



ANNUAL REPORT

09

*Wilson is one of Europe's leading shipowning companies in the short sea bulk sector. Wilson's strength is the ability to combine various contracts of affreightment in order to provide Norwegian and European industrial customers with competitive offers.*

## CONTENTS

3	2009 – and outlook 2010
4	Key financial figures
6	Continuous presence
8	COA - Contract of affreightment
12	International network
16	Shareholder information
18	Risk factors
22	Corporate governance
26	Board of Directors' report
31	Consolidated income statement
32	Consolidated balance sheet
34	Consolidated cash flow statement
35	Consolidated equity statement
37	Consolidated notes to financial statement
67	Wilson ASA income statement
68	Wilson ASA balance sheet
70	Wilson ASA cash flow statement
71	Wilson ASA notes to financial statement
77	Auditor's report for 2009
78	Newbuildings
79	Wilson's fleet
80	Organisation

# 2009 and outlook 2010



2009 has been a difficult year. The economic downturn and resulting fall in industrial production caused a sharp drop in demand for maritime transport services, which in Wilson's sailing area was evident in all markets.

The sharp reduction in contract volumes and a generally weak market had a marked impact on the company's earnings. Given our historically high rate of contract coverage and the fact that our shipping segment does not normally experience the highest "peaks", we must acknowledge that the fall in volumes was more dramatic than expected. It has also taken longer than anticipated for the first signs of recovery to show.

Having said that, our startingpoint is nevertheless better than it was a year ago. The company is once again delivering positive cash flow from operations, and the improvements through the year have been satisfactory.

Costs have been reduced and we are now more "streamlined" than before the crisis began. Nominations from clients have begun to return, so that as we go into 2010 our momentum is at a completely different level than that seen generally in 2009. Increased volumes are also helping the system to function more efficiently. Overall, all these factors constitute a positive element in the continued strengthening of our relative competitive position.

In a longer-term perspective, we believe that the decisive factor for earnings will be the development in demand for transport services in our tonnage categories. Unlike other shipping segments, a rise in demand in our segment will not be offset by an increased supply of offerings from newbuildings. We believe, therefore, that the fundamental conditions, concurrent with improved economic developments, indicate positive developments for the company.

We will consequently go on working hard to continue delivering a competitive product with the flexibility and reliability that our clients demand.

Bergen, February 2010

A handwritten signature in blue ink, appearing to read "Øyvind Gjerde".

Øyvind Gjerde  
CEO

# Key Financial Figures

	2009	2008	2007	2006	2005	2004
INCOME STATEMENT (MNOK)	IFRS	IFRS	IFRS	IFRS	IFRS	NGAAP
Gross freight income	1 648	2 157	1 831	1 659	1 633	1 468
EBITDA	56	404	392	294	291	234
Operating result (EBIT)	-133	234	257	185	198	179
Financial result	101	-63	-120	-25	-1	-19
of which interest expense	65	89	63	36	31	23
Profit/loss before tax	-32	170	132	160	197	160
Profit/loss after tax	1	250	96	120	159	118
Earnings per share (NOK)	0.01	5.91	2.28	2.85	3.77	3.16
<b>BALANCE SHEET (MNOK)</b>						
Equity	799	837	626	549	475	311
Total assets	2 385	2 584	2 090	1 760	1 330	1 083
Net interest-bearing debt <sup>1)</sup>	1 326	1 351	898	816	559	566
<b>MARGINER</b>						
EBITDA margin, % <sup>2)</sup>	3.4	18.7	21.4	17.7	17.8	15.9
EBIT margin, % <sup>3)</sup>	-8.1	10.8	14.0	11.1	12.1	12.2
Profit margin, % <sup>4)</sup>	-1.9	7.9	7.2	9.6	12.1	10.9
<b>RETURNS</b>						
Return on equity, % <sup>5)</sup>	0.1	34.1	16.4	23.5	40.4	55.0
Return on total capital, % <sup>6)</sup>	-5.4	10.6	14.3	12.4	16.5	19.6
<b>CAPITAL STRUCTURE</b>						
Debt-to-equity ratio <sup>7)</sup>	1.7	1.6	1.4	1.5	1.2	1.8
Interest cover ratio <sup>8)</sup>	0.5	2.9	3.1	5.5	7.3	7.9
Equity ratio, % <sup>9)</sup>	33.5	32.4	29.9	31.2	35.8	28.7

<sup>1)</sup> Excluding financial commitments arising from acquisitions

<sup>2)</sup> Operating result before depreciation and amortisation (EBITDA) as a percentage of gross freight income

<sup>3)</sup> Operating result (EBIT) as a percentage of gross freight income

<sup>4)</sup> Pre-tax result as a percentage of gross freight income

<sup>5)</sup> Result for the year after tax as a percentage of average equity

<sup>6)</sup> Operating result (EBIT) plus financial income, excluding profit on exchange, as a percentage of average total capital

<sup>7)</sup> Net interest-bearing debt over equity

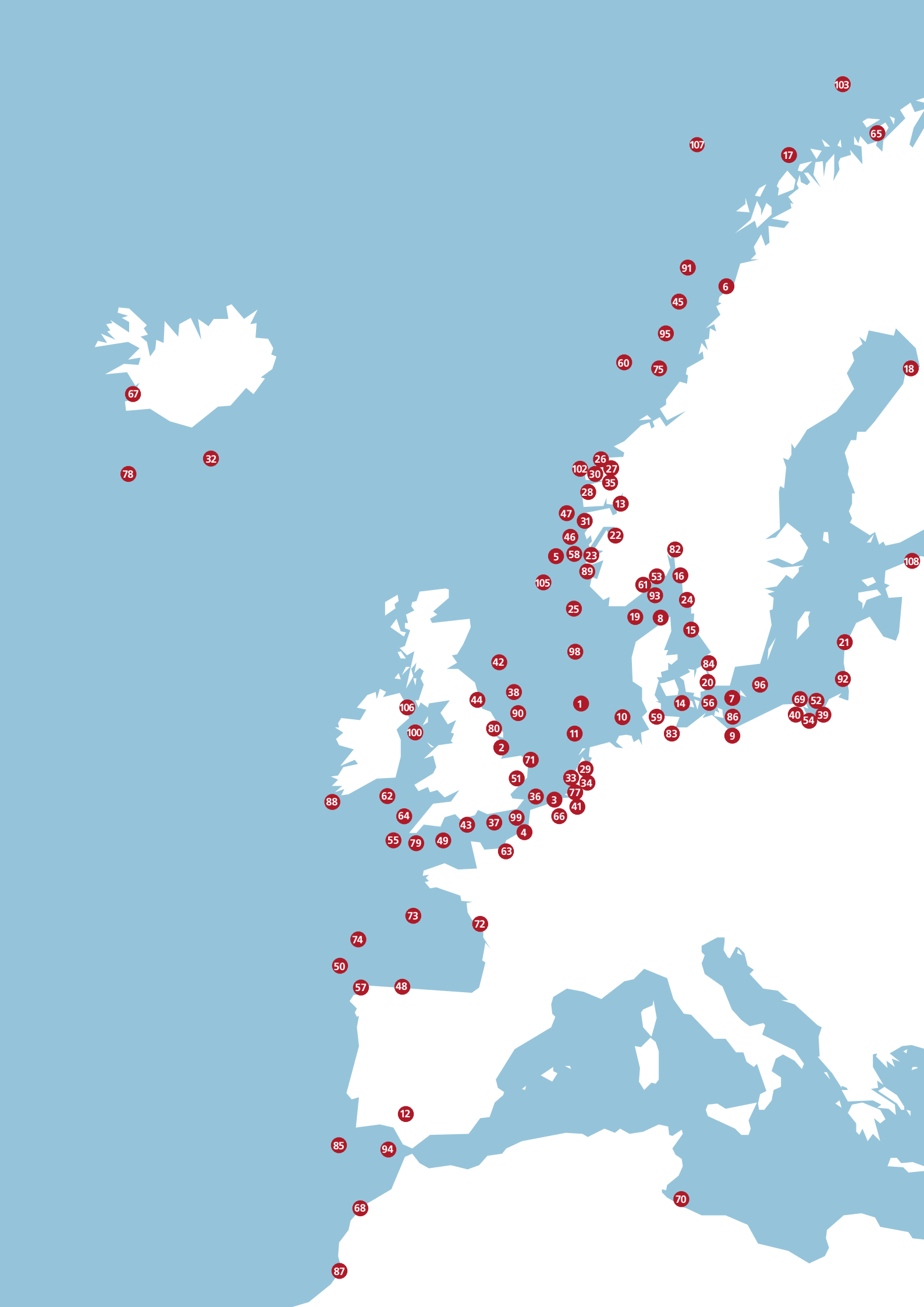
<sup>8)</sup> Pre-tax result plus interest expense as a share of interest expense

<sup>9)</sup> Equity as a percentage of total capital



*Wilson*  
— *European Short  
Sea Champion*

- ✓ LARGE FLEET
- ✓ LARGE CLIENT BASE
- ✓ EFFICIENT OPERATIONS
- ✓ CONTINUOUS PRESENCE





# Continuous presence

- Wherever there is cargo, you will find a Wilson vessel.

Wilson's business concept is to offer Norwegian and European industry competitive, reliable, flexible and long-term maritime transport services. In doing so, Wilson has gradually built up a fleet which as of 31 December 2009 totalled 108 vessels. The fleet consists mainly of dry cargo vessels between 1 500 dwt and 10 000 dwt which operate primarily in European waters. Wilson's philosophy is for every vessel to be able to take any cargo at any time, and so most of the ships in the fleet have flexible hold solutions capable of accommodating most types of dry bulk and project cargoes.

The map to the left is a snapshot of the fleet's position on a randomly selected day, in this case 20 December 2009. As the map shows, Wilson's vessels are spread throughout European waters. Most of the vessels are active in the North Sea Basin and around the European continent, but in total the fleet covers an area stretching from the Mediterranean and north Africa in the south to the Barents Sea in the northeast, and from the Baltic in the east to Iceland in the west. Wilson has continuously vessels in European waters and can adapt the transport patterns to meet clients' varying requirements.

Owing to a very large fleet of vessels operating with relatively short voyages, the company makes many port calls during the year. Wilson's bulk carriers made 9 102 port calls in 2009, an average of approximately one port call every hour – every day – throughout the year. The fleet's sailing pattern also means that approximately 38 % of total sailing days are spent in loading and discharging ports.

For more information on individual vessels, please see the fleet list on page 79.

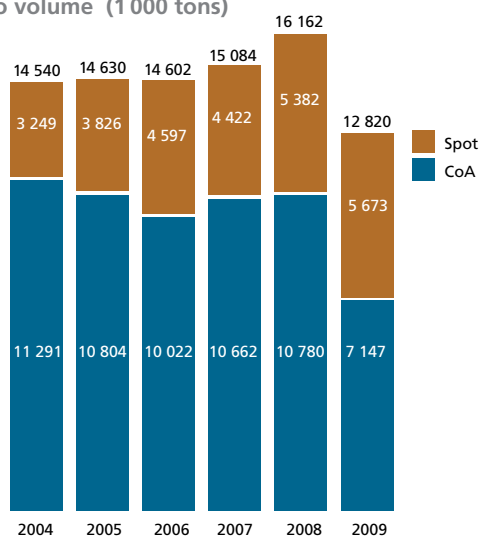


# COA

## - Contract of Affreightment

Wilson has a diversified client base and enjoys good, long-term relationships with many of its major clients. High contract coverage contributes to stability of earnings over time.

Cargo volume (1 000 tons)

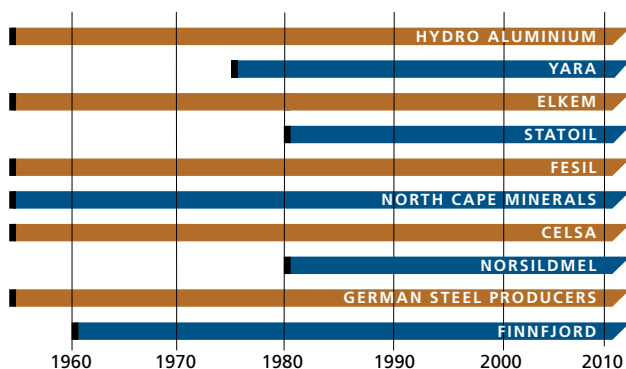


Wilson's contracts (Contracts of Affreightment - COAs) are requirements contracts entered into with Norwegian and European industrial clients for terms which normally vary from one to five years, although some have a term of 6-9 months and others up to 10 years. The average term of a COA is 2.5 years.

### Volumes

In 2009, Wilson shipped a total of 12.8 million tons of cargo, of which around 7.1 million tons were contract cargo. The remaining almost 5.7 million tons were transported in the spot market. This is an overall fall of 3.4 million tons (21%) on 2008, which is made up of a decrease of 3.7 million tons (34%) in contract volumes and an increase of 0.3 million tons (6%) in spot volumes. The fall in COA volumes occurred as a result of the broad collapse in transport requirements among industrial clients owing to the economic downturn. The surplus shipping capacity that arose at Wilson was, however, utilised in the spot market, giving rise to the increase in spot volumes carried.

Solid customer base through more than 50 years



### Client portfolio

Contract turnover for 2009 derived from around 100 different clients in total, with the 10 largest clients accounting for about 36% of the turnover, but with no single client accounting for more than 10%. The company has in other words a well-diversified client base, and it also enjoys long-standing business relationships with the majority of clients. Among Wilson's largest clients in 2009 are several whose relations with the company go right back to the 1960s and '70s.

As a result of the steadily growing pace of internationalisation, a number of foreign companies have entered the list of our 10 biggest clients, such as Rio Tinto and Omya. This trend towards internationalisation is as a result of Wilson's aim to increase activity outside Norway and to target international companies with transport requirements into



and out of Norway. An overall breakdown of Wilson's transport patterns into foreign, domestic, import and export is shown on page 18. As the graph shows, the company's activity in the past few years has been greatest in areas that do not involve Norwegian ports.

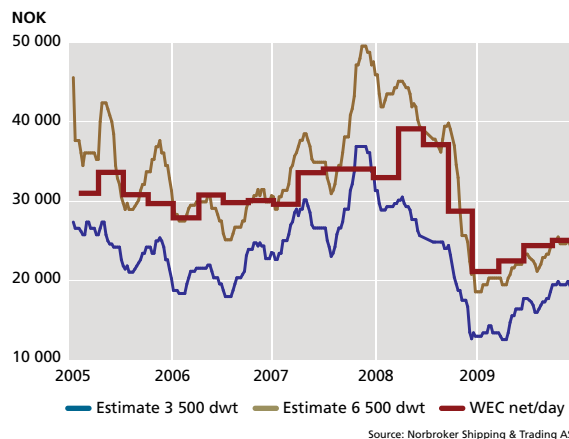
Wilson's client base is thus made up of a combination of new and long-standing clients. Once the client contact has been established, it is highly likely for the relationship to continue, which is evidenced by the fact that Wilson has a high renewal rate on existing contracts.

Through the years, Wilson has shown the ability and the willingness to think innovatively in order to create the best possible solutions for clients' transport requirements. New transport patterns and methods are being developed continually in collaboration with our clients, strengthening already good relationships.

### Stability

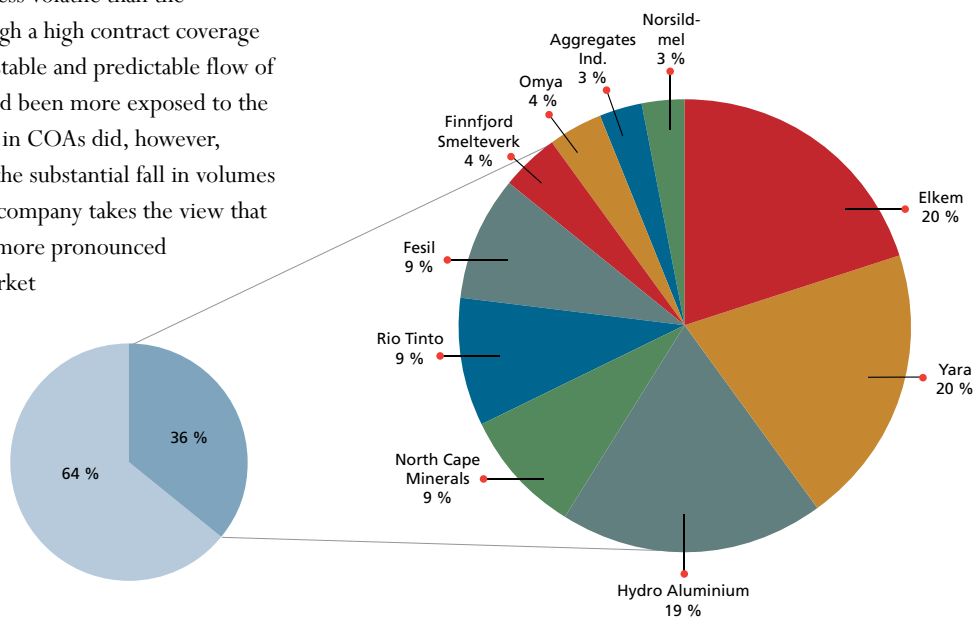
High contract coverage makes Wilson's earnings more stable than in a volatile spot market, as is well illustrated by the graph to the right. The graph shows Wilson's net average earnings per day/T/C-equivalent daily earnings and market rates illustrated by spot earnings estimates for 3 500 dwt and 6 500 dwt vessels. Net earnings per day per vessel are defined as gross turnover less voyage costs, which typically include bunker and port charges. A comparison of Wilson's net earnings per day and spot estimates shows that Wilson's earnings over time have been less volatile than the fluctuating spot market. Through a high contract coverage the company achieves a more stable and predictable flow of income than if the company had been more exposed to the spot market. The inherent risk in COAs did, however, become evident in 2009 with the substantial fall in volumes we experienced, although the company takes the view that the fall would have been even more pronounced if our exposure to the spot market had been greater.

Net/Day vs. spot earnings estimates



Wilson's 10 largest customers in 2009

Wilson's 10 largest customers are equivalent to approximately 36 % of the turnover.





# COA

## - Efficient operation

High capacity utilisation achieved through effective deployment of a large fleet carrying varying combinations of contract cargoes and spot cargoes, enables Wilson to provide Norwegian and European industry with competitive offerings across an extensive geographical area.

One of Wilson's strengths is the ability to combine vessels and cargoes effectively. By putting together different requirement contracts (COAs) and spot cargoes, Wilson is able to tailor competitive offerings for Norwegian and European industry across the company's entire market area.

An effective combination of different COAs, supplemented with a number of spot cargoes, enabled Wilson to maintain average capacity utilisation as high as 87 % throughout 2009, i.e. a ballast percentage of 13 % as the share of total days. Owing to the difficult state of the market, the company laid up a small number of ships in 2009, the effect of which is not included in the estimated capacity utilisation.

As an illustration of capacity utilisation, the map to the left shows the sailing pattern over a period of approximately 1.5 months for a randomly selected vessel, in this case the Wilson Heron (4 230 dwt). As the table shows, over this period the Wilson Heron carried a variety of cargoes and

covered a geographical area stretching from Follafoss in the north to Bilbao in the south, and from Cork in the west to Klaipeda in the east.

The round trip which starts in Antwerp and ends in West Thurrock lasts about 46 days, where 6 of these are days in ballast. This equals a ballast percentage of about 13 %. To achieve such good average figures, it is essential to arrive at the port in question at the right time so as to avoid unnecessary waiting. Loading and discharging in European industrial ports normally occurs on weekdays only, so weekends need to be used for moving ships between different destinations in order to optimise time use.

Wilson aims to constantly increase the number of contracts to optimise capacity utilisation, where low ballast and efficient operations benefit customers through a range of new offerings. By supplementing volume with new contracts in and out of strategic areas, there is continued scope for making sailing patterns even more efficient.

Wilson Heron during the period 19.09.2009 - 04.11.2009:

From	To	Cargo	Ballast	Days	Total
Antwerp	Cork	Fertiliser		4.10	
Cork	Cork		0.02		
Cork	Follafoss	Wood pulp		7.00	
Follafoss	Herøya		2.58		
Herøya	Terneuzen	Fertiliser		5.19	
Terneuzen	Amsterdam		0.50		
Amsterdam	Stettin	Coal		4.57	
Stettin	Klaipeda		2.57		
Klaipeda	Bayonne	Urea		10.80	
Bayonne	Bilbao		0.38		
Bilbao	West Thurrock	Sodium sulphate		8.45	
			6.04	40.11	46.15

# International network

Wilson has several companies established in areas of strategic importance. Common to them all is that each company individually is important to maintain the high quality of Wilson's services. This strategy has enabled Wilson to gain a foothold in markets outside Norway and to capture a more central position in the value chain associated with the company's activity.

Through Wilson's international operations, the company has access to a large network of knowledge, experience and resources. The challenges facing the industry have many parallel similarities, despite the slightly differing basic premises in the different countries. The internationalisation of the industry has also created a need to be able to view many areas from an international perspective.

The localisation of the international subsidiaries in key areas for Wilson enables the Group to adapt to the prevailing conditions. Wilson's international network enables knowledge sharing across borders, and increases the company's ability to identify and manage local fluctuations in demand and other challenges. A local presence furthermore ensures quicker and more direct interaction with clients, suppliers and local authorities. This again leads to greater efficiency and productivity for Wilson, and problem-free and more reasonably priced total logistics for many of Wilson's clients.

## Nesskip hf.

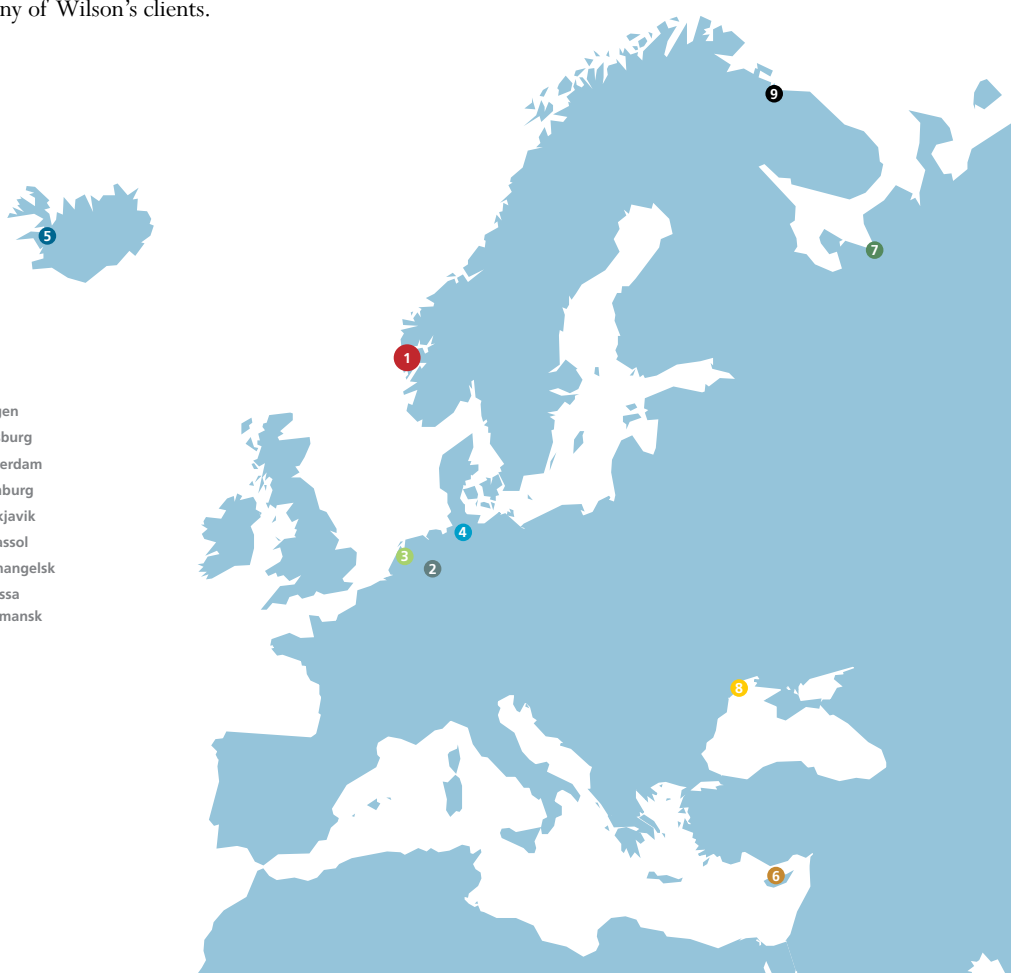
Nesskip hf. has its head office in Seltjarnarnes outside Reykjavik, Iceland, from where it runs its affreightment and ships agency business with a staff of eight. Nesskip serves the whole of the Icelandic market, and enjoys a leading position in both affreightment and ships clearance.

Through Nesskip, Wilson is ensured a long-term presence in Iceland. Nesskip deals with the day-to-day contact with Wilson's Icelandic clients, and is important for securing Wilson's market position in the country.

Although clearance and affreightment services for the Wilson fleet are a major element of Nesskip's operations, clients outside the Wilson system form a very important

## Wilson's offices

- |   |                                    |               |
|---|------------------------------------|---------------|
| 1 | Wilson                             | - Bergen      |
| 2 | Wilson NRL Transport GmbH          | - Duisburg    |
| 3 | Wilson Agency B.V.                 | - Rotterdam   |
| 4 | NSA Schifffahrt und Transport GmbH | - Hamburg     |
| 5 | Nesskip hf.                        | - Reykjavik   |
| 6 | Unistar Shipping Co. Ltd.          | - Limassol    |
| 7 | Wilson Crewing Agency Ltd.         | - Arkhangelsk |
| 8 | Wilson Crewing Agency Odessa Ltd.  | - Odessa      |
| 9 | Wilson Murmansk Ltd.               | - Murmansk    |





Wilson Stadt with project cargo.

part of the company's activities. Both shipping companies and cargo owners collaborate with Nesskip to create good solutions to meet their unique requirements, enabling Nesskip's competence to satisfy most needs in the maritime transport of both dry and liquid goods.

Following further share acquisitions in Nesskip, as of 31 December 2009 Wilson controlled 87.7 % of Nesskip. By the middle of 2012 Wilson aims to have taken over the remaining 12.3 % of the shares in the company, making Nesskip wholly owned by Wilson.

For more information about Nesskip, please see the company's website at [www.nesskip.is](http://www.nesskip.is).

#### **Wilson Agency BV**

Wilson Agency BV represents the Wilson Group in Rotterdam, Europe's largest port. Wilson Agency is run by a staff of eight and in 2009 handled 605 port calls. This makes the agency an important link in the chain of co-ordination and optimisation of Wilson's many port calls in Rotterdam and surrounding parts. In addition the company handles pre- and post-transport for many of Wilson's clients.

Wilson Agency also handles marketing and client contacts for Wilson's Norway-Rhine Line and is a point of contact for both public authorities and suppliers in the Netherlands.

The establishment of Wilson Agency has enabled Wilson to offer its clients a number of services. Several of Wilson's

contractual clients have already chosen to employ the agency to arrange mid-sea transfer of cargo, customs clearance and temporary warehousing. Wilson is thus able to deliver a "door-to-door" service to its clients, in which costs can be minimised and the client need only deal with one point of contact for the entire logistics chain.

#### **Wilson NRL Transport GmbH**

Wilson NRL Transport GmbH is located in new, modern premises in the centre of Duisburg, Germany. The company is well placed in the heart of the Ruhr area, where it handles all of Wilson's port calls in Duisburg and surrounding parts. Wilson NRL Transport is responsible for an important part of the marketing of Wilson's Norway-Rhine Line. The proximity to the German steel industry permits Wilson NRL Transport both to maintain and develop the 50-year long collaboration Wilson has enjoyed with German industry. In addition, Wilson NRL Transport has close contacts with other suppliers of steel and general cargo destined for Norway. The company can thus ensure that cargo is collected from all over Europe and brought to Duisburg, for shipping by Wilson vessels to Norway.

The company employs a staff of five, and is highly knowledgeable and expert with regard to local conditions in the Ruhr area. This expertise is used to assist Wilson's clients with both pre- and post-transport of goods for carriage on Wilson's vessels.



Wilson Gdynia in Swedish waters.

#### **Wilson Murmansk Ltd.**

Wilson became established in Murmansk in the spring of 2009 with the setting up of the company Wilson Murmansk Ltd. The purpose of the company is to maintain contacts with Russian industry, and to help co-ordinate Wilson's many port calls in the region.

In addition to maintaining client contacts the local network also enables the company to provide ships clearance and to handle pre- and post-transport of goods both for Wilson and for third parties. The company currently has a staff of one.

#### **NSA Schiffahrt und Transport GmbH**

NSA Schiffahrt und Transport GmbH operates an ordinary ships agency business for Euro Container Line, and acts as a line-, port-, cruise- and affreightment agent for shipping companies and line operators and for European exporters and importers. The company assists its clients with cargo bookings, shipping focused on Scandinavia and the Baltic, and administration and execution of various port activities. Approximately two-thirds of the activity is related to Euro Container Line, the rest to external clients. The company's head office is in Hamburg, Germany.

#### **Wilson Crewing Agency Ltd.**

Competent mariners are one of Wilson's decidedly most important resources, and Wilson Crewing Agency Ltd. (WCA) is an important tool for ensuring that Wilson's vessels are well crewed. The business, which is located in Arkhangelsk in Russia, started operations more than 10 years ago, and is now responsible for the major part of Wilson's crew recruitment and training. Wilson employs in total more than 1 000 mariners through WCA, most of whom are recruited from Arkhangelsk and the northwest of Russia. They are a loyal and stable workforce with a good knowledge of Wilson and of the needs and requirements of Wilson's clients.

