

# **WILSON ASA**

## **Report 1st quarter - 2008**

### **Summary**

#### **1st quarter good operationally – a weak USD is drawing finance down**

- Gross freight income is MNOK 488 in the quarter compared to MNOK 409 in the 1st quarter 2007
- Net TC rate per day was NOK 33,515 in the 1st quarter compared to NOK 34,638 in the 4th quarter 2007 and NOK 30,112 in the 1st quarter 2007
- EBITDA is MNOK 86 compared to MNOK 60 in the 1st quarter 2007
- Net finance cost is MNOK 44 in the quarter compared to MNOK 14 in the 1st quarter 2007, whereof unrealized loss is MNOK 20
- Result before tax and minority share MNOK 2 in the quarter corresponding to NOK 0.04 per share, compared to MNOK 14 corresponding to NOK 0.25 per share in the 1st quarter 2007

### **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 14.05.2008 the Wilson system is operating 108 ships, whereof 77 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 2008**

In the 1st quarter 2008 the company achieved freight income on TC basis of MNOK 269 compared to MNOK 225 in the 1st quarter 2007. The increase is in due to generally higher freight rates market compared to the same period last year and that the company has had more ships in operation in the 1st quarter 2008 than in the 1st quarter 2007.

The company's operating cost (excl. depreciations) is MNOK 193 in the quarter compared to MNOK 170 in the 1st quarter 2007. Other operating cost ships and crew cost show a total increase of MNOK 25 which is related to a higher activity level and general cost increases. Cost to TC and BB hires are declining due to fewer hired ships.

The operating result before depreciations (EBITDA) is MNOK 86 in the quarter compared to MNOK 60 in the 1st quarter 2007.

The net finance cost is totalling MNOK 44 in the 1st quarter 2008 compared to MNOK 14 for the 1st quarter 2007. Value changes in financial instruments are charging the accounts with MNOK 20 which in main is due to unrealized loss on USD forward exchange rate agreements. Net interest cost is charging the accounts with MNOK 17, an increase of MNOK 7 compared to 1st quarter 2007. Currency loss is charging the quarterly accounts with MNOK 14, an increase of MNOK 12 compared to the 1st quarter 2007. The increase is in main related to loss on realized forward currency contracts due to the weak USD compared to NOK in the quarter, as well as value changes on EUR loans.

The company's result before minority share and estimated tax is MNOK 2 in the 1st quarter 2008 compared to MNOK 14 for the 1st quarter 2007.

### **Market**

In the quarter the company have had good earnings from the contracts and the COA-share is 71 % compared to 69 % in the 4th quarter 2007 and 72 % in the 1st quarter 2007. At the same time the spot market has been generally good, although somewhat down compared to the 4th quarter 2007.

# **WILSON ASA**

## **Report 1st quarter - 2008**

The activity level in the 1st quarter measured as the number of sailing days shows a reduction of 2 % compared to the 4th quarter 2007. The reduction is in main attributed to increased docking activity in the period.

### **Financing and capital structure**

Interest bearing mortgage- and leasing obligations per 31.03.2008 are MNOK 1,064 in the balance compared to MNOK 1,009 per 31.12.2007. The increase is due to drawdown on borrowing facilities for tonnage delivered in the period.

Booked equity in the company per 31.03.2008 is MNOK 620 compared to MNOK 626 per 31.12.2007. Booked equity is thereby 28.4 % compared to 29.5 % per 31.12.2007. Compared to the covenants as referred to in the company's annual financial statement, the covenants have been adjusted by the lending bank so that the required equity ratio now is 27.5 %.

Planned investments which have been carried through have reduced the company's liquidity, and bank deposit per 31.03.2007 is MNOK 38. Additionally the company has an unused credit facility of MNOK 50.

### **Investments**

In the 1st quarter the company has not entered into any new purchase agreements for additional tonnage. Of previously published ship purchases 4 ships were delivered in the 1st quarter for a total purchase price of MEUR 17.

The company is doing the final negotiations with a Chinese building yard regarding the last conditions before the previously published contract of 8 ships à 4.500 dwt becomes effective. Somewhat more time has expired than expected to get the last conditions sorted out, however these conditions are now assumed clarified shortly. The new buildings will be delivered during 2010-2012 and have a total cost price to the building yard of around MUS\$ 83.

### **Order reserves**

Wilson's contract coverage is satisfactory and the order reserve per 31.03.2008 is ca NOK 1.6 billions. The order reserve is defined as the expected future shipment commitments under the current Contracts of Affreightment (COA) during the agreed contract period. The company has long lasting and good relations to the customers with close to 100 % success rate in contract renewals.

