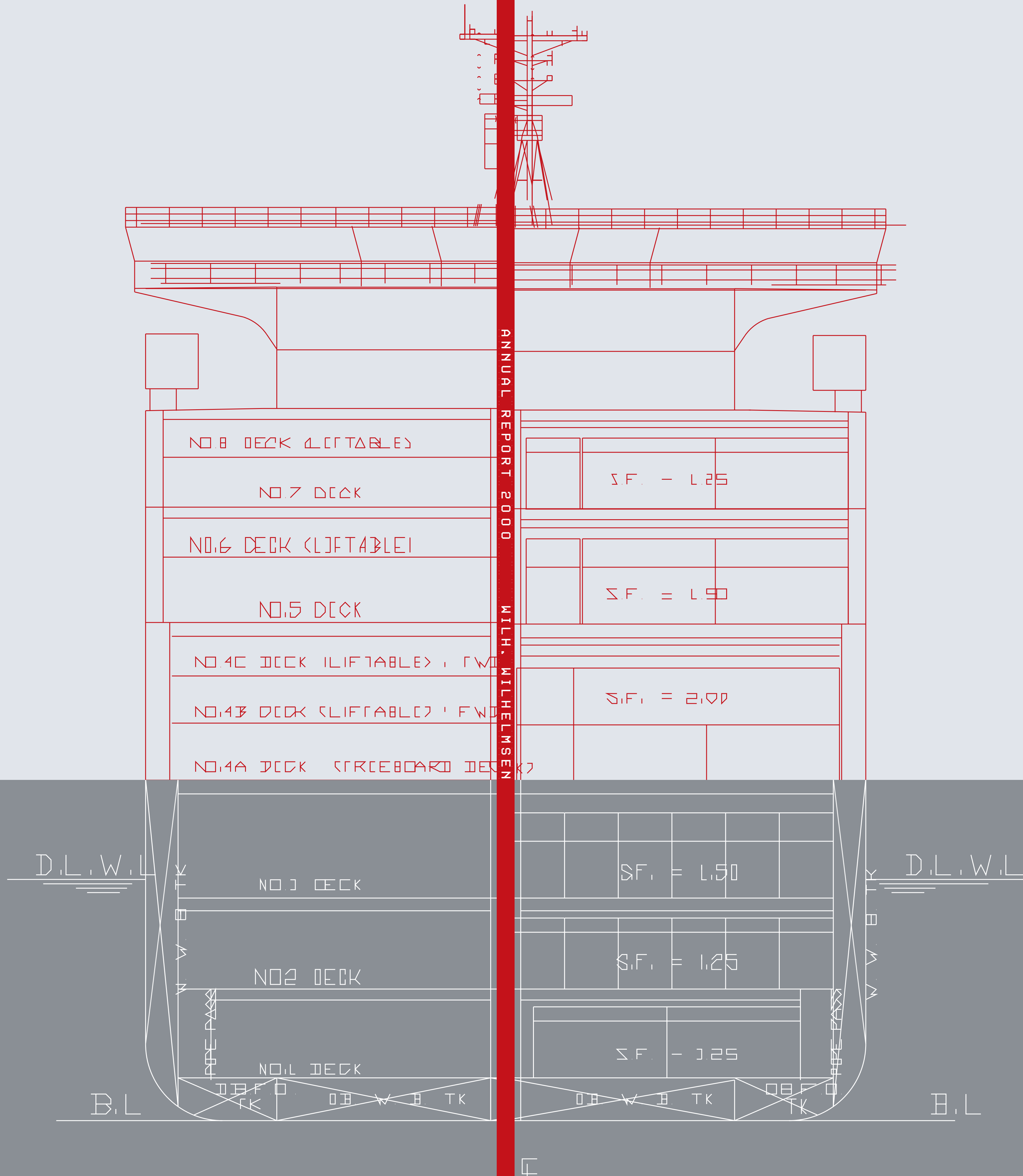
ANNUAL REPORT 2000

WILH. WILHELMSEN



ANNUAL REPORT 2000 WILH. WILHELMSEN

Wilh. Wilhelmsen

Wilh. Wilhelmsen ASA
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Organisation no. NO 930686344 VAT

THIS IS WILH. WILHELMSEN

Wilh. Wilhelmsen ASA's business concept is to be a leading international supplier of maritime transport and associated services based on expertise and innovation — and with the focus on customer needs.

