

# WILSON ASA

## 3rd quarter report - 2010

### Summary

- **Improvement in net freight income**
- **Decrease in daily income from 2Q compensated by increased activity**
- **Cash flow, adjusted for non-recurring events, on level with the previous quarter**
- **Changes in currency exchange levels draws up the financial result**
- **Moderate improvement in the market after a weak summer market**

Figures in MNOK except daily figures and per share	3Q-2010	3Q-2009	2Q-2010	Changes	
				3Q-2009	2Q-2010
Daily income TC equivalent	<b>26 823</b>	24 601	28 487	2 222	(1 664)
Gross freight income	<b>498</b>	414	488	85	10
EBITDA	<b>64</b>	25	93	39	( 29)
Operating result	<b>21</b>	( 22)	49	43	( 28)
Result from financial items	<b>( 3)</b>	39	( 26)	( 42)	22
Result before tax and minority	<b>17</b>	17	23	1	( 6)
Result per share / majority	<b>0.33</b>	0.28	0.41	0.05	( 0.08)

### 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 in the European short sea trade. Wilson is a premier player in this market. Per 03.11.2010 the Wilson system operated 113 ships, whereof 78 are owning-wise controlled by the company. The company has now taken delivery of two out of eight new-buildings in the 8 300 dwt program, whereas the third is expected to be delivered in January 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 3rd quarter 2010

Ships income on TC basis amounted to MNOK 258 in the 3rd quarter 2010 compared to MNOK 204 in the 3rd quarter 2009. The company's main activity, Wilson EuroCarriers, showed improvement in the earning levels; from NOK 24 601/day in the 3rd quarter 2009 to NOK 26 823/day in the 3rd quarter 2010. The activity, measured as the number of earning days, was also considerable higher in the current year's quarter.

The company's total operating cost, including TC hire, excluding depreciation, was MNOK 197 in the quarter which is an increase of MNOK 15 compared to the 3rd quarter 2009. The changes between the periods are primarily due to increased activity by additional TC ships.

In the 3rd quarter 2010 the operating result before depreciations (EBITDA) was MNOK 64. This is an increase of MNOK 39 compared to the corresponding period last year and is an effect of increased income from higher activity and improved earnings level.

Total depreciation in the company was MNOK 43 in the quarter compared to MNOK 47 in the corresponding period last year. The operating result for the current year's quarter became MNOK 21 compared to MNOK -22 for the 3rd quarter 2009.

The financial result in the 3rd quarter 2010 showed MNOK -3 compared to MNOK 39 in the 3rd quarter 2009. Both periods differ from a normalized financial result due to exchange rate fluctuations. The current year's quarterly figures are affected by a fall in the USD rate of exchange compared to the previous quarter which gives a positive effect for the NOK counter value of the company's USD new-building loan.

The company's result before minority and calculated tax was MNOK 17 in the quarter which was on level with the 3rd quarter 2009. Calculated tax for the quarter showed a cost of MNOK 3 compared

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to a cost of MNOK 5 for the corresponding period in 2009. This gave a period result of MNOK 14 for the 3rd quarter 2010 compared to MNOK 12 for the 3rd quarter 2009.

### **The market**

In the quarter the company had contract coverage of 47 % which is marginally up from 46 % for the 3rd quarter 2009. Historically the company has had contract coverage of around 2/3. The low coverage reflects that the market has still not been recovered after the crisis in 2008/2009. At the same time the activity this summer was the weakest for several years, which also held down the contract coverage.

In the late summer period the activity recovered somewhat, but is still lower than what the company considers as a normal activity level.

The summer stillness also affected the company's spot earnings which was weaker in the 3rd quarter than in the 2nd quarter.

The activity level measured as the number of sailing days showed a considerable increase of 9 % in the 3rd quarter compared to the 2nd quarter. The increase is due to fewer dockings and more TC ships in the period.

### **Financing and capital structure**

Per 30.09.2010 interest bearing debt and leasing obligations in the balance totaled MNOK 1 561 compared to MNOK 1 467 per 30.06.2010 where the increase is due to drawdown of the new building loans in the period.

The company's book equity per 30.09.2010 was MNOK 826 compared to MNOK 812 per 30.06.2010. Book equity was thereby 31.7 % compared to 32.6 % per 30.06. of a total balance of MNOK 2 607 and MNOK 2 488 respectively.

Bank and cash deposits per 30.09.2010 were MNOK 103 in addition to an available credit facility totaling MNOK 55.

### **Events after the balance day**

On the 1st November the company purchased MV Wilson Express (1983, 5 800 dwt) from Green Reefers ASA. Wilson has had the ship on time charter since 2004. Wilson Express was taken over by the purchase of 100 % of the shares in the ship-owning company Green Maritime AS. Total purchase price for the ship and other company value was MUSD 3.6.