### **Prospects**

Based on ship investments carried through and positive developments in the contracts portfolio, the Board of Directors expects that the company will maintain a continued high activity level during 2008. The freight level for already agreed contracts is good and provided that a stable level of shipped volumes under the contracts is maintained, the Board of Directors expects that the positive earnings trend in the 1st quarter 2008 shall continue.

A continued weak USD will be operationally favourable for the company, but will be negative for the financial result.

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

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

**The Board of Directors of Wilson ASA**

**WILSON ASA**  
**Report 1st quarter - 2008**

Bergen, 14th May 2008

# WILSON ASA

## Report 1st quarter - 2008

### Profit and loss

#### Wilson Group

(All figures in TNOK )

			1.1 - 31.12.
<b>OPERATING REVENUE AND EXPENSES</b>	<b>Q1 2008</b>	<b>Q1 2007</b>	<b>2007</b>
Freight income	488,264	409,093	1,830,624
Voyage related expenses	219,360	184,144	797,182
Ships income on TC basis	268,904	224,949	1,033,442
Other operating income	5,494	5,787	24,402
Total operating revenue	274,398	230,736	1,057,844
 Profit from purchase or sale of assets	 4,756	 -900	 5,705
 Crew cost ships	 49,145	 40,479	 163,655
Other operating expenses	66,582	49,851	185,861
T/C and BB hires	47,478	51,832	206,689
Administration cost	29,709	27,369	115,226
Depreciations	39,802	31,550	135,141
 <b>Operating result (EBIT)</b>	 <b>46,438</b>	 <b>28,755</b>	 <b>256,977</b>
 <b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income	909	1,463	7,579
Other financial income	2,209	1,714	11,281
Agio	5,318	6,908	17,510
Value changes in financial instruments	-20,008	-10,416	-70,912
Interest cost	17,450	11,353	53,389
Disagio	14,335	1,990	19,653
Other finance cost	690	803	2,214
 <b>Profit / (loss) before tax</b>	 <b>2,391</b>	 <b>14,278</b>	 <b>147,179</b>
Tax cost	598	3,569	36,141
 <b>Result</b>	 <b>1,793</b>	 <b>10,709</b>	 <b>111,038</b>
 Minority interest	 -855	 2,044	 5,559
 <b>The majority's share of the profit</b>	 <b>2,648</b>	 <b>8,665</b>	 <b>105,479</b>
 Result and diluted result per share	 0.04	 0.25	 2.63
Average number of shares	42,216	42,216	42,216

# WILSON ASA

## Report 1st quarter - 2008

### Balance

#### Wilson Group

(All figures in TNOK)

<b>ASSETS</b>	<b>31.03.08</b>	<b>31.03.07</b>	<b>31.12.07</b>
<b><i>Fixed assets</i></b>			
<b>Intangible fixed assets</b>			
Intangible fixed assets	625	1,125	750
Deferred tax assets	28,882	23,155	29,136
Goodwill	130,151	130,151	130,151
Total intangible fixed assets	159,658	154,431	160,037
<b>Tangible non-current assets</b>			
Property	2,728	3,152	2,766
Vessels	1,531,913	1,218,636	1,396,092
New buildings	128,878	0	128,250
Fixtures and furniture, office machines etc.	3,767	4,455	3,955
Total tangible non-current assets	1,667,286	1,226,243	1,531,063
<b>Financial fixed assets</b>			
Investments in non-consolidated investees	40,816	28,144	39,209
Loan to non-consolidated investees	22,090	21,882	22,399
Other long term receivables	3,351	2,066	3,299
Total financial fixed assets	66,257	52,092	64,907
<b>Total fixed assets</b>	<b>1,893,201</b>	<b>1,432,766</b>	<b>1,756,007</b>
<b><i>Current assets</i></b>			
<b>Stores and fuel</b>	28,824	24,230	27,173
<b>Receivables</b>			
Accounts receivable	113,342	86,001	109,873
Other receivables	109,757	76,465	114,215
Total receivables	223,099	162,466	224,088
<b>Investments</b>			
Financial instruments	0	0	0
Total investments	0	0	0
<b>Cash at bank, at hand, etc.</b>	38,063	212,749	111,689
<b>Total current assets</b>	<b>289,986</b>	<b>399,445</b>	<b>362,950</b>
<b>TOTAL ASSETS</b>	<b>2,183,187</b>	<b>1,832,211</b>	<b>2,118,957</b>