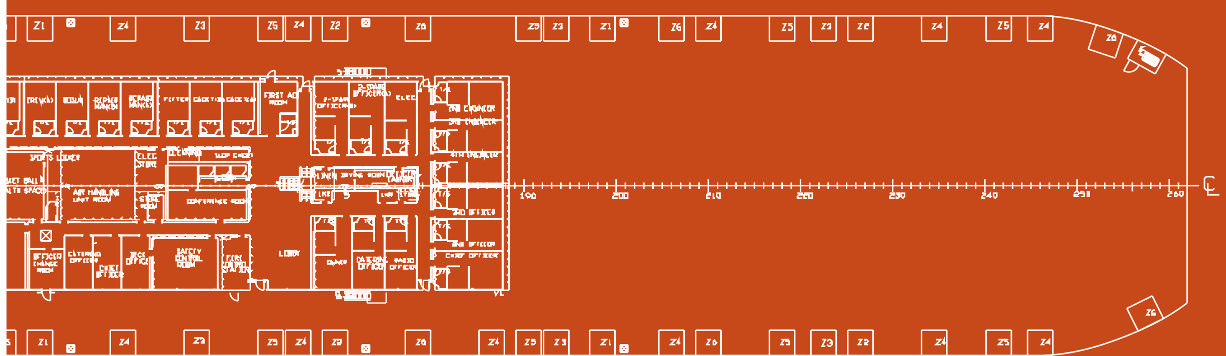
Our group ranks today as one of Norway's leading centres of maritime expertise. Some 12 200 employees work in every continent at more than 250 offices in over 60 countries. Our results are created through the interaction between these human resources.

We are moving from a more traditional shipping company role, with the focus on owning and operating ships, to being a global supplier of transport and logistical services. The emphasis will continue to lie on the maritime sector, but we no longer regard the ownership of vessels as necessarily central to our operations. In all parts of our business, we see that opportunities for growth and profits are biggest by far in those areas where we can primarily sell maritime knowledge and expertise.

Our principal challenge will be to continue developing expertise in order to accomplish the transition from acting primarily as a supplier of ship-based transport services to having the ability to offer solutions and organise transport from the producer all the way to the customer, regardless of where they might be. In this value chain, our group will be a maritime brand and a preferred business partner.

MAIN EVENTS OF 2000

- The Wilh. Wilhelmsen (WW) group increases its operating income roughly 50 per cent from 1999.
- WW increases its share capital through transfer from share premium reserve and other equity and splits the share in two.
- WW takes delivery of three ro-ro carriers from Daewoo Heavy Industries in Korea. These vessels are placed in the Wallenius Wilhelmsen Lines joint venture. A fourth ship in the same series is delivered in February 2001.
- Sales agreements are concluded by WW for two small ro-ro ships and two car carriers (owned 50 per cent).
- WW sells its two large tankers to Frontline, and the Wilship division which was previously responsible for the group's tanker involvement is wound up as an organisational entity.
- Wilsea Shipping Inc, the joint venture with Brazil's Docenave, is wound up. WW takes over the combined carrier *Tijuca*.
- WW acquires 51.7 per cent holding in Offshore Heavy Transport ASA, which owns two semi-submersible heavy transport ships.
- Barwil establishes new offices in Qatar, Pakistan, Iran, Portugal and Armenia, and opens its own timber terminal with drying facilities at Riga in Latvia.
- Aagaard Bunker Brokers AS acquires Euro-Oil AS and establishes the Aagaard Euro-Oil AS company as Norway's largest bunkers broker.
- Barber secures a manning contract from one of the USA's largest cruise lines to select and recruit part of the maritime crew for about 50 per cent of the company's fleet. This marks a breakthrough for Barber in the cruise business.



UPPER DECK

- Barber moves into a modern new training centre in Mumbai as a result of a substantial expansion in and good prospects for this business.
- Leif T Løddesøl steps down as chief executive of WW and becomes chair of the company. Wilhelm Wilhelmsen steps down as chair and takes over as chief executive.

CORPORATE ORGANISATION

WILHELM WILHELMSEN
president and group chief executive

CORPORATE STAFF

- Finance/Corporate control — **Sjur Galtung**, deputy group chief executive
- Strategy/IT/Personnel — **Nils P Dyvik**, senior vice president
- Legal/Insurance — **Emil Gamborg**, senior vice president
- Public affairs — **Hans Chr Bangsmoen**, senior vice president

Sjur Galtung
deputy group chief executive

WILHELMSEN LINES AS
WILHELMSEN LINES SHIPOWNING AS
Nils P Dyvik, president

OFFSHORE HEAVY TRANSPORT (51,7%) — **Frederik Steenbuch**, president

WALLENIUS WILHELMSEN LINES (50%) — **Ingar Skaug**, president

BARBER INTERNATIONAL — **Svein Sørlie**, president

BARWIL AGENCIES — **Erik Nes**, president

Governing bodies

BOARD OF DIRECTORS Leif T Løddesøl *chair* *, Niels Werring *deputy chair*, Odd Rune Austgulen, Leif Frode Onarheim, Anders Chr Stray Ryssdal, Wilhelm Wilhelmsen, Sjur Galtung *alternate for Wilhelm Wilhelmsen*, Helen Juell *alternate* **EXECUTIVE COMMITTEE FOR INDUSTRIAL DEMOCRACY IN FOREIGN TRADE SHIPPING** Leif T Løddesøl, Wilhelm Wilhelmsen, Niels Werring, Sjur Galtung, Ulf Gusgaard , *employee representative*, Sigmund Opthun , *employee representative*, Stein Erik Flø *first alternate* **PRESIDENT AND GROUP CHIEF EXECUTIVE** Wilhelm Wilhelmsen **AUDITOR** PricewaterhouseCoopers DA , state authorised accountant Per Hanstad

