

# WILSON ASA

## Report 2nd quarter - 2009

### Summary

- **Small volumes in the market due to the financial recession**
- **Weak income development**
- **Cost reduction yields positive EBITDA**
- **Operating result improved by MNOK 30 compared to Q1 2009**
- **The market seems to have bottomed out**

All figures MNOK except daily figures and per share	2Q-2009	2Q-2008	1Q-2009	Change	
				2Q-2008	1Q-2009
Daily	<b>22,800</b>	39,671	21,436	(16,871)	1,364
Gross freight income	<b>392</b>	538	399	(146)	(7)
EBITDA	<b>7</b>	136	(21)	(129)	28
Operating result	<b>(40)</b>	95	(70)	(135)	30
Financial result	<b>(12)</b>	(20)	69	8	(81)
Result before tax and minority	<b>(52)</b>	75	(1)	(127)	(51)
Result per share	<b>(0.86)</b>	1.38	(0.03)	(2.24)	(0.83)

### 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 19.08.2009 the Wilson system is operating 106 ships, whereof 76 are owning-wise controlled by the company.

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 secure stable and long term income levels.

### Result 2nd quarter 2009 and first half year 2009

In the 2nd quarter the company achieved freight income on TC basis of MNOK 200 compared to MNOK 310 in the 2nd quarter 2008. For the first half year the company achieved freight income on TC basis of MNOK 405 compared to MNOK 579 last year. The decline comes as a consequence of a substantial fall in volumes in the market. The loss of contracts volume have meant an increase in the activity towards the spot market.

The company's running cost (excl. depreciations) is MNOK 196 in the quarter compared to MNOK 180 in the 2nd quarter 2008. Compared to the 1st quarter the running cost has been reduced by MNOK 33 in the 2nd quarter. It is in particular running cost ships and crew cost that are showing reductions. This comes about as a consequence of various cost reducing initiatives that the company has implemented, hereunder the lay-up of ships.

The operating result before depreciations (EBITDA) is MNOK 7 in the 2nd quarter compared to MNOK 136 in the corresponding period in 2008. For the first half year the operating result shows an operating result before depreciations of MNOK -14 compared to MNOK 217 for the first half year 2008.

The result from financial items in the quarter shows MNOK -12 compared to MNOK -20 in the same period 2008. The change can primarily be related to lower interest cost due to a generally lower interest level in 2009 than in 2008. For the first half year 2009 the financial result is MNOK 57 compared to MNOK -66 for the first half year 2008. The financial items are significantly affected by agio with MNOK 148 for the period in 2009 compared to MNOK 8 for the period in 2008. MNOK 77 is realized and MNOK 71 is unrealized of this year's agio.

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The company's result before minority interest and calculated tax is MNOK -52 in the 2nd quarter compared to MNOK 75 in the corresponding period in 2008. For the first half year the result is MNOK -53 compared to MNOK 71 in 2008.

### **The market**

In the quarter the company has had a contract coverage of 42 % compared to 68 % in the 2nd quarter 2008. The low contract coverage is reflecting the substantial fall in volumes in the market. The decline in volumes has been noticeable in all areas and the possibility for repositioning of the fleet has been limited.

Due to the low volume in the contracts market a large number of ships have been active in the spot market with earnings remaining low as a consequence. The company has gradually adapted to the surplus of tonnage in the market through lay-up of ships. If the contract market should gradually be reflecting today's spot levels Wilson will however to a larger degree operate more ships in the spot market rather than commit shipment capacity on low levels.

The activity level measured as the number of sailing days in the 2nd quarter shows a decline of 6 % compared to the 1st quarter. The decline comes as a consequence of laid up ships as well as dockings in the quarter.

### **Financing and capital structure**

The balance per 30.06.2009 shows interest bearing mortgage- and leasing obligations totaling MNOK 1,389 compared to MNOK 1,341 per 31.03.2009. The increase is in main due to draw down on newbuilding facilities in the period.

The company's booked equity per 30.06.2009 is MNOK 758 compared to MNOK 837 per 31.03.2009. Booked equity is thereby 31.9 % compared to 33.9 % per 31.03.

The lender has agreed with the company to temporarily cancel the requirements to EBITDA for interest bearing debt. The company will work actively with the lender in the onward period with the view of establishing a new covenant structure.

Bank and cash deposits per 30.06.2009 are MNOK 30 in addition to an available credit facility totaling MNOK 55.