# WILSON ASA

## Report 1st quarter - 2008

SHAREHOLDERS FUNDS AND LIABILITIES	31.03.08	31.03.07	31.12.07
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (42.216.000 shares a kr 5,-)	211,080	211,080	211,080
Total paid-in capital	211,080	211,080	211,080
<b>Retained earnings</b>			
Group funds	408,295	306,943	406,809
Total retained earnings	408,295	306,943	406,809
Minority interests	82,055	139,527	114,657
Financial obligation due to sales option	-81,478	-123,773	-106,659
<b>Total equity</b>	<b>619,952</b>	<b>533,777</b>	<b>625,887</b>
<b>Liabilities</b>			
<b>Accrued liabilities</b>			
Accrued pension liabilities	11,760	16,756	13,179
Deferred tax	104,127	78,863	103,665
Total provisions	115,887	95,619	116,844
<b>Other long term debt</b>			
Liabilities to financial institutions	811,344	664,352	763,964
Shareholders loans	57,412	30,721	58,217
Financial instruments	47,410	0	36,385
Financial lease	1,388	1,401	1,374
Total other long term liabilities	917,554	696,474	859,940
<b>Current liabilities</b>			
Current liability of long term debt	195,719	183,279	187,163
Utbytte	0	29,551	0
Financial instruments	35,641	2,547	26,658
Accounts payable	100,500	53,573	55,026
Tax payable	8,323	0	8,863
Social security tax, withholding tax, etc	9,224	6,849	10,516
Financial obligations purchase options	81,478	123,773	106,659
Other short term liabilities	98,909	106,769	121,401
Total current liabilities	529,794	506,341	516,286
<b>Total liabilities</b>	<b>1,563,235</b>	<b>1,298,434</b>	<b>1,493,070</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,183,187</b>	<b>1,832,211</b>	<b>2,118,957</b>

The Board of Directors of Wilson ASA

Bergen, 14th May 2008

# WILSON ASA

## Report 1st quarter - 2008

### Equity changes

	Q1 2008	Q1 2007	01.01-31.12 2007
Equity at start of period	625,887	548,527	548,527
Translation differences currencies	-1,162	-469	1,815
Dividend Wilson ASA	0	-29,551	-29,551
Minority through purchase	0	5,669	1,619
Financial obligation due to sales option	0	0	0
Dividend to minority	-1,810	-1,108	-7,561
Majority's share of the profit and loss	2,648	8,665	105,479
Minority's share of the profit and loss	-5,611	2,044	5,559
Equity at end of period	619,952	533,777	625,887

## Cash flow statement

### Group

### Cash flow

(All figures TNOK)	Q1 2008	Q1 2007	01.01-31.12 2007
Cash flow from operating activities	81,777	73,543	296,956
Cash flow from investing activities	-172,249	-80,801	-384,413
Cash flow from financing activities	16,846	75,149	54,288
Changes in bank deposits and cash at hand	-73,626	67,891	-33,169
Bank balances and cash at hand at start of period	111,689	144,858	144,858
Bank balances and cash at hand at end of period	38,063	212,749	111,689

# **WILSON ASA**

## **Report 1st quarter - 2008**

### **Notes to the quarterly report**

#### **Note 1 – Accounting principles**

The quarterly report has been established according to the IFRS requirements for quarterly reporting, IAS 34. The Financial Statement for 2007 has been established according to the IFRS standards, the same accounting principles that was applied and explained in the Annual Report for 2007.

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

#### **Note 2 – Segment information**

##### **NRL / pitch / feeder / RoRo**

The operating income in the segment in Q1 2008 is MNOK 47 and the operating result is MNOK 4. Income and operating result in the quarter show a considerable improvement compared to Q1 2007 due to access to additional tonnage capacity in the segment during 2007. Booked value ships per 31.03.2008 shows MNOK 198 compared to MNOK 67 per 31.03.2007.

##### **3-4.500 dwt**

The segment's operating result for Q1 is MNOK 2 higher than Q1 2007. Operating income increases with MNOK 25, running cost with MNOK 17 and depreciations with MNOK 6. This segment has also received additional tonnage capacity during 2007. Booked value ships per 31.03.2008 shows MNOK 935 compared to MNOK 732 per 31.03.2007.

##### **6-10.000 dwt**

The segment shows total operating income of MNOK 84 for Q1. This is an increase of MNOK 11 compared to the corresponding period in 2007. The running expenses increased in the same period with MNOK 7, but depreciations only marginally. In total this gives an increase in the operating result of MNOK 4 to MNOK 16.



