

# WILSON ASA

## 1st quarter report - 2010

### Summary

- **Q1 as expected**
- **Good improvement compared to Q1-2009, status quo compared to Q4-2009**
- **This quarter's EBITDA MNOK 37**

Figures in MNOK except daily figures and per share	1Q-2010	1Q-2009	4Q-2009	Changes	
				1Q-2009	4Q-2009
Daily	<b>25,217</b>	21,436	25,044	3,781	173
Gross freight income	<b>447</b>	399	444	48	3
EBITDA	<b>37</b>	(21)	45	58	(8)
Operating result	<b>(8)</b>	(70)	(1)	62	(7)
Result from financial items	<b>(1)</b>	69	6	(69)	(6)
Result before tax and minority	<b>(9)</b>	(1)	4	(8)	(13)
Result per share	<b>(0.14)</b>	(0.03)	0.63	(0.10)	(0.76)

### Wilson ASA – Business idea

Wilson's main activity is the chartering and operation of small dry bulk vessels between 1,500 and 10,000 dwt in the European short sea trade. Wilson is a premier player in this market. Per 05.05.2010 the Wilson system operated 110 ships, whereof 75 are owning-wise controlled by the company.

Wilson's strategy is to offer Norwegian and European industry competitive, reliable, flexible and long-term transportation services. By controlling large contract volumes and long-term contract portfolios Wilson may optimize vessel operations and secure stable and long term income levels.

### Result 1st quarter 2010

Ships income on TC basis amounted to MNOK 224 in the 1st quarter 2010 compared to MNOK 205 in the 1st quarter 2009. The company's main activity, Wilson EuroCarriers, showed improved earnings through a development in daily income from NOK 21,436 in the 1st quarter 2009 to NOK 25,217 in the 1st quarter 2010.

The company's operating cost (excl. depreciations) was MNOK 189 in the quarter which is a decrease of MNOK 40 compared to the 1st quarter 2009. The change is in main due to cost reducing actions. Crewing cost showed a reduction of MNOK 14, other operating cost ships a reduction of MNOK 16 and TC/BB hires a reduction of MNOK 7.

The operating result before depreciations (EBITDA) in the 1st quarter 2010 was MNOK 37 which was an improvement of MNOK 58 compared to 1st quarter last year.

Total depreciations in the company were MNOK 45 in the quarter compared to MNOK 49 in the corresponding period last year. This gave an operating result for the current year's quarter of MNOK -8 compared to MNOK -70 in 2009.

The financial result in the quarter shows MNOK -1 compared to MNOK 69 in the 1st quarter 2009. The results for both quarters were extraordinary, and in particular for 2009 which was considerably affected by agio with a total value of MNOK 141. The unrealized agio items for both quarters were for a major part related to the company's EUR loans where the counter value in NOK became lower with a stronger NOK.

The company's result before minority interests and estimated tax was MNOK -9 in the quarter compared to MNOK 0 in the corresponding period last year. Estimated tax shows an income item of MNOK 3 due to the period's deficit so that the period's result became MNOK -6 for the 1st quarter 2010.

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### **The market**

In the 1st quarter the company had contract coverage of 59 % measured as the number of sailing days. This was an improvement of 8 % points compared to the 4th quarter (51 %). The contract coverage has thus improved, but has not been normalized.

The spot market also showed a positive development during the 1st quarter, but the nominal level is still low in historic terms. However, an improvement in the market will help in making the company's system work better, i.e. increased efficiency in the sailing pattern and thereby an increase in net earnings.

The activity level measured as the number of sailing days shows an increase of 4 % in the 1st quarter compared to the 4th quarter.

### **Financing and capital structure**

Per 31.03.2010 interest bearing mortgage- and leasing obligations in the balance was totaling MNOK 1,459 compared to MNOK 1,368 per 31.12.2009. In the period the company has drawn on the new-building loan facility as well as having received a loan totaling MEUR 9.3 from the major share owner Caiano AS. As previously informed this loan runs without any installments for 3 years. The interest on the loan is 3 months EURIBOR + a margin of 4.5 %. Compared to the indications the company received in connection with a possible convertible bond loan, the interest terms for the loan is considered as attractive.

The company's book equity per 31.03.2010 was MNOK 794 compared to MNOK 799 per 31.12.2009. Book equity was thus 32.2 % compared to 33.5 % per 31.12.

Bank and cash deposits per 31.03.2010 were MNOK 79, in addition to an available credit facility totaling MNOK 55.