The agreement with Green Reefers is an agreement between associated parties as Wilson's main shareholder also is the major shareholder in Green Reefers.

### **Prospects**

The earnings level for the 3rd quarter was weakened by a quiet summer period. For the coming period the company expects that the earning levels will be above the average for the 3rd quarter. Generally the ships have used longer time at this time of the year for the same voyages than in the summer half-year. Lower efficiency will thereby have the opposite effect in the company's net earnings.

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.

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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, 3rd November 2010**

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### Profit and loss

#### Wilson group

(All figures in TNOK )

OPERATING REVENUE AND EXPENSES	Q3 2010	Q3 2009	1.1 - 30.09. 2010	1.1 - 30.09. 2009	1.1 - 31.12. 2009
Freight income	498 499	413 512	1 432 706	1 204 405	1 648 255
Voyage related expenses	240 394	209 664	701 809	595 384	816 536
Ships income on TC basis	258 105	203 848	730 897	609 021	831 719
Other operating income	2 822	3 107	30 511	8 848	11 874
<b>Total operating revenue</b>	<b>260 927</b>	<b>206 955</b>	<b>761 408</b>	<b>617 869</b>	<b>843 593</b>
Profit/(loss) from purchase or sale of assets	0	0	29	- 379	- 2 632
Crew cost ships	55 383	50 498	163 100	173 358	221 925
Other operating expenses	44 950	46 390	129 826	151 293	192 737
T/C and BB hires	66 524	56 071	189 100	190 856	250 130
Administration expenses	29 980	28 905	85 614	90 758	120 429
<b>Total operating expenses</b>	<b>196 837</b>	<b>181 864</b>	<b>567 640</b>	<b>606 265</b>	<b>785 221</b>
<b>Operating result before depreciations</b>	<b>64 090</b>	<b>25 091</b>	<b>193 797</b>	<b>11 225</b>	<b>55 740</b>
Depreciations	43 493	47 065	133 155	143 106	188 982
<b>Operating result (EBIT)</b>	<b>20 597</b>	<b>- 21 974</b>	<b>60 642</b>	<b>- 131 881</b>	<b>- 133 242</b>
<b>FINANCIAL INCOME AND COST</b>					
Interest income	87	166	217	847	1 020
Share of result in non-consolidated investees	162	- 774	- 1 137	- 1 607	- 1 947
Agio	10 392	58 484	42 779	206 532	167 717
Value changes in financial instruments	- 4 830	6 841	- 5 324	- 30 675	30 064
Interest cost	17 530	14 816	48 640	48 447	64 628
Disagio	- 8 978	10 801	16 034	29 606	29 193
Other finance cost	425	318	1 516	1 191	1 549
<b>Financial result</b>	<b>- 3 166</b>	<b>38 782</b>	<b>- 29 655</b>	<b>95 853</b>	<b>101 484</b>
<b>Result before tax</b>	<b>17 431</b>	<b>16 808</b>	<b>30 987</b>	<b>- 36 028</b>	<b>- 31 758</b>
Tax cost	3 271	5 038	5 689	- 10 047	- 32 426
<b>Annual result</b>	<b>14 160</b>	<b>11 770</b>	<b>25 298</b>	<b>- 25 981</b>	<b>668</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Translation differences	- 197	1 542	1 736	2 541	3 888
Purchase of jointly controlled companies	0	0	0	0	0
Mergers	0	0	0	0	0
<b>Other comprehensive income after tax</b>	<b>- 197</b>	<b>1 542</b>	<b>1 736</b>	<b>2 541</b>	<b>3 888</b>
<b>Total result</b>	<b>13 963</b>	<b>13 312</b>	<b>27 034</b>	<b>- 23 440</b>	<b>4 556</b>
Annual result - Majority share	14 014	11 706	25 382	- 25 910	600
Annual result - Minority share	146	64	- 84	- 71	68
	<b>14 160</b>	<b>11 770</b>	<b>25 298</b>	<b>- 25 981</b>	<b>668</b>
Total result - Majority share	13 817	13 248	27 118	- 23 369	4 488
Total result - Minority share	146	64	- 84	- 71	68
	<b>13,963</b>	<b>13,312</b>	<b>27,034</b>	<b>-23,440</b>	<b>4,556</b>
Annual result and diluted result per share	0.33	0.28	0.60	(0.61)	0.01

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**The balance**

**Wilson group**

(All figures in TNOK)