WCA organises officers' conferences regularly in partnership with Wilson Ship Management. This is part of Wilson's strategy of ensuring that the officers on board the vessels are always professionally and technically up to date. WCA currently has nine employees.

Wilson Crewing Agency has a sister company in Odessa, Ukraine, which does similar work to WCA but aimed at the Ukraine market. This company was established in 2007 and has to date recruited close to 120 mariners to sail on Wilson's vessels.



# *Analytical information*

- ✓ SHAREHOLDER INFORMATION
- ✓ RISK FACTORS

# Shareholder information

The, liquidity in the Wilson share was limited also in 2009 due to the company's highly concentrated ownership structure, with the principal shareholder, Caiano AS, owning 90.2 % of the shares. At the same time, the company's other major shareholders maintained relatively stable positions. The share was traded on average only about once every fourth trading day during the year and volumes were limited.

Irrespective of Caiano's dominant position in Wilson, the established principles for the company's dividend, shareholder and investor policy remain fixed.

## Shareholder policy

Wilson aims to provide its shareholders with a high, stable return on their investment over time, through the payment of dividends and positive share price performance. Both the dividend and share price performance will reflect the company's relative economic development.

The company underlines the importance of providing the securities market and other interested parties with relevant and timely information in order to give investors a full and complete basis on which to make their investment decisions.

At an Extraordinary General Meeting on 18 December 2009, the Board of Directors was authorised to raise a convertible bond loan where any new shares from the conversion may not exceed a maximum of 10 000 000 new shares, i.e. equal to around 24 % of issued shares at the current time. The authorisation will remain valid until the Annual General Meeting in 2011 and has to date not been used. The General Meeting has not authorised the company to purchase own shares.

## Dividend policy

The Board recommends no dividend payment for the 2009 financial year.

Wilson's established dividend policy is to aim to pay a final annual dividend of 25-30 % of the company's profit after tax. The dividend recommended to the Annual General Meeting by the Board of Directors will, however, take into account the company's growth ambitions in a cyclical upturn and solidity/solvency performance in a cyclical downturn. Where the Annual General Meeting adopts the Board's recommendation, the company will endeavour to

pay the dividend as soon as practically possible following that decision.

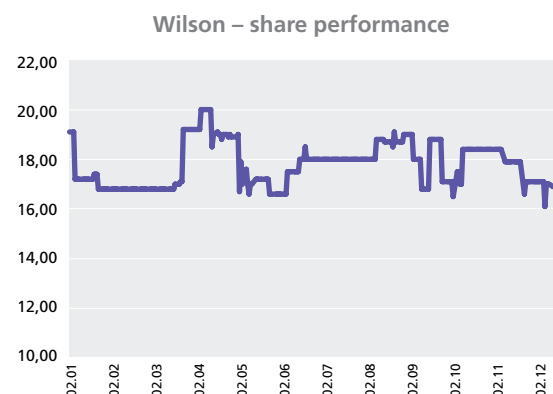
As a result of 2009 being an extremely difficult year in the market, Wilson's liquidity came under pressure and the company was granted deferral of the downward adjustment of a loan facility totalling MNOK 45. The downward adjustment, which should have taken place in December 2009, has been deferred until 2011 and 2012. The company has been charged by the lender not to pay dividend until the deferred downward adjustment has taken place.

## Investor policy

Wilson publishes interim (quarterly) and annual financial statements in accordance with the financial calendar as communicated to the market and as reproduced on the company's website. The company's management have previously held presentations in connection with the announcement of results in both Oslo and Bergen. As attendance at these presentations has been falling off and at times very limited, the company found it no longer appropriate to continue holding them. The management is instead available to interested parties following the announcement of interim results when it will comment on the figures and the content of the interim report. The company will keep under review the possible need to revive presentations of interim results.

For the announcement of regulatory information, Wilson has entered into an agreement with the information service Hugin, which will ensure broad and unison distribution of information.

Wilson maintains a self-imposed "quiet period" for two weeks prior to the public announcement of interim results, during which contact with external analysts, investors and journalists is limited to a minimum.

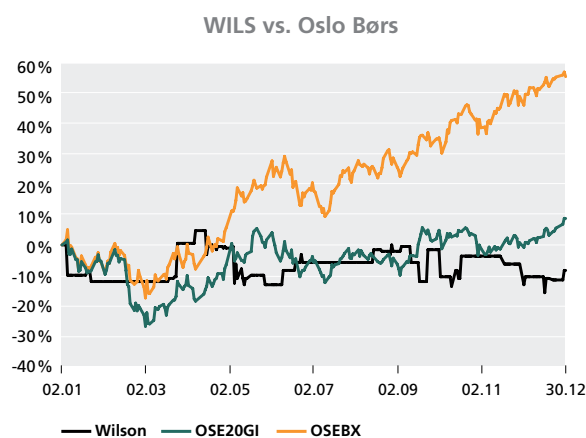




### Share price performance

The share price performance was negative in 2009, from NOK 19.10 per share at the start of the year to NOK 17.50 per share at year-end. The highest trading price in 2009 was NOK 20.00 (8 April) and the lowest NOK 16.10 (15 December).

The graph to the right shows the relative share performance in 2009 vis-à-vis the Oslo Børs Benchmark Index and the Oslo Børs Industrial Index. The Wilson share did not perform as well as the Oslo Børs Benchmark Index, but since the share in many ways reflects the general industrial activity, it performed on level with the Industrial Index.



### Shareholders at 31 December 2009

At 31 December 2009 Wilson had 213 shareholders.

# The 20 largest shareholders

## 20 largest shareholders in Wilson at 31 December 2009

Name	No. of shares	Shareholding %	Nationality
Caiano AS	38 070 599	90.2	NOR
Pareto Aksje Norge	956 800	2.3	NOR
Ivan AS	623 000	1.5	NOR
Pareto Aktiv	501 600	1.2	NOR
Garms Holding AS	372 000	0.9	NOR
Slethei AS	367 100	0.9	NOR
Casavi AS	160 000	0.4	NOR
Pareto Verdi	110 200	0.3	NOR
Bergtor AS	102 000	0.2	NOR
Slethei	73 500	0.2	NOR
Holter-Sørensen Invest AS	72 500	0.2	NOR
Crown Hill Chartering AS	50 000	0.1	NOR
Carrera Industrier AS	49 000	0.1	NOR
Torei IV AS	45 000	0.1	NOR
MP Pensjon	44 000	0.1	NOR
Steinsbø	36 500	0.1	NOR
Baia IV AS	28 000	0.1	NOR
Eidesvik Invest AS	27 000	0.1	NOR
Crown Hill Shipping AS	25 000	0.1	NOR
Throndsen	21 100	0.0	NOR
Total 20 largest shareholders	41 734 899	98.9	
Total other shareholders	481 101	1.1	
Total number of shares	42 216 000	100.00	

### Financial Calendar 2010

Financial Statements Q4 2009 and final Financial Statements 2009	25.02.2010
Financial Statements Q1 2010	05.05.2010
Financial Statements Q2 2010	12.08.2010
Financial Statements Q3 2010	04.11.2010
Ordinary General Meeting	08.04.2010

# Risk factors

Wilson's core business activity is to supply Norwegian and European industry with maritime transport solutions, primarily by means of flexible requirement contracts (COAs). The main activity is dry cargo freight, a market that is exposed to global and regional economic fluctuations. Earnings in this industry are in other words cyclical, at a pace with economic developments. Wilson's activities are principally carried on in European waters, so that the general trend in demand in Europe will have great significance for clients' needs for transport services.

Maritime transport services in the short sea shipping segment compete with other transport modules, including primarily road and rail transport, where the relative position of strength between these categories can be influenced by political decisions. Stable external conditions that do not disfavour maritime transport are therefore crucial for earnings in the segment.

Wilson's overall risk position can be divided into three main categories: market risk, financial risk and operational risk.

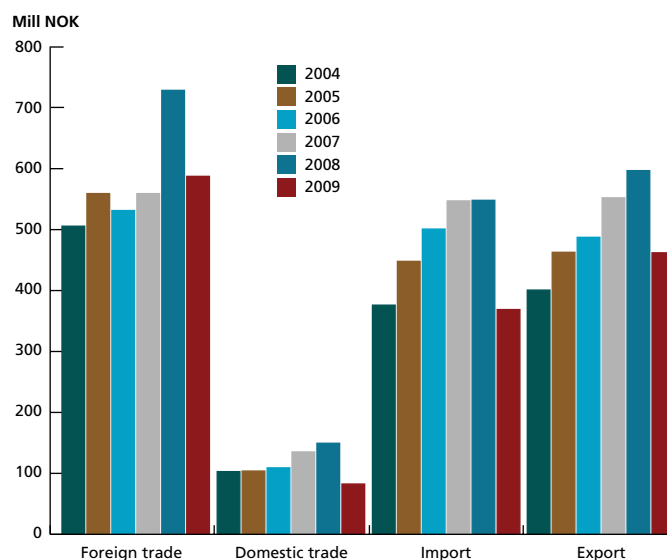
## Market risk

The most important factor affecting the company's business is general economic activity. Wilson's earnings will in many ways be a reflection of the general economic cycle in the areas where the company operates, which will again be influenced by fluctuations in global supply and demand. As a result of Wilson's European focus, intra-European trends will have most significance for the company's earnings.

Wilson's core business activity is maritime transport, with ships sized from 1 500 to 10 000 dwt. Traditionally, the small bulk market has been less volatile and less influenced by global fluctuations than the market for major bulk carriers. Recent events with considerable falls in volume and falls in freight rates have on the other hand shown quite clearly that the short sea market is not protected from global fluctuations, although freight rate volatility through the economic downturn has been less marked for the small bulk sector than for larger tonnage.

The company has worked purposefully over the years to create a portfolio of contracts with Norwegian and international industrial clients, where the plan for the

Turnover divided into trade patterns 2004-2009



portfolio contains an important restriction which involves not becoming overly dependent on individual clients or specific trades. Furthermore, the company works hard to optimise its contract portfolio by securing return cargoes from areas with a lot of incoming cargo. The fall in volumes in 2009 is not a result of the company having lost contracts; the number of contracts has remained relatively stable throughout the year – but is to do with the inherent nature of COAs: when clients' needs diminish or fall away entirely, the transport service is reduced or disappears.

The geographic dispersion of Wilson's shipping activity is summarised in the graph above. Historically, the company has derived much of its sales revenues from Norwegian industry, but this dependence has been consciously modified over the years. As the diagram shows, the volume of transported goods that does not pass through Norwegian ports has been increasing in recent years, with relative growth being highest in the past year. Pure foreign transport now considerably exceeds both import and export volumes. Pure domestic transport has levelled out at around 6-7 % of overall company sales revenues. For 2009, dispersion was impacted by a decrease in contract volumes, which resulted in more capacity becoming available in the spot market, where spot activity was predominately in foreign transport only.

Company contract coverage in 2009 was at a low level,

approximately 48 % measured in terms of sailing days. The duration of underlying contracts normally varies from just under one year to as many as five. Contracts typically regulate price and maximum volume. Requirement contracts (COAs) seldom indicate, per definition, a minimum volume that clients are obliged to ship. The drop in clients' transport needs in 2009 illustrates the volume risk in this type of contract. However, based on our experience data with respect to transport patterns, combined with the composition of the contract portfolio, this is an overall volume risk that the company has deemed acceptable. The events of 2009 have not changed this view. The ability to optimise the sailing pattern and, through that, generate economies of scale, has historically given the company greater predictability on the earnings side than with greater exposure to the spot market. It is the company's view that this is also the case for 2009.

The 2009 downturn in the sector occurred as a result of a broad collapse in demand. Unlike other shipping markets, however, the short sea market is not viewed as being exposed to a destructive supply side as a result of over-contracting. Deliveries of newbuildings to the sector in the time ahead are expected to be moderate and not to bring about further pressure on freight rates.

Wilson is exposed to a general increase in costs. Bunker costs is one of the Group's major cost items, with trends in bunker prices closely tied to changes in the price of crude oil. The price of bunkers rose through 2009. Despite this, Wilson's results have been only slightly impacted by the price increase, since most of the company's contracts contain a bunker clause. The bunker clauses vary somewhat in their structure, but all of them help reduce the effect of fluctuations in bunker prices. Lower contract volumes in 2009 had more of an impact than in previous periods, however, since there is currently no corresponding risk cover for spot market activity. It is Wilson's opinion that, over time, the spot market will partly reflect changes in bunker prices.

### Operational risk

Wilson is run as a fully integrated shipping company, with technical and commercial operations gathered under one roof. This gives shorter routes for decision-making, and more efficient management and operation. The company owns most of its available tonnage.

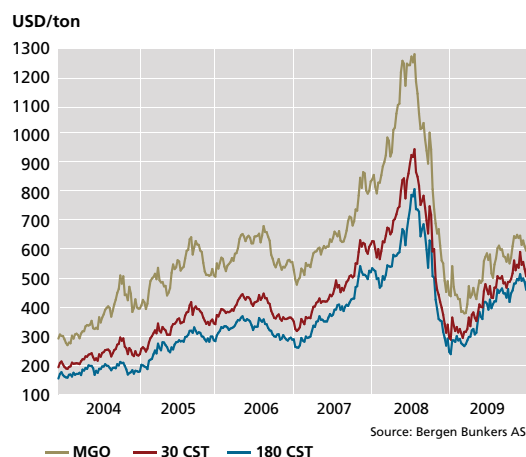
Technical management is done by a dedicated team who follow up everything from ordinary technical purchases for the ships to project planning and necessary upgrades and dockings. Continual maintenance is ensured by having each vessel undergo a thorough inspection at full docking, on average once every 30 months. This ensures that vessels are in good operating order and maintain their second-hand value.

The size of the company fleet allows less dependency on each ship. Having many ships in each segment permits the company always to have tonnage available if one or more ships are off-hire.

Operational activity always involves some risk of accidents. Operational risk is mapped out using a comprehensive reporting system and measures are carried out to limit risk according to this. The economic consequences of operational risk are further reduced by using different insurance contracts. The company has Hull-, Freight Interest-, P&I- and War Risk insurance for all its ships. Wilson also has a policy of taking out off-hire insurance for the tonnage according to need, in the light of alternative tonnage costs.

The parameters for the company's operational activities are set by, among others, national and international laws and regulations, including in particular flag state requirements and IMO regulations. Any amendments to these laws and regulations may impose extra costs and as an utmost consequence limit the use of tonnage.

### Bunker prices 2004-2009



### **Financial risk**

Wilson's financial risk is primarily tied to trends in exchange rates and interest rate levels. The company has established strategies within defined limits for controlling and managing acceptable currency and interest rate risk.

#### *Currency risk*

Currency risk arises as a consequence of several factors. Wilson's turnover is primarily in NOK and EUR. With a major increase in activity outside Norway, this means that the proportion of transactions in EUR has been increasing in the past few years. On the cost side, bunkers are primarily handled in USD, port costs and other voyage costs are primarily in EUR and NOK, crew costs in USD and administrative costs primarily in NOK. Chartering of ships on time charterparties is almost exclusively in EUR.

Where it is natural to do so, the company seeks to achieve a match on currency flows in the same currency. In addition, the company employs forward exchange contracts to hedge the level of currency that is bought or sold. Note 18 to the consolidated financial statements gives a detailed description of the company's use of such financial instruments.

The company's fleet and sales in the second-hand market are valued almost exclusively in EUR.

#### *Interest rate risk*

The company is exposed to changes in interest rate levels. Interest rate risk relates primarily to long-term liabilities. The company has used interest-rate hedging instruments (interest swap agreements) to only a limited extent. Note 18 to the consolidated financial statements provides a detailed description of the company's use of such financial instruments.

#### *Credit risk*

The risk that counterparties will not have the financial capacity to fulfil their commitments is viewed as low, and historically there have been few bad debts. As in recent years, there was no significant loss on claims in 2009.

#### *Liquidity risk*

The company's liquidity position at 31 December 2009 consisted of bank deposits totalling MNOK 43 and available operating credit totalling MNOK 55. The Group's liquidity at 31 December 2009 was low but acceptable. A loan raised from the principal shareholder will considerably strengthen the liquidity position.

Wilson has a loan offer amounting to MNOK 75 or the equivalent value in EUR from Caiano AS and will enter into the final agreement in March 2010. Interest will be charged on the loan at market rates and the loan will be interest-only for three years. The additional liquidity will strengthen the company's working capital and be a buffer against the fulfilment of financial obligations in the newbuildings programme, and the put options declared by Nesskip shareholders.

### **Sensitivity analysis**

The risk factors described above will have a direct influence on company profitability. The table below shows the company's sensitivity to changes in a selection of external parameters. The calculations are based on the effects on pre-tax profit or loss of an isolated change to the parameter in question. For example, the effect of changes to port costs presupposes a stable currency rate. The calculations are based on the actual factors from 2009 in terms of fleet composition, expense levels, currency flows and hedging agreements. These are all factors that can change over time. The effects on pre-tax profit or loss must also be seen as estimates, and not 100 % exact calculations.

Effect on pre-tax profit or loss for 2009 of specific changes to different parameters:

<b>Parameter</b>	<b>Change</b>	<b>Effect on pre-tax profit/loss</b>
EUR rate	+/- NOK 0.1	-/+ TNOK 900
USD rate	+/- NOK 0.1	-/+ TNOK 2 200
Interest rate	+/- 1 %-point	-/+ TNOK 9 200
Port costs	+/- 1 %	-/+ TNOK 2 700
Net T/C earnings per day	+/- NOK 100	+/- TNOK 2 900

# *Financial Statements and Board of Directors' Report*

- ✓ CORPORATE GOVERNANCE
- ✓ BOARD OF DIRECTORS' REPORT
- ✓ FINANCIAL STATEMENTS WILSON ASA – GROUP
- ✓ FINANCIAL STATEMENTS WILSON ASA

# Corporate governance

## 1. Corporate Governance report

The following report shows how Wilson complies with the principles and guidelines laid down in the Norwegian Code of Practice for Corporate Governance of 21 October 2009 issued by the Norwegian Corporate Governance Board (NUES). The report deals with the division of roles between shareholders, the Board of Directors and the day-to-day management team at Wilson, and compliance with the mentioned principles. Corporate governance is regularly discussed by the company's Board of Directors.

### *Deviation from the recommendations.*

1. Wilson deviates from the recommendations in Section 7 concerning nomination committees for the reason that, owing to the company's present concentrated shareholder structure, the Board of Directors does not deem it appropriate to have a nomination committee.
2. Wilson also deviates from the recommendations in Section 9 concerning the use of board committees. Wilson's Board of Directors has no committees, with the exception of an audit committee.

### *Core values*

As part of its corporate culture, Wilson has prepared and introduced core values and ethical guidelines for the company's operations. Wilson's core values are to be reliable, service-minded, professional, long-sighted, sound, competitive and innovative. The employees shall reflect these core values in their conduct and in the work they do.

## 2. Activities

Wilson's operations and activities are defined in the Articles of Association, which sets out the company's objects as follows: "The Company's business is to own, operate, manage and charter vessels, to engage in ship brokerage, clearance, commercial and agency activities, and industry, to own and manage real property, to conduct investment activities and to participate in other companies in Norway and abroad having similar objects". The full text of the Articles of Association is available on the company's website. Within the scope of these objects, the company has focused its business concept on offering Norwegian and European industry competitive, secure, reliable, flexible and long-term maritime transport services, primarily in the field of dry cargo affreightment.

Wilson has a growth strategy, with "growth" defined as an increase in the fleet's available earning days and with the objective as steady growth relative to the market. Since 2005, the number of earning days in the core business Wilson Euro Carriers has increased from around 26 500 to around 29 000 in 2009, which represents an annual growth of about 3 %, also taking into account the decrease in capacity caused by vessels being laid up in the past year owing to the difficult state of the market.

## 3. Share capital and dividend

Wilson's objective in terms of financial strength is to have book equity equal to at least 30 % of the balance sheet total on a consolidated basis. Considerable volatility in the currency markets has resulted in major unrealised changes in value for the company's foreign currency loans and financial instruments. The company will take such unrealised changes in value into account in connection with reconciliation against the target figures.

Wilson wishes to generate a good, stable return for its shareholders. Return on shareholder capital, or shareholder value, is defined as the total of share price performance and dividends. Shareholder value should reflect the economic development of the company. In the case of direct yield in the form of dividends, Wilson's aim is to pay an annual dividend of 25-30 % of profit after tax. This objective will be assessed against the company's growth ambitions in cyclical upturns and solidity/solvency performance in cyclical downturns, as well as the effect of unrealised items on profits. As a result of 2009 being an extremely difficult year in the market, Wilson's liquidity came under pressure and the company was granted deferral of the downward adjustment of a loan facility totalling MNOK 45. The downward adjustment, which should have taken place in December 2009, has been deferred until 2011 and 2012. The company has been ordered by the lender not to pay a dividend until the deferred downward adjustment has taken place.

The General Meeting has not authorised the company to purchase own shares. At an Extraordinary General Meeting on 18 December 2009, the Board of Directors was authorised to raise a convertible bond loan where any new shares from the conversion may not exceed a maximum of 10 000 000 new shares, i.e. equal to around 24 % of issued shares at the current time. The authorisation will remain

valid until the Annual General Meeting in 2011 and has to date not been used.

#### **4. Equal treatment of shareholders and transactions with related parties**

Wilson has only one class of share.

The company did not trade in its own shares in 2009.

In connection with the payment of the final dividend for 2008, the company agreed with the principal shareholder, Caiano AS, to delay payment of MNOK 20 of their dividend, out of a total dividend of MNOK 38. The agreement has been converted to a long-term loan on commercial terms.

Wilson has a loan offer amounting to MNOK 75 or equivalent value in EUR from Caiano AS and will enter into a final agreement in March 2010. Interest will be charged on the loan at market rates and the loan will be an interest-only loan for three years.

Transactions with related parties are shown in Note 20 to the consolidated financial statements.

Minority shareholders in the subsidiary Nesskip declared put options during 2009 in accordance with agreement. Details of the agreement are provided in Note 23 to the consolidated financial statements.

#### **5. Free transferability**

The shares in Wilson ASA can be freely transferred, and no limit to such transfer is laid down in the Articles of Association.

#### **6. General Meeting**

The Annual General Meeting of Wilson ASA is normally held during the second quarter. Shareholders with registered addresses are convened by mail, while working documents are made available on the company's website. Enclosed with the meeting notice is a registration form for attendees and a proxy form for shareholders who are unable to attend. The Annual General Meeting is announced simultaneously to the stock exchange and on the company's website. The members of the Board of Directors and the auditor are normally present at the Annual General Meeting.

#### **7. Nomination committee**

The company has no nomination committee. With the current concentrated shareholding structure, the company does not deem it necessary to have a nomination committee.

#### **8. Corporate Assembly and Board of Directors; their composition and independence**

Wilson has no corporate assembly. As of 31 December 2009, the company had 151 office staff, of whom 102 are employed at the company's head office in Bergen and 49 at the various offices located abroad.

The company's Board of Directors shall consist of 5-8 members elected by the General Meeting for a period of two years. The CEO is not a member of the Board.

As of 31 December 2009, the Board of Wilson ASA was composed of two women and four men, one of whom is the employee representative. Deputy board members are also elected as well a personal deputy for the employee representative. Of the six board members, five are thus elected by the shareholders. All the shareholder-elected board members are independent of the company's day-to-day management and significant business associates. Three of the shareholder-elected members are furthermore independent of the company's principal shareholder.

Details of the board members' background and experience are published on the company's website. An overview of board members' shareholdings is provided in Note 7 to the consolidated financial statements.

#### **9. The work of the Board of Directors**

The Board establishes an annual plan of work. Normally, seven or eight ordinary board meetings are held during the course of a year. To date the company has not used committees of any kind to prepare business for board meetings, although the Board has now established an audit committee in accordance with the applicable legislation. The work done by the Board, and its competence and composition, are evaluated regularly by the Board itself.

#### **10. Risk management and internal control**

All employees shall uphold and maintain security and quality levels established by and for Wilson at all times. Ethical



Wilson Split outbound from Iceland.

guidelines have been established for the office staff, including a duty of compliance with laws and regulations. Management and organisation of the business operations are reported to the Board. Wilson has defined the processes to be employed in the operating activities and has documented procedures for their compliance.

Financial risk areas are defined and security measures implemented in accordance with the company's guidelines. For financial reporting, budgetary controls are used, as well as variance analyses, division of tasks and descriptions of procedures. A separate controller function has been established in the business's core area.

The company's auditor carries out regular reviews of internal control areas of systems related to auditing. The auditor's recommendations are presented to the Board. Wilson is furthermore certified under the International Safety Management (ISM) Code for the safe operation of ships, and the certifying body regularly audits the business.

#### **11. Remuneration to the Board**

Remuneration to board members is determined by the Annual General Meeting. The remuneration reflects the responsibilities, competence, time spent on business and complexity of the business dealt with by the Board and is not dependent on results. The board members have not been allotted share options. Remuneration paid to the Board in 2009 is shown in Note 7 to the consolidated financial statements.

#### **12. Remuneration to senior executives**

The Board has established guidelines for remuneration to senior executives. The main principle for setting management pay at Wilson is that senior executives should be offered competitive pay and conditions in order to retain key staff and create continuity in the management.

The remuneration package offered to senior executives will normally consist of basic salary, pension benefits and car allowance. The Board also makes an annual assessment of whether to pay bonus to the company's office staff, including senior executives. The performance-related element of the remuneration package may be up to two months' salary per year. In the case of the CEO, the performance-related element may be up to three months' salary per year. The level of the overall package will reflect Wilson's aim to offer a salary level that is commensurate with the average salary level in similar shipping companies in Norway.

The guidelines set by the Board are presented annually to the General Meeting for approval.

There are no share option programmes for employees.

Remuneration to the CEO is determined by the Board. The total remuneration paid to the CEO for 2009 appears in Note 7 to the consolidated financial statements. The CEO determines the remuneration paid to senior executives, excluding bonus.





### **13. Information and communication**

Wilson publishes interim (quarterly) and annual financial statements in accordance with the financial calendar as communicated to the market and as reproduced on the company's website. Financial information and other regulatory information submitted to the securities market is distributed via the information service Hugin.

Wilson maintains a self-imposed "quiet period" for two weeks prior to the publication of interim results, during which contact with external analysts, investors and journalists is kept to a minimum. Company insiders have a self-imposed prohibition on trading in the Wilson share during these periods.

The company aims to supply the securities market and other interested parties with relevant and timely information in order to assist a correct perception of the company and to give investors a full and complete basis on which to make decisions to purchase or sell the company's shares.

### **14. Takeovers**

In the event of a takeover bid for the company, the Board will assess the bid either on an independent basis or by engaging independent financial advisers, and then give its recommendations as to whether the shareholders should accept the bid or not. The Board will work to ensure that any takeover bid is presented to all the shareholders on equal terms.

With the exception of the authorisation granted to the Board on 18 December 2009 to raise a convertible bond loan, the Board has not been granted authority to increase the company's share capital and it would be unnatural to request such authority from the General Meeting following a possible takeover bid for the company.

### **15. Auditor**

The company's auditor participates in board meetings as required and is always present at the meeting that deals with the annual report and financial statements. At this meeting the auditor reviews any significant changes in the company's accounting policies, and evaluates significant accounting estimates and any lack of agreement between the auditor and the administration.

The auditor also makes an annual audit of the company's internal controls and presents a plan for conducting the audit work. The Board and the auditor hold one meeting annually at which the CEO or other representatives from the administration are not present.

The fees paid to the auditor are split into auditing and other services, and appear in Note 7 to the consolidated financial statements. This information is also reviewed at the company's Annual General Meeting, which the auditor attends.

# Directors' Report

## Business concept and strategy

Wilson's business concept is to offer Norwegian and European industry competitive, safe, reliable, flexible and long-term maritime transport services. Large volumes and long-term contract portfolios have enabled Wilson to optimise sailing patterns and ensure long-term, stable earnings.

The strategy on which the company's business concept is based is centred on development and expansion of the European dry cargo sector. Focusing on cargo, the company is seeking to increase the volume of long-term freight contracts. The underlying chartering risks are covered in the first instance by purchasing ships to increase the Group's own cargo capacity and by chartering tonnage through time charterparties. The company seeks to achieve a reasonable balance between the contract portfolio and overall shipping capacities and between owned and chartered tonnage.

High contract coverage has enabled Wilson to attain a more stable and predictable flow of earnings than the case would have been if the company had been more exposed to the spot market. The inherent risk in requirements contracts was, however, made evident throughout 2009 by a considerable fall in volume, although the view is that the fall would have been even greater with higher spot market exposure.

## Business activity

Wilson's core business activity is maritime transport through chartering and operation of small dry cargo vessels of 1 500-10 000 dwt. Wilson is one of the leading European operators within its sector. The Wilson system operated 108 ships as of 31 December 2009, 75 of which were owned and controlled by Wilson. Wilson EuroCarriers, the Group's core business, operated 93 ships in total at 31 December 2009, 22 of which were on time charter. In addition to these, Bergen Shipping Chartering AS operated 11 ships, of which two were owned and nine operated on behalf of external owners. Euro Container Line, the Group's container business, operated four ships, two of which were owned. The technical management and operation of the Group's own ships are carried out by the wholly owned subsidiary, Wilson Ship Management. The company's two newbuilding programmes, totalling 16 vessels in all, are both slightly delayed. While the first vessel was originally

scheduled for delivery in mid-December 2009, it now appears likely to be delivered in the second quarter of 2010.

