has increased the number of owned ships between the periods, but is showing lower operating cost per ship day in the 4th quarter 2012 compared to the 4th quarter 2011. Additionally TC hire cost has also been reduced.

The operating result before depreciations (EBITDA) was MNOK 68 in the quarter which was MNOK 8 higher than in the 4th quarter 2011.

Total depreciations in the group were MNOK 48 in the 4th quarter 2012 which were MNOK 2 lower than in the 4th quarter 2011. The group has additionally taken a writedown of goodwill of MNOK 3 related to the activity area of selfloaders due to a scaledown of this activity.

The operating result for the current year's quarter became MNOK 16 compared to MNOK 1 for the 4th quarter 2011.

Net result from financial items of MNOK -27 in the quarter was little affected by agio/disagio from changes in the rate of exchange. In the 4th quarter 2011 net financial items showed a result of MNOK 11, but here the financial result was positively affected by changes in the rates of exchange with MNOK 14. Interest cost showed an increase of MNOK 1 from the 4th quarter 2011 to the 4th quarter 2012.

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The company's result before minority interest and calculated tax was MNOK -11 in the quarter compared to MNOK -10 for the corresponding period in 2011. Calculated tax cost for the quarter showed MNOK 71 compared to MNOK 15 for the 4th quarter 2011. The tax cost is a result of not booking deferred tax gain. In total this gave a period result of MNOK -82 for the 4th quarter 2012 compared to MNOK -25 for the 4th quarter 2011.

### **The market**

The improvement in the rates which was experienced towards the end of the 3rd quarter gradually decreased in the 4th quarter. In spite of this the company managed to maintain the earnings level in the 4th quarter on almost the same level as what was achieved in the 3rd quarter; NOK 24 128/day for the 4th quarter compared to NOK 24 469/day in the 3rd quarter. Seen in isolation the earnings is on a low level due to the continuing financial recession in Europe. Compared to the 4th quarter 2011 the earnings level was close to NOK 1 500 lower per day than in the 4th quarter 2012.

Contract coverage was 53 % in the quarter which was an increase of 5 percent points compared to the last quarter, but on a similar level as the corresponding quarter in 2011 (52 %).

The activity level, measured as the number of sailing days showed an increase of about 2 % from the 4th quarter 2011 to the 4th quarter 2012. In main the increase was due to delivery of newbuildings. Compared to the 3rd quarter the activity level in the 4th quarter was ca 2 % lower, primarily due to higher docking activity in the 4th quarter.

### **Financing and capital structure**

Towards the end of 2012 the company carried through a refinancing of almost all mortgage debt. The refinancing included amongst others a substantial reduction of the annual instalments related to this debt at the same time as the company also solved the challenge with handling the short term loan of MNOK 112. The condition from the lenders were that the company was supplied with capital amounting to MNOK 100 ahead of the refinancing. The company's main shareholder supplied such capital through a long term interest-only shareholder's loan.

The company's book equity was MNOK 679 per 31.12.2012 compared to MNOK 761 per 30.09.2012. Book equity was thus 26 % per 31.12.2012 compared to 28 % per 30.09.2012 of a total balance of MNOK 2 648 and MNOK 2 707 respectively. Including long term shareholder's loans the ratio was 33 % on 31.12.2012 compared to 31 % on 30.09.2012.

Interest bearing debt and leasing obligations amounted to MNOK 1 734 per 31.12.2012 compared to MNOK 1 691 per 30.09.2012. Mortgage debt and leasing obligations as share of this were MNOK 1 525 and MNOK 1 583 respectively. The changes are primarily due drawdown related to newbuildings in the period and the extraordinary down-payment of debt with MNOK 75. The company's liquidity position was improved from MNOK 25 per 30.09.2012 to MNOK 70 per 31.12.2012, in addition to the available credit facility of MNOK 55.

### **Prospects**

The market has shown a sideways movement into the 1st quarter. Normally, bad weather conditions in the 1st quarter is causing increased duration for the voyages so that net earnings become lower. It is therefore expected a lower operating result in the 1st quarter 2013 than in the 4th quarter 2012.