<b>ASSETS</b>	<b>30.09.10</b>	<b>30.09.09</b>	<b>31.12.09</b>
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	0	0	0
Deferred tax assets	22 065	0	29 340
Goodwill	154 704	154 704	154 704
Total intangible fixed assets	<u>176 769</u>	<u>154 704</u>	<u>184 044</u>
<b>Tangible non-current assets</b>			
Property	2 352	2 502	2 465
Vessels	1 686 338	1 604 051	1 579 013
Vessels under construction	396 610	332 724	355 019
Fixtures and furniture, office machines etc.	6 770	7 188	7 165
Total tangible non-current assets	<u>2 092 070</u>	<u>1 946 465</u>	<u>1 943 662</u>
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	25 401	26 878	26 538
Loans to non-consolidated investees	5 222	5 585	5 450
Financial instruments	0	0	0
Other long term receivables	1 259	3 549	2 195
Total financial fixed assets	<u>31 882</u>	<u>36 012</u>	<u>34 183</u>
<b>Total fixed assets</b>	<b><u>2 300 721</u></b>	<b><u>2 137 181</u></b>	<b><u>2 161 889</u></b>
<b>Current assets</b>			
<b>Stores and fuel</b>			
	34 354	20 054	30 825
<b>Receivables</b>			
Accounts receivable	105 910	96 702	80 829
Other receivables	61 854	104 642	59 475
Total receivables	<u>167 764</u>	<u>201 344</u>	<u>140 304</u>
<b>Investments</b>			
Financial instruments	1 129	6 728	9 253
<b>Cash at bank, at hand, etc.</b>	103 023	28 447	42 552
<b>Total current assets</b>	<b><u>306 270</u></b>	<b><u>256 573</u></b>	<b><u>222 934</u></b>
<b>TOTAL ASSETS</b>	<b><u>2 606 991</u></b>	<b><u>2 393 754</u></b>	<b><u>2 384 823</u></b>

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### Wilson group

(All figures in TNOK)

SHAREHOLDERS' FUND AND LIABILITIES	30.09.10	30.09.09	31.12.09
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (42,216,000 share a kr 5.-)	211 080	211 080	211 080
Total paid-in capital	211 080	211 080	211 080
<b>Retained earnings</b>			
Group funds	603 177	553 106	576 059
Total retained earnings	603 177	553 106	576 059
Minority interest	11 708	6 749	11 792
<b>Total equity</b>	<b>825 965</b>	<b>770 935</b>	<b>798 931</b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	12 869	11 435	9 657
Deferred tax	0	6 027	0
Total provisions	12 869	17 462	9 657
<b>Other long term debt</b>			
Interest-bearing liabilities to financial institutions	1 269 664	1 171 155	1 149 019
Interest bearing leasing obligations	48 784	51 415	51 208
Liabilities to group company	94 301	20 000	20 000
Financial instruments	9 047	835	2 303
Other long term debt	1 375	1 470	1 434
Total other long term liabilities	1 423 171	1 244 875	1 223 964
<b>Current liabilities</b>			
Current liability of long term debt	147 799	131 663	147 898
Accounts payable	63 295	64 640	76 174
Social security tax, withholding tax, etc.	9 073	7 210	9 299
Financial obligations purchase options	22 290	37 915	37 176
Other short term liabilities	102 529	119 054	81 724
Total current liabilities	344 986	360 482	352 271
<b>Total liabilities</b>	<b>1 781 026</b>	<b>1 622 819</b>	<b>1 585 892</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 606 991</b>	<b>2 393 754</b>	<b>2 384 823</b>

The Board of Directors of Wilson ASA

Bergen, 3rd November 2010

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### Equity changes

(All figures TNOK)	01.01-30.09 2010	01.01-30.09 2009	01.01-31.12 2009
Equity at the start of period	798 931	836 591	836 591
Dividend Wilson ASA	0	-42 216	-42 216
Total income and expenses	27 034	-23 440	4 556
Equity at end of period	825 965	770 935	798 931

### Statement of cash flow

(All figures TNOK)	01.01-30.09 2010	01.01-30.09 2009	01.01-31.12 2009
Cash flow from operating activities	131 609	-10 319	154 194
Cash flow from investing activities	-268 732	-16 859	-176 315
Cash flow from financing activities	197 594	-19 142	-10 094
Changes in bank deposits and cash at hand	60 471	-46 320	-32 215
Bank balances and cash at hand at start of period	42 552	74 767	74 767
Bank balances and cash at hand at end of period	103 023	28 447	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 3rd quarter 2010 was MNOK 55 compared to MNOK 47 in the 3rd quarter 2009. The operating result remained at MNOK 10 for the 3rd quarter for both 2010 and 2009. Booked value ships per 30.09.2010 showed MNOK 280 compared to MNOK 300 per 30.09.2009.

In the first part of 2009 this segment had a less negative development than the 3 - 4 500 and 6 - 10 000 dwt segment and thus this segment has not seen a corresponding lift in 2010 as the other two.