2009 was a difficult year in the market, and in response Wilson scaled down its activity slightly in order to better adapt its shipping capacity to the flow of goods. Compared with 2008, activity in the company's core business Wilson EuroCarriers was approximately 5 % down, measured in the number of sailing days. Chartered tonnage was returned when opportune, and at the same time the company initiated renegotiations for a reduction of rates against extension of charterparty periods.

Cargo quantities and total freight assignments in 2009 were considerably lower than in 2008. For some of the company's major contract clients, the decrease in volume was over 40 % and, combined with a weak spot market, this brought about a fall in gross turnover as well as profits. The Group's gross turnover fell from MNOK 2 157 in 2008 to MNOK 1 648 in 2009. Quarterly performance was flat for the first three quarters of the year, before the fourth quarter showed signs of some improvement with an increase in turnover of just under 10 %, partly owing to an increase in own activity.

## Going Concern

Pursuant to the Norwegian Accounting Act, section 3-3a, cf. section 4-5, it is confirmed that the conditions for continuing operations on a going concern basis are present. The Group has an acceptable economic and financial position.

## Administration, employees, working environment and equality/discrimination

The Wilson Group runs its business activities from Bradbenken 1 in Bergen, and also has agencies in Reykjavik, Rotterdam, Duisburg, Hamburg and Murmansk. The Group's head office for crewing is in Arkhangelsk, with a smaller, similar crewing agency established in Odessa. Through its Icelandic subsidiary, the Group also has a small business activity in Limassol.

The Group's parent company, Wilson ASA, has no employees of its own and purchases all management services from its subsidiaries Wilson Management AS and Wilson Ship Management AS. The Group had around 1 450 employees at year-end 2009, of whom some 1 300 were mariners. Office

staff numbered 151 full-time equivalents, 102 of whom worked at the company's head office in Bergen.

Wilson Management AS aims for equal opportunities between men and women, supported by the company's human resources and recruitment policies. At year-end, office full-time equivalents at head office in Bergen numbered 40 women and 62 men. The Group has two women in managerial positions, and two women members of the Board of Directors.

The sick leave rate for 2009 for office staff at head office was 3.6 %, divided between long-term sick leave of 2.0 % and short-term sick leave of 1.6 %.

Just as it is natural to pursue a policy of gender equality, the Group aims to be a workplace where there is no discrimination on the grounds of ethnicity, nationality, race, skin colour, language, religion, beliefs or impaired functional ability.

### **Health, environment and safety**

The Wilson Group is almost exclusively dedicated to transport of dry cargo products and container transport, where any discharges or emissions from cargo are not expected to give rise to any particular environmental damage. Ordinary ships' operations give rise to emissions to air of CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub>. Any discharges of ships' bunker oil or oil spills caused by shipwreck could potentially lead to environmental damage.

The Group has established internal control systems and procedures to ensure that external and internal rules are followed closely. These procedures are designed to ensure the quality of the services the company provides, as well as preventing undesirable incidents.

There were no collisions in 2009 requiring provision of guarantees on the part of the company. Two cases of very limited oil spillage were registered during the year.

As a consequence of accidents on board ship, eight incidents of personal injury were registered during the year, ranging from slightly to moderately serious, but there were no fatalities.

### **Outlook**

Wilson's core market remains difficult. The trend in the fourth quarter 2009 was, however, positive in that volumes were slightly up on earlier periods of the year. The moderate upturn is expected to continue into 2010, with activity expected to normalise in the slightly longer term. It is expected to take longer for rates to improve significantly. Nevertheless, the expectation for 2010 is that turnover and operating profits will be significantly higher than in 2009. The forecast of a considerable improvement in operating profits is based on the positive quarterly trend shown in 2009, in which fourth-quarter operating profits were MNOK 69 up on the first-quarter figures. In other words, earnings at the start of 2010 are at a considerably better level than for 2009 in general.

Some contract renewals in 2009 were entered into at reduced levels, but there were also instances in which the company was unable to come to agreement with clients owing to conflicting views on pricing. As a result, some of these volumes will become available on the spot market. The company expects to see clients' activity under the contracts pick up during the year, but there is uncertainty as to how much the nominations are likely to increase. It is, however, important to emphasise that the Group's market position was not weakened through 2009. The vast majority of client contracts were continued, but prevailing market conditions resulted in considerably lower withdrawals under current contracts. Slightly lower contract coverage than the company's normal rate which has historically been around 70 % is, however, expected for the current year.

### **Key risk and uncertainty factors**

Wilson's core business activity is to offer European industry our maritime transport solutions, primarily through flexible requirement contracts (COAs). The company has focused on dry cargo transport, a market that is generally exposed to global economic fluctuations. The company's business activities are carried on principally in European waters, so that the general trend in demand in Europe will have great significance for the client's needs for the company's transport services. In reality, Wilson will reflect the level of industrial activity in Europe and where global demand for maritime transport services has less of an impact on the company's activity.

The moderate upturn that was evident in the fourth quarter of 2009 is expected to continue into 2010. The upturn is still fragile, however, and there is still great uncertainty among clients and players in the industry with regard to levels of activity in the near future.

On the costs side, rises in bunker prices, wage costs for crews and docking costs will all be significant uncertainty factors. Even periods with moderate economic growth will exert price pressure on these factors and the possibility of an increase in costs cannot, therefore, be ruled out.

#### **Results as of 31 December 2009**

The Group achieved net operating income of MNOK 844 for 2009, compared with MNOK 1 205 for 2008, which is a 30 % decrease. The decrease is attributed to a loss of cargo volumes. At the same time, a general reduction in contract nominations in 2009 saw the shift of a large proportion of the company's sailing days over to the spot market, where rates were at times very low. The average T/C rate per day fell from NOK 34 882 in 2008 to NOK 23 434 in 2009.

Operating expense, excluding depreciation and amortisation, fell by MNOK 16 during the year. Other operating expense for own ships was reduced by MNOK 52 as a result of cost-cutting measures, including laying up ships. Crew costs for own ships were on a level with 2008, while costs for T/C ships showed an increase of MNOK 40 as a result of more chartered tonnage. These items were impacted by the strengthening of the Norwegian krone which occurred in 2009. Administrative expenses in 2009 fell by MNOK 5. Operating profit before depreciation and amortisation (EBITDA) showed a decrease of MNOK 348, from MNOK 404 in 2008 to MNOK 56 in 2009. As mentioned, this fall is a result of a substantial decrease in volumes. Quarterly trends in 2009 were, however, positive, with EBITDA rising from MNOK -21 in first-quarter 2009 to MNOK 44 in the fourth quarter. Improvements in the first three quarters came mainly as a result of cost reductions, while the fourth quarter also saw an improvement in operating income.

Net financial items totalled MNOK 101 for 2009, compared with MNOK -63 for 2008. This item was significantly boosted by net foreign exchange profits of MNOK 197, which arose primarily as a result of a consider-

able strengthening of NOK in 2009. In particular the rate against EUR affected net financial items, with the exchange rate against NOK going from 9.88 at 31 December 2008 to 8.32 at 31 December 2009. Of net exchange profits of MNOK 197, MNOK 67 was realised net.

The Group recorded a pre-tax loss of MNOK 32 for 2009, with the year's tax giving rise to income recognition of MNOK 32. The tax expense arose mainly as a result of a tax-related write-down of goodwill as well as the loss for the year.

The Group's profit for 2009 was MNOK 1, compared with MNOK 250 for 2008.

The Group's net cash flow from operating activities for 2009 amounted to MNOK 154 which, together with a net cash flow of MNOK -10 from financing activities, has been principally allocated to investment in newbuildings. Total investment of MNOK 176 reduced the Group's liquidity position by MNOK 32 during 2009.

#### **Financing and capital structure**

The Group's book equity was MNOK 799 at 31 December 2009, compared with MNOK 837 at 31 December 2008. Book capital was 33.5 % of reported total capital at 31 December 2009, compared with 32.4 % at 31 December 2008.

Interest-bearing mortgage debt and leasing commitments totalled MNOK 1 348 (MNOK 1 426 at 31 December 2008). The decrease is due to a stronger NOK at 31 December 2009 than at 31 December 2008, primarily against EUR.

The Group did not breach the terms and conditions (covenants) of any loans in 2009, but during the year requested the lender to amend the loan covenants, which was done. More specifically, the covenant concerning long-term debt in relation to EBITDA was replaced by a liquidity requirement. Furthermore, the company was granted deferral of the downward adjustment of a loan facility totalling MNOK 45 from December 2009 to 2011-2012.

Wilson has a loan offer amounting to MNOK 75 or the equivalent value in EUR from Caiano AS and will enter into the final agreement in March 2010. Interest will be charged on the loan at market rates and the loan will be interest-



From left: Eivind Eidesvik, Kristian Eidesvik, Jan O. Minde, Ellen Solstad, Gudmundur Asgeirsson, Synnøve Seglem and Bernt Daniel Odfjell (deputy board member).

only for three years. The additional liquidity will strengthen the company's working capital and be a buffer against the fulfilment of major financial obligations in the newbuildings programme, and the put options declared by Nesskip shareholders.

The company finds no grounds to write down the book value of the fleet as of 31 December 2009.

Total assets at year-end were MNOK 2 385 (MNOK 2 584 at 31 December 2008), of which ships account for MNOK 1 579 (MNOK 1 679 at 31 December 2008). Normally, the company obtains brokers' valuations so as to be able to indicate third-party opinions on values in the fleet. For 2009, however, the company takes the view that such values would not be representative in the current illiquid market where it is not presently possible to find a willing buyer – willing seller, which is key to valuations of this kind. Valuations have been obtained for some selected vessels, which indicate a moderate decrease compared with values

at 31 December 2008. This accords with the company's view that most of the impairment occurred around the turn of the year 2008/2009. The company's decision not to write down the book value of vessels for 2009 is thus based on an overall appraisal of the value in use of the fleet, where it shows an acceptable buffer against the book values.

### **Financial risk**

#### *Currency risk*

The company's earnings and cash flows are exposed to fluctuations in exchange rates as a result of mismatches between flows of income and expenditure, where the income is mostly nominated in NOK and EUR while a considerable share of the expenditure is in USD. Where it is natural to do so, the company seeks to achieve a match on currency flows in the same currency. In addition, the company employs forward exchange contracts to hedge the level of currency that is bought or sold.

#### *Interest rate risk*

The company is exposed to changes in interest rate levels. Interest rate risk relates primarily to long-term liabilities.

#### *Credit risk*

The risk that counterparties will not have the financial capacity to fulfil their commitments is viewed as low, and historically there have been few bad debts. The trend continued in 2009, when there was no significant loss on claims, despite the challenges facing the industry.

#### *Liquidity risk*

The company's liquidity position at 31 December 2009 consisted of bank deposits totalling MNOK 43 and available operating credit of MNOK 55. The Group's liquidity at 31 December 2009 is considered low but acceptable. A shareholder loan raised from the principal shareholder will strengthen the liquidity position to a satisfactory level.

#### **Shareholders**

The company's share capital of NOK 211 080 000 consists of 42 216 000 shares each with a nominal value of NOK 5, all fully paid-up. The company was listed on the stock exchange on 17 March 2005. As of 31 December 2009, Wilson had 213 shareholders. The company's 20 largest shareholders own 98.9 % of the company's shares.

Through Caiano AS as a related party, the Chairman of the Board, Kristian Eidesvik, now controls 90.2 % of Wilson ASA. Trading and activity in the share is very limited.

At an Extraordinary General Meeting on 18 December 2009, the Board of Directors was authorised to raise a convertible bond loan where any new shares from the conversion may not exceed a maximum of 10 000 000 new shares, i.e. equal to 23.7 % of issued shares at the current time. The authorisation will remain valid until the Annual General Meeting in 2011 and has to date not been used.

#### **Result for the year and equity**

The financial statements for the parent company, Wilson ASA, show a loss of NOK 4 888 000 for 2009, while the consolidated financial statements for the Wilson Group show a profit of NOK 668 000 after tax and minority interests. 2009 was in other words a very difficult year for the company, caused by a substantial and initially rapid fall in volumes. The Board is, however, satisfied with the company's capacity to adapt to the upheavals in the market by responding with a programme of cost-cutting and capacity reduction measures, which reduced the impact of the consequences of falling turnover. The company's share capital totals NOK 211 080 000, while net book equity amounts to NOK 336 333 000. The Group's net book equity at 31 December 2009 was NOK 798 931 000.

#### **Allocations**

The Board recommends that Wilson ASA's accounting loss for 2009 of NOK 4 888 000 (NGAAP) be covered by allocation from other reserves. Owing to the company's limited scope of action financially and the continuing difficult state of the market, it is recommended that no dividend be paid for 2009.

#### **Declaration by the Board of Directors and CEO**

We confirm that the financial statements and Directors' Report for Wilson ASA, the Group and the parent company, for the period 1 January to 31 December 2009 have, to the best of our belief, been prepared in compliance with current IFRS and Norwegian requirements under the Accounting Act. In our opinion, the disclosures in the consolidated financial statements give a true and fair picture of the Group's assets, liabilities, financial position and results as a whole, and the disclosures in the Directors' Report give a true and fair overview of important events during the financial year and their effect on the financial statements. Important transactions with related parties have been disclosed and the most significant risk and uncertainty factors faced by the company in the next financial period have been discussed.


The Board of Directors of Wilson ASA  
Bergen, 24 February 2010




Kristian Eidesvik  
Chairman of the Board



Jan O. Minde



Gudmundur Asgeirsson



Synnøve Seglem



Eivind Eidesvik



Ellen Solstad



Øyvind Gjerde  
CEO of Wilson ASA

## CONSOLIDATED INCOME STATEMENT

(Figures in TNOK)

NOTES	OPERATING INCOME AND EXPENSES	IFRS 2009	IFRS 2008
3	Freight income	1 648 255	2 156 560
	Voyage-related expenses	816 536	974 807
	Ships income on TC basis	831 719	1 181 753
	Other operating income	11 874	23 428
	<b>Total operating income</b>	<b>843 593</b>	<b>1 205 181</b>
10	Loss from sale of fixed assets	-2 632	-19
7	Crew costs, ships	221 925	220 458
	Other operating expenses, ships	192 737	244 834
9	T/C and BB hires	250 130	210 249
7,8	Administration expenses	120 429	125 790
	<b>Total operating expenses</b>	<b>785 221</b>	<b>801 331</b>
	<b>Operating result before depreciations</b>	<b>55 740</b>	<b>403 831</b>
3,9,10,11,12	Depreciations	188 982	170 254
2	<b>Operating result (EBIT)</b>	<b>-133 242</b>	<b>233 577</b>
	<b>FINANCIAL INCOME AND EXPENSES</b>		
5	Interest income	1 020	6 605
5	Share of result in jointly controlled entities	-1 947	7 411
18	Agio	167 717	96 379
18	Value change in financial instruments	30 064	83 872
15	Other interest expenses	64 628	89 020
	Disagio	29 193	166 940
	Other finance cost	1 549	1 782
	<b>Financial result</b>	<b>101 484</b>	<b>-63 475</b>
	<b>Result before tax</b>	<b>-31 758</b>	<b>170 102</b>
13	Tax cost	32 426	-79 476
	<b>ANNUAL RESULT</b>	<b>668</b>	<b>249 578</b>
	<b>OTHER COMPREHENSIVE INCOME</b>		
	Translation differences	3 888	-521
23	Purchase of jointly controlled companies	0	-1040
23	Mergers	0	4 479
	<b>Other comprehensive income after tax</b>	<b>3 888</b>	<b>2 918</b>
	<b>TOTAL RESULT</b>	<b>4 556</b>	<b>252 496</b>
	<b>Annual result</b>		
	Majority share	600	249 618
	Minority share	68	-40
		<b>668</b>	<b>249 578</b>
	<b>Total result</b>		
	Majority share	4 488	252 536
	Minority share	68	-40
		<b>4 556</b>	<b>252 496</b>
17	Annual result and diluted result per share (NOK)	0.01	5.91
	Number of shares	42 216	42 216

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

(Figures in TNOK)

NOTES	ASSETS	IFRS 2009	IFRS 2008
	<b>Fixed assets</b>		
	<b>Intangible fixed assets</b>		
11	Intangible fixed assets	0	250
13	Deferred tax assets	29 340	0
12	Goodwill	154 704	154 704
	<b>Total intangible fixed assets</b>	<b>184 044</b>	<b>154 954</b>
	<b>Tangible non-current assets</b>		
10	Land, buildings and other real property	2 465	2 615
2,10,15,19	Vessels	1 579 013	1 679 213
10,18,22	Vessels under construction	355 019	233 561
10	Fixtures, inventory, office machines etc.	7 165	10 388
	<b>Total tangible non-current assets</b>	<b>1 943 662</b>	<b>1 925 777</b>
	<b>Financial fixed assets</b>		
5	Investments in jointly controlled entities	26 538	28 485
5	Loan to jointly controlled entities	5 450	6 477
	Financial instruments	0	74 554
6	Other long term receivables	2 195	4 330
	<b>Total financial fixed assets</b>	<b>34 183</b>	<b>113 846</b>
	<b>Total fixed assets</b>	<b>2 161 889</b>	<b>2 194 577</b>
	<b>Current assets</b>		
2	<b>Stores and fuel</b>	<b>30 825</b>	<b>29 281</b>
	<b>Receivables</b>		
18	Accounts receivable	80 829	109 670
	Other receivables	59 475	120 677
	<b>Total receivables</b>	<b>140 304</b>	<b>230 347</b>
	<b>Investments</b>		
18	Financial instruments	9 253	54 698
	<b>Total investments</b>	<b>9 253</b>	<b>54 698</b>
16	<b>Cash and cash equivalents</b>	<b>42 552</b>	<b>74 767</b>
	<b>Total current assets</b>	<b>222 934</b>	<b>389 093</b>
	<b>TOTAL ASSETS</b>	<b>2 384 823</b>	<b>2 583 670</b>



## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

(Figures in TNOK)

NOTES	EQUITY AND LIABILITIES	IFRS 2009	IFRS 2008
	<b>Equity</b>		
	<b>Paid-in capital</b>		
14	Share capital (42 216 000 shares at NOK 5/share)	211 080	211 080
	Total paid-in capital	211 080	211 080
	<b>Retained earnings</b>		
	Group funds	576 059	618 690
	Total retained earnings	576 059	618 690
23	<b>Minority interest</b>	11 792	6 821
	<b>Total equity</b>	<b>798 931</b>	<b>836 591</b>
	<b>Liabilities</b>		
	<b>Accrued liabilities</b>		
8	Accrued pension liabilities	9 657	10 181
13	Deferred tax	0	17 067
	Total provisions	9 657	27 248
	<b>Other long term debt</b>		
15,18	Liabilities to financial institutions (interest-bearing)	1 149 019	1 241 739
15,18,20	Leasing commitments (interest-bearing)	51 208	54 218
18,20	Liabilities to concern company	20 000	0
18	Financial instruments	2 303	0
15,18	Other long-term debt	1 434	1 705
	Total other long-term liabilities	1 223 964	1 297 662
	<b>Current liabilities</b>		
15	Current liability of long-term debt (interest-bearing)	147 898	129 588
	Accounts payable	76 174	73 449
	Social security tax, withholding tax, etc.	9 299	10 380
23	Financial obligations purchase options	37 176	85 267
	Other short term liabilities	81 724	123 485
	Total current liabilities	352 271	422 169
	<b>Total liabilities</b>	<b>1 585 892</b>	<b>1 747 079</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 384 823</b>	<b>2 583 670</b>

The Board of Directors of Wilson ASA

Bergen, 24 February 2010


Kristian Eidesvik  
Chairman of the Board


Eivind Eidesvik



Gudmundur Asgeirsson



Jan O. Minde



Ellen Solstad



Synnøve Seglem


Øyvind Gjerde  
CEO of Wilson ASA

# CONSOLIDATED CASH FLOW STATEMENT

(Figures in TNOK)

NOTES	CASH FLOWS FROM OPERATING ACTIVITIES	IFRS 2009	IFRS 2008
	Profit/loss before tax	-31 758	170 102
10	Ordinary depreciation	188 982	170 254
8	Difference between pension cost and pension paid out	-524	-2 998
	Loss/gain on sale of fixed assets	2 632	19
5	Share of result of jointly controlled entities	1 947	-7 411
18	Items classified as investing or financing activities	28 299	-83 873
18	Effect of exchange rate changes	-81 485	114 351
	Interest charged against income	66 177	90 803
	Interest paid	-61 165	-74 356
	Tax paid for the period	1 362	-8 863
	Change in stores and fuel	-1 545	-2 107
	Change in accounts receivable	28 840	203
	Change in accounts payable	2 725	18 423
	Change in other current assets and other liability items	9 707	-721
	<b>Net cash flow from operating activities</b>	<b>154 194</b>	<b>383 826</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Proceeds from disposal of tangible fixed assets	9 687	0
10	Purchase of tangible fixed assets	-186 307	-600 485
	Proceeds from sale of intangible assets	0	0
	Proceeds from fixed-asset investments	305	-808
23	Investments in fixed assets	0	-17 666
	<b>Net cash flow from investing activities</b>	<b>-176 315</b>	<b>-618 959</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
15	Proceeds from new long-term borrowing	127 070	423 276
15	Repayment of long-term debt	-61 299	-73 707
15	Repayment of financial lease obligations	-3 770	-74 600
23	Net change in other short-term debt	-49 879	-34 542
	Dividends paid	-22 216	-42 216
	<b>Net cash flow from financing activities</b>	<b>-10 094</b>	<b>198 211</b>
	Net change in cash and cash equivalents etc.	-32 215	-36 922
	Cash and cash equivalents etc. at 1 January	74 767	111 689
	<b>Cash and cash equivalents etc. at 31 December</b>	<b>42 552</b>	<b>74 767</b>

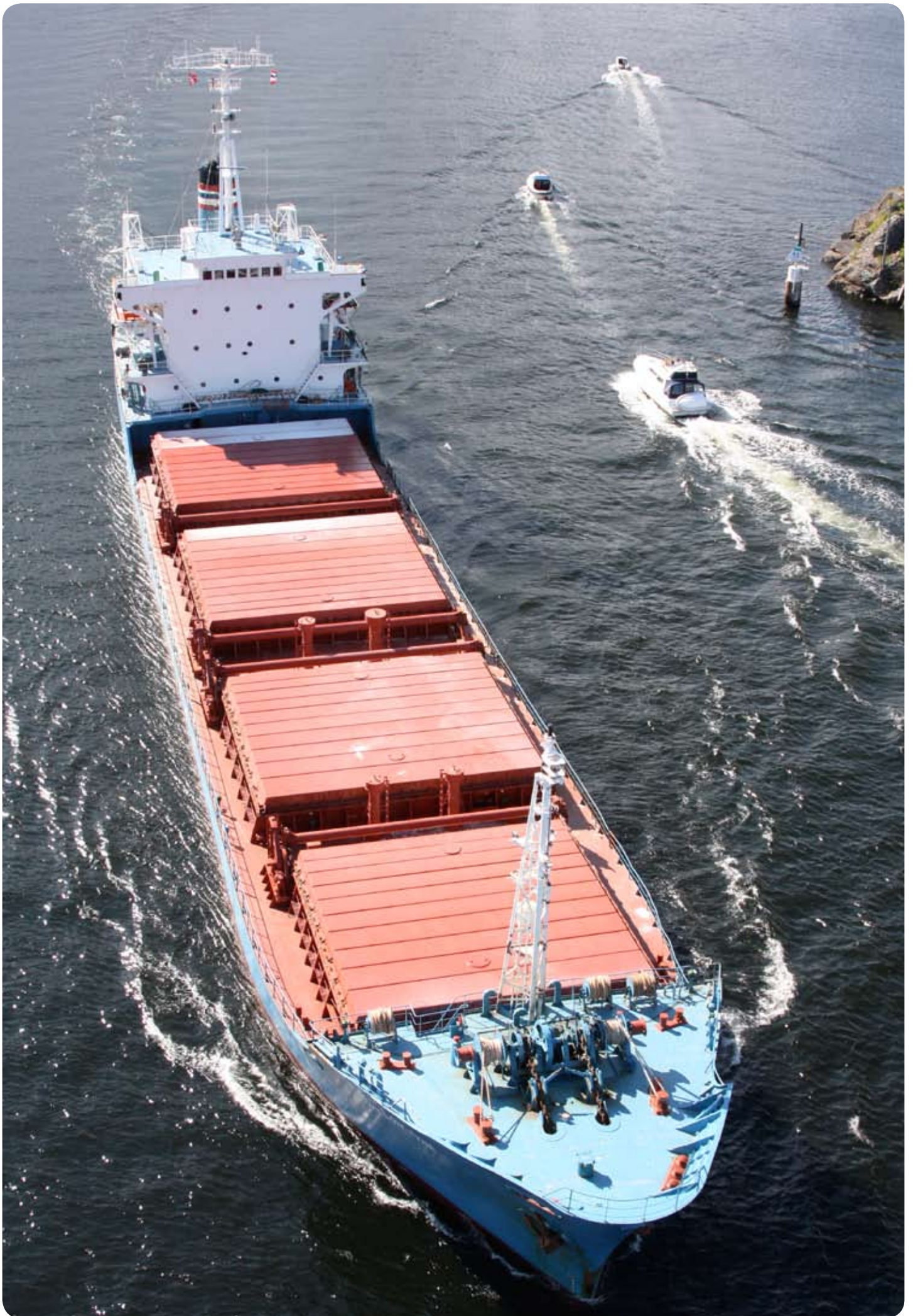
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Figures in TNOK)

NOTES	Majority interest				Sum majority	Minority interest	Total equity
	Consolidated reserves						
	Share capital	Other reserves	Translation difference	Total consolidated reserves			
<b>Equity at 31 December 2007</b>	<b>211 080</b>	<b>398 067</b>	<b>-750</b>	<b>397 317</b>	<b>608 397</b>	<b>17 490</b>	<b>625 887</b>
Profit/loss for the year		249 618		249 618	249 618	-39	249 579
Other income and expenses		3 439	-521	2 918	2 918		2 918
Total result		253 057	-521	252 536	252 536	-39	252 497
Dividend 2007		-42 216		-42 216	-42 216		-42 216
23 Financial commitment, settlement		11 053		11 053	11 053	-11 053	0
23 Actinor Bulk AS - new minority						423	423
<b>Equity at 31 December 2008</b>	<b>211 080</b>	<b>619 961</b>	<b>-1 271</b>	<b>618 690</b>	<b>829 770</b>	<b>6 821</b>	<b>836 591</b>
Profit/loss for the year		600		600	600	68	668
Other income and expenses			3 888	3 888	3 888		3 888
Total result		600	3 888	4 488	4 488	68	4 556
Dividend 2008 Wilson ASA		-42 216		-42 216	-42 216		-42 216
23 Actinor Bulk AS - new minority		-4 903		-4 903	-4 903	4 903	0
<b>Equity at 31 December 2009</b>	<b>211 080</b>	<b>573 442</b>	<b>2 617</b>	<b>576 059</b>	<b>787 139</b>	<b>11 792</b>	<b>798 931</b>

It is not proposed dividend for 2009.

Distributions in 2009 based on 2008 accounts were NOK 1,- per share, in total TNOK 42 216.



Wilson Tyne outbound from Herøya.

## NOTES

**Note 1 – General**

Wilson ASA is a Norwegian public limited company established on 21 November 2000. The company's head office is at Bradbenken 1, NO-5835 Bergen. The principal activities of Wilson ASA and the Group are described in Note 3. Wilson ASA is a subsidiary of Caiano AS, whose registered office is in Haugesund at Strandgaten 92, NO-5528 Haugesund. Caiano AS prepares consolidated financial statements in which Wilson ASA is included as a subsidiary.

The consolidated financial statements for Wilson ASA for 2009 were approved by the Board of Directors on 24 February 2010.

**Note 2 – Accounting policies****Main policies**

The consolidated financial statements for Wilson ASA and subsidiaries are prepared in compliance with International Financial Reporting Standards (IFRS) as established for businesses in the European Union. IFRS have been applied consistently for the years 2009 and 2008, with the exceptions described below.

The financial statements are prepared on a going concern basis, and on the basis of the historical cost principle, with the exception of financial derivatives, which are measured at fair value.

Amendments to standards and guidance with effect for Wilson in 2009:

- The revised version of IAS 1 *Presentation of Financial Statements* requires the presentation of a statement of comprehensive income showing the total result which also includes other income and expenses. This can be done by showing other income and expenses in a separate statement or together with the statement of profit or loss for the year. Wilson has elected to present other income and expenses together with the statement of profit or loss for the year. In the statement of changes in equity, changes in equity are now specified in, respectively, changes deriving from the total result and changes that are attributable to transactions with the owners. The amendment was implemented as of 1 January 2009, and the comparative figures have been restated.
- Amendment to IFRS 7 *Financial Instruments – Particulars*, which involves changes in the disclosure requirement relating to financial instruments measured at fair value and to liquidity risk. Each class of financial instrument measured at fair value shall be specified according to a fair value measurement hierarchy on three levels, based on which input is used for the measurement at fair value. The changes relating to liquidity risk clarify the disclosure requirements concerning liquidity risk for financial derivatives. The fair value hierarchy is presented in Note 18. The liquidity risk disclosures are provided in Note 18. The amendments to IFRS 7 have not brought about any significant changes relating to the liquidity risk disclosures.

Other amendments to standards and interpretations with effect for 2009 have had no material significance for Wilson's consolidated financial statements for 2009. A brief overview of these amendments is provided below.