The low rates observed in 2012 are an indication of the financial recession in Europa. An increase in the general activity level will give positive development in the demand for the company's services so that a change in the central European economies in 2013 and into 2014 will have a decisive importance for the development in the freight rates. The Board of Directors expects that it may take some time before the economies in Europe again are showing signs of economic growth and it is thus not expected any substantial increase in freight rates in 2013.

### **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, 27th February 2013**

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### Profit and loss

#### Group

(All figures in TNOK )

<b>OPERATING REVENUE AND EXPENSES</b>	<b>4th quarter 2012</b>	<b>4th quarter 2011</b>	<b>1.1 - 31.12. 2012</b>	<b>1.1 - 31.12. 2011</b>
Freight income	532 828	529 313	2 098 756	1.988.195
Voyage related expenses	273 853	273 022	1 097 773	1.020.434
Ships income on TC basis	258 975	256 291	1 000 983	967 761
Other operating income	2 200	1 779	6 747	7.869
<b>Total operating revenue</b>	<b>261 175</b>	<b>258 070</b>	<b>1 007 730</b>	<b>975 630</b>
Profit/(loss) from purchase or sale of assets	0	0	0	0
Crew cost ships	65 050	61 706	259 474	234.332
Other operating expenses	40 897	42 171	179 574	181.413
T/C and BB hires	51 473	58 777	209 145	242.361
Administration expenses	36 042	35 219	130 912	125.034
<b>Total operating expenses</b>	<b>193 462</b>	<b>197 873</b>	<b>779 105</b>	<b>783 140</b>
<b>Operating result before depreciations</b>	<b>67 713</b>	<b>60 197</b>	<b>228 625</b>	<b>192 490</b>
Depreciations	48 461	49 666	189 465	190.400
Write down	3 242	10 000	3 242	10.000
<b>Total depreciations and write down</b>	<b>51.703</b>	<b>59.666</b>	<b>192.707</b>	<b>200.400</b>
<b>Operating result (EBIT)</b>	<b>16 010</b>	<b>531</b>	<b>35 918</b>	<b>- 7 910</b>
<b>FINANCIAL INCOME AND COST</b>				
Interest income	215	341	310	882
Share of result in non-consolidated investees	- 879	18	- 2 771	7
Agio	5 840	11 795	51 445	25.914
Value changes in financial instruments	- 1 836	2 740	- 11 839	6.540
Interest cost	24 956	23 687	96 317	84.904
Disagio	1 869	815	13 460	29.653
Other finance cost	3 075	997	5 745	2.843
<b>Financial result</b>	<b>- 26 560</b>	<b>- 10 605</b>	<b>- 78 377</b>	<b>- 84 057</b>
<b>Result before tax</b>	<b>- 10 550</b>	<b>- 10 074</b>	<b>- 42 459</b>	<b>- 91 967</b>
Tax cost	71 181	15 091	59 640	-10.986
<b>Annual result</b>	<b>- 81 731</b>	<b>- 25 165</b>	<b>- 102 099</b>	<b>- 80 981</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Translation differences	- 831	812	- 1 028	456
<b>Other comprehensive income after tax</b>	<b>-831</b>	<b>812</b>	<b>-1.028</b>	<b>456</b>
<b>Total result</b>	<b>- 82 562</b>	<b>- 24 353</b>	<b>- 103 127</b>	<b>- 80 525</b>
Annual result - Majority share	- 82 447	- 25 345	- 102 514	- 81 499
Annual result - Minority share	716	180	415	518
	<b>- 81 731</b>	<b>- 25 165</b>	<b>- 102 099</b>	<b>- 80 981</b>
Total result - Majority share	- 83 278	- 24 533	- 103 542	- 81 043
Total result - Minority share	716	180	415	518
	<b>- 82 562</b>	<b>- 24 353</b>	<b>- 103 127</b>	<b>- 80 525</b>

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### Balance

#### Group

(All figures in TNOK)