The company's new building program totaling 16 ships is fully financed through committed financing agreements. The equity due for payment is decided by the progress of the new buildings and may total MUSD 4 in 2009 as a maximum.

### **Tonnage**

In the 2nd quarter the company has sold and delivered the ship MV Mingo to a Marshall Islands registered company. MV Mingo is built in 1980 and is of 3,700 dwt. The sales value was USD 540,000 corresponding to MNOK 3.7 which was in line with the ship's booked value.

Wilson has renegotiated some of the company's TC program so that the operating payment commitments have been reduced. The renegotiated TC contracts have at the same time been prolonged. The company now has the possibility of redelivering 4 ships during the remained of 2009.

### **Prospects**

The company is still affected by the general recession in Europe. The downturn came more suddenly and became steeper than the company managed to foresee to and has resulted in a substantial decline in volumes compared to last year. The decline now seems to have stopped, but the company has so far not experienced any increase in activities or price levels. Signals from the industry may however indicate that a moderate increase in activities is being planned. This will be positive for the company through an increase in contract nominations whether the industry's activity increase is due to real economic terms due to increased demand for produced goods, or it is due to a build up of new stocks.

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### Central risk and uncertainty factors

#### Market risk.

Today's freight market is worrying due to the financial recession in the company's central markets where lower activity means less shipment for the company. The loss of contract nominations from the existing customers have also meant less optimal pattern of shipments. A low spot market additionally gives less possibility for income yielding voyages in connection with positioning of the fleet. For the coming period there are no expectations for a marked improvement in the market, on the other hand there are no expectations for any further market deterioration.

#### Financial risk.

A continuing weak market will cause the company to draw on the available liquidity reserves. In the first half year this reserve has been reduced by MNOK 45. Available reserves at the end of the first half year was MNOK 30 in addition to a credit facility totaling MNOK 55. Closely related to the liquidity risk is a financial obligation through a sales option where external shareholders to the subsidiary company Nesskip hf may declare their sales option for their shares. If such option is exercised this will mean a payment obligation for the company. Per 30.06.2009 this payment obligation was MNOK 37. The company has no indications as to whether the external shareholders of Nesskip will exercise their option in the second half year 2009.

### Material transactions with associate party in the first half year 2009

In connection with the payment of dividend it was agreed with the main shareholder Caiano AS that MNOK 20 from their dividend totaling MNOK 38 will be paid in October.

### Financial principles for the quarterly report

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

### Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2009 has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the company's consolidated assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions and the description of the principal risks and uncertainties for the remaining six months of the year.

### The Board of Directors in Wilson ASA

**Bergen, 19th August 2009**

Kristian Eidesvik  
Chairman

Gudmundur Asgeirsson

Eivind Eidesvik

Jan Minde  
Employees repr.

Synnøve Seglem

Ellen Solstad

Øyvind Gjerde  
Managing Director

# WILSON ASA

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### Profit and loss

#### Wilson Group

(All figures in TNOK)

OPERATING REVENUE AND EXPENSES	Q2 2009	Q2 2008	1.1 - 30.06. 2009	1.1 - 30.06. 2008	1.1 - 31.12. 2008
Freight income	391,662	538,413	790,893	1,026,677	2,156,560
Voyage related expenses	191,395	228,410	385,720	447,770	974,807
Ships income on TC basis	200,267	310,003	405,173	578,907	1,181,753
Other operating income	2,927	5,807	5,741	11,301	23,428
<b>Total operating revenue</b>	<b>203,194</b>	<b>315,810</b>	<b>410,914</b>	<b>590,208</b>	<b>1,205,181</b>
Profit from purchase or sale of assets	-163	-19	-379	-19	-19
Crew cost ships	57,033	53,769	122,860	102,914	220,458
Other operating expenses	44,985	55,316	104,903	121,898	244,834
T/C and BB hires	65,778	44,753	134,785	92,231	210,249
Administration cost	27,804	26,441	61,853	56,150	125,790
Depreciations	47,190	40,159	96,041	79,961	170,254
<b>Operating result (EBIT)</b>	<b>-39,759</b>	<b>95,353</b>	<b>-109,907</b>	<b>137,035</b>	<b>233,577</b>
<b>FINANCIAL INCOME AND EXPENSES</b>					
Interest income	150	829	681	1,738	6,605
Other financial income	303	1,941	-833	4,150	7,411
Agio	6,720	2,930	148,048	8,248	96,379
Value changes in financial instruments	-933	9,559	-37,516	-10,449	83,872
Interest cost	15,431	21,805	33,631	41,065	89,020
Disagio	2,688	8,603	18,805	22,938	166,940
Other finance cost	459	4,956	873	5,646	1,782
<b>Financial result</b>	<b>-12,338</b>	<b>-20,105</b>	<b>57,071</b>	<b>-65,962</b>	<b>-63,475</b>
<b>Result before tax</b>	<b>-52,097</b>	<b>75,248</b>	<b>-52,836</b>	<b>71,073</b>	<b>170,102</b>
Tax cost	-15,633	17,170	-15,085	17,768	-79,476
<b>Result</b>	<b>-36,464</b>	<b>58,078</b>	<b>-37,751</b>	<b>53,305</b>	<b>249,578</b>
Minority interest	-30	213	-135	-31	-40
<b>The majority's share of the profit</b>	<b>-36,434</b>	<b>57,865</b>	<b>-37,616</b>	<b>53,336</b>	<b>249,618</b>
Result per share	(0.86)	1.38	(0.89)	1.26	5.91
Number of shares	42,216	42,216	42,216	42,216	42,216