- IFRS 8 *Operating Segments*. Wilson implemented this standard in 2008.

- IAS 23 *Borrowing Costs*. Wilson implemented the changes in 2008.
- IAS 32/*IAS 1 Puttable Financial Instruments*. Wilson has no such instruments.
- IAS 39 *Reclassification of Financial assets: Effective Date and Transition*. Wilson had no reclassifications of financial assets after the effective date of 1 November 2008.
- IFRIC 9 and IAS 39 related to embedded derivatives. Wilson has no embedded derivatives.
- IFRIC 11 *Group and Treasury Share Transactions*. Wilson has no agreements regarding share-based payments.
- IFRIC 13 *Customer Loyalty Programmes*. Wilson does not use loyalty programmes with its customers.

**Functional currency and presentation currency**

The Norwegian krone is used as the functional and reporting currency for the financial statements. The figures are stated in NOK thousands (TNOK).

For purposes of consolidation, the balance sheet figures for subsidiaries using other functional currencies are translated at the exchange rate at the end of the reporting period, and the income statement is translated at the mean rate of exchange for the period. This translation difference is carried in the financial statements as other income and expenses and accumulated in a separate component of equity until the subsidiary or its operations are disposed of, when they are recognised in the financial statements. With the transition to IFRS on 1 January 2004, all accumulated currency differences were recognised as a permanent component of equity.

**Consolidation principles**

The consolidated financial statements for the Group include Wilson ASA and entities in which Wilson ASA has a controlling interest (subsidiaries). A controlling interest is achieved when Wilson exercises actual control over the subsidiary's financial and operating activities in a manner that benefits Wilson. A controlling interest normally exists when Wilson ASA has a voting share in the subsidiary of more than 50 % through ownership or agreements.

Consolidation is accounted for using the purchase method. Acquisition cost is the sum of fair value at the acquisition date of assets acquired and liabilities assumed or acquired as payment for control of the acquired company, plus costs that can be directly attributed to the consolidation. Companies that are bought or sold during the year are consolidated from/to the date of transfer of control of the entity.

The identifiable assets and liabilities at the date of the transaction are carried at fair value on the transaction date.

If, following the acquisition, more information emerges concerning assets and liabilities at the transaction date, the measurement of the fair value of assets and liabilities may be changed within 12 months of the acquisition.

Minority interests in subsidiaries are included in the Group's equity and shown on a separate line of the balance sheet. Minority interests consist of minority interests on the date of consolidation (net fair value of assets, liabilities and commitments, except goodwill) and minority interest share of the changes in equity since consolidation. Any increase in minority interests through contribution of capital in subsidiaries or on acquisition of shareholdings from the majority is carried at fair value as a minority interest. Excess value or decrease in value is allocated to the minority, and is amortised and written down through allocation of share of profit to the minority.

Interests in jointly controlled entities are recognised in the consolidated financial statements using the equity method.

Intercompany transactions and balances, including internal earnings and unrealised gains or losses, are eliminated. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated with the Group's share. Unrealised losses are similarly eliminated, but only to the extent that there is no indication of an impairment in value of the asset sold internally.

The consolidated financial statements are prepared on the basis of uniform accounting policies for like transactions and other events in similar circumstances.

#### **Accrual accounting for income**

Freight income is recognised in the income statement according to the percentage of completion of the transaction, using the immediate settlement method, and voyage earnings are accrued based on the number of days the voyage lasted before or after the end of the reporting period. Freight income is accrued over a period that runs from discharging the previous contracts to discharging the current contract, providing there are no freight-seeking periods or dead time between contracts. In such cases, the income is accrued from the date of loading on the next contract.

#### **Distribution of freight income**

Gross freight income and voyage cost are allocated to the individual vessels included in affreightment activity in relation to actual voyage earnings and costs.

#### **Voyage cost**

Voyage cost is recognised in the income statement in relation to the percentage of completion of the transaction using the immediate settlement method. The costs of voyages are accrued based on the total number of days the voyage lasted before or after the reporting period, compared with appurtenant incomes.

#### **Classification of assets and liabilities**

An asset is classified as a fixed asset when it is part of the Group's circulation of goods, will be sold within 12 months or is a cash equivalent. Other assets are classified as current assets. The classification of current and long-term liabilities is based on similar criteria, with the exception of the first year of instalments on mortgage debt, which is classified as a current liability.

#### **Receivables and liabilities in foreign currencies**

Receivables and liabilities in foreign currencies are translated at the exchange rate at the end of the reporting period. Transactions in foreign currencies that are recognised in the income statement are translated into Norwegian kroner at the exchange rate ruling on the date of the transaction.

#### **Tangible fixed assets and depreciation**

Fixed assets are measured at cost price less accumulated write-downs and depreciation. When assets are sold or disposed of, the cost price and accumulated depreciation are reversed in the accounts, and any loss or gain on the disposal is recognised in the income statement.

The cost price of fixed assets is their purchase price, including charges/taxes and direct acquisition costs related to preparing the asset for use. Expenses incurred after the asset comes into use, such as repairs and maintenance, are normally charged as expenses. In cases where repairs or maintenance represent an enhancement of quality which is expected to last over time, the costs of this will be capitalised on the balance sheet as an addition to fixed assets and depreciated over the useful remaining life of the asset.

Important component parts with useful lives different from the useful life of the vessel are differentiated and depreciated separately.

Depreciation is calculated using the straight-line method, based on the assumed useful life and residual value at the end of the asset's useful life. The depreciation period and method are assessed annually to ensure the method and period used correspond to the economic realities of the fixed asset. The same applies to residual value.

#### **Newbuilding contracts**

Newbuilding contracts are classified as fixed assets. The capitalised value of newbuilding contracts includes contractual payments made to shipyards, interest on building loans and other costs directly related to newbuilding projects. Newbuilding contracts are not amortised until the vessel is delivered and taken into use.

#### **Classification costs and maintenance costs**

Costs related to docking/classification of vessels are capitalised and accrued as amortisation until the next docking/classification (two dockings during a 60-month period). With the purchase of a vessel, a portion of the cost price is decomposed and amortised until the next docking/classification takes place. Other maintenance work is charged to operations immediately. In cases where docking includes significant additional costs or improvements that represent an enhancement of quality of a significant duration, the expenses related to this are capitalised in the balance sheet as additions to vessels and depreciated over the rest of their useful life.

Actual expenses for ongoing maintenance are charged to operating results when the maintenance has been completed. In the case of accident and loss, the own risk (co-payment) is charged as an expense at the date of the accident/loss. Expenses included in average claims are capitalised and classified as short-term receivables when it is highly probable that the insurance company will reimburse the expenses.

#### **Intangible assets**

An intangible asset is capitalised in the balance sheet if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and if the cost of the asset can be measured reliably. Intangible assets are recognised in the financial statements at cost. Intangible assets with indefinite useful lives are not amortised, but are tested annually for impairment. Intangible assets with definite lives are amortised using the straight-line method over the estimated useful economic life. The amortisation estimate and amortisation method are re-assessed annually on the basis of the economic realities.

#### **Goodwill**

Goodwill arising from the acquisition of a company that cannot be allocated to asset or liability items on the date of the purchase is classified as goodwill in the balance sheet. With investments in associates, goodwill is included in the capitalised value of the investment.

Goodwill is recognised in the balance sheet at acquisition cost less any accumulated write-downs. Goodwill is not amortised, but is tested for impairment at least once a year.

Any negative goodwill arising from acquisition of a company is recognised as income immediately at the date of the acquisition.

#### **Leasing**

Leasing agreements are measured as financial or operating leasing, following evaluation of each individual agreement.

**Financial leasing agreements**

Leasing agreements, where the Group takes over the significant part of the risk and yield associated with ownership of the asset, are financial leasing agreements. The Group presents financial leasing agreements in the financial statements as assets and liabilities equal to the cost of the asset or, if lower, the present value of the cash flow for the leasing contract. Calculation of the present value of the leasing contract uses the implicit interest cost in the leasing contract. Direct costs associated with the leasing contract are included in the cost price of the asset. Monthly leasing amounts are separated into an interest element and a repayment element.

Assets included in a financial leasing agreement are depreciated. The same depreciation period is used as for similar assets owned by the Group. If it is not certain whether the company will take over the asset at the end of the leasing contract, then the asset is depreciated over the shortest period of the leasing contract's duration and the depreciation period for similar assets owned by the Group.

If a "sale and leaseback" transaction results in a financial leasing agreement, any gain will be deferred and recognised as income over the leasing period.

**Operating leasing agreements**

Leasing contracts where the greater portion of the financial risk lies with the contract's counterparty are classified as operating leasing agreements. Lease payments are classified as operating expense and are recognised in the income statement across the entire contract period.

If a "sale and leaseback" transaction results in an operating leasing agreement, and it is clear that the transaction has been carried out at fair value, then any gain or loss will be recognised in the income statement when the transaction is carried out. If the selling price is below fair value, any gain or loss will be recognised in the income statement directly, except in situations where this would result in future lease payments below market price. In such cases, gains and losses are amortised over the leasing period. If the selling price is higher than fair value, the excess is amortised over the estimated period of use for the assets.

**Write-downs**

At the end of the reporting period Wilson assesses whether there are any impairment indicators for the assets. If there are impairment indicators, a recoverable amount is calculated. In the case of goodwill and other intangible assets that are not amortised, the recoverable amount is assessed at least once yearly irrespective of the impairment indicators. If the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The assessment is made for each asset individually. In those cases where there is no fair value less costs to sell for each asset or independent cash flows for each asset, the assessment is made for several assets combined. This means among other things that for individual vessels that are managed in the portfolio, the assessment can be made for several vessels together.

Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergy effects of the business combination. If the recoverable amount of the cash-generating unit is less than the carrying amount, the write-downs first reduce the carrying amount of goodwill, and then the carrying amount of other assets of the unit are reduced on a pro rata basis.

Value-in-use is calculated as the present value of the future cash flows that are expected from the asset. Cash flows are based on a weighted average for the past two financial years

and next year's adopted budget, without growth. As the discount rate used in measuring value-in-use, the Group has applied its weighted average cost of capital (WACC), which is calculated as the weighted return on interest on debt and return on equity on which Wilson bases its profitability assessments at all times.

If the basis for previous write-downs is no longer present, the write-down is reversed up to the lower of the recoverable amount and the capitalised value the asset would have had if there had been no write-down. Write-downs of goodwill are not reversed.

**Inventories**

Inventories of bunkers are measured at the lower of acquisition cost (FIFO method) and net realisable value.

**Financial instruments**

Wilson capitalises financial instruments in the balance sheet when they are part of the contractual provisions of the instrument. Financial assets are derecognised when contractual rights associated with the financial assets expire. Financial liabilities are derecognised when the specific, contractual obligations expire.

Financial assets are classified in the following categories:

- 1) Financial assets at fair value with changes in value through profit or loss
- 2) Loans and receivables

The Group has no financial instruments in the categories "Held-to-maturity" or "Available-for-sale". The Group has not voluntarily classified financial instruments into the category "Financial assets at fair value with changes in value through profit or loss".

Financial instruments held principally for the purpose of selling or re-purchasing them in the near term, or derivatives that are not designated as hedging instruments, are classified as held for trading purposes. These instruments are included in the category of financial instruments carried at fair value with changes in value recognised in profit or loss.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables.

Financial liabilities which do not fall into the category of held for trading purposes are classified as other liabilities.

Financial liabilities are included in long-term liabilities unless they have term of less than 12 months. In that case, they are categorised as current liabilities.

Loans and receivables and other liabilities are recognised at amortised cost. The interest element is disregarded if this is insignificant. Where there is objective evidence of impairment, the difference between the carrying value and the present value of future cash flows discounted by the original effective interest rate of the receivable is charged as a loss against income. Financial instruments classified as held for trading purposes are recognised at fair value, as observed in the market at the end of the reporting period, without deductions for costs to sell.

Changes in the fair value of financial instruments classified as held for trading purposes are recognised in the income statement and presented as financial income/expense.

The Group carries out hedge accounting for some of the new-buildings. When this is done, the hedging instruments are recognised at fair value in the balance sheet and the change in value is carried against the capitalised value of the new-buildings.

**Tax**

The Group's main business activity is taxed in Norway.

As of 31 December 2009, no group company was subject to regulation by the new shipping company tax scheme in Norway. However, the acquired Neskkip Group has a business that falls within the tonnage tax system in Cyprus, with effective tax rates equal to just about zero.

Tax expenses in the income statement include both tax payable for the period and changes in deferred tax. Deferred tax is computed at a rate of 28 % based on the temporary differences that exist between accounting and taxation values, as well as tax loss carryforwards at the end of the financial year. Tax-adding and tax-deducting temporary differences that are reversed or can be reversed during the same period are offset within the separate legal entity subject to taxation, and the associated deferred tax liabilities and deferred tax assets are presented net in the balance sheet. Deferred tax assets are recognised in the balance sheet to the extent it is probable they can be applied.

**Pensions**

Defined-benefit pension schemes are measured at the present value of the future pension benefits which for accounting purposes are considered to have been earned at the end of the reporting period. Pension assets are measured at fair value. Net pension costs are wholly classified as wage costs and comprise the period's pension contributions and interest cost on the liability, less estimated yield on the pension assets. The net pension liability is presented on the balance sheet under provisions for liabilities and charges. That portion of the effect of estimate variances and changes in assumptions that exceeds 10 % of the greater of pension assets and pension liabilities is recognised in the income statement over the average remaining contribution period.

The Group cleared all accumulated estimate variances on the date of transition to the IFRS system, 1 January 2004.

**Estimates**

Preparing financial accounts in compliance with IFRS requires the company to make measurements, estimates and assumptions that influence the application of accounting policies and recognised amounts for assets and liabilities, income and expense. Estimates and appurtenant assumptions are based on historical experience and other factors seen to be reasonable given the circumstances. These calculations form the basis for measuring the balance sheet values of assets and liabilities that are not clear from other sources. Actual results may deviate from these estimates.

Estimates and underlying assumptions are measured on a current basis. Changes in accounting estimates are recognised in the income statement in the period in which the changes occur if they only apply to that period. If the changes are also applicable to future periods, the effect is then distributed between current and future periods.

Measurements made by the company when applying IFRS that have a significant effect on the financial accounts, and estimates with significant risk of material adjustments in the coming financial year, are all reported in Note 19.

**Provisions**

A provision is recognised when, and only when, the Group has a present obligation (legal or assumed) arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits, and if the amount of the obligation can be measured reliably. Provisions are reviewed at the end of every reporting period, and the level will reflect the best estimate on the obligation. When the time factor is insignificant, the provision will be

equal to the amount needed to settle the obligation. When the time factor is significant, the provision will be the present value of future disbursements to cover the obligation. Increases in the present value of provisions because of time factors are presented as interest expense.

**Cash and cash equivalents**

Cash equivalents are short-term liquid investments that can be converted into cash within three months' time and at a known amount, and which contain insignificant risk. In statement of cash flows, bank overdrafts are included in cash and cash equivalents.

**Statement of cash flows**

The statement of cash flows is prepared according to the indirect method. The indirect method entails that cash flows from investing and financing activities are shown gross, while cash flow tied to operating activities results from reconciliation of the accounting results against the net cash flow from operating activities.

**Reclassification**

Where income statement and balance sheet items are reclassified, the comparative figures are restated accordingly.

**Adopted IFRSs and IFRICs with future effective date:****IFRS 2 *Group Cash-settled Share-based Payment Transactions***

The amendments to IFRS 2 entail more guidance relating to share-based payment transactions settled in cash. The definition of share-based payments has also been changed slightly. The effective date set for the amendment was 1 January 2010, although it has still not been approved by the EU. Wilson has no agreements for share-based payment transactions. The Group expects to apply the amendment as of 1 January 2010 if agreements for share-based payment transactions are entered into.

**IFRS 3 (revised) *Business Combinations***

In relation to the current IFRS 3, the revised standard entails some changes and specifications regarding application of the acquisition method of accounting. Specific elements affected include goodwill in step acquisitions, minority interests and contingent consideration. Acquisition costs in addition to costs of issuing debt or equity instruments and borrowing costs shall be expensed as they are incurred. The effective date set for the revised IFRS 3 is 1 July 2009. The Group will apply IFRS 3 (R) as of 1 January 2010.

**IFRS 9 *Financial Instruments***

IFRS 9 replaces the classification and measurement rules for financial instruments in IAS 39 *Financial Instruments: Recognition and Measurement*. According to IFRS 9, financial assets that contain ordinary loan terms are carried at amortised cost, unless it is decided to carry them at fair value, while other financial assets shall be carried at fair value. The effective date set for IFRS 9 is 1 January 2013, although the standard has still not been approved by the EU. The Group expects to apply the standard as of 1 January 2013.

**IAS 24 (revised) *Related Party Disclosures***

In relation to the current IAS 24, the revised standard provides a clarification and simplification of the definition of related parties. The revised standard also provides some relief in the requirements for additional disclosures for public enterprises. The effective date is set as 1 January 2011, although the amendment has not yet been approved by the EU. The Group expects to apply the revised IAS 24 as of 1 January 2011.



**IAS 27 (revised) Consolidated and Separate Financial Statements**

In relation to the current IAS 27, the revised standard provides more guidance relating to accounting for partial disposal or full disposal of an investment in a subsidiary. The introduction of the revised standard entails that when the Group loses control of a subsidiary any residual holding in the former subsidiary shall be measured at fair value and the gain or loss recognised in the income statement. Further, there is a change in the current rule relating to the apportionment of loss between majority and minority so that the loss is charged to the non-controlling holdings (minority interests) even if the carrying value of the minority interest is negative. The effective date is 1 July 2009. The Group is planning to apply IAS 27 (R) as of 1 January 2010.

**Amendments to IAS 32 Financial Instruments – Presentation – Classification of Rights Issues**

The amendments to IAS 32 entail that pre-emptive rights to subscribe for shares issued in a currency other than the enterprise's functional currency may be classified as equity instruments. The effective date set is 1 February 2010. The Group will apply the amendments as of 1 January 2011, if relevant.

**Amendments to IAS 39 Financial Instruments – Recognition and Measurement – Eligible Hedged Items**

The amendments to IAS 39 entail a clarification of the rules when a financial instrument (hedge object) is hedged according to selected risks or components of cash flows. The adopted amendments initially provide further guidelines for hedging of unilateral risk (hedging with options) and hedging of inflation risk, but also clarify the guidelines that the selected risks and cash flows must be identifiable and can be reliably measured. The effective date is 1 July 2009. The Group will apply the amendments to IAS 39 as of 1 January 2010.

**IFRIC 12 Service Concession Arrangements**

IFRIC 12 applies to public service concessions relating to infrastructure given to the private sector when the public authority regulates or controls which services are provided and at what price. The interpretation comes into effect on 29 March 2009. IFRIC 12 is not relevant for Wilson.

**Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction – Prepayments of a Minimum Funding Requirement**

The amendments entail that enterprises with a minimum funding requirement for a pension scheme will be able to treat advance payment of premium demands in a defined benefit-based pension scheme as an economic benefit. Following the amendment, such advance payments will qualify for balance sheet recognition. The effective date for the amendments to IFRIC 14 is 1 January 2011, although it has still not been approved by the EU. IFRIC 14 is not relevant for Wilson.

**IFRIC 15 Agreements for the Construction of Real Estate**

This interpretation deals with the recognition of revenue from real estate projects, and provides guidance as to whether a construction project falls within IAS 11 *Construction Contracts* or IAS 18 *Revenue*. The effective date of the interpretation is 1 January 2010. IFRIC 15 is not relevant for Wilson.

**IFRIC 16 Hedges of a Net Investment in a Foreign Operation**

This interpretation deals with accounting for hedges of foreign currency exposure relating to net investment in foreign entities. It clarifies which type of hedges will

qualify for measurement under hedge accounting and which risks can be hedged. The effective date for this interpretation is 1 July 2009. The Group will apply IFRIC 16 as of 1 January 2010.

**IFRIC 17 Distributions of Non-cash Assets to Owners**

This interpretation deals with accounting for distributions to owners that are settled in assets other than cash. The effective date for the interpretation is 1 November 2009. The Group will apply IFRIC 17 as of 1 January 2010.

**IFRIC 18 Transfers of Assets from Customer**

This interpretation applies to accounting at the seller when the customer transfers tangible fixed assets to the seller as part of the agreement. The seller shall recognise the asset at fair value in the financial statements and take it to income in line with the underlying substance in the transfer. The effective date for the interpretation is 1 November 2009. The Group will apply IFRIC 18 as of 1 January 2010.

**IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

This interpretation provides guidance regarding accounting for transactions when a company settles all or some of its financial liabilities by issuing equity instruments. The interpretation applies when the debt conversion takes place as a result of a renegotiation of the loan agreement. The effective date for the interpretation is 1 July 2010, although it has still not been approved by the EU. The Group expects to apply IFRIC 19 as of 1 January 2011

**IASB's annual improvement project**

Through its annual improvement project, IASB has adopted amendments to a number of standards, which will come into force with effect for the 2010 financial year. The amendments have not yet been approved by the EU

- IFRS 2 *Share-based Payment*: Contribution of operations on the establishment of jointly controlled entities and business combinations under the same control is outside the scope of IFRS 2.
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: A specification is included whereby it is only the disclosure requirements in IFRS 5 that apply to non-current assets held for sale and discontinued operations. Disclosure requirements in other standards do not apply unless it is specified that they also apply to assets and operations that fall within the scope of IFRS 5.
- IFRS 8 *Operating Segments*: A specification is included whereby it is only segment assets and liabilities that are reported separately for internal decision-making purposes that are required to be reported in the segment information.
- IAS 1 *Presentation of Financial Statements*: A specification is included that if the lender has the right at any time to convert a convertible loan into equity, it does not affect the classification of the loan.
- IAS 7 *Statement of Cash Flows*: A specification is included whereby only expenses that are recognised in the balance sheet shall be included in the cash flow from investing activities.
- IAS 17 *Leases*: The separate mention of the criteria for classification of a lease as a financial leasing agreement for land is removed.
- IAS 18 *Revenue*: More guidance is included with regard to considering whether a company is an agent or a seller trading for own account and risk as principal.

- **IAS 36 Impairment of Assets:** A specification is included that operating segment is the highest level at which goodwill can be allocated in a business combination.
- **IAS 38 Intangible Assets:** A specification is included that if an intangible asset is only identifiable together with another intangible asset, the two can be presented as a single asset provided that the period of use is virtually identical.
- **IAS 39 Financial Instruments – Recognition and Measurement:**
  - o A specification is included whereby an advance payment option is regarded as being closely related to the host contract when the exercise price is virtually identical to the present value of the remaining interest payments in the host contract.
  - o A specification is included whereby the exception for agreements between acquirer and acquiree in business combinations that concern future transfer of assets in the target company, only applies to forward contracts.
  - o A specification is included whereby gains or losses on instruments in cash flow hedges where the expected future cash flow will lead to balance sheet recognition of a financial instrument, shall be recognised in the income statement only when the hedged future cash flows affect the profit or loss
- **IFRIC 9 Reassessment of Embedded Derivatives:** A specification is included whereby IFRIC 9 does not apply to the reassessment of embedded derivatives in business combinations between companies under the same control or on the establishment of jointly controlled entities.
- **IFRIC 16 Hedges of a Net Investment in a Foreign Operation:** A specification is included whereby hedges of net investments in foreign operations can be carried out using hedge instruments in any group company. There is thus no requirement for the parent company itself to acquire the hedge instrument.

### Note 3 – Segment information

Wilson runs affreightment enterprises and operations in the small bulk market with vessels between 1 500 dwt and 10 000 dwt, primarily in European waters. Segmental division is in accordance with practical considerations and clients' historical demand for tonnage. As of 31 December 2009, the Wilson system operated 108 vessels, 75 of which are owner-controlled by the company.

Wilson's principal business strategy is to offer Norwegian and European industry competitive, safe, reliable, flexible, and long-term transport services. Large volumes and long-term contract portfolios enable Wilson to optimise sailing patterns and ensure long-term, stable earnings.

The company strategy is to focus on development and expansion within the European dry cargo freight market by:

- Increasing contract portfolio size
- Ship purchases
- Acquisition of companies and alliances with other operators

As part of their management of the Group, the Group's executive management receive regular financial reporting on the activities in the segments. Reporting is divided into the following segments:

#### "2 000 dwt/System":

"2 000 dwt" represents shipping with tonnage sizes of around 2 000 dwt. The vessels sail primarily in fixed transport patterns between Norway and the Continent, including the UK, as well as making routine port calls to industries in the Ruhr area. A range of finished goods and minerals are exported from Norway, with mostly a variety of steel products being transported from the Continent to Norway in return. In 2009, 60 % of operating days were contract-based.

"System" currently represents seven vessels, five of which sail fixed, long-term contract routes between Norway and the Continent and two between Iceland and the Continent.

#### "3 500-4 500 dwt":

The "3 500-4 500 dwt" segment represents mainly contract shipping with input factors, semi-fabricated and manufactured articles for Norwegian-controlled and Northern European commodities-based industry. In 2009, 41% of sailing days were contract-based.

#### "6 000-10 000 dwt":

The "6 000-10 000 dwt" segment represents mainly contract shipping with input factors, semi-fabricated and manufactured articles for Norwegian-controlled and European commodities-based industry. In 2009, 48 % of sailing days were contract-based.

#### "Other":

The "Other" segment comprises different activities such as container line, self-discharger vessels and management services. As of 10 October 2008, Euro Container Line's container business has been included in the segment. See also Note 23.

Year 2009	2 000 dwt/ system	3 500-4 500 dwt	6 000-10 000 dwt	Other	Total
Operating income	188 273	351 549	185 854	115 285	840 961
Operating expenses *	155 852	358 548	179 143	91 678	785 221
Operating result before deprec. & amort. (EBITDA)	32 421	-6 999	6 711	23 607	55 740
Depreciation/amortisation	34 888	80 630	52 559	20 906	188 983
Operating result (EBIT)	-2 467	-87 629	-45 848	2 701	-133 243
Capitalised value, ships	298 347	862 500	616 948	156 236	1 934 031
Of which:					
Additions, ships	-	-	-	-	0
Ships under construction	-	-	89 144	-	89 144
Year 2009	Import	Export	Domestic	Foreign	Total
Operating income	210 240	260 698	50 458	319 565	840 961
in %	25 %	31 %	6 %	38 %	100 %

\*) Operating expense inc. cost of T/C hire

Turnover from the 10 largest clients in 2009 is approximately 36 % of the Group's total gross turnover.

Year 2008	2 000 dwt/ system	3 500-4 500 dwt	6 000-10 000 dwt	Other	Total
Operating income	201 885	568 886	341 605	92 785	1 205 161
Operating expenses*	158 312	392 803	209 061	41 155	801 331
Operating result before deprec. & amort. (EBITDA)	43 573	176 083	132 544	51 630	403 830
Depreciation/amortisation	22 134	86 749	52 029	9 342	170 254
Operating result (EBIT)	21 439	89 334	80 515	42 288	233 576
Capitalised value, ships	215 606	961 902	566 883	168 383	1 912 774
Of which:					
Additions, ships	10 100	143 016	-	119 381	272 497
Ships under construction	-	82 093	194 628	-	276 721
<b>Year 2008</b>	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Operating income	325 393	361 548	84 361	433 858	1 205 161
in %	27 %	30 %	7 %	36 %	100 %

\*) Operating expense inc. costs of T/C hire

Turnover from the 10 largest clients in 2008 was approximately 39 % of the Group's total gross turnover.

#### Note 4 – Shares in subsidiaries

Subsidiary	Acquisition year	Main activity	Registered office	Voting & ownership
Wilson EuroCarriers AS	2000	Affreightment	Bergen	100 %
Bergen Shipping Chartering AS	2000	Affreightment	Bergen	100 %
Euro Container Line Holding AS	2008	Affreightment	Bergen	100 %
Euro Container Line AS *	2008	Affreightment	Bergen	100 %
NSA Schifffahrt und Transport GmbH *	2008	Affreightment	Hamburg	100 %
Wilson Management AS	2000	Administration	Bergen	100 %
Wilson NRL Transport GmbH **	2000/2007	Affreightment	Duisburg	100 %
Wilson Agency BV, Rotterdam **	2003	Affreightment	Rotterdam	100 %
Wilson Ship Management AS **	2000	Ship management	Bergen	100 %
Wilson Crewing Agency Ltd. ***	2004	Crewing	Arkhangelsk	100 %
Wilson Crewing Agency, Odessa Ltd. ***	2007	Crewing	Odessa	100 %
Wilson Murmansk Ltd. **	2009	Affreightment	Murmansk	100 %
Wilson Ship AS	2000	Hiring vessels	Bergen	100 %
Wilson Shipowning AS	2000	Ship owners	Bergen	99.44 %
Altnacraig Shipping Plc.	2000	Hiring vessels	London	100 %
Nesskip hf., Reykjavik	2006/2009	Affreightment	Reykjavik	87.7 %
Unistar Shipping Co. Ltd. ****	2006	Ship owners	Limassol	100 %
Volcano Shipping Services Ltd. *****	2006	Administration	Limassol	100 %
MV "Mautern" Shipping Co. Ltd. *****	2006	Ship owners	Limassol	75 %
MV "Weissenkirchen" Shipping Co. Ltd. *****	2006	Ship owners	Limassol	50 %
MV "Joching" Shipping Co. Ltd. *****	2006	Ship owners	Limassol	50 %

\* Subsidiary of Euro Container Line Holding AS

\*\* Subsidiary of Wilson Management AS

\*\*\* Subsidiary of Wilson Ship Management AS

\*\*\*\* Subsidiary of Nesskip hf.