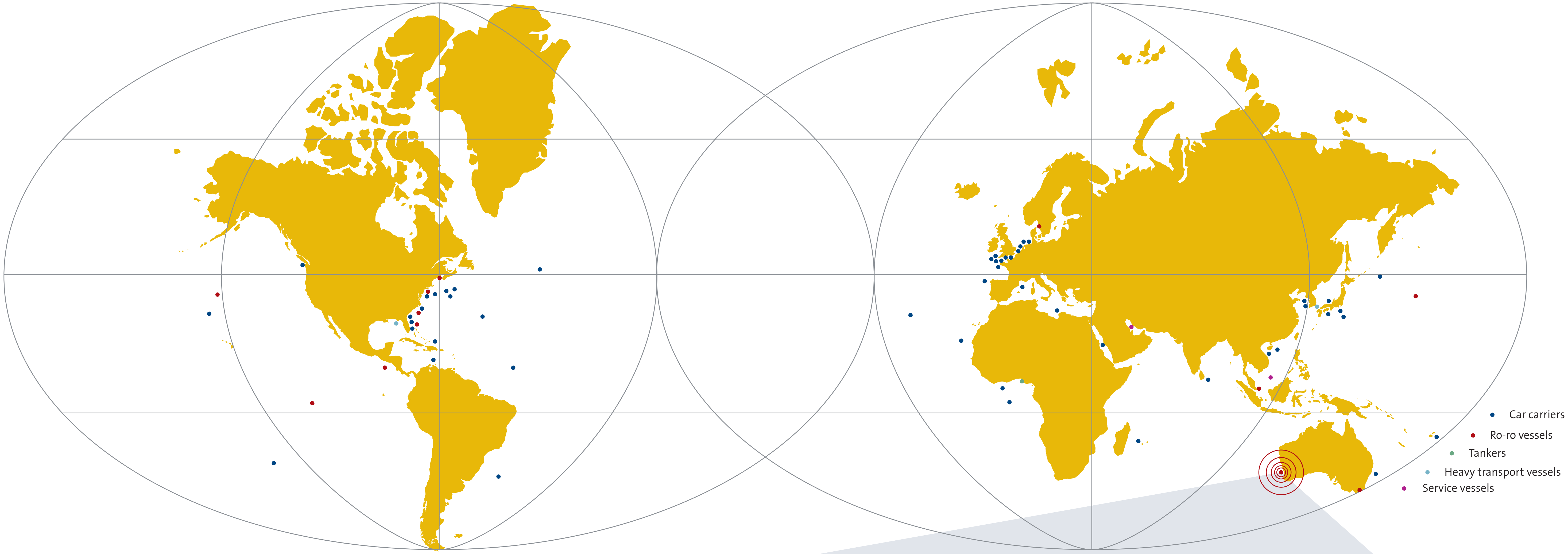
* Wilhelm Wilhelmsen took over as chief executive in succession to Leif T Løddesøl on 17 March 2000.
On the same date, Leif T Løddesøl took over as chair.

KEY FINANCIAL FIGURES

		2000	1999	1998	1997
Income statement					
Gross revenue	USD mill	836	787	794	777
Primary operating income	USD mill	167	126	168	179
Net operating income	USD mill	84	56	101	114
Income before taxes	USD mill	58	41	56	82
Net income	USD mill	51	37	51	152
Liquidity					
Liquid funds 31.12. (1)	USD mill	297	338	504	263
Cash flow (2)	USD mill	137	108	116	144
Interest expenses	USD mill	50	51	44	50
Liquidity ratio (3)		2.8	3.0	5.7	2.6
Capital					
Total assets 31.12.	USD mill	1 459	1 340	1 421	1 220
Equity 31.12.	USD mill	496	464	443	379
Equity ratio (4)	%	34%	35%	31%	31%
Return on assets (5)	%	7.7%	6.7%	7.5%	10.8%
Return on equity (6)	%	11.3%	8.4%	11.9%	20.8%
Interest bearing debt	USD mill	752	660	831	640
Key figures per share					
Share capital 31.12.	NOK mill	1 100	72	72	72
Average number of shares (9)	(thousand)	27 311	28 871	28 950	28 950
Share price 31.12. A shares	NOK	80	102	100	155
Share price 31.12. B shares	NOK	75	100	98	150
Earnings per share (7)	USD	1.84	1.28	1.76	5.25
Diluted earnings per share (8)	USD	1.84	1.28	1.76	5.25
Cash flow per share	USD	4.95	3.73	4.02	4.95
Dividend per share	NOK	3.75	3.00	2.75	2.25
RISK per share	NOK	(3.75)	(3.52)	3.63	(1.11)