# WILSON ASA

## Report 1st quarter - 2008

<b>01.01-31.03.08</b>	<b>NRL/Pitch/ Feeder/RoRo</b>	<b>3.000-4.500 dwt</b>	<b>6.000 - 10.000 dwt</b>	<b>Other **</b>	<b>Sum primary reporting</b>
Operating income	47,425	128,251	84,192	19,286	279,154
Operating expenses	38,220	93,935	55,330	5,429	192,914
Operating result before depreciations (EBITDA)	9,205	34,316	28,862	13,857	86,240
Depreciations	5,005	20,753	12,372	1,672	39,802
Operating result (EBIT)	4,200	13,563	16,490	12,185	46,438
Ships net book value	197,600	935,142	491,327	36,721	1,660,790
New buildings					0
Ships aquisition	-	139,738		-	139,738
	<b>Import</b>	<b>Eksport</b>	<b>Innenriks</b>	<b>Utenriks</b>	<b>Sum secondary reporting</b>
Operating income	78,163	83,746	22,332	94,912	279,154
in %	28%	30%	8%	34%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

<b>01.01-31.03.07</b>	<b>NRL/Pitch/ Feeder/RoRo</b>	<b>3.000-4.500 dwt</b>	<b>6.000 - 10.000 dwt</b>	<b>Other**</b>	<b>Sum primary reporting</b>
Operating income	40,859	103,398	72,720	12,859	229,836
Operating expenses	37,401	77,216	48,698	6,216	169,531
Operating result before depreciations (EBITDA)	3,458	26,182	24,022	6,643	60,305
Depreciations	2,468	14,965	12,081	2,036	31,550
Operating result (EBIT)	990	11,217	11,941	4,607	28,755
Ships net book value	67,228	732,466	381,470	37,472	1,218,636
Newbuildings					
Ships aquisition	-	55,409	-	-	55,409
	<b>Import</b>	<b>Eksport</b>	<b>Innenriks</b>	<b>Utenriks</b>	<b>Sum secondary reporting</b>
Operating income	71,474	67,415	19,233	71,714	229,836
in %	31%	29%	8%	31%	100%

\* Operating expenses includes TC hires

\*\* Includes profit through sale of ships

# WILSON ASA

## Report 1st quarter - 2008

Year 2007	NRL/Pitch/ Feeder/RoRo	3,000-4,500 dwt	6,000-10,000 dwt	Other **	Sum primary reporting
Operating income	178,017	492,161	331,156	62,215	1,063,549
Operating expenses	143,918	320,613	182,679	24,222	671,432
Operating result before depreciations (EBITDA)	34,099	171,548	148,477	37,993	392,117
Depreciations	11,830	67,992	48,341	6,978	135,141
Operating result (EBIT)	22,269	103,556	100,136	31,015	256,976
Ships net book value	202,653	790,354	493,564	37,772	1,524,343
Ships aquisition	125,645	130,904	-	-	256,549
New buildings	-	-	128,250	-	128,250
	<b>Import</b>	<b>Export</b>	<b>Domestic</b>	<b>Abroad</b>	<b>Sum secondary reporting</b>
Operating income	308,429	340,336	53,177	361,607	1,063,549
in %	29%	32%	5%	34%	100%

\*Operating expenses incl. TC expenses

\*\* Includes profit through sale of ships

### Note 3 – Sale and purchase of vessels in the 1st quarter

The company has not entered into any agreements regarding purchase of new tonnage in the quarter. From previously published ship purchases 4 vessels were delivered in the 1st quarter; MV Wilson Harrier – 1993, 4,260 dwt and MV Wilson Heron – 1994, 4,260 dwt, both delivered in January and MV Wilson Bremen – 1992, 3,700 dwt and MV Wilson Bilbao – 1992, 3,700 dwt, both delivered in February. Total purchase value for the 4 vessels is MEUR 17.

The company is doing the final negotiations with the Chinese ship yard regarding the last conditions before the previously published contract of 8 ships becomes effective. The ships will be delivered during 2010-2012 and will have a total cost price to the yard of around MUSD 83.

### Note 4 – The company's major shareholders 31.03.2007

The share capital in the company per 31.12.2007 consists of 42,216,000 shares à NOK 5. Total TNOK 211,080.

Navn	Aksjer	Eierandel
Caiano AS	33 674 399	79,77 %
Hlér ehf	1 570 000	3,72 %
Pareto Aksje Norge	1 187 400	2,81 %
Pareto Aktiv	497 600	1,18 %
Belcem Invest AS	486 800	1,15 %
Sum > 1 % eierandel	37 416 199	88,63 %
Sum øvrige	4 799 801	11,37 %
<b>Totalt antall aksjer</b>	<b>42 216 000</b>	<b>100,00 %</b>

Caiano AS controlled by Kristian Eidesvik, owns 79.8 % of Wilson ASA. Via Caiano AS and associates Kristian Eidesvik controls a total of 81.3 % of Wilson ASA.

# **WILSON ASA**

## **Report 1st quarter - 2008**

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

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