\*\*\*\*\* Subsidiary of Unistar Shipping Co. Ltd.

\*\*\*\*\* Associate, share owned by Unistar Shipping Co. Ltd.

#### Changes relating to subsidiaries in 2009:

In 2009, Wilson purchased an additional 17.05 % of the shares in the company Nesskip hf., Iceland, including ship-owning companies in Cyprus. This brought Wilson's stake from 70.65 % up to 87.70 % as of 31 December 2009. A further 1.4 % stake was taken over in January and February 2010, making the current shareholding 89.10 %. This share purchase was not incorporated into the consolidated financial statements as of 31 December 2009. See also Note 5.

Wilson established Wilson Murmansk Ltd. in Russia in 2009. The company is part of Wilson's agency and affreightment business.

**Note 5 – Investments in jointly controlled entities**

The Group had the following investments in jointly controlled entities as of 31 December 2009:

Company	Acquisition date	Cost price	Book value	Country	Activity	Ownership
MV "Weissenkirchen" Shipping Co. Ltd.	31.05.06	12 568	13 571	Cyprus	Ship ownership	50 %
MV "Joching" Shipping Co. Ltd.	31.05.06	12 444	12 967	Cyprus	Ship ownership	50 %
<b>Total investment</b>		<b>25 012</b>	<b>26 538</b>			

MV "Weissenkirchen" Shipping Co. Ltd and MV "Joching" Shipping Co. Ltd are both ship-owning companies, owning one vessel each, respectively MV Wilson Sky and MV Wilson Hull.

**Changes relating to jointly controlled entities in 2009:**

There were no ownership changes relating to jointly controlled entities in 2009.

**Changes in capitalised value in 2009 are specified as follows:**

TNOK	Weissenk.	Joching	2009 Total	2008 Total
Original acquisition cost	12 568	12 444	25 012	28 760
Balance sheet equity at acquisition	-3 164	-2 339	-5 503	-8 926
Excess value, ships	9 404	10 105	19 509	19 834
<b>Net value at 1 January</b>	<b>15 168</b>	<b>13 317</b>	<b>28 485</b>	<b>39 209</b>
Additions/disposals for the period	0	0	0	-11 807
Share in profit/loss for year	-1 235	24	-1 211	1 819
Amortisation of excess value	-362	-374	-736	-736
Transfers to/from company	0	0	0	0
Other changes during the year	0	0	0	0
<b>Net value at 31 December</b>	<b>13 571</b>	<b>12 967</b>	<b>26 538</b>	<b>28 485</b>

"Share in profit/loss for year" and "Amortisation of excess value" are carried in the income statement under "Share in profit/loss of jointly controlled entities".

Below is a summary of company accounts for associates and jointly controlled entities for 2009.

**2009**

TNOK	Weissenk.	Joching	Total 2009
Fixed assets	25 872	28 033	53 905
Current assets	0	2 228	2 228
Total assets	25 872	30 261	56 133
Long-term liabilities	10 062	17 284	27 346
Current liabilities	4 878	4 566	9 444
Total liabilities	14 940	21 850	36 790
Equity	10 932	8 411	19 343
Group share of equity	5 466	4 206	9 672
Excess value	8 105	8 762	16 867
<b>Group share of equity including excess value</b>	<b>13 571</b>	<b>12 967</b>	<b>26 538</b>
Total income	8 601	12 088	20 689
Profit/loss for the year	-2 470	48	-2 422
Group share of profit/loss for the year	-1 235	24	-1 211
Correction for negative share	0	0	0
Amortisation of excess value	-362	-374	-736
<b>Group share of profit/loss for the year inc. amortisation of excess value recognised in profit or loss</b>	<b>-1 597</b>	<b>-350</b>	<b>-1 947</b>

Below is a summary of company accounts for jointly controlled entities for 2008:

<b>2008</b>			
<b>TNOK</b>	<b>Weissenk.</b>	<b>Joching</b>	<b>Total 2008</b>
Fixed assets	32 573	36 362	68 935
Current assets	650	2 100	2 750
Total assets	33 223	38 462	71 685
Long-term liabilities	16 181	24 438	40 619
Current liabilities	3 638	5 661	9 299
Total liabilities	19 819	30 099	49 918
Equity	13 404	8 363	21 767
Group share of equity	6 702	4 182	10 884
Excess value	8 466	9 136	17 602
<b>Group share of equity including excess value</b>	<b>15 168</b>	<b>13 317</b>	<b>28 485</b>
Total income	10 600	10 773	21 373
Profit/loss for the year	2 454	1 184	3 638
Group share of profit/loss for the year	1 227	592	1 819
Correction for negative share	0	0	0
Amortisation of excess value	-362	-374	-736
<b>Group share of profit/loss for year inc. amortisation of excess value recognised in profit or loss</b>	<b>865</b>	<b>218</b>	<b>1 083</b>

The Group has the following subordinated loans relating to jointly controlled entities:

	<b>Interest rate</b>	<b>2009 Book value</b>	<b>2008 Book value</b>
MV "Weissenkirchen" Shipping Co. Ltd.	0 %	1 402	1 666
MV "Joching Shipping Co. Ltd.	0 %	4 048	4 811
<b>Total loans</b>		<b>5 450</b>	<b>6 477</b>

Loans to MV "Weissenkirchen" Shipping Co. Ltd. and MV "Joching" Shipping Co. Ltd., are subordinated loans on which interest is not charged.

The fair value of subordinated loans with a 0 % interest rate is estimated at TNOK 4 950 based on a discounted rate of 10 %.

#### **Note 6 – Other long-term receivables**

	<b>2009</b>	<b>2008</b>
Seller's credit	0	1 366
Rebuilding loans	2 195	2 964
Total	2 195	4 330

Seller's credit of TNOK 1 366 is related to the sale of two chemical tankers (Frigg and Freya) included in the purchase of Nesskip hf. Interest is charged at 9.29 % per annum. Loan repayments were made in 2009 in the sum of TNOK 1 366.

A rebuilding loan of TEUR 300 (TNOK 2 195 at 31 December 2009), relates to MV Havstein, which was rebuilt as a self-discharger and was in the service of Bergen Shipping Chartering AS in 2009. As of 31 December 2008, the loan amounted to TEUR 300. Interest is charged at 5 % per annum. Following a revised agreement, the loan was repaid in 2009 in the sum of TEUR 36, with the sum of TEUR 264 still outstanding on the loan at 31 December 2009.

The fair value of other long-term receivables is considered to be the capitalised value, as the credit risk relating to the receivables is still considered acceptable.

**Note 7 – Wages and salaries, number of employees, remuneration, loans to employees, etc.**

Specification of other administrative expenses:

<b>Administrative expenses</b>	<b>2009</b>	<b>2008</b>
Wages and salaries	91 865	93 993
Other operating expense	28 564	31 797
<b>Total</b>	<b>120 429</b>	<b>125 790</b>

**Wages and salaries**

Salaries, office staff Bergen	55 000	58 471
Employer's national insurance contributions	8 884	9 487
Pension costs	9 417	6 942
Other benefits	1 181	2 403
Wages, salaries & social costs, foreign companies	17 383	16 690
<b>Total</b>	<b>91 865</b>	<b>93 993</b>

Average number of full-time equivalents	145	131
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The average number of full-time equivalents (FTEs) is weighted in relation to incoming and outgoing staff through the year, and the number of part-time staff. See below for the number of employees at year-end.

NSA Schifffahrt und Transport GmbH, Hamburg with 13 employees was taken over 100 % on 10 October 2008. Costs are included from the takeover date inclusive and the average number of FTEs is similarly weighted in relation to 31 December 2008.

The number of employees at 31 December 2009 comprised 102 (98) in Bergen and 49 (44) in foreign companies.

At year-end the Group employed approximately 1 300 (1 350) mariners. The wage cost for the mariners is included in the crew costs for ships and is specified as follows:

	<b>2009</b>	<b>2008</b>
Crew costs, own ships	221 925	214 061
Crew costs, ships under management	0	6 397
<b>Total crew costs</b>	<b>221 925</b>	<b>220 458</b>

**Senior executives**

The main principle for fixing senior executives' pay was adopted by the Annual General Meeting on 3 April 2009 and is as follows:

"The company's main principle for fixing senior executives' pay will therefore be to offer senior executives competitive conditions in order to create continuity in the management. The remuneration package offered to employees will normally consist of basic salary, pension benefits and car allowance. In addition, senior executives may individually earn performance-related pay of to up to two months' salary per year. In the case of the CEO, this performance-related element of the remuneration package can be up to three months' salary per year. The level of the remuneration package will reflect Wilson's aim to offer a salary level that is commensurate with the average salary level in similar shipping companies in Norway."

There are no share option programmes for employees.

The Chair of the Board of Directors has no agreement with the company to be paid a bonus, "golden parachute", share options or similar. The Chair of the Board and shareholder-elected board members are not entitled to a pension from the company.

In reviewing the administration's proposed final financial statements for the year, the Board also considers the question of payment of bonus to the CEO. By the closing of accounts it has normally been determined whether to pay a bonus to senior executives and other employees relative to the company's profit performance. Any bonus adopted by the Board is allocated as an expense in the current financial year, but is paid out in the following financial year. Where there is a difference in the level of bonus to senior executives, other employees and the CEO, that difference is included in the next financial year.

Following consideration of the administration's proposed final financial statements for 2008, the Board resolved to pay a bonus to the CEO in the amount of TNOK 161, which is equal to one month's salary x 1.25. For 2008 the Board also resolved to pay a bonus to senior executives and other employees equal to one month's salary x 1.25. Both bonuses were paid out in 2009.

Following consideration of the administration's proposed final financial statements for 2009, the Board resolved that no bonus should be paid to the employees for 2009.

Senior executives - pay and pension rights	Titel	Basic salary	Bonus paid	Other remun- eration <sup>1)</sup>	Total taxable income	Earned pension rights/costs for company <sup>2)</sup>
<b>2009</b>			For 2008			
Øyvind Gjerde	CEO	1 560	160	122	1 842	83
Petter Berge	CFO	1 078	104	100	1 282	53
Jostein Bjørgo	Commercial Director	1 005	107	105	1 217	53
Jon Are Gummedal	Technical Director	894	83	91	1 068	51
Total		4 537	454	418	5 409	240
<b>2008</b>			For 2007			
Øyvind Gjerde	CEO	1 491	350	120	1 961	103
Petter Berge	CFO	976	121	99	1 196	52
Jostein Bjørgo	Commercial Director	904	106	73	1 083	52
Jon Are Gummedal	Technical Director	795	98	16	909	48
Total		4 166	675	308	5 149	255

Jon Are Gummedal took up the post of Technical Director on 1 May 2008, having until then been employed by the company as Inspector. Jostein Bjørgo became Commercial Director on 1 July 2008, having until then been employed by the company as Chartering Manager.

<sup>1)</sup> Includes car allowance, insurance, ADSL and other minor remunerations.

<sup>2)</sup> Calculation of earned pension benefits is based on the same assumptions as described in Note 8 Pensions.

None of the persons in the table above received compensation from other companies in the Group during the year. All amounts are exclusive of employer's national insurance contributions.

Senior executives	Title	Term of notice	Bonus appraisal
Øyvind Gjerde *	CEO	6 months	Annual
Petter Berge	CFO	6 months	Annual
Jostein Bjørgo	Commercial Dir.	6 months	Annual
Jon Are Gummedal	Technical Dir.	6 months	Annual

\* Termination of an employment contract for reasons other than ordinary resignation on the part of the employee entitles the employee to a contractual termination payment of 18 months' salary including the period of notice.

No loans or guarantees were provided to senior executive or other employees during the year.

Wilson's employees in Norway are entitled to pension benefits amounting to 66 % of salary up to 12 G at full contribution (where G is the basic amount under the Norwegian national insurance scheme). Employees who commenced working for Wilson after 1 January 2007 are members of a defined-contribution pension scheme.

Board of Directors	Members' fees paid in 2009	Other benefits 2009	Members' fees paid in 2008	Other benefits 2008
Kristian Eidesvik, styrets formann	125	0	125	0
Gudmundur Asgeirsson	96	0	96	0
Eivind Eidesvik	96	0	110	0
Ellen Solstad	110	0	110	0
Synnøve Seglem	82	0	0	0
Jan Minde, employee representative	96	0	96	0
Bernt D. Odfjell, deputy member	110	0	110	0
Nina Hjeltestad, deputy employee rep.	51	0	51	0
Former Board members				
Katrine Trovik	94	0	125	0
Pål M. Hisdal		0	96	0
	861	0	920	0

All amounts are exclusive of employers' national insurance contributions.

Gudmundur Asgeirsson became a member of the Board of Directors on 30 March 2007 and was at that time employed by Nesskip hf., Iceland. Asgeirsson's employment with Nesskip ended on 21 May 2008 and he no longer holds elected office in Nesskip hf. See Note 23 (Nesskip) for share options exercised by Gudmundur Asgeirsson in 2009.

Pål M. Hisdal stepped down as a member of the Board on 18 December 2007 and Synnøve Seglem was elected to the Board. Katrine Trovik stepped down from the Board on 31 October 2008. Bernt D. Odfjell stepped down from the Board on 9 December 2008 and was at the same time elected as a shareholder-elected deputy member. Jan Minde is the employee representative on the Board. Nina Hjellestad is the employee representative's deputy member.

No loans or guarantees were provided to Board members during the year.

Below is a list of the percentage-wise shareholdings of members of the Board and the group executive management at 31 December 2009. Board members' and senior executives' shareholdings include shares held by their close family members.

<b>Shares controlled by the Chair and Board members</b>	<b>2009</b>	<b>2008</b>
Kristian Eidesvik	90.18 %	90.18 %
Ellen Solstad	1.48 %	0.59 %
Eivind Eidesvik	0.01 %	0.01 %
Bernt Daniel Odfjell	0.39 %	0.39 %
<b>Shares controlled by senior executives</b>	<b>2009</b>	<b>2008</b>
CEO	0.00 %	0.00 %
CFO	0.00 %	0.00 %
Commercial Director	0.00 %	0.00 %
Technical Director	0.00 %	0.00 %
<b>Group auditor's fees</b>	<b>2009</b>	<b>2008</b>
Statutory audits	1 047	1 040
Other attestation services		23
Tax advice related to restructuring	799	286
Other advice	450	561
<b>Total</b>	<b>2 296</b>	<b>1 910</b>

All amounts are stated exclusive of VAT.

### **Note 8 – Pension costs, assets and liabilities**

#### **Compulsory occupational pension scheme**

Wilson is obliged to have an occupational pension scheme under the Norwegian Compulsory Occupational Pensions Act, and has pension schemes which satisfy the provisions of the Act.

The Group also has an unsecured pension scheme for 15 former employees, which is funded through company operations.

#### **Office staff**

Wilson has a group pension scheme for some of the office staff. The pension scheme entitles employees to defined future benefits, which depend mainly on the number of years of service, the final salary at retirement age, and the size of retirement benefits paid under the Norwegian national insurance scheme. The pension liabilities are secured through an insurance company. The pension scheme comprised 96 staff and pensioners at 31 December 2009. Under the main terms of the office staff pension scheme, members are entitled to a pension amounting to 66 % of pensionable income up to 12G from the member's 67th birthday, as well survivor's pension, disability pension and children's pension. New employees entering the company on or after 1 January 2007 have a defined contribution pension scheme.

#### **Mariners**

Wilson has a group pension scheme for 23 Norwegian mariners (both economically active and retired), which is funded through an insurance company.



	Secured scheme		Unsecured scheme	
	2009	2008	2009	2008
<b>Pension cost</b>				
Present value of the year's pension scheme	5 476	4 686	0	416
Interest cost of pension liability	4 458	4 216	211	183
Expected return on pension assets	-4 875	-4 618		
Administrative charges	485	483	0	0
Employer's contribution	782	783	30	98
Estimate variances recognised in profit or loss	1 210	65	393	-234
Net pension cost of defined benefit scheme	7 536	5 615	634	463
<b>Capitalised pension liabilities and assets</b>				
Present value of calculated pension liabilities	-86 668	-105 509	-3 787	-5 797
Pension assets (fair value)	73 195	76 430	0	0
Net pension liabilities	-13 473	-29 079	-3 787	-5 797
Employer's contribution	-1 900	-4 100	-534	-817
Changes & estim. variances not recog. in P/L	8 568	27 154	1 469	2 458
Net capitalised pension assets/liabilities	-6 805	-6 025	-2 852	-4 156
<b>Change in net capitalised liability</b>				
Net capitalised liability at 1 January	-6 025	-7 682	-4 156	-5 497
Pension paid out, unsecured scheme	0	0	1 937	1 803
Pension cost recognised in profit or loss	-7 536	-5 615	-634	-462
Premium payments inc. employer's contrib.	6 757	7 272		
<b>Net capitalised pension liability at 31 December</b>	<b>-6 804</b>	<b>-6 025</b>	<b>-2 853</b>	<b>-4 156</b>
<b>Change in gross pension liabilities</b>				
Pension liability at 1 January	-105 509	-87 014	-5 797	-3 992
Pension paid out	2 815	2 431	1 698	1 803
Estimate variances for the year	25 959	-11 241	522	-3 009
Gross pension cost	-9 933	-9 685	-210	-599
Pension liability at 31 December	-86 668	-105 509	-3 787	-5 797
<b>Change in gross pension assets</b>				
Pension assets at 1 January	76 430	74 815		
Pension paid out	-2 815	-2 431		
Return on pension assets	4 390	4 135		
Estimate variances for the year	-10 732	-7 172		
Premium payments excl. employer's contrib.	5 922	7 082		
Pension assets at 31 December	73 195	76 429		

In addition to the pension cost of the defined benefit scheme, Wilson has carried TNOK 1 247 (2008: TNOK 864) to expense in pension costs relating to the defined contribution scheme.

<b>Economic assumptions:</b>	<b>2009</b>	<b>2008</b>
Discount rate at 31 December	4.40 %	4.30 %
Expected return on pension assets	5.80 %	6.30 %
Wage adjustments	4.00 %	4.25 %
Pension adjustments	1.30 %	2.75 %
Adjustment of national insurance basic amount (G)	4.00 %	4.25 %

Calculations are based on standardised assumptions for death and disability trends, as well as other demographic factors, prepared by the Norwegian Financial Services Association (FNH). The calculations are based on the K2005 mortality table and the IR02 disability tariff.

Wage adjustments and pension adjustments are calculated based on company-specific conditions and assumptions measured against historical trends. Other economic assumptions are determined based on the recommendations in the Norwegian Accounting Standards Board's guide to assumptions used in calculating pension benefits. The assumptions were established before the turn of the year and differ slightly from the guide's recommendations as of 31 December. Wilson has estimated the gross pension liability based on the recommended assumptions as of 31 December and these calculations show insignificant variances in relation to the figures that are presented.

Expected premium payments for 2010, including defined contribution schemes, amount to approximately TNOK 9 300. Expected payments on unsecured schemes amount to approximately TNOK 1 700. Both amounts include employer's contribution.

**Composition of pension assets:**

	<b>01.01.08</b>	<b>31.12.08</b>	<b>30.09.09</b>
Shares	24.80 %	3.80 %	9.90 %
Short-term bonds	21.50 %	29.90 %	19.00 %
Money market	7.50 %	14.00 %	16.30 %
Held-to-maturity bonds	27.70 %	28.80 %	36.40 %
Real estate	15.60 %	16.80 %	17.10 %
Other	2.90 %	6.70 %	1.30 %
<b>Total fair value</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

**Trend in pension liabilities, assets and estimate variances in the past 5 years:**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Present value of calculated pension liabilities	-90 455	-112 619	-91 567	-99 961	-84 108
Pension assets (fair value)	73 195	76 430	74 814	71 984	61 497
<b>Overfunding/underfunding</b>	<b>-17 260</b>	<b>-36 189</b>	<b>-16 753</b>	<b>-27 977</b>	<b>-22 611</b>
The year's estimate variances, pension liabilities	26 481	-14 250	5 214		
The year's estimate variances, pension assets	-10 732	-7 172	-3 180		

**Note 9 – Significant leasing commitments****Financial leasing commitments**

See Notes 10 and 15.

**Operating T/C commitments and expenses and operating bareboat expenses**

As of 31 December 2009, the Group had time charterparty commitments on 32 vessels. Current charterparties are a combination of short periods up to 12 months with (in some cases) options for further hire, and some for periods longer than 12 months. Signed agreements at 31 December 2009 totalled TNOK 386 691. Parts of this T/C programme were entered into with a German shipowner, according to which the vessels will be delivered in 2010. The way this programme is designed will give Wilson a considerable degree of flexibility with a view to capacity during this period and in subsequent years. Annual hire of vessels in 2009 totalled TNOK 250 130.

Future minimum leases linked to non-cancellable T/C agreements fall due as follows:

	<b>2009</b>	<b>2008</b>
Within 1 year	214 667	270 085
1 to 5 years	205 807	446 438
After 5 years	0	12 914
<b>Future minimum leases</b>	<b>420 474</b>	<b>729 437</b>
Interest per annum	5.00 %	4.00 %
<b>Present value of future min. leases</b>	<b>386 691</b>	<b>662 944</b>

**Lease on office premises**

Wilson Management AS held a 10-year lease on premises on the 4th floor at Bradbenken 1 in Bergen up until 2008, with the option to renew the lease for two five-year periods on similar terms. The lease was renewed for five years from December 2008. In addition, the lease has been extended to parts of the 5th floor. The rent is adjusted annually according to the Norwegian consumer price index.

	<b>2009</b>	<b>2008</b>
Rental expenses, office premises	3 878	3 360

Future minimum leases linked to non-cancellable parts of the lease fall due as follows:

	<b>2009</b>	<b>2008</b>
Within 1 year	3 920	3 278
1 to 4 years	11 760	13 112
After 4 years	0	0
<b>Future min. leases</b>	<b>15 680</b>	<b>16 390</b>

**Note 10 – Tangible fixed assets**

Tangible fixed assets at 31 December 2009:	Ships under		Capitalised	Other op.	Real estate	Total
	Ships	construction*	docking	equipment		
Acquisition cost at 1 January	1 906 335	233 560	315 567	22 524	3 010	2 480 996
Additions purchase operating equipment	30 594	121 458	67 215	0	0	219 267
Disposals	36 417	0	185 547	332	0	222 296
Acquisition cost 31 December	1 900 511	355 018	197 235	22 192	3 010	2 477 966
Acc. depr., write-downs & rev. write-downs 1 January	378 839	0	163 850	12 136	395	555 220
Acc. deprec. disposals	24 099	0	185 547	0	0	209 646
Depreciation for the year	83 972	0	101 718	2 891	151	188 732
Acc. depr., write-dns & rev. write-dns at 31 December	438 712	0	80 021	15 027	546	534 307
<b>Book value at 31 December</b>	<b>1 461 799</b>	<b>355 018</b>	<b>117 214</b>	<b>7 165</b>	<b>2 464</b>	<b>1 943 660</b>
Depreciation for the year	83 972	0	101 718	2 891	151	188 732
Useful life	30-35 years		30 mnths	5-10 years	20 years	
Depreciation schedule	Straight-line		Straight-line	Straight-line	Straight-line	
Capitalised leases inc. in acquisition cost	55 369	0	0	0	0	55 369
<b>Tangible fixed assets at 31 December 2008:</b>						
	Ships	Ships under construction*	Capitalised docking	Other op. equipment	Real estate	Total
Acquisition cost at 1 January	1 590 113	128 250	181 229	13 929	3 010	1 916 531
Additions purchase operating equipment	252 244	105 310	130 020	7 352	0	494 926
Acquisition cost 31 December	1 906 335	233 560	315 567	22 524	3 010	2 480 996
Acc. depr., write-downs & rev. write-downs at 1 Jan.	302 615	0	72 634	9 974	244	385 467
Depreciation for the year	76 224	0	91 216	2 162	151	169 753
Acc. depr., write-dns & rev. write-dns at 31 Decmber	378 839	0	163 850	12 136	395	555 220
<b>Book value at 31 December</b>	<b>1 527 496</b>	<b>233 560</b>	<b>151 717</b>	<b>10 388</b>	<b>2 615</b>	<b>1 925 776</b>
Depreciation for the year	76 224	0	91 216	2 162	151	169 753
Useful life	30-35 years		30 mnths	5-10 years	20 years	
Depreciation schedule	Straight-line		Straight-line	Straight-line	Straight-line	
Capitalised leases inc. in acquisition cost	58 305	0	0	0	0	58 305

\* "Ships under construction" relates to the building of eight new 8 500 dwt bulk carriers and eight new 4 500 dwt bulk carriers in China. Building costs are capitalised as costs accrue. Ships under construction are not depreciated during the construction phase. The costs will be carried as additions (ships) upon delivery of the finished vessels and depreciated according to Group depreciation principles for ships. All the Group's interest on building loans relates entirely to newbuildings and in 2009 interest on building loans of TNOK 10 784 (2008: TNOK 809) was capitalised on the building account for the projects. See Note 22. At 31 December 2009, accumulated interest on building loans recognised in the item "Ships under construction" totalled TNOK 11 593 (2008: TNOK 809). In addition, an unrealised accumulated gain on hedges of payments in USD to the shipyards was capitalised in the sum of NOK 14 418. See Note 18.

**Valuation of fleet**

Wilson operates an industrial shipping business with a standardised fleet and high contract coverage, where added value accrues from economies of scale. The fleet is a portfolio in which the focus is on the totality, and where the company elects to employ the vessel that is in the best position to do the job at any time. The book value of the vessels, including capitalised docking, is compared with market indications for the different sizes of vessel quoted in EUR and translated into NOK at 31 December 2009. In the current market there is great uncertainty with respect to third-party valuations of the vessels. Normally, the company obtains a valuation from shipbrokers so as to be able to indicate a third-party opinion on values in the fleet. For 2009, however, the company takes the view that such values would not be representative as in the current situation it would not be possible to find a willing buyer – willing seller, which is key to valuations of this kind. Valuations have been obtained for some selected vessels, which indicate a moderate decrease compared with values at 31 December 2008. This is in line with the company's view that most of the impairment occurred around the turn of the year 2008/2009. In order to check book values, the company has estimated value in use, which is calculated as the present value of expected cash flows for each vessel individually in the portfolio. Expected cash flows for the vessel's useful life are estimated without further growth, based on a weighted average actual earnings in 2008 and 2009 and the adopted budget for 2010. In the calculation, the 2009 earnings are weighted downwardly owing to the belief that this was a very unusual year in the market with such a considerable

reduction in volume that the probability of it being repeated is regarded as less than the probability of a repeat of, for example, 2008 levels. No special adaptations were made for vessels that the company has laid up. The Group has applied a WACC (weighted average cost of capital) of about 10 % as the discount rate before tax. WACC is calculated as a weighted average interest rate on debt of about 7 % and a return on equity requirement of about 20 % taking into account the risk in our type of business. The value measurement shows good margins against book values. In terms of sensitivity, a one percentage-point increase in the discount rate will give just over MNOK 120 lower value, while a fall in earnings of NOK 1 000 per day will give a reduction of around MNOK 160 in the calculated values. The discount rate is assessed as being in an upper stratum, while variations in earnings cannot be excluded. However, even with a reduction in value of MNOK 160 there are good margins against book value.

No basis was accordingly found for writing down the book value of vessels in 2009

### Note 11 – Intangible assets

	<b>Fixed-term agreements</b>
Acquisition cost at 1 January 2009	2 500
Additions	0
Disposals	0
Acquisition cost at 31 December 2009	2 500
Accumulated amortisation at 1 January 2009	2 250
Amortisation for the year	250
Disposals, amortisation	0
Acc. amort., write-dns & rev. write-dns 31 December 2009	2 500
<b>Book value at 31 December 2009</b>	<b>0</b>
Amortisation for the year	0
Useful economic life	5 years
Amortisation schedule	Straight-line

The Group purchased Wani Shipping in 2004, which included T/C and client contracts. These contracts are assumed to have a lifetime of five years and are amortised relative to this.

### Note 12 – Goodwill

Consolidated goodwill arose upon the acquisition of Wilson AS and its subsidiaries in the financial year 2000, and upon the purchase of 49 % of the shares in Wilson NRL Transport GmbH, Duisburg in 2007, as well as the purchase of the remaining 50 % of the shares in Euro Container Line Holding AS in 2008. Wilson AS was subsequently merged into Wilson ASA. The goodwill item that arose in 2000 represents the value of future profits from the company's long-term contractual relationships which have developed over a long period of time via Wilson EuroCarriers AS. Goodwill that arose in 2007 on the purchase of shares in NRL Transport GmbH represents the values and relationships associated with the affreightment and agency business built up in Duisburg. Goodwill relating to Euro Container Line Holding AS represents the lasting value built up over many years from the container line's operations between Norway and the Continent.

	<b>Acquisition cost Goodwill</b>	<b>Year acquired</b>
Wilson AS	129 036	2000
NRL Transport	1 115	2007
Euro Container Line Holding AS	24 553	2008
Total	154 704	

Goodwill is measured at the end of the reporting period based on earnings at group level. The measurement is based on the entire purchased shipping business as a single cash-generating unit. Value in use is measured based on a discount rate of approximately 10 % per annum. The discount rate is based on a weighted average cost of capital (WACC), equal to the rates that appear under "Measurement of vessels" in Note 10. Cash flows are calculated with a 12-year time horizon corresponding to the average residual life of the company's vessels, without growth, and based on a weighted average of operating earnings, after dock dues, for 2008, 2009 and the adopted budget for 2010. The measurement of goodwill shows a good margin between fair value and book value.