Definitions:

1) Cash and bank deposits, bonds, certificates and shares (current assets).
2) Net income adjusted for change in deferred tax, depreciation and write-down on assets.
3) Current assets divided by current liabilities.
4) Equity in per cent of total assets.
5) Income before taxes + interest expenses, in per cent of average total assets.
6) Income before taxes - payable taxes, in per cent of average equity.
7) Net income after minority interests, divided by average number of shares.
8) Earnings per share taking into consideration the number of potential outstanding shares in the period.
9) Prior period figures have been revised to reflect the split of the shares in two.



RO-RO VESSEL OF 39 516 DWT

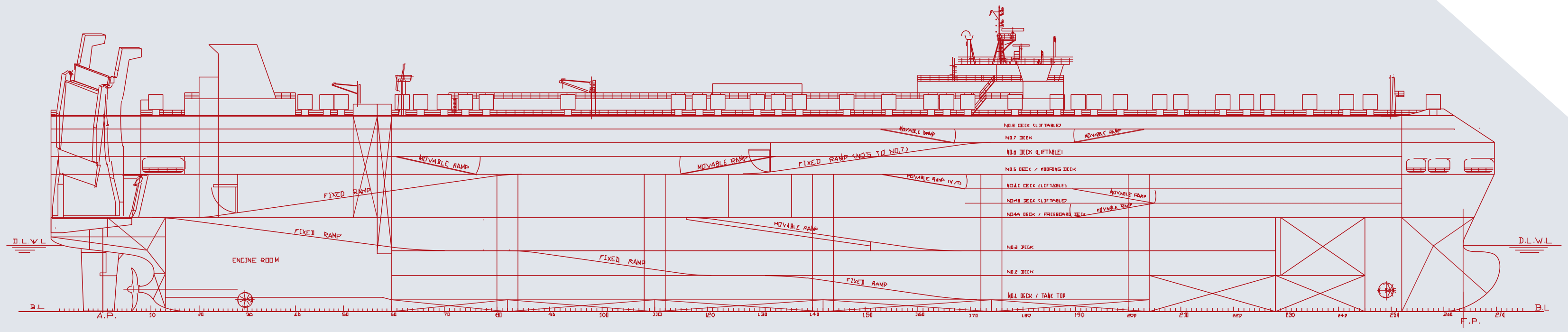
DATE	TIME	POSITION
31.12.00	24:00:00 GMT	S 32° 07' E 129° 02'