<b>ASSETS</b>	<b>31.12.12</b>	<b>31.12.11</b>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Intangible fixed assets	2 100	4 200
Deferred tax assets	0	57 575
Goodwill	151 463	154 704
Total intangible fixed assets	<u>153 563</u>	<u>216 479</u>
<b>Tangible non-current assets</b>		
Property	2 013	2 164
Vessels	2 124 988	1 988 767
Vessels under construction	0	263 289
Fixtures and furniture, office machines etc.	8 739	8 900
Total tangible non-current assets	<u>2 135 740</u>	<u>2 263 120</u>
<b>Financial fixed assets</b>		
Investments in non-consolidated investees	21 423	24 195
Loans to non-consolidated investees	4 811	5 082
Total financial fixed assets	<u>26 234</u>	<u>29 277</u>
<b>Total fixed assets</b>	<b><u>2 315 537</u></b>	<b><u>2 508 876</u></b>
<b>Current assets</b>		
<b>Stores and fuel</b>	62 119	64 219
<b>Receivables</b>		
Accounts receivable	103 554	97 866
Other receivables	97 316	68 497
Total receivables	<u>200 870</u>	<u>166 363</u>
<b>Investments</b>		
Financial instruments	0	10 003
<b>Cash at bank, at hand, etc.</b>	69 698	3 524
<b>Total current assets</b>	<b><u>332 687</u></b>	<b><u>244 109</u></b>
<b>TOTAL ASSETS</b>	<b><u>2 648 224</u></b>	<b><u>2 752 985</u></b>

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### Group

(All figures in TNOK)

<b>SHAREHOLDERS' FUND AND LIABILITIES</b>	<b>31.12.12</b>	<b>31.12.11</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	455 227	558 769
Total retained earnings	455 227	558 769
Minority interest	12 389	11 974
<b>Total equity</b>	<b>678 696</b>	<b>781 823</b>
<b>Liabilities</b>		
<b>Accrued liabilities</b>		
Accrued pension liabilities	9 577	10 993
Total provisions	9 577	10 993
<b>Other long term debt</b>		
Interest-bearing liabilities to financial institutions	1 372 363	1 248 732
Liabilities to group company	188 455	92 306
Interest bearing leasing obligations	41 215	44 575
Financial instruments	14 271	12 947
Other long term debt	21 266	21 338
Total other long term liabilities	1 637 570	1 419 898
<b>Current liabilities</b>		
Current liability of long term debt	111 899	303 389
Overdraft facility	2 642	0
Accounts payable	80 182	88 601
Social security tax, withholding tax, etc.	10 838	10 858
Financial obligations purchase options	0	12 592
Other short term liabilities	116 820	124 831
Total current liabilities	322 381	540 271
<b>Total liabilities</b>	<b>1 969 528</b>	<b>1 971 162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 648 224</b>	<b>2 752 985</b>

Board of Directors of Wilson ASA

Bergen, 27th February 2013

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### Equity changes

	01.01-31.12 2012	01.01-31.12 2011
Equity at the start of period	781 823	862 348
Total income and expenses	-103 127	-80 525
Equity at end of period	678 696	781 823

### Cash flow statement

(All figures TNOK)	01.01-31.12 2012	01.01-31.12 2011
Cash flow from operating activities	75 281	95 775
Cash flow from investing activities	-56 872	-295 130
Cash flow from financing activities	47 765	101 873
Changes in bank deposits and cash at hand	66 174	-97 482
Bank balances and cash at hand at start of period	3 524	101 006
Bank balances and cash at hand at end of period	69 698	3 524

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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 2012 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2012.

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

Net operating income in the segment in the 4th quarter 2012 was MNOK 46 compared to MNOK 45 in the 4th quarter 2011. The operating result became MNOK 7, which was MNOK 1 over the corresponding period in 2011. Booked value ships per 31.12.2012 shows MNOK 204 compared to MNOK 225 per 31.12.2011.

##### 3 - 4 500 dwt

The operating result in the segment showed MNOK -1 for the quarter compared to MNOK 7 in the 4th quarter 2011. Net operating income decreased with MNOK 10 from MNOK 121 in the 4th quarter 2011 to MNOK 111 in the 4th quarter 2012 at the same time as the operating cost decreased from MNOK 93 to MNOK 90 for the quarter. Depreciation increased with MNOK 1 from MNOK 20 in the 4th quarter 2011 to MNOK 21 in the 4th quarter 2012. Booked value ships per 31.12.2012 showed MNOK 921 compared to MNOK 991 per 31.12.2011.