No write-down requirement for consolidated goodwill was identified during the financial year.

**Note 13 – Tax**

<b>The year's tax charge is derived as follows::</b>	<b>2009</b>	<b>2008</b>
Tax payable	-1 234	-2 777
Change in deferred tax	33 660	82 253
<b>Tax charge</b>	<b>32 426</b>	<b>79 476</b>
Fixed assets	510 335	462 976
Profit and loss account	-276 514	-271 517
Loss carryforwards	-337 097	-250 990
Financial instruments	6 949	129 252
Pensions	-9 657	-10 181
Base for calculating deferred tax	-105 984	59 540
Nominal tax rate	28	28
<b>Deferred tax</b>	<b>-29 676</b>	<b>16 671</b>
Deferred tax, foreign subsidiary	335	395
Deferred tax recognised on balance sheet	-29 341	17 066
<b>Reconciliation from nominal to actual tax rate</b>		
Profit/loss before tax	-31 758	170 102
Nominal tax rate	28	28
Expected income tax acc. to nominal tax rate	-8 892	47 629
<b>Tax effect of following items</b>	<b>462 976</b>	<b>347 520</b>
Non-deductible costs	-35	591
Effect of results of foreign activities	-1 032	-7 855
Effect of financial instruments		
Prior-year unrecognised deferred tax assets	-25 992	-118 258
Other items	3 525	-1 583
<b>Tax charge</b>	<b>-32 426</b>	<b>-79 476</b>

Deferred tax assets are recognised on the balance sheet based on future earnings and reversal of tax-adding temporary differences. The remaining loss carryforward will be offset against tax-adding temporary differences.

The tax effect of temporary differences from investments in jointly controlled entities is assessed as insignificant for the Group.

The tax charge for 2009 has been reduced by MNOK 26 by entering deferred tax assets related to the write-down of goodwill in the separate financial statements with tax deductions. Goodwill is intact in the Group and has not been written down in the consolidated financial statements.

**Note 14 – Share capital and shareholder information**

Share capital in the company at 31 December 2009 consisted of 42 216 000 shares at NOK 5 each, making TNOK 211 080 in total.

<b>Name</b>	<b>No. of shares</b>	<b>Shareholding</b>	<b>Voting share</b>
Caiano AS	38 070 599	90.18 %	90.18 %
Pareto Aksje Norge	956 800	2.27 %	2.27 %
Ivan AS	623 000	1.48 %	1.48 %
Pareto Aktiv	501 600	1.19 %	1.19 %
Total > 1 % shareholding	40 151 999	95.11 %	95.11 %
Total others	2 064 001	4.89 %	4.89 %
<b>Total number of shares</b>	<b>42 216 000</b>	<b>100.0 %</b>	<b>100.0 %</b>

Please refer to Note 7 for information on shares owned by the company's Board of Directors and senior executives.

Through the related party Caiano AS, Kristian Eidesvik controls in total 90.18 % of Wilson ASA.

**Note 15 – Long-term liabilities**

	Effective int. rate	Interest due	2009	2008
Mortgage debt NOK swapped to fixed rate	7.84 %	2013	200 000	200 000
Mortgage debt EUR swapped to fixed rate			-	42 194
Mortgage debt EUR swapped to fixed rate	6.17 %	2010	34 424	40 910
<b>Debt with fixed interest rates</b>			<b>234 424</b>	<b>283 104</b>
Mortgage debt NOK floating rate	4.79 %	2010	299 617	302 200
Mortgage debt EUR floating rate	3.20 %	2010	589 199	682 719
Financial leases NOK	6.12 %	2010	54 460	58 206
<b>Debt with floating interest rates</b>			<b>943 276</b>	<b>1 043 125</b>
Building loans:				
EUR floating rate	3.29 %		91 169	64 966
USD floating rate	2.71 %		79 256	34 349
<b>Building loans with floating interest rates</b>			<b>170 425</b>	<b>99 315</b>
<b>Total long-term mortgage debt and financial leases</b>			<b>1 348 125</b>	<b>1 425 545</b>
First year's instalments on long-term debt inc. financial leases			-147 898	-129 588
<b>Long-term mortgage debt &amp; financial leases excl. first year's instalment</b>			<b>1 200 227</b>	<b>1 295 957</b>

The effective interest rate is a calculated average. Debt with a floating rate of interest is established up to six months into the future.

**Repayment profiles (excluding building loans) based on the figures at 31 December 2009:**

Repayment profile - Mortgage debt	2010	2011	2012	2013	Thereafter
Instalments	144 646	126 827	123 362	123 362	581 657
Balloon payment	0	0	23 386	0	0
<b>Total</b>	<b>144 646</b>	<b>126 827</b>	<b>146 748</b>	<b>123 362</b>	<b>581 657</b>
Repayment profile - Leasing	2010	2011	2012	2013	Thereafter
NOK	3 254	3 293	682	725	5 429
NOK*	0	41 086	0	0	0
<b>Total</b>	<b>3 254</b>	<b>44 379</b>	<b>682</b>	<b>725</b>	<b>5 429</b>
Nominal value paid out - Leasing	2010	2011	2012	2013	Thereafter
NOK	6 659	6 936	1 092	1 092	6 570
NOK*	0	41 086	0	0	0
<b>Total</b>	<b>6 659</b>	<b>48 022</b>	<b>1 092</b>	<b>1 092</b>	<b>6 570</b>

\*Included in this amount is the purchase sum according to purchase options.

The majority of the Group's mortgage debt was refinanced on 26 June 2008. The loan agreement has a term of seven years reckoned from this date.

**Repayment profiles based on the figures at 31 December 2008:**

Repayment profile - Mortgage debt	2009	2010	2011	2012	Thereafter
Instalments	125 600	125 600	125 600	121 483	741 948
Balloon payment	0	0	0	27 792	0
<b>Total</b>	<b>125 600</b>	<b>125 600</b>	<b>125 600</b>	<b>149 275</b>	<b>741 948</b>
Repayment profile - Leasing	2009	2010	2011	2012	Thereafter
NOK	3 738	3 195	624	664	6 355
NOK*	0	43 630	0	0	0
<b>Total</b>	<b>3 738</b>	<b>46 825</b>	<b>624</b>	<b>664</b>	<b>6 355</b>
Nominal value paid out - Leasing	2009	2010	2011	2012	Thereafter
NOK	7 810	7 085	1 080	1 080	6 355
NOK*	0	43 630	0	0	0
<b>Total</b>	<b>7 810</b>	<b>50 715</b>	<b>1 080</b>	<b>1 080</b>	<b>6 355</b>

\*Included in this amount is the purchase sum according to purchase options.

<b>Book debt secured by mortgage/charge etc.:</b>	<b>2009</b>	<b>2008</b>
Mortgage loans	1 123 240	1 268 024
<b>Total</b>	<b>1 123 240</b>	<b>1 268 024</b>
<b>Book value of assets put up as security for book debt:</b>		
Other operating equipment	0	0
Ships	1 503 126	1 555 597
<b>Total</b>	<b>1 503 126</b>	<b>1 555 597</b>

In addition to established long-term mortgage debt with credit institutions, the Group has entered into an agreement for building loans in connection with the newbuilding programme in China (see Note 22). The building loans were established for the equivalent of TNOK 170 425 in 2009 (TNOK 99 315 in 2008). The loan-to-collateral value ratio is approximately 77 % on delivery of the vessels, which equals the maximum establishment of TUSD 82 368 or the equivalent in NOK + TEUR 42 000. The building loans are secured in building contracts and "Refund guarantees".

The Group did not breach the terms and conditions (covenants) of any loans in 2009, but during the year requested the lender to amend the loan covenants, which was done. More specifically, the covenant concerning long-term debt in relation to EBITDA was replaced by a liquidity requirement.

The most important loan covenants on a group basis are that available funds shall exceed 50 % of next year's instalments, current assets shall be greater than current liabilities in accordance with specific definitions, book equity shall exceed 30 % of the balance sheet total, dividends shall not exceed 50 % of the result for the year, and Kristian Eidesvik and/or related parties shall own at least 35 % of Wilson ASA as a listed company.

Although it was not in breach of the loan covenants, the company is close to the requirement for positive working capital. Raising shareholder loan from the principal shareholder will considerably improve the ratio. See Note 20 for details of the loan.

#### **Other long-term liabilities**

Other external long-term liabilities, amounting to TNOK 1 434, are related to the minority interests in MV Mautern Shipping Co. Ltd. The loan is interest-free and instalment-free.

Some of the dividend to Caiano AS declared in April 2009 was converted into a loan of TNOK 20 000. See Note 20.

#### **Capital structure**

The company's capital structure is assessed based on the requirement for a healthy debt-equity ratio on the one hand and a return on capital employed on the other. The company norm in connection with purchasing ships in the second-hand market has been 30 % equity and 70 % external financing of the purchase amount. The company will continue to view this kind of financing structure as appropriate in the future.

The company wishes to give its shareholders a good, stable return on their investment. Return on shareholder capital is understood to mean the sum total of the share price performance and dividends paid. This return should reflect the company's relative economic development. In the case of a direct return in the form of dividend, Wilson's aim is to pay annually 25-30 % of the company's profits after tax. This objective will be considered in relation to the company's growth ambitions in cyclical upturns and financial strength/solvency trends in cyclical downturns.

#### **Note 16 – Cash, cash equivalents and bank overdrafts**

The Group's cash and cash equivalents, amounting to TNOK 42 552, are shown net less overdraft drawings of TNOK 31 887. The unused limit of the bank overdraft of TNOK 55 000 is TNOK 23 113.

Of the Group's cash and cash equivalents, mandatory tax provisions deposited in bank accounts amount to TNOK 3 866.

#### **Note 17 – Earnings per share**

Earnings per share for the year are calculated by dividing the majority share of the profit for the reporting period by the weighted average number of equity shares in issue in the reporting period.

Earnings per share are shown on a separate line under the income statement.

**Note 18 – Financial instruments**

Classification of financial assets:

Financial assets	31 December 2009			31 December 2008		
	Financial assets at fair value	Loans and receivables	Total 2009	Financial assets at fair value	Loans and receivables	Total 2008
<b>Fixed-asset investments (long-term)</b>						
Loans to jointly controlled entities		5 450	5 450		6 477	6 477
Derivatives held for trading				24 201		24 201
Deriv. held to hedge building contracts				50 353		50 353
Other long-term receivables		2 195	2 195		4 330	4 330
<b>Fixed-asset investments (short-term)</b>						
Accounts receivable		80 829	80 829		109 670	109 670
Other current receivables		59 475	59 475		120 677	120 677
Derivatives held for trading	2 502		2 502	45 105		45 105
Derivatives held to hedge building contracts	6 751		6 751	9 593		9 593
Cash and cash equivalents		42 552	42 552		74 767	74 767
<b>Total financial assets</b>	<b>9 253</b>	<b>190 501</b>	<b>199 754</b>	<b>129 252</b>	<b>315 921</b>	<b>445 173</b>

The Group had no financial assets classified in the categories of held-to-maturity or available-for-sale at 31 December 2008 or 31 December 2009.

**Fair value of financial assets**

The Group's derivatives consist of forward exchange contracts and interest swaps. The fair value of forward exchange contracts is measured by using the forward exchange rate at the end of the reporting period. The fair value of interest swaps is calculated based on the market price stated by the bank.

The following of the company's financial assets are not measured at fair value:

Loans to jointly controlled entities, other long-term receivables, accounts receivable, other receivables, and cash and cash equivalents etc. These items are carried at amortised cost.

Cash and cash equivalents recognised in the balance sheet have a capitalised value approximately equal to fair value because these instruments have short due dates. The same applies to accounts receivable and other current receivables. For measurement of the fair value of the financial assets "Loans to jointly controlled entities" and "Other long-term receivables", see Notes 5 and 6 respectively.

Classification of financial liabilities:

All financial liabilities placed in the category of fair value with value changes through profit or loss belong to the held-for-sale category.

Financial liabilities	31 December 2009			31 December 2008		
	Financial liabilities at fair value	Financial liabilities measured at amortised cost	Total 2009	Financial liabilities at fair value	Financial liabilities measured at amortised cost	Total 2008
<b>Long-term financial liabilities</b>						
Interest-bearing long-term debt		1 149 020	1 149 020		1 241 740	1 241 740
Leasing commitments		51 208	51 208		54 218	54 218
Debt to group companies		20 000	20 000			
Derivatives held for trading	2 303		2 303			
Debt to related parties		1 434	1 434		1 705	1 705
<b>Current financial liabilities</b>						
First year's instalments on long-term debt		147 898	147 898		129 588	129 588
Financial commitment arising from acquisition		37 176	37 176		85 267	85 267
Accounts payable & other current liabilities		157 898	157 898		196 934	196 934
<b>Total financial liabilities</b>	<b>2 303</b>	<b>1 564 634</b>	<b>1 566 937</b>	<b>0</b>	<b>1 709 452</b>	<b>1 709 452</b>

**Fair value of financial liabilities**

The Group's financial instruments, current and long-term, consist of forward exchange contracts and interest swaps. The fair value of forward exchange contracts and interest swaps is based on the market price stated by DnB Markets as counterparty in all transactions.



The Group classifies fair value measurements by using a fair value hierarchy that reflects the significance of the inputs used in preparing the measurements. The fair value hierarchy has the following levels:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: input for the asset or liability that is not based on observable market data (unobservable inputs).

<b>Assets recognised at fair value</b>			
<b>31 December 2009</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial instruments held for sale			
Currency derivatives		19 116	
<b>Total</b>		<b>19 116</b>	

<b>Liabilities recognised at fair value</b>			
<b>31 December 2009</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial instruments held for sale			
Interest rate derivatives		11 825	
Currency derivatives		342	
<b>Total</b>		<b>12 167</b>	

The following of the company's financial liabilities are not measured at fair value:

Debts to credit institutions and related parties, leasing commitments, accounts payable and other current liabilities, which are carried at amortised cost. Based on the Group's financial position, the fair value of the liabilities is measured as virtually equal to the capitalised value in the balance sheet.

For comments concerning the fair value of financial commitments arising from acquisition, see Note 23

<b>2009</b>	<b>Financial assets at fair value through P/L</b>	<b>Loans, receivable and financial liabilities at amort. cost</b>	<b>Financial liabilities at fair value through P/L</b>	<b>Total</b>
	<b>Held for sale</b>		<b>Held for sale</b>	
<b>Interest receivable</b>		<b>1 020</b>		<b>1 020</b>
<b>Agio</b>				
	Realised agio	35 680		35 680
	Unrealised agio	132 037		132 037
	<b>Total agio</b>	<b>167 717</b>		<b>167 717</b>
<b>Gain from value change on financial instruments</b>				
	Gain related to interest rate derivatives		3 384	3 384
	Loss related to interest rate derivatives			
	Gain related to currency derivatives	26 680		26 680
	Write-down of financial assets			
<b>Total gain from value change on financial instruments</b>	<b>26 680</b>		<b>3 384</b>	<b>30 064</b>
<b>Other interest expenses</b>				
	Interest expenses		61 375	61 375
	Interest expenses financial leases		3 253	3 253
	Discounting of provisions			
	<b>Total other int. expenses</b>		<b>64 628</b>	<b>64 628</b>
<b>Disagio</b>				
	Realised disagio		27 117	27 117
	Unrealised disagio		2 075	2 075
	<b>Total disagio</b>		<b>29 192</b>	<b>29 192</b>
<b>Other financial expenses</b>				
	Bank charges		1 549	1 549
	Loss loans & receivables			
	Write-down of financial assets			
	<b>Total other financial expenses</b>		<b>1 549</b>	<b>1 549</b>

2008	Financial assets at fair value through P/L	Loans, receivable and financial liabilities at amort. cost	Financial liabilities at fair value through P/L	
	Held for sale		Held for sale	Total
<b>Interest receivable</b>		<b>6 605</b>		<b>6 605</b>
<b>Agio</b>				
Realised agio	16 358	75 644		92 002
Unrealised agio		4 377		4 377
<b>Total agio</b>	<b>16 358</b>	<b>80 021</b>		<b>96 379</b>
<b>Gain from value change on financial instruments</b>				
Gain related to interest rate derivatives				
Loss related to interest rate derivatives			-16 903	-16 903
Gain related to currency derivatives	100 775			100 775
Write-down of financial assets				
<b>Total gain from value change on financial instruments</b>	<b>100 775</b>		<b>-16 903</b>	<b>83 872</b>
<b>Other interest expenses</b>				
Interest expenses		80 131		80 131
Interest expenses financial leases		8 889		8 889
Discounting of provisions				
<b>Total other interest expenses</b>		<b>89 020</b>		<b>89 020</b>
<b>Disagio</b>				
Realised disagio		48 212		48 212
Unrealised disagio		118 728		118 728
<b>Total disagio</b>		<b>166 940</b>		<b>166 940</b>
<b>Other financial expenses</b>				
Bank charges		1 782		1 782
Loss loans & receivables				
Write-down of financial assets				
<b>Total other financial expenses</b>		<b>1 782</b>		<b>1 782</b>

#### Financial risk

The Group has international operations and is exposed to currency risk and interest rate risk. In addition to these are risks associated with fluctuations in bunker prices. The Board of Directors has established guidelines for risk management. The Group employs derivatives to a certain degree to reduce these risks, in accordance with the Group's strategy in respect of interest rate, bunkers and foreign currency exposure.

Below is an overview of the company's derivatives at 31 December:

	2009	2008
<b>Long-term derivatives</b>		
Ordinary forward exchange contracts	9 522	89 838
Interest swaps	-11 825	-15 284
<b>Total</b>	<b>-2 303</b>	<b>74 554</b>
<b>Current derivatives</b>		
Ordinary forward exchange contracts	9 384	55 427
Interest swaps	-131	-729
<b>Total</b>	<b>9 253</b>	<b>54 698</b>
<b>Total derivatives</b>	<b>6 950</b>	<b>129 252</b>

A specification of the various derivatives follows below.

**i) Credit risk**

Maximum risk exposure is represented by the figures for financial assets recognised on the balance sheet.

The counterparties for pension assets are Norwegian insurance companies, and the risk associated with this is considered minimal.

The counterparties for derivatives are banks, and the credit risk associated with this is considered limited. The same is true for bank deposits.

The degree of credit risk is considered moderate for all of Wilson's areas of business. Credit risk associated with businesses in the Group is currently considered to be limited. Short credit times reduce the level of outstanding receivables. Historically, the Group has had no significant losses on accounts receivable, but the risk is reflected in the Group's quality assurance system, where routines for monitoring accounts receivable are followed up frequently.

Such being the case, the maximum credit risk is considered as being the capitalised value of accounts receivable and current receivables, in addition to loans given to jointly controlled entities.

As of 31 December, the company had the following accounts receivable:

	Total	Not yet due	<30 days	30-60 days	60-90 days	>90 days
2009	80 829	55 480	22 534	1 561	775	479
2008	109 670	67 694	34 638	4 551	2 622	165

Accounts receivable past due more than 90 days are regarded as lawful claims, but are related to long processing times. There are no problems associated with clients' willingness or ability to pay, and so the company has made no provision for bad debts.

**ii) Interest rate risk**

Items exposed to interest rate risk are loans to jointly controlled entities (Note 5), cash and cash equivalents (Note 16) and long-term liabilities (Note 15).

The company seeks to reduce interest rate risk linked to long-term liabilities partly by using interest swap agreements. The Group entered into interest swap agreements in 2008 and 2009 that swapped floating loan interest rates against fixed rates. Twenty-one per cent of the Group's mortgage debt is presently secured at fixed rates using these swaps. As these swaps do not qualify as hedge accounting under IFRS, they are recognised as financial instruments held for trading purposes, with value changes carried through profit or loss.

Bank deposits are not covered by long-term interest rate agreements.

The principle terms for the interest swaps are shown in the table below:

Nominal value that interest rate is based on	Settlement interval	Due date	Fair value at 31.12.2009		Floating rate
			Fixed rate		
TEUR 4 140	Every 3 mnths	19.02.2010	-131	3.92 %	EURIBOR
TNOK 100 000	Every 6 mnths	20.12.2013	-6 048	5.63 %	NIBOR
TNOK 100 000	Every 6 mnths	07.10.2013	-5 646	5.55 %	NIBOR
Total			-11 825		

The effective interest rates for the Group's financial instruments are as follows:

	2009	2008
Loans to jointly controlled entities	0.0 %	0.0 %
Financial instruments (USD)	1.0 %	3.0 %
Mortgage debt	4.6 %	5.2 %
Financial leases	6.1 %	6.7 %

The following table shows the Group's sensitivity to potential changes in interest rate levels. The calculations take into account all interest-bearing instruments and associated interest rate derivatives. All effects will come through profit or loss, as the company has no hedging instruments tied to interest rates that will be carried directly in equity.

	Change in interest rate level	Effect on result	Effect on equity
2009	+/- 1 % point	-/+ TNOK 9 200	0
2008	+/- 1 % point	-/+ TNOK 9 200	0

The calculations are made on the basis of net debt with floating interest rates.

See Note 15 for an overview of book values as of the due date for long-term liabilities.

See Note 5 "Loans to associates" and Note 6 "Other long-term receivables", which represent a minor element of the Group's interest rate risk.

**iii) Liquidity risk**

The Group's strategy is always to maintain sufficient ready cash, cash equivalents or credit facilities to finance operations and investments at any time in accordance with the company's strategy plan for the same period. The Group considers it probable that it will be able to renew the loan agreements or negotiate alternative financing agreements on expiry of the present contracts. Unused credit facilities are mentioned in Note 16.

Surplus liquidity is deposited in banks, on the best terms possible.

The following table shows an overview of the maturity structure for the Group's financial liabilities, including interest, based on non-discounted contractual payments. In cases where the counterparty could demand early redemption, the amount is stated in the earliest period that payment can be demanded from the counterparty. If redemption of the obligations can be demanded on request, these are included in the first column (less than 1 month). The average long-term nominal rate of interest is 5 % per annum:

31 December 2009	Period remaining					Total
	Less than 1 month	1-3 months	3-12 months	1-4 years	More than 4 years	
<b>Long-term liabilities</b>						
Debt to credit institutions				728 706	645 544	1 374 250
Liabilities building programme				407 254		407 254
Debt to other group companies				21 257		21 257
Leasing commitments				51 298	1 110	52 408
T/C liabilities				205 807		205 807
Rent				11 760		11 760
Financial instruments				2 303		2 303
Other long-term liabilities				1 434		1 434
<b>Current liabilities</b>						
First year's instalment on mortgage debt	21 583	6 524	183 881			211 988
Liabilities building programme	28 964	71 894	375 867			476 725
First year's instalments leasing commitments	555	1 110	4 994			6 659
T/C liabilities	20 149	38 543	155 975			214 667
Rent			3 920			3 920
Financial commitment arising from acquisition	3 058	1 176	32 942			37 176
Accounts payable	76 174					76 174
Tax payable						
Govt. charges/taxes owed		9 299				9 299
Other current liabilities		81 725				81 725
<b>Total</b>	<b>150 483</b>	<b>210 271</b>	<b>757 579</b>	<b>1 429 820</b>	<b>646 654</b>	<b>3 194 806</b>

31 December 2008	Period remaining					Total
	Less than 1 month	1-3 months	3-12 months	1-4 years	More than 4 years	
<b>Long-term liabilities</b>						
Debt to credit institutions				682 611	851 701	1 534 312
Liabilities building programme				660 503		660 503
Debt to other group companies						
Leasing commitments				56 865	2 202	59 067
T/C liabilities				446 438	12 914	459 352
Rent				13 112		13 112
Financial instruments						
Other long-term liabilities				1 705		1 705
<b>Current liabilities</b>						
First year's instalment on mortgage debt	2 833	5 158	186 291			194 282
Liabilities building programme			239 821			239 821
First year's instalments leasing commitments	639	1 278	5 752			7 669
T/C liabilities	22 507	45 014	202 564			270 085
Rent			3 278			3 278
Financial commitment arising from acquisition	43 278		41 989			85 267
Accounts payable	73 449					73 449
Tax payable						
Govt. charges/taxes owed		10 380				10 380
Other current liabilities		123 485				123 485
<b>Total</b>	<b>142 706</b>	<b>185 315</b>	<b>679 694</b>	<b>1 861 234</b>	<b>866 817</b>	<b>3 735 767</b>

More details of the item "Financial commitment arising from acquisition" are provided in Note 23.

For a specification of the maturities for leasing commitments, and obligations and liabilities not recognised on the balance sheet, see Notes 9 and 22 respectively.

"Other current liabilities" are specified as follows:

	2009	2008
Accrued voyage costs	51 577	80 059
Accrued technical operations, ships	12 196	8 918
Accrued interest exp., other operations	17 951	34 508
<b>Total</b>	<b>81 724</b>	<b>123 485</b>

#### iv) Currency risk

The Group is exposed to currency risk as most of its turnover is in EUR, while bunkers and crew costs are in USD. The consolidated financial statements have consequently been greatly affected by the exchange rate for the Norwegian krone compared with USD and EUR. The Wilson Group seeks to reduce exposure to exchange rate fluctuations by achieving the best possible balance between receipts and outgoing payments in the same currency, as well as obtaining forward exchange contracts at acceptable exchange rates. Crew costs for 2009 were about 50 % of ship operating expenses (excluding dockings). Most dock dues are paid in EUR. T/C hire is paid in EUR. The degree of currency hedging is limited to estimated net currency needs linked to bunker costs, T/Cs, crew costs, dock dues, interest and instalments. Hedging activities related to currency risk do not satisfy hedge accounting requirements, with the exception of all of one of the newbuilding programmes in China and parts of the other building programme. This means that forward contracts are classified as held for trading, and that changes in value in these are recognised immediately in the income statement as financial income or financial expense. Forward exchange contracts as of 31 December 2009 are shown in the following table:

#### Ordinary forward exchange contracts:

Sale	Book value	Nominal value	Exch. rate	Purchase	Amount	Due date
TNOK	-341	87 242	8.37	EUR	10 427	2010
Total	-341	87 242	8.37		10 427	

The contract relates to the return of a loan to the original currency.

Sale	Book value	Nominal value	Exch. rate	Purchase	Amount	Due date
TEUR	1 953	3 000	9.02	NOK	27 070	2010
TEUR	1 723	3 000	9.10	NOK	27 308	2011
Total	3 676	6 000	9.06		54 378	

Sale	Book value	Nominal value	Exch. rate	Purchase	Amount	Due date
TNOK	1 022	33 844	5.64	USD	6 000	2010
Total	1 022	33 844	5.64		6 000	

#### Forward exchange contracts carried as hedges:

Forward exchange contracts in connection with newbuilding contracts in China (see Note 22) qualify for hedge accounting under IAS 39. Change in value of these items is not carried through profit or loss.

#### China 8 500 dwt project – Vessels 7 and 8

Sale	Book value	Nominal value	Exch. rate	Purchase	Amount	Due date
TNOK	1 721	74 119	5.80	USD	12 778	2011
Total	1 721	74 119	5.80		12 778	

Changes in value in the USD forward exchange contracts, totalling TNOK 1 721, are capitalised against newbuilding costs in the amount of TNOK 1 239 less 28 % tax.

#### China 4 500 dwt project – Vessels 1-8

Sale	Book value	Nominal value	Exch. rate	Purchase	Amount	Due date
TNOK	6 751	107 418	5.47	USD	19 631	2010
TNOK	4 994	66 865	5.49	USD	12 188	2011
TNOK	953	11 194	5.47	USD	2 048	2012
Total	12 698	185 477	5.48		33 867	

Changes in value in the USD forward exchange contracts, totalling TNOK 12 698, are capitalised against newbuilding costs in the amount of TNOK 9 142 less 28 % tax. Realised contracts included here generated a foreign exchange gain of TNOK 4 914, carried under "Newbuildings".

**Sensitivity**

The following tables show the Group's sensitivity to potential changes in the exchange rate of NOK against USD and EUR respectively, all other factors being equal. All effects will come through profit or loss as a result of changes in the value of monetary items. Hedging instruments (currency derivatives) linked to the newbuilding programmes in China will have no effect in the income statement.

	Changes in NOK exchange rate against USD	Effect on result before tax	Effect on equity
2009	+/- NOK 0.1	-/+ TNOK 2 200	0
2008	+/- NOK 0.1	-/+ TNOK 2 000	0

	Changes in NOK exchange rate against EUR	Effect on result before tax	Effect on equity
2009	+/- NOK 0.1	-/+ TNOK 900	0
2008	+/- NOK 0.1	+/- TNOK 1 300	0

The calculations are based on net currency flows related to operations, forward exchange contracts entered into, foreign currency loans (excluding building loans), bank accounts, receivables and current liabilities in foreign currencies.

**v) Price risk, bunkers**

The Group had no contracts with suppliers of bunkers as of 31 December 2009.

A large number of the long-term affreightment contracts contain bunkers clauses or hedging agreements. These clauses are seen as closely related to freight contracts and as such are not considered as embedded derivatives. As a result, significant changes to bunkers costs owing to price changes or currency fluctuations will, because of the bunkers clauses, not give rise to any significant risk for Wilson.

Voyage costs for 2009, amounting to TNOK 816 536, included bunkers carried to expense for a total of TNOK 341 743. Voyage costs for 2008, amounting to TNOK 974 807, included bunkers carried to expense for a total of TNOK 407 686.