TARAGO

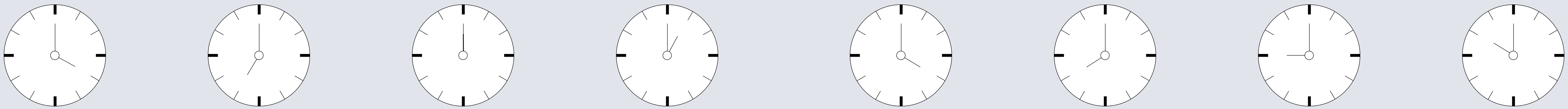
PORT ▶ FREMANTLE, AUSTRALIA

CARGO

CREW

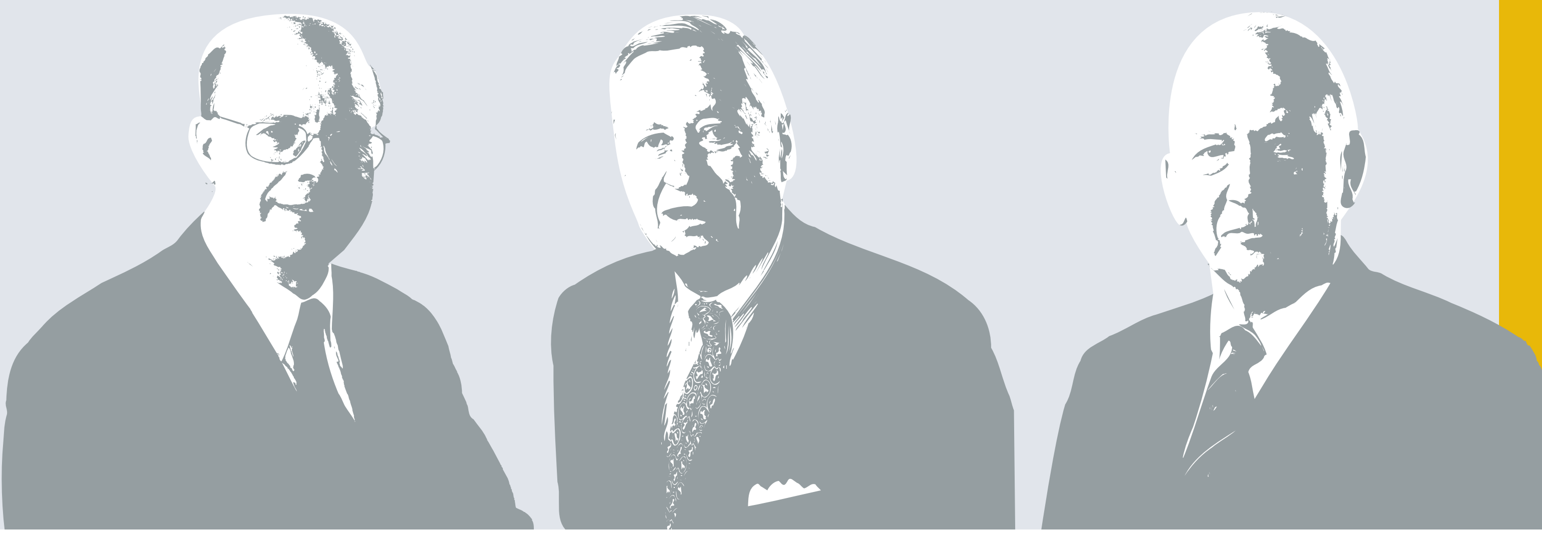


VESSELS POSITIONS AT 31.12.00



LOS ANGELES NEW YORK LONDON OSLO DUBAI SINGAPORE TOKYO SYDNEY

DIRECTORS' REPORT



Odd Rune Austgulen

Niels Werring
deputy chair

Leif Frode Onarheim

Financial results for the Wilh. Wilhelmsen ASA (WW) group in 2000 showed a clear improvement compared with the year before. This progress primarily reflects a strong US dollar and improved results for the Wilship segment.

Annual accounts

The annual accounts have been prepared under an assumption that the enterprise is a going concern, and the board confirms that this assumption is realistic.

Income statement

The Wilh. Wilhelmsen ASA (WW) group achieved a net operating income of USD 84 million in 2000, compared with USD 56 million the year before. For further details, see the reports for the individual segments.

Overall gross revenue for the group increased from USD 787 million in 1999 to USD 836 million. Net financial expenses came to USD 26 million, compared with USD 15 million in 1999. The accounts show an income before taxes of USD 58 million, while net income for the year after minority interests was USD 50 million. Corresponding figures for 1999 were USD 41 million and USD 37 million respectively.

Parent company Wilh. Wilhelmsen ASA showed an income before taxes of NOK 156 million as against NOK 5 million for 1999. The result for 2000 includes a write-back of NOK 152 million in earlier write-down on long-term share investments. The net income is NOK 129 million compared with NOK 4 million for 1999.

The board proposes the following allocation of net income in the parent company for 2000:

NOK mill	
Transfer to other equity	26
Dividend	103
Net income for the year	129

Free equity in the parent company at 31 December 2000 totalled NOK 1 271 million.

Capital and finance

The group's long-term interest-bearing debt rose from USD 660 million at 1 January 2000 to USD 752 million at 31 December. This increase reflects financing of the three newbuildings delivered during the year as well as the consolidation of debt in Offshore Heavy Transport ASA. Average debt was nevertheless lower than in 1999 because of a large extraordinary repayment of USD 122.5 million in October 1999.

Two three-year bond issues totalling NOK 425 million were implemented by the parent company in the Norwegian market during the year. These were converted via derivatives to USD loans, and used to repay existing drawing facilities. Active use is

Leif T. Løddesøl
chair

Wilhelm Wilhelmsen
president and member of the board

Anders Chr. Stray Ryssdal

made of the Norwegian certificate market to reduce borrowing expenses. The group considers it important to have access to several sources of borrowing.

Interest expenses for the group totalled USD 50 million, down from USD 51 million in 1999. This development was primarily influenced by a reduction in average outstanding debt during 2000. On the other hand, the average interest rate paid by the group, excluding leasing agreements and hedging contracts, rose from about six per cent in 1999 to 7.1 per cent. At 31 December, about 30 per cent of the interest-bearing debt was covered by hedging agreements with lock-in periods in excess of 12 months. Declining USD interest rates at the beginning of 2001 will gradually reduce borrowing costs for that part of the loan portfolio not covered by hedging agreements.