# WILSON ASA

## Report 2nd quarter - 2009

### Balance

#### Wilson Group

(All figures in TNOK)

<b>ASSETS</b>	<b>30.06.09</b>	<b>30.06.08</b>	<b>31.12.08</b>
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	0	500	250
Deferred tax assets	0	0	0
Goodwill	154,704	130,151	154,704
<b>Total intangible fixed assets</b>	<b>154,704</b>	<b>130,651</b>	<b>154,954</b>
<b>Tangible non-current assets</b>			
Property	2,540	2,691	2,615
Vessels	1,598,900	1,538,634	1,679,213
New buildings	307,867	169,184	233,561
Fixtures and furniture, office machines etc.	8,336	4,232	10,388
<b>Total tangible non-current assets</b>	<b>1,917,643</b>	<b>1,714,741</b>	<b>1,925,777</b>
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	27,652	42,807	28,485
Loan to non-consolidated investees	5,918	21,681	6,477
Financial instruments	6,992	0	74,554
Other long term receivables	3,779	4,187	4,330
<b>Total financial fixed assets</b>	<b>44,341</b>	<b>68,675</b>	<b>113,846</b>
<b>Total fixed assets</b>	<b>2,116,688</b>	<b>1,914,067</b>	<b>2,194,577</b>
<b>Current assets</b>			
<b>Stores and fuel</b>	<b>25,512</b>	<b>34,319</b>	<b>29,281</b>
<b>Receivables</b>			
Accounts receivable	83,035	117,015	109,670
Other receivables	97,745	123,416	120,677
<b>Total receivables</b>	<b>180,780</b>	<b>240,431</b>	<b>230,347</b>
<b>Investments</b>			
Financial instruments	22,276	0	54,698
<b>Cash at bank, at hand, etc.</b>	<b>29,617</b>	<b>49,226</b>	<b>74,767</b>
<b>Total current assets</b>	<b>258,185</b>	<b>323,976</b>	<b>389,093</b>
<b>TOTAL ASSETS</b>	<b>2,374,873</b>	<b>2,238,043</b>	<b>2,583,670</b>

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### Wilson Group

(All figures in TNOK)

SHAREHOLDERS' FUND AND LIABILITIES	30.06.09	30.06.08	31.12.08
<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	<u>211,080</u>	<u>211,080</u>	<u>211,080</u>
<b>Retained earnings</b>			
Group funds	539,858	416,968	618,690
Total retained earnings	<u>539,858</u>	<u>416,968</u>	<u>618,690</u>
Minority interest	<u>6,685</u>	<u>7,720</u>	<u>6,821</u>
<b>Total equity</b>	<b><u>757,623</u></b>	<b><u>635,768</u></b>	<b><u>836,591</u></b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	11,313	11,992	10,181
Deferred tax	1,282	92,075	17,067
Total provisions	<u>12,595</u>	<u>104,067</u>	<u>27,248</u>
<b>Other long term debt</b>			
Liabilities to financial institutions	1,202,737	866,353	1,241,739
Leasing obligations (interest bearing)	52,353	56,376	54,218
Financial instruments	0	47,504	0
Financial lease	1,558	1,381	1,705
Total other long term liabilities	<u>1,256,648</u>	<u>971,614</u>	<u>1,297,662</u>
<b>Current liabilities</b>			
Current liability of long term debt	133,746	187,155	129,588
Utbytte	0	29,002	0
Financial instruments	74,394	119,665	73,449
Accounts payable	0	8,323	0
Tax payable	7,098	13,414	10,380
Social security tax, withholding tax, etc.	37,487	81,870	85,267
Financial obligations purchase options	20,000	0	0
Other short term liabilities	75,282	87,165	123,485
Total current liabilities	<u>348,007</u>	<u>526,594</u>	<u>422,169</u>
<b>Total liabilities</b>	<b><u>1,617,250</u></b>	<b><u>1,602,275</u></b>	<b><u>1,747,079</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,374,873</u></b>	<b><u>2,238,043</u></b>	<b><u>2,583,670</u></b>