##### 3 - 4 500 dwt

The operating result in the segment showed MNOK 6 for the quarter compared to MNOK -18 in the 3rd quarter 2009. Operating income increased by MNOK 29 from MNOK 90 in the 3rd quarter 2009 to MNOK 119 in the 3rd quarter 2010. The improvement came as a consequence of a somewhat better market and higher activity. The operating cost increased from MNOK 88 to MNOK 95 for the quarter due to additional ships. Booked value ships per 30.09.2010 showed MNOK 884 compared to MNOK 883 per 30.09.2009.

##### 6 – 10 000 dwt

The segment showed total operating income of MNOK 60 in the quarter which was MNOK 18 higher than the 3rd quarter 2009. The operating income showed MNOK 5 which was an improvement of MNOK 21 compared to the 3rd quarter 2009. The improvement was due to somewhat improved market and higher activity. Booked value ships showed MNOK 765 per 30.09.2010 compared to MNOK 593 per 30.09.2009. Booked value increased due to consecutive capitalization of new-building payments.

In the 3rd quarter the company took delivery of the second ship in the 8 x 8 300 dwt series bulkships from YiChang Shiyard, China.

##### Other

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

All together this segment showed total operating income of MNOK 27 for the quarter compared to MNOK 28 for the same period last year. The operating result showed MNOK 0 compared to MNOK 1 for the 3rd quarter 2009 where the decrease was due to a marginally higher operating cost including cost for TC hires. Booked value ships showed MNOK 155 per 30.09.2010 compared to MNOK 161 per 30.09.2009.

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>01.07 - 30.09.10</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	54 846	119 121	59 947	27 013	260 927
Operating expenses *	36 773	95 493	41 998	22 573	196 837
Operating result before depreciations (EBITDA)	18 073	23 628	17 949	4 440	64 090
Depreciations	8 361	17 992	12 843	4 297	43 493
Operating result (EBIT)	9 712	5 636	5 106	143	20 597
Ships net book value whereof	279 662	883 834	764 766	154 686	2 082 948
Ships aquisition	0	0		0	0
Ships being built	0	38 530	78 983		117 513
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	67 841	75 669	18 265	99 152	260 927
in %	26%	29%	7%	38%	100%

\* Operating expenses includes TC hires

\*\*\* Inkluderer gevinst og tap ved salg av skip

<b>01.07 - 30.09.09</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	46 844	89 965	42 440	27 705	206 954
Operating expenses *	28 219	87 892	44 437	21 316	181 864
Operating result before depreciations (EBITDA)	18 625	2 073	- 1 997	6 389	25 090
Depreciations	8 466	19 969	13 488	5 141	47 064
Operating result (EBIT)	10 159	- 17 896	- 15 485	1 248	- 21 974
Ships net book value whereof	300 403	882 653	593 205	160 515	1 936 776
Ships aquisition					
Ships being built		471			471
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	51 739	62 086	12 417	80 712	206 954
in %	25%	30%	6%	39%	100%

\* Operating expenses includes TC hires

\*\* Inkluderer gevinst og tap ved salg av skip

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<b>01.01 - 30.09.10</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	147 838	338 136	177 632	97 830	761 436
Operating expenses *	112 469	272 356	121 753	61 061	567 639
Operating result before depreciations (EBITDA)	35 369	65 780	55 879	36 769	193 797
Depreciations	25 835	56 021	36 815	14 484	133 155
Operating result (EBIT)	9 534	9 759	19 064	22 285	60 642
Ships net book value whereof	279 662	883 834	764 766	154 686	2 082 948
Ships aquisition	0	0		0	0
Ships being built	0	31 180	165 140		196 320
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	190 359	220 816	53 301	296 960	761 436
in %	25%	29%	7%	39%	100%

\* Operating expenses includes TC hires

<b>01.01 - 30.09.09</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	144 744	252 707	133 067	86 971	617 489
Operating expenses *	119 961	276 176	139 215	70 913	606 265
Operating result before depreciations (EBITDA)	24 783	- 23 469	- 6 148	16 058	11 224
Depreciations	25 848	61 907	39 776	15 575	143 106
Operating result (EBIT)	- 1 065	- 85 376	- 45 924	483	- 131 882
Ships net book value whereof	300 403	882 653	593 205	160 515	1 936 776
Ships aquisition	0	0	0	0	0
Ships being built	0	418	55 586	0	56 004
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	154 372	197 596	37 049	228 471	617 489
in %	25%	32%	6%	37%	100%

\* Operating expenses includes TC hires

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### Note 3 – The company's major shareholders per 30.09.2010

The share capital in the company per 30.09.2010 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	457 600	1,08 %	1,08 %
Sum > 1 % eierandel	40 551 953	96,06 %	96,06 %
Sum øvrige	1 664 047	3,94 %	3,94 %
<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.*