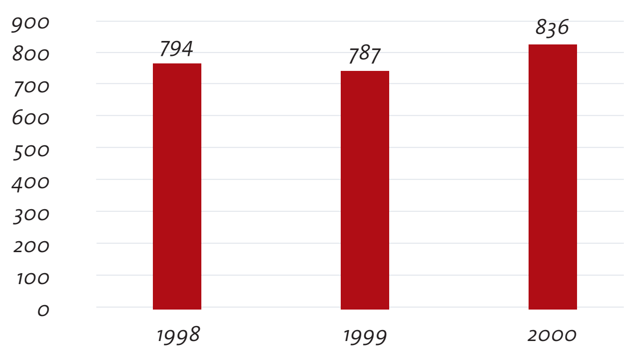
Liquid assets totalled USD 297 million at 31 December 2000. In addition, the group had USD 120 million in undrawn committed drawing rights. Surplus liquidity in the group, which averaged USD 150 million in 2000, was managed through investment in bonds, shares and structured products. The portfolio under management contributed USD 6.3 million to the group's results. Large parts of the interest-bearing portfolio will be sold by the group during 2001 in order to repay debt. This will help to improve the group's key financial figures while reducing financial risk. In future, the objective for financial management will be to maximise the return through investment in shares and structured products within defined risk limits.

Just under three million Frontline shares were received by the group in partial settlement for the sale of the *Tarim* and *Tartar* tankers. The group recorded total gains of USD 9.5 million on these shares in 2000, of which USD 2.3 million was unrealised. The market value of this holding at 31 December was USD 12.1 million.

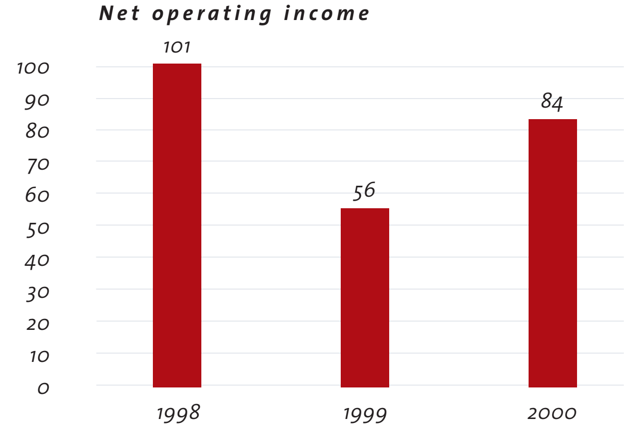
The strong USD made a positive contribution to the group's results, since its operating income is largely denominated in this currency. About 40 per cent of its expenses are incurred in currencies other than the USD, and parts of this exposure were hedged during the year. USD 5.3 million in loss on currency hedging transactions was recorded under financial expenses in 2000. An additional value of USD 1.6 million on the hedging portfolio was not recorded as income.

At the extraordinary general meeting of 19 September 2000, it was resolved to increase the share capital by transfers from the share premium reserve and free equity. The share was simultaneously split in two. It was also resolved to reduce the share capital by five per cent by redeeming a number of the shares owned by the company. In addition, the administration was given a new authority to buy back up to 10 per cent of the outstanding shares. This authority was fully utilised during December 2000.

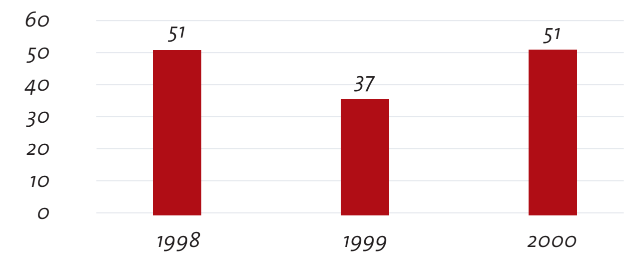
Gross revenue



Net operating income



Net income



Liner and car carrier operations

Net operating income for this business segment came to USD 87 million in 2000 as against USD 62 million the year before. Net income totalled USD 38 million compared with USD 37 million in 1999. Persistently high bunkers prices and a surplus of tonnage in certain trades had a negative effect on operating profit. However, the market for ro-ro and non-containerised cargoes (NCC) held up well during the year and had a positive impact on results. We also saw positive effects from rationalising the sailing schedules, and realised operational synergies through the Wallenius Wilhelmsen Lines (WWL) collaboration. A strong USD strengthened operating income, but also had a negative effect on the financial result through losses on hedging transactions.

Liner and car carrier activities in WW embrace the operation of a combined fleet of car and ro-ro carriers in liner traffic and contract shipping. The bulk of the WW fleet of 30 vessels is operated by WWL, established in 1999 and owned jointly with Walleniusrederierna AB of Stockholm. This company ranks as the world's largest transporter of rolling cargo, with a fleet of 65 modern ships involved in 14 different trades world-wide.