The Board of Directors of Wilson ASA

Bergen, 19th August 2009

# WILSON ASA

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### Equity changes

	01.01-30.06 2009	01.01-30.06 2008	01.01-31.12 2008
Equity at start of period	836,591	625,887	625,887
Translation differences currencies	1,249	-962	-521
Purchase of jointly controlled company	0	0	-1,040
Dividend Wilson ASA	-42,216	-42,216	-42,216
Minority	-250	-247	423
Actinor Bulk AS - merger	0	0	4,479
Majority's share of profit and loss	-37,616	53,337	249,618
Minority's share of profit and loss	-135	-31	-39
Equity at end of period	757,623	635,768	836,591

## Cash flow statement

### Group

#### Cash flow

	01.01-30.06 2009	01.01-30.06 2008	01.01-31.12 2008
(All figures TNOK)			
Cash flow from operating activities	-41,689	160,663	383,826
Cash flow from investing activities	29,658	-245,266	-618,959
Cash flow from financing activities	-33,119	22,140	198,211
Changes in bank deposits and cash at hand	-45,150	-62,463	-36,922
Bank balances and cash at hand at start of period	74,767	111,689	111,689
Bank balances and cash at hand at end of period	29,617	49,226	74,767

# WILSON ASA

## Report 2nd quarter - 2009

### 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 2009 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2008.

The financial method regarding the put option concerning the purchase of Nesskip hf has changed in 2008. The financial statement for the 1st quarter 2008 has been changed accordingly. Reference is otherwise made to Note 2 in the annual accounts for 2008.

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 2nd quarter 2009 is MNOK 49 and the operating result is MNOK 1. The income is on level with the 1st quarter whereas the operating result is MNOK 5 higher. Compared to the 2nd quarter 2008 the income in the quarter is MNOK 2 lower and the operating result MNOK 10 lower. Booked value of ships per 30.06.2009 shows MNOK 272 compared to MNOK 278 per 31.03.2009.

##### 3-4.500 dwt

The operating result in the segment shows MNOK -32 for the 2nd quarter compared to MNOK -48 in the 1st quarter and MNOK 47 in the 2nd quarter 2008. The substantial fall in the operating result compared to 2008 is a consequence of the substantial fall in volumes and thereby weakened market for this tonnage type. Booked value ships per 30.06.2009 shows MNOK 874 compared to MNOK 879 per 31.03.2009. One ship has been sold out of the segment in the 2nd quarter.

##### 6-10.000 dwt

The segment shows total operating income of MNOK 48 in the quarter which is an increase of MNOK 6 compared to the 1st quarter. In the 2nd quarter 2008 the segment had operating income of MNOK 90. The operating income shows MNOK -10 compared to MNOK -26 for the 1st quarter and MNOK 29 for the 2nd quarter 2008. The weakening compared to 2008 is a consequence of the low volume and thereby weak market in this year's period. Booked value ships shows MNOK 596 per 30.06.2009 compared to MNOK 558 per 31.03.2009.

##### Other

As from the 4th quarter 2008 the company's wholly owned container activity Euro Container Line is included in this segment. The segment totals operating income of MNOK 27 and a operating result of MNOK 1 for the 2nd quarter 2009 compared to respectively MNOK 31 and MNOK 7 for the 1st quarter and MNOK 15 and MNOK 8 for the 2nd quarter 2008. Booked value ships shows MNOK 164 per 30.06.2009 compared to MNOK 169 per 31.03.2009.