### **Events after the balance date**

In the 2nd quarter the company has entered into a settlement with a major contract customer with basis in a wrongful termination of contract, where the settlement gives Wilson an extraordinary income of MNOK 22.5. The amount has not been included in the figures for the 1st quarter 2010.

### **Prospects**

The result for the 1st quarter was as expected with a flat development compared to the 4th quarter 2009. For the 2nd quarter 2010 the Board expects a higher activity under the contracts as well as a further improvement in the spot market so that the company's cash flow and operating result shall be somewhat lifted.

The markets are however still unstable wherefore some further time may go on before the total levels may be considered satisfactory. So far the upturn has been weaker and had less momentum than previously assumed.

### **Financial principles for the quarterly report**

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

**The Board of Directors**  
**Wilson ASA**

**Bergen, 5th May 2010**

# WILSON ASA

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### Profit and loss

#### Wilson Group

(All figures in TNOK )

OPERATING REVENUE AND EXPENSES	Q1 2010	Q1 2009	1.1 - 31.12. 2009
Freight income	446,105	399,231	1,648,255
Voyage related expenses	222,553	194,325	816,536
Ships income on TC basis	223,552	204,906	831,719
Other operating income	2,361	2,814	11,874
<b>Total operating revenue</b>	<b>225,913</b>	<b>207,720</b>	<b>843,593</b>
Profit/(loss) from purchase or sale of assets	29	-216	-2,632
Crew cost ships	51,798	65,827	221,925
Other operating expenses	43,751	59,918	192,737
T/C and BB hires	61,927	69,007	250,130
Administration expenses	31,680	34,049	120,429
<b>Total operating expenses</b>	<b>189,156</b>	<b>228,801</b>	<b>785,221</b>
<b>Operating result before depreciations</b>	<b>36,786</b>	<b>-21,297</b>	<b>55,740</b>
Depreciations	45,270	48,851	188,982
<b>Operating result (EBIT)</b>	<b>-8,484</b>	<b>-70,148</b>	<b>-133,242</b>
<b>FINANCIAL INCOME AND COST</b>			
Interest income	74	531	1,020
Share of result in non-consolidated investees	-664	-1,136	-1,947
Agio	24,629	141,328	167,717
Value changes in financial instruments	-511	-36,583	30,064
Interest cost	14,370	18,200	64,628
Disagio	9,681	16,117	29,193
Other finance cost	417	414	1,549
<b>Financial result</b>	<b>-940</b>	<b>69,409</b>	<b>101,484</b>
<b>Result before tax</b>	<b>-9,424</b>	<b>-739</b>	<b>-31,758</b>
Tax cost	-3,452	548	-32,426
<b>Annual result</b>	<b>-5,972</b>	<b>-1,287</b>	<b>668</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Translation differences	1,003	1,635	3,888
Purchase of jointly controlled companies	0	0	0
Mergers	0	0	0
<b>Other comprehensive income after tax</b>	<b>1,003</b>	<b>1,635</b>	<b>3,888</b>
<b>Total result</b>	<b>-4,969</b>	<b>348</b>	<b>4,556</b>
Annual result - Majority share	-5,961	-1,182	600
Annual result - Minority share	-11	-105	68
	<b>-5,972</b>	<b>-1,287</b>	<b>668</b>
Total result - Majority share	-4,958	453	4,488
Total result - Minority share	-11	-105	68
	<b>-4,969</b>	<b>348</b>	<b>4,556</b>
Annual result and diluted result per share	(0.14)	(0.03)	0.01

**WILSON ASA**  
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**Balance**

**Wilson Group**

(All figures in TNOK)

<b>ASSETS</b>	<b>31.03.10</b>	<b>31.03.09</b>	<b>31.12.09</b>
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	0	125	0
Deferred tax assets	31,454	0	29,340
Goodwill	154,704	154,704	154,704
Total intangible fixed assets	186,158	154,829	184,044
<b>Tangible non-current assets</b>			
Property	2,427	2,578	2,465
Vessels	1,553,638	1,637,924	1,579,013
Vessels under construction	412,190	245,239	355,019
Fixtures and furniture, office machines etc.	6,748	9,459	7,165
Total tangible non-current assets	1,975,003	1,895,200	1,943,662
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	25,874	27,349	26,538
Loans to non-consolidated investees	5,266	5,873	5,450
Financial instruments	0	21,291	0
Other long term receivables	2,023	3,734	2,195
Total financial fixed assets	33,163	58,247	34,183
<b>Total fixed assets</b>	<b>2,194,324</b>	<b>2,108,276</b>	<b>2,161,889</b>
<b>Current assets</b>			
<b>Stores and fuel</b>	27,778	18,630	30,825
<b>Receivables</b>			
Accounts receivable	91,542	92,597	80,829
Other receivables	57,856	142,416	59,475
Total receivables	149,398	235,013	140,304
<b>Investments</b>			
Financial instruments	13,770	65,001	9,253
<b>Cash at bank, at hand, etc.</b>	79,102	41,173	42,552
<b>Total current assets</b>	<b>270,048</b>	<b>359,817</b>	<b>222,934</b>
<b>TOTAL ASSETS</b>	<b>2,464,372</b>	<b>2,468,093</b>	<b>2,384,823</b>