During 2012 the company has taken delivery of the whole series of 4 x 4 500 dwt bulkships from Shandong Baibuting Shipyard, China.

##### 6 – 10 000 dwt

The segment showed total net operating income of MNOK 72 in the quarter, which was MNOK 1 lower than in the 4th quarter 2011. The operating result showed MNOK 7 which was an increase of MNOK 10 from MNOK -3 for the 4th quarter 2011, but where 4th quarter 2011 was affected by a writedown amounting to MNOK 10 for an atypical bulkship. Booked value ships showed MNOK 894 per 31.12.2012 compared to MNOK 929 per 31.12.2011.

#### Other

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

In total the segment showed net operating income of MNOK 32 for the quarter compared to MNOK 20 for the same period in 2011. Operating cost moved from MNOK 23 in the 4th quarter 2011 to MNOK 22 in the 4th quarter 2012. In 2012 goodwill has been written down with MNOK 3 related to the self unloader activity due to the scaledown of this activity area. The operating result for the 4th quarter 2012 showed MNOK 3 compared to MNOK -10 for the 4th quarter 2011. Booked value ships showed MNOK 106 per 31.12.2012 compared to MNOK 107 per 31.12.2011.

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01.10-31.12.12	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	46 413	111 002	71 812	31 949	261 176
Operating expenses *	32 036	90 247	49 446	21 734	193 463
Operating result before depreciations (EBITDA)	14 377	20 755	22 366	10 215	67 713
Depreciations	7 726	21 436	15 487	3 812	48 461
				3 242	3 242
Operating result (EBIT)	6 651	- 681	6 879	3 161	16 010
Ships net book value whereof	203 596	921 088	894 282	106 022	2 124 988
Ships aquisition					0
Ships being built		- 10 537	- 760		- 11 297
	27 000	56 000	44 000	24 463	151 463
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	65 294	73 129	18 282	104 470	261 176
in %	25%	28%	7%	40%	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	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	14.807	6.370	49.666
			10.000		10.000
Operating result (EBIT)	5.810	7.126	-2.672	-9.733	531
Ships net book value whereof	224.886	991.305	929.324	106.542	2.252.057
Ships aquisition	-	-		-	0
Ships being built	-	2.070	13.746		15.816
	27.000	56.000	44.000	27.704	154.704
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
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

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01.01 - 31.12.12	2 000 dwt / system	3 500 - 4 500 dwt	6 000 - 10 000 dwt	Other **	Sum
Operating income	187.546	437.869	285.348	96.967	1.007.730
Operating expenses *	128.016	362.801	205.308	82.980	779.105
Operating result before depreciations (EBITDA)	59.530	75.068	80.040	13.987	228.625
Depreciations	30.857	82.412	60.250	15.946	189.465
				3.242	3.242
Operating result (EBIT)	28.673	-7.344	19.790	-5.201	35.918
Ships net book value whereof	203.596	921.088	894.282	106.022	2.124.988
Ships aquisition	-	181.400	80.689	-	262.089
Ships being built	-	-21.605	17.947		-3.658
	27.000	56.000	44.000	24.463	151.463
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income in %	251.933 25%	282.164 28%	70.541 7%	403.092 40%	1.007.730 100%

\* Operating expenses includes TC hires

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

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	54.711	17.465	190.400
			10.000		10.000
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
	27.000	56.000	44.000	27.704	154.704
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income in %	234.151 24%	302.445 31%	68.294 7%	370.739 38%	975.630 100%

\* 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 31.12.2012

The company's share capital as of 31.12.2012 consisted of 42 216 000 shares at NOK 5 totaling TNOK 211 080.

<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	904 000	2,14%	2,09%
Ivan AS	623 000	1,48%	1,48%
Slethei AS	468 954	1,11%	1,11%
Sum > 1 % owning share	40 066 553	94,91%	94,86%
Sum other	2 149 447	5,09%	5,14%
<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.*