**Note 19 – Accounting estimates and valuations**

In connection with the presentation of the financial statements for 2008, the group executive management have exercised discretion regarding the following key matters:

**Hedging**

Wilson has entered into forward exchange contracts to hedge the cost price of the newbuildings. All eight vessels in the 4 500 dwt project are hedged by forward exchange contracts, whilst only vessels 7 and 8 in the 8 500 dwt project were similarly hedged at 31 December 2009. Hedge accounting has been carried out for these forward exchange contracts. The entire 8 500 dwt project was hedged by forward exchange contracts in USD when the contracts were entered into in 2007, but no documentation was prepared for hedge accounting. The contracts from 2007 were realised in 2009, and recognised in profit or loss.

**Minority interests in Nesskip**

As stated in Note 2 in respect of accounting policies, in 2008 Wilson changed its presentation of the minority interests in Nesskip. Wilson considers it highly probable that the company will purchase all the shares in Nesskip and in the day-to-day operations the subsidiary is already regarded as wholly owned, with the purchase options regarded as seller's credit. For this reason, Wilson will no longer present minority interests for the Nesskip investment.

**Estimates**

Evaluations, estimates and assumptions that have a significant effect on the financial statements are summarised below.

**Ships**

Principles and estimates relating to the ships have a significant effect on the consolidated financial statements.

**Useful life of ships**

The amount of depreciation depends on the estimated useful economic life of the ships. The estimated useful life of ships is based on experience from prior periods and knowledge of the types of ships owned by the company. There will always be a certain risk of total loss on older ships that could lead to shorter useful lives than those estimated.

**Residual value of ships**

The amount of depreciation depends also on the estimated residual value of ships at the end of the reporting period. Assumptions about residual value are based on knowledge of the second-hand ship market and the scrap value of ships. Market developments will be decisive for second-hand values, while steel prices and decommissioning costs will decide the future scrap value.

**Useful life of investments regarding docking**

Investments made in connection with docking are depreciated until the next docking. The intervals between dockings are estimated and form the basis for calculating depreciation. The intervals are calculated based on assumed averages on the basis of experience from prior periods.

**Impairment tests**

Goodwill is tested annually for impairment (write-down). Market developments in 2009 also prompted Wilson to test the ships for impairment. The impairment tests showed that there is no need for any write-downs. The tests are based on a number of estimates and assumptions. The point of departure is future cash flows from operations without growth based on a weighted average of the last two operating years and the budget adopted for 2010. The time horizon used for the ships is no longer than their useful lives. Expected cash flows are discounted by the Group's WACC of approximately 10 % per annum, which is calculated based on an interest rate on debt of about 7 % and the Group's return on equity requirement of 20 % per annum reduced by 1.5 % per annum to arrive at the real interest rate. The Group has a low beta, and this has not been incorporated into the calculation of WACC to test for impairment.

**Pension liabilities**

The pension liability for defined-benefit pensions is calculated by an actuary, based on data and assumptions supplied by Wilson. In determining the pension assumptions, Wilson has used the Norwegian Accounting Standards Board's guide to assumptions used in calculating pension benefits. Wilson has not complied with the recommendation regarding expected wage growth, as wage growth slightly lower than the average in Norway is expected in the Group. Even using assumptions that accord with the guidance provided by the Norwegian Accounting Standards Board's, the calculations are to a great extent based on estimates that may change significantly. See also Note 8.

**Deferred tax assets**

Deferred tax assets are recognised in the balance sheet based on the utilisation of tax-deducting temporary differences and loss carryforwards, and using reversal of tax-adding temporary differences and future earnings. See also Note 13.

**Note 20 – Related party transactions**

The Group undertook various transactions with related parties in 2009. All transactions were carried out as part of ordinary business activities, and the agreements were executed on commercial terms pursuant to the Norwegian Companies Act, sections 3-8 and 3-9. See Note 23 regarding transactions with employees and board members. Important transactions with the holding company are summarised below:

In 2009, the Wilson Group operated three vessels owned by companies that are indirectly owned by Caiano AS. Two of the vessels were taken on as bareboat charterparties, and one of the charterparty contracts contains purchase options. One of the vessels is on a time charterparty from Green Reefers.

*Summary of leasing agreements for ships:*

Ship	Contract	Start	Counterparty	Related party	Year's leasing cost
Wilson Split	Bareboat hire (financial)	2005	Caiano Ship AS	via parent company	1 643
Wilson Calais *	Bareboat hire (financial)	2007	Caiano Ship AS	via parent company	5 358
Wilson Express	Time charterparty	2003	Green Reefers	via parent company	21 274

\* The bareboat agreement includes a 12 % nominal return on equity and an option for Wilson to purchase the vessel at a price in line with the diminishing loan balance.

All the Group's leasing commitments of a financial nature are with related parties. See also Notes 9 and 15.

For receivables relating to associates and jointly controlled entities, see Note 5.

Some of the dividend to Caiano AS declared in April 2009 was converted into a loan of TNOK 20 000. Interest is paid every six months based on 6-month NIBOR + 2.25 % per annum. In 2009 interest was paid in the sum of TNOK 431. The loan will be repaid no later than 21 April 2011.

The company has approval for a loan totalling TNOK 75 000 or equivalent in EUR from Caiano AS and will close the final agreement in March 2010. Interest will be changed on the loan at market rates and the loan will be interest-only for three years.

**Note 21 – Exchange rates**

Key exchange rates used in preparing the financial statements:

	Exchange rate at 31 December 2009	Average exchange rate	Exchange rate at 31 December 2008
Euro	8.315	8.436	9.882
US Dollar	5.777	5.767	7.010

**Note 22 – Purchase obligations and guarantees****Purchase obligations**

The Group has the following purchase obligations as a result of contracts for the purchase of tangible fixed assets:

*Newbuilding contracts in China for 8 500 dwt vessels (payment plan)*

	2009	2008
2009	0	110 916
2010	242 156	198 623
2011	227 804	179 757
<b>Total</b>	<b>469 960</b>	<b>489 296</b>

Wilson signed a contract in 2007 with the Yichang Shipyard in China to build eight new bulk vessels of 8 500 dwt each. The first vessel is slightly delayed and is now scheduled for delivery in the second quarter of 2010, the next three during 2010, and the final four in 2011.

The total investment amounts to approximately TNOK 640 000 based on the exchange rates at the date the contract was signed. It is planned to finance the total capital requirement represented by this investment by a combination of own financing and long-term bank loans. 66 % of the cost price is in USD, with future USD payments on vessels 7 and 8 hedged against NOK equivalents.

*Newbuilding contracts in China for 4 500 dwt vessels (payment plan)*

	2009	2008
2009	0	128 905
2010	234 568	190 257
2011	114 829	80 672
2012	64 620	11 194
<b>Total</b>	<b>414 017</b>	<b>411 028</b>

Wilson signed a contract in 2008 with Shandong Baibuting Shipbuilding Co Ltd. in Rong Cheng, China, to build eight new bulk vessels of 4 500 dwt each. The vessels will have a cost price of MUSD 10.4 each, which is approximately MNOK 58 per vessel according to the exchange rates ruling at the date the contract was signed. 55 % of the cost price is in USD, with future USD payments hedged against NOK equivalents. The first two vessels are expected to be delivered at the end of 2010, which is an estimated delay of about six months.

*Purchase of shares*

The Group has a purchase obligation relating to the remaining shares in Nesskip, see Note 23.

**Note 23 – Acquisitions and mergers****I. Nesskip hf. – Iceland**

Wilson ASA purchased 51.9 % of the shares in the Icelandic shipping group, Nesskip hf., on 31 May 2006.

Through subsidiaries, Nesskip is the owner of one bulk vessel in the 7 100 dwt class, the majority owner of one bulk vessel in the 4 200 dwt class, and also owns 50 % of two bulk vessels in the 4 200 dwt class. The company sold four vessels in 2008 within the Wilson Group to Wilson Shipowning AS. Nesskip's head office is in Iceland, where the company also runs an affreightment and agency business, with eight employees.

All of the bulk vessels mentioned above sail in the Wilson system either on T/Cs or on commission basis.

The purchase sum for 51.9 % of the company's shares amounted to TNOK 124 600.

**Sale option, minority shareholders, Nesskip**

The minority shareholders in Nesskip have an option to sell the remaining shares that could only be declared one year after the acquisition date on 31 May 2006 and subsequently up to ten years after the transaction date. With the settlement of 4 October 2007, Wilson ASA took over a total of 8.85 % of the remaining shares. The total payment for transfer of the shares amounted to TNOK 23 567. With the settlement of January 2008, Wilson ASA took over a total of 9.85 % of the remaining shares. The total payment for transfer of the shares amounted to TNOK 26 991. Following this acquisition, Wilson ASA had an ownership position of 70.65 % of the shares in Nesskip at 31 December 2008. An additional 14.85 % of shares were acquired in January 2009, bringing the total shareholding up to 85.5 %. The price paid for this transaction was TNOK 43 278. A further 1.84 % stake was acquired in April 2009 for the sum of TNOK 5 425, and another 0.39 % stake in December 2009 for the sum of TNOK 1 176. As of 31 December 2009, Wilson owned 87.7 % of Nesskip hf. A further 1.4 % stake was acquired on February 2010, making the total current shareholding 89.1 %.

The remaining sale options, equivalent to a 12.3 % shareholding, were valued at TNOK 37 176 at 31 December 2009. This obligation is carried as a current financial liability in the balance sheet. Its value has been established on the basis of a signed agreement, including interest, as of 31 December 2009. The book value equals the fair value as of 31 December 2009.

After the reporting period, the minority shareholders elected to exercise a put option for 0.7 % of the shares in Nesskip. The shares will be taken over in May 2010.



After the reporting period, the company entered into an agreement for payment of the remaining 10.2 % of the shares in Nesskip. Payment for the shares will take place on a current basis over the period between February 2010 and July 2012.

#### **Purchase option, Wilson ASA**

Wilson has an option to purchase the remaining shares in Nesskip that can be declared 10 years after the transaction date of the original purchase on 31 May 2006. This purchase option had no capitalised value at 31 December 2009, owing to the fact that the fair value of the option was calculated at approximately zero because of the time aspect involved, and the probability that shareholders' sale options will be exercised within a ten-year period.

#### **II. Euro Container Line Holding AS**

On 10 October 2008, Wilson ASA purchased the remaining 50 % of the shares in Euro Container Line Holding AS (ECL Holding) from Eimskip hf. of Iceland. TNOK 40 000 was the cash payment for this shareholding. Euro Container Line AS (ECL) is wholly owned by ECL Holding. ECL operates its business from Wilson's head office in Bergen. NSA Schifffahrt und Transport GmbH of Hamburg (NSA) is also wholly owned by ECL Holding. Both ECL and NSA operate a container line business, with ECL AS acting as the shipowner and running the affreightment operations in Norway, and NSA responsible for the affreightment and agency operations in Hamburg.

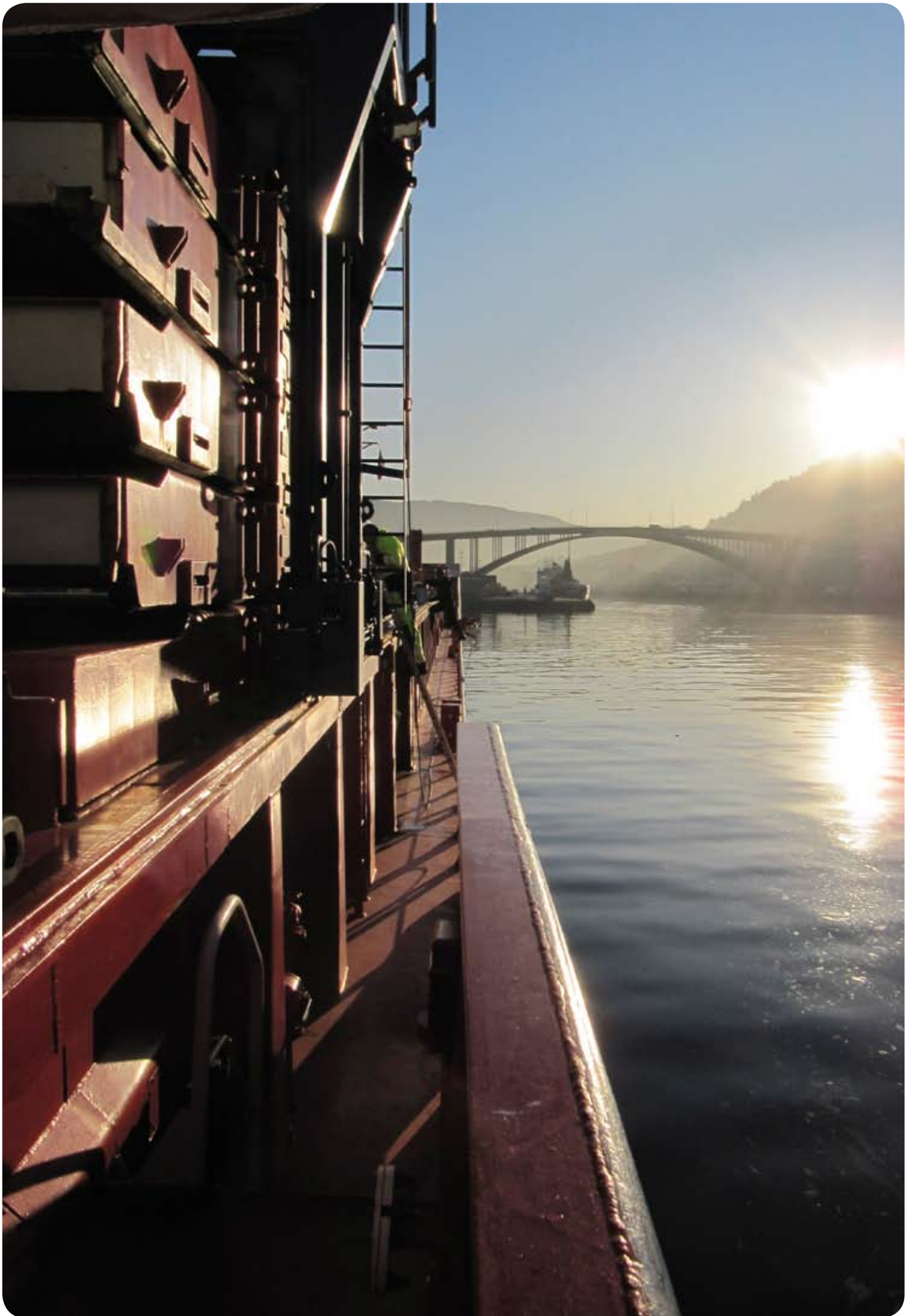
Goodwill amounting to TNOK 24 553 arose upon the share acquisition on the basis of the excess value in the agency and affreightment business. At the date of the acquisition, ECL owned one vessel – ECL Challenger. Excess value allocated to the vessel at the acquisition date was TNOK 4 600.

During the period 1 January to 10 October 2008, ECL Holding was treated as a 50 %-owned, jointly controlled entity. In this period the Wilson Group took the liner service to income as a share of profit of the jointly controlled entity in the amount of TNOK 6 328. If ECL Holding had been a subsidiary for the entire financial year, the Group's profits would have increased by a further TNOK 6 328.

#### **III. Actinor Bulk AS**

Actinor Bulk AS was merged into Wilson Shipowning AS as of 30 December 2008. At the date of the merger, the company owned one vessel – Wilson Fjord – and otherwise had no other activity. The vessel has been on a bareboat charterparty to Wilson Shipowning AS since 2004. See Note 20. Caiano AS acquired a 0.56 % stake in Wilson Shipowning AS at the merger, valued at approximately TNOK 5 000.

If Actinor Bulk AS had been consolidated from 1 January 2008, the bareboat hire for the year of TNOK 2 928 would have been eliminated, but the Group would have had depreciation/amortisation and financial expense in line with the bareboat hire. The results of the Wilson Group would not, therefore, have been affected by the merger to any significant degree.



Discharging at the Puddefjord bridge in Bergen.

## INCOME STATEMENT WILSON ASA

(Figures in TNOK)

NOTES		NGAAP 2009	NGAAP 2008
	<b>OPERATING INCOME AND EXPENSES</b>		
3,4	Administrative expenses	5 301	4 921
	<b>Operating profit/loss</b>	<b>-5 301</b>	<b>-4 921</b>
	<b>FINANCIAL INCOME AND EXPENSES</b>		
	Income from investments in subsidiaries and associates	6 890	39 428
6	Interest income from companies in the same group	2 646	896
	Profit/loss on foreign exchange		2 285
2,3	Interest income from jointly controlled entities		1 236
2	Other financial income	6	97
6	Interest expenses to companies in the same group	-10 296	-7 221
11	Other interest expenses	-5 967	-10 323
	Result of financial items	-6 721	26 398
	<b>Profit/loss before tax</b>	<b>-12 021</b>	<b>21 478</b>
5	Tax	-7 133	0
	<b>Profit/loss for the year</b>	<b>-4 888</b>	<b>21 478</b>
	<b>ALLOCATIONS</b>		
	Transferred to other equity	-4 888	20 738
	Proposed dividend		-42 216
	<b>Total allocations</b>	<b>-4 888</b>	<b>-21 478</b>

## BALANCE SHEET AT 31 DECEMBER WILSON ASA

(Figures in TNOK)

NOTES	ASSETS	NGAAP 2009	NGAAP 2008
	<b>Fixed assets</b>		
	<b>Intangible fixed assets</b>		
	Intangible fixed assets		
5	Deferred tax assets	6 980	0
	<b>Total intangible fixed assets</b>	<b>6 980</b>	<b>0</b>
	<b>Financial fixed assets</b>		
2	Investments in subsidiaries	597 977	548 098
6	Loans to companies in the same group	16 728	18 608
	<b>Total financial fixed assets</b>	<b>614 705</b>	<b>566 706</b>
	<b>Total fixed assets</b>	<b>621 685</b>	<b>566 706</b>
	<b>Current assets</b>		
	<b>Receivables</b>		
6	Receivables from companies in the same group	61 550	42 411
	Other receivables		880
	<b>Total receivables</b>	<b>61 550</b>	<b>43 291</b>
	<b>Cash and cash equivalents etc.</b>	<b>96</b>	<b>94</b>
	<b>Total current assets</b>	<b>61 646</b>	<b>43 385</b>
	<b>TOTAL ASSETS</b>	<b>683 332</b>	<b>610 092</b>

## BALANCE SHEET AT 31 DECEMBER WILSON ASA

(Figures in TNOK)

NOTES	EQUITY AND LIABILITIES	NGAAP 2009	NGAAP 2008
	<b>Equity</b>		
	<b>Paid-in capital</b>		
7,8	Share capital (42 216 000 shares at NOK 5/share)	211 080	211 080
	Total paid-in capital	211 080	211 080
	<b>Retained earnings</b>		
8	Other reserves	125 253	130 141
	Total retained earnings	125 253	130 141
	<b>Total equity</b>	<b>336 333</b>	<b>341 221</b>
	<b>Liabilities</b>		
	<b>Other long-term liabilities</b>		
11	Debt to credit institutions	0	0
13	Long-term liabilities to group companies	204 579	172 953
	Total other long-term liabilities	204 579	172 953
	<b>Current liabilities</b>		
	Debt to credit institutions	31 887	10 345
	Accounts payable	92	0
	Other current liabilities	1 145	1 105
	Proposed dividend	0	42 216
6	Debt to companies in the same group	109 296	42 252
	Total current liabilities	142 420	95 918
	<b>Total liabilities</b>	<b>346 999</b>	<b>268 871</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>683 332</b>	<b>610 092</b>

The Board of  
WILSON ASA  
Bergen, 24 February 2010



Kristian Eidesvik  
Chairman of the Board



Eivind Eidesvik



Gudmundur Asgeirsson



Jan O. Minde



Ellen Solstad



Synnøve Seglem



Øyvind Gjerde

CEO of Wilson ASA

## CASH FLOW STATEMENT WILSON ASA

(Figures in TNOK)

	NGAAP 2009	NGAAP 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/loss before tax	-12 021	21 478
Tax paid for the period	153	
Write-downs/reversed write-downs		1 712
Change in other current assets and other liability items	1 012	2 818
<b>Net cash flow from operating activities</b>	<b>-10 856</b>	<b>26 008</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-49 879	
Proceeds from fixed assets investments	1 880	
Investments in fixed assets		-67 041
<b>Net cash flow from investing activities</b>	<b>-47 999</b>	<b>-67 041</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from new long-term borrowing		
Repayment of long-term debt		-125 000
Proceeds from new short-term borrowing	21 542	
Proceeds from long-term borrowing, group companies	31 626	165 660
Intercompany balance	5 689	25 510
Dividends paid		-42 216
<b>Net cash flow from financing activities</b>	<b>58 857</b>	<b>23 954</b>
<b>Impact of currency fluctuations on cash and cash equivalent</b>	<b>0</b>	<b>0</b>
Net change in cash and cash equivalents etc.	2	-17 079
Cash and cash equivalents etc. at 1 January	94	17 173
<b>Cash and cash equivalents etc. at 31 December</b>	<b>96</b>	<b>94</b>

## NOTES WILSON ASA

**Note 1 – Accounting policies**

The annual financial statements for Wilson ASA consist of the income statement, balance sheet, cash flow statement and notes to the financial statements, which are prepared and presented in accordance with the Norwegian Accounting Act and with Norwegian Generally Accepted Accounting Principles (NGAAP) in force at 31 December 2009. The consolidated financial statements for the Wilson Group are prepared in compliance with International Financial Reporting Standards (IFRS) as approved by the EU.

The Norwegian krone is used as the functional and reporting currency in the financial statements. The figures are stated in whole NOK thousands (TNOK).

**Classification of assets and liabilities**

Assets intended for permanent use or ownership are classified as fixed assets. Other assets are classified as current assets. Receivables to be paid within one year are classified as current assets. The classification of current and long-term liabilities is based on similar criteria, except for the first year of instalments on mortgage debt, which is recognised in long-term liabilities.

**Receivables and liabilities in foreign currencies**

Receivables and liabilities in foreign currencies are translated at the exchange rate at the end of the reporting period. Transactions in foreign currencies that are recognised in the income statement are translated into Norwegian kroner (NOK) at the exchange rate ruling on the date of the transaction.

**Receivables**

Receivables are accounted for at nominal value less provision for expected loss. Provision for expected loss is based on an assessment of each receivable individually.

**Investments in shares**

Subsidiaries, jointly controlled entities and associates are measured according to the cost method in the separate financial statements. The investment is measured at acquisition cost for shares unless a write-down has been necessary. Write-downs are carried out at fair value when the impairment is owing to causes that cannot be considered temporary, and where they are deemed necessary according to generally accepted accounting principles. Write-downs are reversed when the basis for the write-down no longer exists.

Dividends and other payments are recognised as income for the same year as provision was made for them at the subsidiary.

**Tax**

Tax expenses in the income statement include both tax payable for the period and changes in deferred tax. Deferred tax is calculated at a rate of 28 % based on the temporary differences that exist between accounting and taxation values, as well as tax loss carryforwards at the end of the financial year. Tax-adding and tax-deducting temporary differences that are reversed or can be reversed during the same period are offset. Net deferred tax assets are recognised in the balance sheet to the extent it is probable they can be applied.

**Cash flow statement**

The cash flow statement is prepared according to the indirect method. The indirect method entails that cash flows from investing and financing activities are shown gross, while cash flow tied to operating activities results from reconciliation of the accounting results against the net cash flow from operating activities.

**Reclassification**

Where income statement and balance sheet items are reclassified, the comparative figures are restated accordingly.

**Note 2 – Shares in subsidiaries and jointly controlled entities**

Subsidiary	Year of acquisition	Registered office	Principal activity	Voting & ownership	Costprice	Book value
Wilson EuroCarriers AS	2000	Bergen	Affreightment	100 %	1 000	1 000
Bergen Shipping Chartering AS	2000	Bergen	Affreightment	100 %	1 000	1 000
Euro Container Line Holding AS	2008	Bergen	Affreightment/Ship ownership	100 %	43 798	43 798
Wilson Management AS	2000	Bergen	Administration	100 %	207 029	212 529
Wilson Ship AS	2000	Bergen	Hiring vessels	100 %	6 299	6 299
Wilson Shipowning AS	2000	Bergen	Ship ownership	99.4%	108 356	108 356
Altnacraig Shipping Plc.	2000	London	Hiring vessels	100 %	38 109	0
Nesskip hf.	2006/2007/2009	Reykjavik	Affreightment/Ship ownership	87.7%	224 995	224 995
<b>Total</b>					<b>630 585</b>	<b>597 977</b>

**Changes in subsidiaries in 2009:**

Wilson purchased an additional 17.05 % of the shares in Nesskip hf., Iceland in 2009, which includes shipowning companies in Cyprus. This increased the company's stake from 70.65 % to 87.70 % as of 31 December 2009. A further 1.4 % stake was acquired in January and February 2010, bringing the total shareholding up to 89.1 %. This purchase was not recognised in the consolidated financial statements at the end of the reporting period on 31 December 2009. See Note 5.

Wilson established the firm of Wilson Murmansk Ltd. in Russia in 2009. The company forms part of Wilson's agency and affreightment business.

**Changes in jointly controlled entities in 2009:**

There were no ownership-related changes in jointly controlled entities in 2009.

### Note 3 – Number of employees

The company has no employees but hires administrative services from the subsidiary Wilson Management AS. The company has no obligation to provide an occupational pension scheme. Administrative fees charged as expense for 2009 amounted to TNOK 2 947 (2008: TNOK 1 800). Fees to board members were charged to expense for 2009 in the sum of TNOK 840 (2008: TNOK 1 081).

### Note 4 – Wages and salaries, number of employees, remuneration, loans to employees, etc.

#### Senior executives

The main principle for fixing senior executives' pay was adopted by the Annual General Meeting on 3 April 2009 and is as follows:

"The company's main principle for fixing senior executives' pay will therefore be to offer senior executives competitive conditions in order to create continuity in the management. The remuneration package offered to these employees will normally consist of basic salary, pension benefits and car allowance. In addition, senior executives may individually earn performance-related pay of up to two months' salary per year. In the case of the CEO, this performance-related element of the remuneration package can be up to three months' salary per year. The level of the remuneration package will reflect Wilson's aim to offer a salary level that is commensurate with the average salary level in similar shipping companies in Norway."

#### There are no share option programmes for employees.

The Chair of the Board of Directors has no agreement with the company to be paid a bonus, "golden parachute", share options or similar. The Chair of the Board and shareholder-elected board members are not entitled to a pension from the company.

In reviewing the administration's proposed final financial statements for the year, the Board also considers the question of payment of bonus to the CEO. By the closing of accounts it has normally been determined whether to pay a bonus to senior executives and other employees relative to the company's profit performance. Any bonus adopted by the Board is allocated as an expense in the current financial year, but is paid out in the following financial year. Where there is a difference in the level of bonus to senior executives, other employees and the CEO, that difference is included in the next financial year.

Following consideration of the administration's proposed final financial statements for 2008, the Board resolved to pay a bonus to the CEO in the amount of TNOK 161, which is equal to one month's salary x 1.25. For 2008 the Board also resolved to pay a bonus to senior executives and other employees equal to one month's salary x 1.25. Both bonuses were paid out in 2009.

Following consideration of the administration's proposed final financial statements for 2009, the Board resolved that no bonus should be paid to the employees for 2009.

Senior executives - pay and pension rights	Title	Basic salary	Bonus paid	Other remuneration <sup>1)</sup>	Total taxable income	Earned pension rights/ costs for company <sup>2)</sup>
<b>2009</b>						
For 2008						
Øyvind Gjerde	Administrerende dir.	1 560	160	122	1 842	83
Petter Berge	CFO	1 078	104	100	1 282	53
Jostein Bjørge	Commercial Director	1 005	107	105	1 217	53
Jon Are Gummedal	Technical Director	894	83	91	1 068	51
<b>Total</b>		<b>4 537</b>	<b>454</b>	<b>418</b>	<b>5 409</b>	<b>240</b>
<b>2008</b>						
For 2007						
Øyvind Gjerde	CEO	1 491	350	120	1 961	103
Petter Berge	CFO	976	121	99	1 196	52
Jostein Bjørge	Commercial Director	904	106	73	1 083	52
Jon Are Gummedal	Technical Director	795	98	16	909	48
<b>Total</b>		<b>4 166</b>	<b>675</b>	<b>308</b>	<b>5 149</b>	<b>255</b>

Petter Berge took over as CFO on 19 February 2007. Jon Are Gummedal took up the post of Technical Director on 1 May 2008, having until then been employed by the company as Inspector. Jostein Bjørge became Commercial Director on 1 July 2008, having until then been employed by the company as Chartering Manager.

<sup>1)</sup> Includes car allowance, insurance, ADSL and other minor remunerations.

<sup>2)</sup> Calculation of earned pension benefits is based on the same assumptions as described in Note 8 Pensions.

None of the persons in the table above received compensation from other companies in the Group during the year. All amounts are exclusive of employer's national insurance contributions.

Senior executives	Title	Term of notice	Bonus appraisal
Øyvind Gjerde *	CEO	6 months	Annual
Petter Berge	CFO	6 months	Annual
Jostein Bjørge	Commercial Dir.	6 months	Annual
Jon Are Gummedal	Technical Dir.	6 months	Annual

\* Termination of an employment contract for reasons other than ordinary resignation on the part of the employee entitles the employee to a contractual termination payment of 18 months' salary including the period of notice.



No loans or guarantees were provided to senior executive or other employees during the year.

Wilson's employees in Norway are entitled to pension benefits amounting to 66 % of salary up to 12G at full contribution (where G is the basic amount under the Norwegian national insurance scheme).