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### Wilson Group

(All figures in TNOK)

<b>SHAREHOLDERS' FUND AND LIABILITIES</b>	<b>31.03.10</b>	<b>31.03.09</b>	<b>31.12.09</b>
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (42,216 shares a kr 5.-)	211,080	211,080	211,080
Total paid-in capital	<u>211,080</u>	<u>211,080</u>	<u>211,080</u>
<b>Retained earnings</b>			
Group funds	571,101	619,144	576,059
Total retained earnings	<u>571,101</u>	<u>619,144</u>	<u>576,059</u>
Minority interest	11,781	6,715	11,792
<b>Total equity</b>	<b><u>793,962</u></b>	<b><u>836,939</u></b>	<b><u>798,931</u></b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	11,532	10,532	9,657
Deferred tax	0	17,158	0
Total provisions	<u>11,532</u>	<u>27,690</u>	<u>9,657</u>
<b>Other long term debt</b>			
Interest-bearing liabilities to financial institutions	1,184,415	1,161,276	1,149,019
Interest bearing leasing obligations	50,402	53,288	51,208
Liabilities to group company	94,870	0	20,000
Financial instruments	1,197	0	2,303
Other long term debt	1,386	1,546	1,434
Total other long term liabilities	<u>1,332,270</u>	<u>1,216,110</u>	<u>1,223,964</u>
<b>Current liabilities</b>			
Current liability of long term debt	128,908	126,463	147,898
Accounts payable	80,988	64,774	76,174
Social security tax, withholding tax, etc.	8,241	7,022	9,299
Financial obligations purchase options	27,703	42,730	37,176
Other short term liabilities	80,768	146,365	81,724
Total current liabilities	<u>326,608</u>	<u>387,354</u>	<u>352,271</u>
<b>Total liabilities</b>	<b><u>1,670,410</u></b>	<b><u>1,631,154</u></b>	<b><u>1,585,892</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,464,372</u></b>	<b><u>2,468,093</u></b>	<b><u>2,384,823</u></b>

The Board of Directors of Wilson ASA

Bergen, 5th May 2010

# WILSON ASA

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### Equity changes

	01.01-31.03 2010	01.01-31.03 2009	01.01-31.12 2009
Equity at the start of period	798,931	836,591	836,591
Dividend Wilson ASA	0	0	-42,216
Total income and expenses	-4,969	348	4,556
Equity at end of period	793,962	836,939	798,931

### Statement of cash flow

#### Group

#### Cash flow

(All figures TNOK)	01.01-31.03 2010	01.01-31.03 2009	01.01-31.12 2009
Cash flow from operating activities	19,888	23,097	154,194
Cash flow from investing activities	-81,978	-7,843	-176,315
Cash flow from financing activities	98,640	-48,848	-10,094
Changes in bank deposits and cash at hand	36,550	-33,594	-32,215
Bank balances and cash at hand at start of period	42,552	74,767	74,767
Bank balances and cash at hand at end of period	79,102	41,173	42,552

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### Notes to the quarterly report

#### Note 1 – Accounting principles

The quarterly report has been established according to the IFRS requirements for interim reporting, IAS 34. The Financial Statement for 2010 has been established according to the IFRS standards, the same accounting principles that have been applied and explained in the Annual Report for 2009.

Norwegian kroner is used as functional- and reporting currency. Numbers are stated as whole 1,000 kr (TNOK).

#### Note 2 – Segment information

##### 2.000 dwt / System

The operating income in the segment in the 1st quarter 2010 was MNOK 47 compared to MNOK 50 in the 1st quarter 2009. The operating result was improved by MNOK 2 from MNOK -3 in the 1st quarter 2009 to MNOK -1 in the current year's period. Booked value ships per 31.03.2010 shows MNOK 289 compared to MNOK 298 per 31.12.2009.