The background for establishing this company was the globalisation taking place in the ro-ro and vehicle transport market, resulting in fewer and larger players on the manufacturing side. Shipping companies are increasingly required to deliver transport services with global coverage and to offer customers total integrated logistical solutions which embrace maritime transport, port operations and land-based transport. With its size and its presence in all the major and important trades, WWL is able to meet these new demands.

WWL has annual operating revenue of about USD 1.3 billion and a total of 2 700 employees.

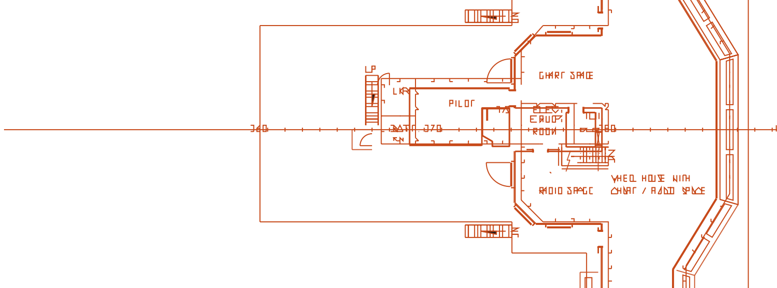
Three ro-ro carriers were delivered to WW by Daewoo Heavy Industries of Korea during 2000. A fourth ship in the same series was delivered in February 2001. The total investment in these four vessels is in the order of USD 315 million. Providing 35 per cent more capacity for ro-ro cargo than the previous generation of such carriers, these vessels have achieved good results and proved highly suitable in both operational and commercial terms.

WW concluded sales agreements in 2000 for two small ro-ro ships and two car carriers (owned 50 per cent). One of the ro-ro carriers was delivered in the last quarter with an accounting gain of USD 1.7 million. All told, the group realised USD 3 million in sales gains during 2000. There were no sales gains in 1999. The three other vessels were delivered to their new owners in January-February 2001 with an overall gain of USD 3 million.

A slight decline in overall volumes of cars and ro-ro cargoes is expected in 2001. However, considerable uncertainty prevails about economic developments in both Japan and the USA. These are important markets for WWL, and developments there will affect its results. Overall, we expect the results for the liner and car carrier business to be somewhat weaker than in 2000.

Barwil Agencies

Net income for the year in Barwil Agencies, which is the group's international ship agency network, was USD 6 million as against



USD 3 million in 1999. This clear improvement in results reflects both improved operations and larger provision for bad debts in the 1999 accounts.

Barwil's business remains concentrated in two main areas: a global network of ship agencies embracing 185 offices in 54 countries, and operation of service vessels for the oil industry. New offices were opened during the year in Qatar, Pakistan, Iran, Portugal and Armenia. A total of roughly 2 700 people were employed in Barwil's operations at 31 December 2000.

A number of major liner operators and roughly 2 500 tramp, tanker, cruise ship and gas carrier operators and charterers are represented through Barwil's international agency network. The company offers a broad range of services, primarily associated with calls at and stays in port. Barwil cleared more than 25 000 port calls through its agencies during 2000. The agency network has also become ever more strongly involved over recent years in terminal operations. A new timber terminal with drying facilities was opened at Riga in Latvia during 2000.

Through its Abeer Marine Services affiliate, Barwil operated 31 oil industry service vessels in the Arabian Gulf and south-east Asia in 2000. Financial results from this business were satisfactory, with a net income of USD 1.7 million.

In connection with the winding-up of Wilship, Aagaard Euro-Oil AS was transferred administratively to Barwil on 1 June. This company is now Norway's largest bunkers broker and handled about 2.4 million tonnes on an annual basis. Financial results were good.

Barber International

Barber International could report good operating, financial and marketing results. Its net income came to USD 7 million, on a par with the 1999 figure.

As one of the world's leading ship management companies, Barber operates its fleet from its own offices in Kuala Lumpur, Oslo and New Orleans as well as its own manning offices in Manila, Djakarta, Bangkok, Chittagong, Dhaka, Calcutta, Mumbai, New Delhi, Novorossiysk, Constanza, Stettin, Oslo and Miami. In addition, Barber owns International Tanker Management Ltd, which specialises in tanker management. This company has its head office in Dubai and branch offices in Oslo and Singapore. Barber was responsible for full management or manning of 208 vessels at 1 January 2001, a slight decline in vessel numbers from a year earlier. About 6 200 seagoing personnel are attached to Barber's operations.

Barber maintained its conscious commitment to safety and quality management, organisational development and marketing. The aim is for these efforts to yield positive results in the form of reliable ship operation, a growing fleet and customer base, internal gains in cost efficiency and improved availability and quality of human resources.

The fleet of vessels under management met all the obligatory standards set by the International Safety Management (ISM) code long before the deadline of 1 July. Barber wants to be in advance of international requirements for the industry, and has accordingly opted to implement the ISO 14001 environment management systems standard at all its operations offices by July 2001.