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<b>01.04-30.06.09</b>	<b>2,000 t / system</b>	<b>3,500-4,500 dwt</b>	<b>6,000-10,000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	48,707	78,635	48,326	27,363	203,031
Operating expenses *	39,084	90,058	44,913	21,545	195,600
Operating result before depreciations (EBITDA)	9,623	-11,423	3,413	5,818	7,431
Depreciations	8,229	20,587	13,250	5,124	47,190
Operating result (EBIT)	1,394	-32,010	-9,837	694	-39,759
Ships net book value	271,973	874,285	596,281	164,227	1,906,766
New buildings					
Ships aquisition	-	-	-	-	0
Ships being built	-	568	51,349	-	51,917
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	46,697	67,000	10,152	79,182	203,031
in %	23%	33%	5%	39%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

<b>01.04-30.06.08</b>	<b>2,000 t / system</b>	<b>3,500-4,500 dwt</b>	<b>6,000-10,000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	50,650	159,516	90,329	15,295	315,790
Operating expenses*	34,749	90,281	49,753	5,495	180,278
Operating result before depreciations (EBITDA)	15,901	69,235	40,576	9,800	135,512
Depreciations	5,129	21,972	11,307	1,749	40,157
Operating result (EBIT)	10,772	47,263	29,269	8,051	95,355
Ships net book value	207,684	957,602	506,861	35,670	1,707,817
Ships acquisitions	-	-	-	-	0
Ships being built	-	36,752	-	-	36,752
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	85,263	94,737	25,263	110,527	315,790
in %	27%	30%	8%	35%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

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<b>01.01 - 30.06.09</b>	<b>2,000 t / system</b>	<b>3,500-4,500 dwt</b>	<b>6,000-10,000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	97,900	162,742	90,627	59,266	410,535
Operating expenses *	81,755	195,411	97,638	49,597	424,401
Operating result before depreciations (EBITDA)	16,145	-32,669	-7,011	9,669	-13,866
Depreciations	17,381	41,938	26,288	10,434	96,041
Operating result (EBIT)	-1,236	-74,607	-33,299	-765	-109,907
Booked value ships	271,973	874,285	596,281	164,227	1,906,766
Ships acquisitions	-	-	-	-	0
Ships being built	-	889	52,578	-	53,467
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	98,528	139,582	20,527	151,898	410,535
in %	24%	34%	5%	37%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

<b>01.01 - 30.06.08</b>	<b>2,000 t / system</b>	<b>3,500-4,500 dwt</b>	<b>6,000-10,000 dwt</b>	<b>Other **</b>	<b>Sum</b>
Operating income	98,075	287,767	174,521	29,825	590,188
Operating expenses *	72,969	184,216	105,084	10,924	373,193
Operating result before depreciations (EBITDA)	25,106	103,551	69,437	18,901	216,995
Depreciations	10,134	42,726	23,679	3,422	79,961
Operating result (EBIT)	14,972	60,825	45,758	15,479	137,034
Booked value ships	207,684	957,602	506,861	35,670	1,707,817
Ships acquisitions	-	132,979	-	-	132,979
Ships being built	-	36,752	-	-	36,752
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	159,351	182,958	47,215	200,664	590,188
in %	27%	31%	8%	34%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

### Note 3 – Sale and purchase of assets in the 2nd quarter

During the 2nd quarter the company has sold and delivered the ship MV Mingo to a Marshall Islands registered company. MV Mingo is built in 1980 and is of 3,700 dwt. According to its docking cycle the ship was required to undergo a comprehensive docking in the near future, which Wilson in the current market did not find profitable. Sales value was USD 540.000 corresponding to MNOK 3.7 which is on level with the ships booked value.

The company has also taken over some minor share positions in Nesskip hf after sales option were declared from minority shareholders. Wilson ASA now owns 87,34 % of Nesskip hf. The remaining shareholders have a salesoption on their shares up to 2016 whereafter Wilson has a purchase option on the same shares.

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### Note 4 – The company's major shareholders per 30.06.2009

The share capital in the company per 30.06.2009 consists of 42,216,000 shares à NOK 5. Total TNOK 211,080.

<b>Navn</b>	<b>Aksjer</b>	<b>Eierandel</b>
Caiano AS	38 070 599	90,18 %
Pareto Aksje Norge	956 800	2,27 %
Ivan AS	623 000	1,48 %
Pareto Aktiv	545 600	1,29 %
Sum > 1 % eierandel	40 195 999	95,22 %
Sum øvrige	2 020 001	4,78 %
Totalt antall aksjer	42 216 000	100,00 %

Via Caiano AS as associate party Kristian Eidesvik controls a total of 90.18 % of Wilson ASA.

+ + +

*In case of contradiction between the Norwegian and the English version of this Report the Norwegian version shall prevail.*