##### 3-4.500 dwt

The operating result in the segment showed MNOK -8 for the 1st quarter compared to MNOK -48 in the 1st quarter 2009. The operating income increased by MNOK 17 from MNOK 84 in the 1st quarter 2009 to MNOK 101 in the 1st quarter 2010. At the same time operating cost was decreased by MNOK 21 due to cost reducing activities and a strengthening of NOK. Booked value ships per 31.03.2010 showed MNOK 859 compared to MNOK 863 per 31.12.2009.

##### 6-10.000 dwt

The segment showed a total operating income of MNOK 53 in the quarter which is MNOK 11 higher than in the 1st quarter 2009. The operating result showed MNOK 1 which was an improvement of MNOK 27 compared to the 1st quarter 2009. Booked value ships showed MNOK 655 per 31.03.2010 compared to MNOK 617 per 31.12.2009. Booked value has increased due to continuous capitalization of payments to new-buildings.

##### Other

The segment showed total operating income of MNOK 25 and an operating result of MNOK 0 for the 1st quarter 2010 compared to respectively MNOK 31 and MNOK 7 for the 1st quarter 2009. Booked value ships were MNOK 163 per 31.03.2010 compared to MNOK 156 per 31.12.2009. The segment includes the company's wholly owned container activity Euro Container Line.

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01.01 - 31.03.10	2,000 dwt / system	3,500-4,500 dwt	6,000-10,000 dwt	Other **	Sum
Operating income	46,585	100,967	53,149	25,241	225,942
Operating expenses *	39,100	89,447	40,173	20,437	189,157
Operating result before depreciations (EBITDA)	7,485	11,520	12,976	4,804	36,785
Depreciations	8,868	19,333	11,897	5,171	45,269
Operating result (EBIT)	-1,383	-7,813	1,079	-367	-8,484
Ships net book value whereof	289,369	858,706	655,249	162,504	1,965,828
Ships aquisition	-	-	-	-	0
Ships being built	-	13,054	48,534	-	61,588
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	57,615	59,197	14,912	94,218	225,942
in %	26%	26%	7%	42%	100%

\* Operating expenses includes TC hires

01.01 - 31.03.09	2,000 dwt / system	3,500-4,500 dwt	6,000-10,000 dwt	Other **	Sum
Operating income	50,393	84,107	42,300	30,704	207,504
Operating expenses *	44,744	110,399	54,767	18,892	228,802
Operating result before depreciations (EBITDA)	5,649	-26,292	-12,467	11,812	-21,298
Depreciations	9,152	21,351	13,038	5,309	48,850
Operating result (EBIT)	-3,503	-47,643	-25,505	6,503	-70,148
Ships net book value whereof	277,514	879,006	558,093	168,550	1,883,163
Ships aquisition	-	-	-	-	0
Ships being built	-	321	1,229	-	1,550
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	53,951	70,551	12,450	70,551	207,504
in %	26%	34%	6%	34%	100%

\* Operating expenses includes TC hires

# WILSON ASA

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Year 2009	2,000 dwt / system	3,500-4,500 dwt	6,000-10,000 dwt	Other **	Sum
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 depreciations (EBITDA)	32,421	-6,999	6,711	23,607	55,740
Depreciations	34,888	80,630	52,559	20,906	188,983
Operating result (EBIT)	-2,467	-87,629	-45,848	2,701	-133,243
Ships net book value	298,347	862,500	616,948	156,236	1,934,031
whereof					
Ships aquisition	-	-	-	-	0
Ships being built	-		89,144	-	89,144
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum</b>
Operating income	210,240	260,698	50,458	319,565	840,961
in %	25%	31%	6%	38%	100%

\* Operating expenses includes TC hires

### Note 3 – The company's major shareholders per 31.03.2010

The share capital in the company per 31.03.2010 consists of 42,216,000 shares à NOK 5 totaling TNOK 211,080.

Name	Shares	Shares	Shares
Caiano AS	38,070,599	38,070,599	38,070,599
Pareto Aksje Norge	946,800	946,800	946,800
Ivan AS	623,000	623,000	623,000
Pareto Aktiv	465,600	465,600	465,600
Sum > 1 % owning shares	40,105,999	40,105,999	40,105,999
Sum other	2,110,001	2,110,001	2,110,001
<b>Total shares</b>	<b>42,216,000</b>	<b>42,216,000</b>	<b>42,216,000</b>

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

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