Employees who commenced working for Wilson after 1 January 2007 are members of a defined-contribution pension scheme.

<b>Board of Directors</b>	<b>Members' fees paid in 2009</b>	<b>Other benefits 2009</b>	<b>Members' fees paid in 2008</b>	<b>Other benefits 2008</b>
Kristian Eidesvik, Chair	125	0	125	0
Gudmundur Asgeirsson	96	0	96	0
Eivind Eidesvik	96	0	110	0
Ellen Solstad	110	0	110	0
Synnøve Seglem	82	0	0	0
Jan Minde, employee representative	96	0	96	0
Bernt D. Odfjell, deputy board member	110	0	110	0
Nina Hjeltestad, deputy employee rep.	51	0	51	0
<b>Former Board members</b>				
Katrine Trovik	94	0	125	0
Pål M. Hisdal		0	96	0
	<b>861</b>	<b>0</b>	<b>920</b>	<b>0</b>

All amounts are exclusive of employers' national insurance contributions.

Gudmundur Asgeirsson became a member of the Board of Directors on 30 March 2007 and was at that time employed by Nesskip hf., Iceland. Asgeirsson's employment with Nesskip ended on 21 May 2008 and he no longer holds elected office in Nesskip hf.

Pål M. Hisdal stepped down as a member of the Board on 18 December 2007 and Synnøve Seglem was elected to the Board. Katrine Trovik stepped down from the Board on 31 October 2008. Bernt D. Odfjell stepped down from the Board on 9 December 2008 and was at the same time elected as a shareholder-elected deputy member. Jan Minde is the employee representative on the Board. Nina Hjeltestad is the employee representative's deputy member.

No loans or guarantees were provided to Board members during the year.

Below is a list of the percentage-wise shareholdings of members of the Board and the group executive management at 31 December 2009. Board members' and senior executives' shareholdings include shares held by their related parties.

<b>Shares controlled by the Chair and Board members</b>	<b>2009</b>	<b>2008</b>
Kristian Eidesvik	90.18 %	90.18 %
Ellen Solstad	1.48 %	0.59 %
Eivind Eidesvik	0.01 %	0.01 %
Bernt Daniel Odfjell	0.39 %	0.39 %
<b>Shares controlled by senior executives</b>	<b>2009</b>	<b>2008</b>
CEO	0.00 %	0.00 %
CFO	0.00 %	0.00 %
Commercial Director	0.00 %	0.00 %
Technical Director	0.00 %	0.00 %
<b>Auditor's fees</b>	<b>2009</b>	<b>2008</b>
Statutory audits	262	580
Tax advice	31	115
Other accounting assistance	112	251
<b>Total</b>	<b>405</b>	<b>946</b>

The auditor's fees are stated exclusive of VAT.

**Note 5 – Tax**

<b>The tax charge for the year is derived as follows:</b>	<b>2009</b>	<b>2008</b>
Tax payable for the year	-3 119	0
Change in deferred tax related to changed group contribution	-4 014	0
Tax charge	-7 133	0
<b>Computation of tax base for the year</b>		
Pre-tax profit/loss on ordinary activities	-12 021	21 478
Permanent differences	49	4
Reversal of dividend taken to income	1 724	
Group contribution recognised in profit and loss	5 166	
Profit from share of investment DS,TS and FKV		39 428
Change in temporary differences	2 556	1 712
Group contribution received	5 166	16 234
Tax base for the year	-11 140	0
<b>Overview of temporary differences</b>		
Outstanding accounts	-9 254	-6 698
Adjustment of group contribution in the Group	-13 788	
Accumulated loss carryforwards	-11 140	0
Net temporary differences at 31 December	-34 182	-6 698
Differences not included in deferred tax/tax assets	-9 254	-6 698
Total	-24 928	0
28 % deferred tax assets	-6 980	
<b>Differences offset</b>		
Loss carryforward	-24 928	0
Total	-24 928	0
<b>Explanation of why the year's tax charge is not 28 % of profit/loss before tax</b>		
28 % tax on profit/loss before tax	-3 366	
Change in deferred tax related to correction prior-year group contribution	-1 852	
Permanent differences (28 %)	-1 915	
Computed tax charge	-7 133	0

**Note 6 – Intercompany accounts, etc.**

	Receivables		Liabilities	
	2009	2008	2009	2008
Wilson EuroCarriers AS			318	2
Wilson Ship Management AS	4 381	1		
Wilson Management AS		29 705	58 119	42 250
Wilson Ship AS	56 369	4 683		
Bergen Shipping Chartering AS	800	1 583		
Wilson Shipowning AS		6 439	50 418	
Euro Container Line AS			441	
Total current items	61 550	42 411	109 296	42 252

Payable balances to and from partner companies and subsidiaries are interest-bearing at 3 month NIBOR + a margin of 2.25 % per annum, calculated in arrears.

No current receivables or liabilities fall due more than one year after the financial year-end.

Loans are repaid in line with earnings within the group companies.

Wilson ASA has a receivable with Altnacraig Shipping Plc., UK amounting to TNOK 9 978. The company is dependent on capital from group companies and has no means of settling its accounts at present. Intercompany accounts with Altnacraig Shipping Plc. will be written down to zero.

**Shareholder loans**

	2009		2008	
	Cost	Book value	Cost	Book value
Euro Container Line	16 728	16 728	18 607	18 607
<b>Total</b>	<b>16 728</b>	<b>16 728</b>	<b>18 607</b>	<b>18 607</b>

The subordinated loan to Euro Container Line AS carries an interest rate of NIBOR / EURIBOR + 7 % per annum margin as per agreement. Euro Container Line AS was an associate until 10 October 2008 via the parent company Euro Container Line Holding AS.

**Note 7 – Share capital and shareholder information**

The company's share capital at 31 December 2009 consisted of 42 216 000 shares at NOK 5 each, totalling TNOK 211 080.

Name	No. of shares	Shareholding	Voting share
Caiano AS	38 070 599	90.18 %	90.18 %
Pareto Aksje Norge	956 800	2.27 %	2.27 %
Ivan AS	623 000	1.48 %	1.48 %
Pareto Aktiv	501 600	1.19 %	1.19 %
Total > 1 % shareholding	40 151 999	95.11 %	95.11 %
Total others	2 064 001	4.89 %	4.89 %
<b>Total number of shares</b>	<b>42 216 000</b>	<b>100.0%</b>	<b>100.0%</b>

See Note 4 for information on shares owned by the company's Board of Directors and senior executives.

Through Caiano AS as a related party, Kristian Eidesvik controls a total of 90.18 % of Wilson ASA.

**2008**

Name	No. of shares	Shareholding	Voting share
Caiano AS	38 070 599	90.18 %	90.18 %
Pareto Aksje Norge	953 800	2.26 %	2.26 %
Pareto Aktiv	545 600	1.29 %	1.29 %
Total > 1 % shareholding	39 569 999	93.73 %	93.73 %
Total others	2 646 001	6.27 %	6.27 %
<b>Total number of shares</b>	<b>42 216 000</b>	<b>100.00 %</b>	<b>100.00 %</b>

**Note 8 – Equity**

	Share capital	Other reserves	Total
<b>Equity at 31 December 2008</b>	<b>211 080</b>	<b>130 141</b>	<b>341 221</b>
<i>Change in equity for the year</i>			
Profit/loss for the year		-4 888	-4 888
<b>Equity at 31 December 2009</b>	<b>211 080</b>	<b>125 254</b>	<b>336 333</b>

	2009	2008
Earnings and diluted earnings per share (NOK)	0.02	5.91
Number of shares	42 216	42 216

**Note 9 – Joint and several liability**

The company is included in the Group's VAT registration as a single entity. All group companies registered jointly for VAT purposes are jointly and severally liable for outstanding VAT.

**Note 10 – Financial market risk**

The company is a holding company, and the financial risk is managed locally by the subsidiaries in the country where the undertaking is located.

**Currency risk**

The company's business activity is based principally on transactions in Norwegian kroner (NOK).

**Credit risk**

The company's receivables are with subsidiaries or jointly controlled entities where the credit risk company has good control of risk exposure. In cases where there is uncertainty attached to outstanding accounts, receivables are written down to zero. The company had an intercompany receivable amounting to TNOK 9 254 (2008: TNOK 6 698) as of 31 December 2009 that was uncertain. This receivable was written down in its entirety at 31 December 2009.

**Interest rate risk**

The items that are exposed to interest rate risk are receivables with and loans to subsidiaries, cash and cash equivalents, and long-term liabilities.

Wilson ASA has not entered into any interest rate derivatives or fixed interest agreements related to long-term liabilities.

**Note 11 – Long-term liabilities**

The Group was not in breach of the loan covenants in 2009, but during the year requested the lender to amend the loan covenants, which was done. More specifically, the covenant concerning long-term debt in relation to EBITDA was replaced by a liquidity requirement.

The most important loan covenants on a group basis are that available funds shall exceed 50 % of next year's instalments, current assets shall be greater than current liabilities in accordance with specific definitions, book equity shall exceed 30 % of the balance sheet total, dividends shall not exceed 50 % of the result for the year, and Kristian Eidesvik and/or related parties shall own at least 35 % of Wilson ASA as a listed company.

Although it was not in breach of the loan covenants, the company is close to the requirement for positive working capital. Raising shareholder loan from the principal shareholder will considerably improve the ratio. See Note 13 for details of the subordinated loan.

**Capital structure**

The company's capital structure is assessed based on the requirement for a healthy debt-equity ratio on the one hand and a return on capital employed on the other. The company norm in connection with purchasing ships in the second-hand market has been 30 % equity and 70 % external financing of the purchase amount. The company will continue to view this kind of financing structure as appropriate in the future.

The company wishes to give its shareholders a good, stable return on their investment. Return on shareholder capital is understood to mean the sum total of the share price performance and dividends paid. This return should reflect the company's relative economic development. In the case of a direct return in the form of dividend, Wilson's aim is to pay annually 25-30 % of the company's profits after tax. This objective will be considered in relation to the company's growth ambitions in cyclical upturns and financial strength/solvency trends in cyclical downturns.

**Note 12 – Guarantees**

The company has issued a parent company guarantee for the mortgage loan in the subsidiary Wilson Shipowning AS and for both the newbuilding programmes in the same company. The mortgage debt in Wilson Shipowning AS as of 31 December 2009 was TNOK 1 241 992.

Wilson ASA has issued a guarantee as prime obligor and not as surety merely of TEUR 350 in connection with the mortgage loan in the subsidiary Euro Container Line AS for financing of ship purchases.

**Note 13 – Long-term liabilities to group companies**

Wilson ASA entered into a loan agreement on 28 December 2007 with Unistar Shipping Company Limited, a wholly owned subsidiary of Nesskip HF. This loan amounts to TNOK 184 579 (2008: TNOK 172 953). The loan has an annual interest rate of NIBOR + 0.9 %. Under the terms of the loan agreement, Wilson ASA shall make a declaration every six months stating whether it wishes to pay all remaining instalments. Similarly, Unistar Shipping Company Limited may demand once every six months that the loan be repaid. With any statement by Unistar Shipping Company Ltd requiring total repayment of the outstanding loan, the amount must be repaid within a time limit of six months. If Unistar Shipping Company Ltd changes its status from being a subsidiary of Nesskip and Wilson ASA, the time limit for claiming total repayment of the loan will become 30 days and the amount shall be repaid no later than 60 days after the demand from Unistar Shipping Company Limited.

Some of the dividend to Caiano AS declared in April 2009 was converted into a loan of TNOK 20 000. Interest is paid every six months based on 6-month NIBOR + 2.25 % per annum. In 2009 interest was paid in the sum of TNOK 431. The loan will be repaid no later than 21 April 2011.

The company has an offer for a loan amounting to TNOK 75 000 or the equivalent in EUR from Caiano AS and will close the final agreement in March 2010. Interest will be charged on the loan at market rates and the loan will be an interest-only loan for 3 years.

**Note 14 – Cash and cash equivalents, bank overdraft**

The company has an overdraft facility of TNOK 50 000. The unused limit on the overdraft facility is TNOK 18 113.

To the Annual Shareholders' Meeting of  
Wilson ASA

### Auditor's report for 2009

We have audited the annual financial statements of Wilson ASA as of 31 December 2009, showing a loss of NOK 4 888 000 for the Parent Company and a profit of NOK 668 000 for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss. The financial statements comprise the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet, the statements of income and cash flows as well as the accompanying notes. The financial statements of the Group comprise the consolidated balance sheet, the statements of income, cash flows and changes in equity as well as the accompanying notes. The regulations of the Norwegian Accounting Act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the Parent Company. IFRSs as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the Parent Company are prepared in accordance with laws and regulations and present fairly, in all material respects the financial position of the Company as of 31 December 2009, and the results of its operations and cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the Group are prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2009, and the results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRSs as adopted by the EU
- the Company's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and bookkeeping practice generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with law and regulations.

Bergen, 24 February 2010  
ERNST & YOUNG AS  
Kjell Ove Røsok  
State Authorised Public Accountant (Norway)  
(sign)

Note: The translation to English has been prepared for information purposes only.

# Newbuildings

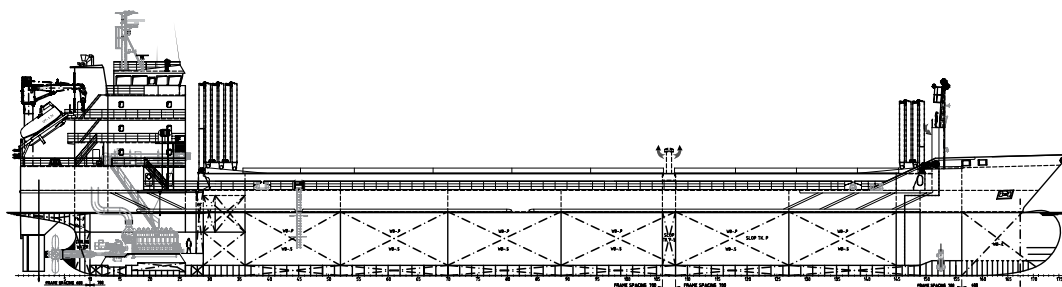
**A**s part of the company's expressed growth strategy, Wilson has signed agreements to build a total of 16 vessels at two shipyards in China. The newbuilding programme consists of two series, one of 8 x 8 400 dwt bulk vessels and one of 8 x 4 500 dwt bulk vessels. The vessels will be built according to Germanischer Lloyds class +100 A5 E G. Much of the vessels' key equipment will be European-manufactured with, for example, Wärtsilä supplying the complete propulsion machinery for all the vessels. The newbuildings are somewhat delayed compared to the original agreed delivery date, roughly around six months. Since deliveries under the programs will take place over a longer period of time, delivery estimates for the last vessels will be more uncertain than the estimates for the first vessels.

## 8 400 dwt

The vessels are being built at the Yichang Shipyard, which is a part of CSC Group located in Wuhan, China. Expected delivery during the period second quarter 2010 – second quarter 2012.

### Extract from technical data:

Dwt:	8 400	No of holds:	2
Length over all:	120.5m	Hold no 1:	25.9m x 13.5m
Breadth moulded:	16.5m	Hold no 2:	49.0m x 13.5m (box shaped)
Scantled draught:	7.4m	Hold cap.:	383 000 cbf (grain)
Speed:	12.5kn at D=7,4m		

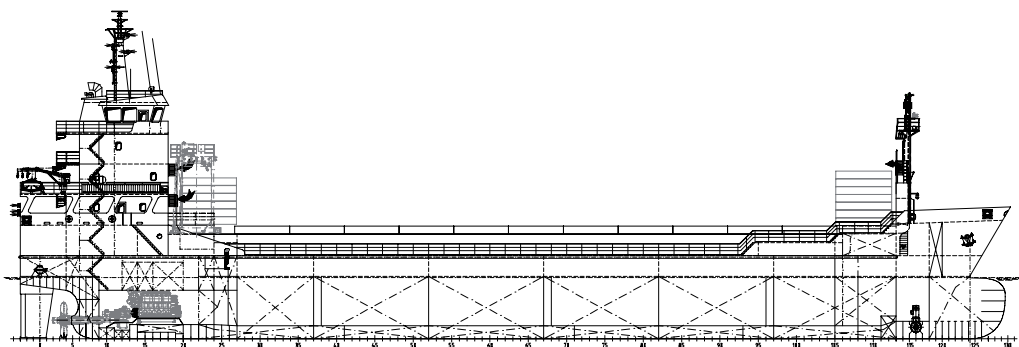


## 4 500 dwt

The vessels are being built at Shandong Baibuting Shipbuilding Co Ltd located in Rong Cheng, China. Expected delivery during the period first quarter 2011 – third quarter 2012.

### Extract from technical data:

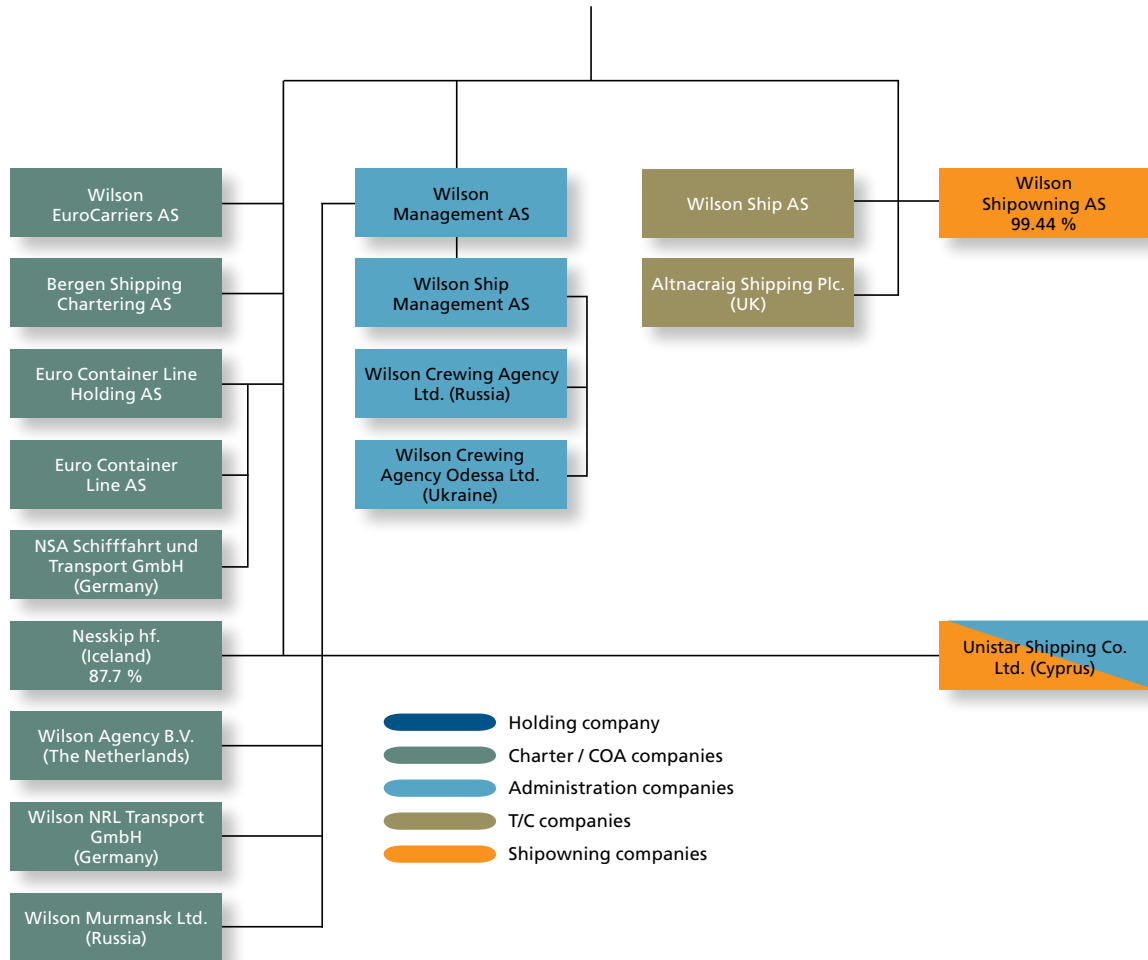
Dwt:	4 500	Speed:	11.8kn at D=5.6m
Length over all:	89.9m	No of holds:	1; 54.6m x 12.6m (box shaped)
Breadth moulded:	15.4m	Hold cap.:	204 000 cbf (grain)
Scantled draught:	5.6m		



# Wilson's fleet at 31 December 2009

Map No.	Name	Dwt	Built	Flag	Structure	No. of vessels	Map No.	Name	Dwt	Built	Flag	Structure	No. of vessels						
<b>2 000 dwt (NRL)</b>							59	Wilson Bremen	3 700	92	MAL	Owned							
1	Wilson Ems	1 540	95	BAR	Owned		60	Wilson Brest	3 700	95	MAL	Owned							
2	Wilson Saar	1 650	96	BAR	Owned		61	Wilson Brugge	3 700	96	MAL	T/C							
3	Wilson Waal	1 850	99	BAR	Owned		62	Wilson Gaeta	3 700	98	BAR	Owned							
4	Wilson Rhine	1 850	98	BAR	Owned		63	Wilson Ghent	3 700	96	MAL	Owned							
5	Wilson Ruhr	1 850	97	BAR	Owned		64	Wilson Goole	3 700	95	MAL	Owned							
6	Wilson Maas	1 850	97	BAR	Owned		65	Wilson Grip	3 700	96	MAL	Owned							
7	Wilson Main	2 440	90	BAR	Owned		66	Wilson Leer	3 700	96	MAL	Owned							
8	Hestia	2 460	00	ANT	T/C		67	Wilson Leith	3 700	97	MAL	Owned							
9	Thebe	2 460	00	ANT	T/C		68	Wilson Tees	3 700	97	MAL	Owned							
10	Wilson Lahn	2 508	01	BAR	Owned		69	Wilson Lista	3 727	94	BAR	Owned							
11	Eems Star	2 650	08	NED	T/C		70	Helsinki	3 950	97	ANT	T/C							
12	Wilson Elbe	2 665	93	MAL	Owned		71	Wilson Humber	4 200	99	BAR	Owned							
13	Wilson Mosel	2 665	93	MAL	Owned	13	72	Oslo	4 218	96	ANT	T/C							
<b>Selfdischargers</b>							73	Wilson Hull	4 247	02	CYP	50 % Owned							
14	Salmo	3 100	79	BAH	Owned		74	Tallin	4 250	97	ANT	T/C							
15	Wilson Husum	4 200	98	BAR	Owned	2	75	Wilson Horn	4 257	90	ANT	T/C							
16-24 Additionally 9 selfdischargers (1 000 - 4 300 dwt)							9	76	Wilson Harrier	4 258	93	MAL	Owned						
<b>Container Service</b>								77	Wilson Hawk	4 258	94	BAR	Owned						
25	ECL Challenger	4 635	95	BAR	Owned		78	Wilson Heron	4 260	94	MAL	Owned							
26	ECL Commander	4 750	97	BAR	Owned		79	Wilson Holm	4 261	90	ANT	T/C							
27	Pioneer Bay	5 400	00	ANT	T/C		80	Wilson Sky	4 263	01	CYP	50 % Owned							
28	Asian Carrier	5 550	03	ANT	T/C	4	81	Wilson Hook	4 280	04	CYP	75 % Owned							
<b>System Vessels (liquid pitch, feeder, RoRo/side port)</b>								82	Wilson Calais *	4 400	01	BAR	BB						
29	Leiro	3 580	81	BAR	Owned		83	Korsika	4 424	01	ANT	T/C							
30	Lindo	3 580	82	BAR	Owned		84	Baccara	4 440	98	MAL	T/C							
31	Wilson Fjord	3 843	77	BAR	Owned		85	Sardinia	4 440	98	ANT	T/C							
32	Wilson Caen	4 440	98	BAR	Owned		86	Memel	4 436	99	ANT	T/C							
33	Wilson Clyde	4 450	98	BAR	Owned		87	Wilson Cadiz	4 440	00	BAR	Owned							
34	Wilson Star	4 452	89	SWE	T/C		88	Wilson Cork	4 440	98	BAR	Owned	53						
35	Wilson Express	5 482	83	NIS	T/C	7	<b>6 000 - 10 000 dwt</b>												
<b>3 500 - 4 500 dwt</b>							89	Wilson Marin	5 845	78	MAL	Owned							
36	Wilson Dvina	3 221	92	BAR	Owned		90	Wilson Split *	5 913	77	BAR	BB							
37	Wilson Dover	3 232	93	BAR	Owned		91	Wilson Riga	6 085	76	BAR	Owned							
38	Wilson Garston	3 450	89	BAR	Owned		92	Wilson Rough	6 085	76	MAL	Owned							
39	Ferro	3 504	91	BAH	Owned		93	Wilson Reef	6 135	75	MAL	Owned							
40	Tinno	3 504	91	BAH	Owned		94	Wilson Ross	6 135	75	MAL	Owned							
41	Torpo	3 504	90	BAH	Owned		95	Wilson Rye	6 135	76	BAR	Owned							
42	Wilson Gdansk	3 540	93	BAR	Owned		96	Wilson Bar	6 156	79	MAL	Owned							
43	Wilson Gdynia	3 540	94	BAR	Owned		97	Wilson Malm	6 176	80	MAL	Owned							
44	Wilson Antwerp	3 600	08	MAL	T/C		98	Wilson Mersin	6 186	81	CYP	Owned							
45	Wilson Aveiro	3 600	08	MAL	T/C		99	Wilson Malo	6 350	78	CYP	Owned							
46	Wilson Aviles	3 600	08	MAL	T/C		100	Wilson Rouen	6 351	76	BAR	Owned							
47	Wilson Ayr	3 600	08	MAL	T/C		101	Wilson Stadt	6 445	00	MAL	Owned							
48	Wilson Aberdeen	3 600	09	MAL	T/C		102	Wilson Skaw	6 460	96	BAH	Owned							
49	Wilson Amsterdam	3 600	09	ANT	T/C		103	Wilson Saga	6 470	98	CYP	Owned							
50	Wilson Gijon	3 670	93	BAR	Owned		104	Wilson Sund	6 470	99	CYP	Owned							
51	Wilson Grimsby	3 670	93	BAR	Owned		105	Wilson Trent	7 106	80	CYP	Owned							
52	Plato	3 677	89	BAR	Owned		106	Wilson Tyne	7 106	80	MAL	Owned							
53	Jumbo	3 697	87	BAH	Owned		107	Wilson Tana	7 164	77	MAL	Owned							
54	Pluto	3 697	86	BAH	Owned		108	Wilson Mar	9 655	85	MAL	Owned	20						
55	Wilson Bilbao	3 700	92	MAL	Owned		<b>Total</b>												
56	Wilson Blyth	3 700	95	MAL	Owned		<b>108</b>												
57	Wilson Borg	3 700	94	MAL	Owned		Map no. = see pages 6-7												
58	Wilson Brake	3 700	97	MAL	T/C		BB = Bareboat												
							T/C = Timecharter												
							* = Financial leasing agreement												

# WILSON ASA



**Wilson** has its head office in Bergen and agencies in Duisburg, Rotterdam, Murmansk and Reykjavik, as well as crewing agencies in Arkhangelsk and Odessa. The Group has about 1450 employees, of whom about 1300 are mariners. The Group operated 108 vessels as of 31 December 2009.

**Wilson EuroCarriers AS** is the Wilson Group's operation and chartering company, and is the counterparty to all freight contracts (COA) with the company's clients. The transport contracts range in duration from a few months to several years. Wilson EuroCarriers AS is one of Europe's largest and leading operators in the inter-European dry cargo sector.

**Bergen Shipping Chartering AS** provides a brokering service on behalf of external owners as well as two Wilson-owned ships, totalling 11 self-discharging bulk vessels (as of 31 December 2009) of 1000-4300 dwt. The vessels are operated in the European short sea trade.

**Euro Container Line AS** is Wilson's container line. The line operates four vessels (as of 31 December 2009), of which two are owned and two chartered. The vessels sail in linetrade between Hamburg/Bremerhaven and ports in southern and western Norway.

**NSA Schifffahrt und Transport GmbH**, located in Hamburg, is the agent and marketing office for Euro Container Line in the German market.

**Nesskip hf.** provides chartering and agency services, and has its office in Iceland, just outside Reykjavik. Via a subsidiary, Nesskip owns one bulk vessel and co-owns three more. All sail in the Wilson system.

**Wilson NRL Transport GmbH** is Wilson's agent in Duisburg.

**Wilson Agency B.V.** is Wilson's agent in Rotterdam.

**Wilson Murmansk Ltd.** was opened in May 2009 and will take care of Wilson's commercial interests in various Russian projects. The opening of Wilson Murmansk is a prolongation of Wilson's already existing presence in Russia.

**Wilson Management AS** provides administrative services for the Wilson Group.

**Wilson Ship Management AS** is responsible for the technical management of the Group's own vessels, as well as two vessels for external owners.

**Wilson Crewing Agency Ltd.** in Arkhangelsk is responsible for the majority of Wilson's crew recruitment and training.

**Wilson Crewing Agency Odessa Ltd.** assists the Wilson Crewing Agency with crew recruitment in the Ukrainian market.

**Wilson Shipowning AS** owns Wilson's vessels and is counterparty to bareboat charterparties.

**Wilson Ship AS** hires ships on charter from external owners. The charterparties have durations ranging from six months to several years, some with options on extensions.

**Unistar Shipping Co. Ltd.** is the holding company for ships owned through Nesskip.

**Altnacraig Shipping Plc.** is an English subsidiary currently responsible for one chartered vessel.



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