On the manning side, Barber secured a contract from one of the USA's largest cruise lines to select and recruit part of the maritime crew for about 50 per cent of the company's fleet. As a result, some 800 seagoing personnel have been supplied to serve on cruise liners. The company also established a joint venture in Romania with the Thorvald Klaveness group to supply Romanian officers and crew. In addition, Barber continued its commitment to developing training programmes for maritime personnel. As a result of good growth and prospects, the company moved its modern training centre to new and larger premises in Mumbai.

The development and sale of information technology systems for the ship management industry also represents a business with substantial potential. Barber Software Solutions (BASS) secured a number of new customers and has further developed several of the systems it offers.

Barber Marine Consultants AS (BMC) was established as a separate company in December. It offers engineering and consultancy services in such areas as project management, newbuilding supervision, plan approvals, condition assessments, technical studies and consultancy. BMC succeeded in winning a number of interesting contracts during the year.

Further good financial results on a par with the 2000 performance are expected for Barber's overall operations.

Other business operations

Tankers

As a result of the group's decision to reduce its exposure to crude oil carriers, its two large tankers were sold to Frontline during the first half-year. The Wilship division, which previously handled WW's tanker involvement, was wound up as an organisational entity on 1 June. Part of the payment for the tankers took the form of shares in Frontline. Through the rise in the price of these shares, the company has benefited from the positive development in value for the tanker market during the second half of 2000.

Wilsea Shipping Inc.

Together with its Brazilian partner Docenave, WW has owned two very large oil/ore carriers (VLOOCs) — each of 310 000 dwt — for the past 14 years. These vessels have been managed and operated by WW under a 15-year ore contract from Brazil to Japan, with oil for western destinations — primarily Brazil — as the return cargo. At the desire of the Brazilian partner, the ore contract was cancelled in the spring of 2000 in exchange for a compensation payment of just over USD 3 million to the owner company, Wilsea Shipping Inc. Later that autumn, the joint venture was dissolved at Docenave's desire, so that the partners received one ship each. Until the dissolution of the joint venture, the ships sailed on satisfactory time charter rates of about USD 40 000 per day. They spent a total of 165 days at shipyards during the period for extensive upgrading and maintenance work to ensure problem-free future operation. The wholly-owned Wilsea AS subsidiary took over the newer of the ships, *Tijuca* (1987). Since the take-over, this vessel has operated in the spot tanker market, at an average rate of about USD 70 000 per day on a time charter basis in the final quarter of the year. Financial results in the tanker sector showed a clear improvement from the year before. Net income came to USD 8 million as against a net loss of USD 2 million in 1999. Prospects for the tanker market are regarded as positive in the short and medium terms.

Offshore Heavy Transport ASA

WW's Wilship I AS subsidiary owns 51.7 per cent of Offshore Heavy Transport (OHT). The latter owns in turn two semi-submersible heavy transport ships, delivered in November 1999 and April 2000 respectively. Each of 57 000 dwt, these vessels rank as the largest of their kind. They transport large, complex and valuable cargoes such as drilling rigs, floating production units, floating docks and modules for both offshore and land-based industry. Over the relatively short time it has been in operation, the company has performed several very demanding transport assignments and reported good results for its first operating year. During 2000, the ships achieved a utilisation factor of about 90 per cent and an average day rate on a time charter basis of USD 26 000. OHT contributed USD 3.1 million to the group's operating income and USD 1.2 million to net income after minority interests.

Working environment and personnel

The various working environment committees within the group held regular meetings throughout the year. A number of issues were addressed and solutions recommended to the departments concerned. Three meetings were also held by the executive committee for industrial democracy in foreign trade shipping, on which the employees are represented. This body considers issues relating to projects, accounts, budgets and other issues of significance for the group's operations and for the workforce.

The group is concerned to develop a good and inspiring working environment both on land and at sea. The various subsidiaries and joint ventures in the group actively pursue measures for training and organisational development, and much of the work in 2000 concentrated on coordinating and developing these activities.

The organisation at home and abroad embraces substantial expertise within the various business areas. WW's biggest challenge has been and will remain integrating knowledge from different business areas in order to provide total logistical solutions for customer transport requirements — locally, regionally and globally. That calls for the ability to organise and apply expertise across organisational boundaries, and a number of major logistical projects over the year have provided good opportunities to develop and adapt new working methods.

At sea, the group has always set high standards for operating systems, and top priority is given to safety. Substantial resources are devoted to work on safety issues and quality assurance through the Barber International subsidiary, which manages ships owned by the group and a number of external owners. The main emphasis in work with safety and the environment is on developing personnel knowledge and attitudes. A large number of courses and conferences for seagoing personnel world-wide were accordingly implemented during 2000.

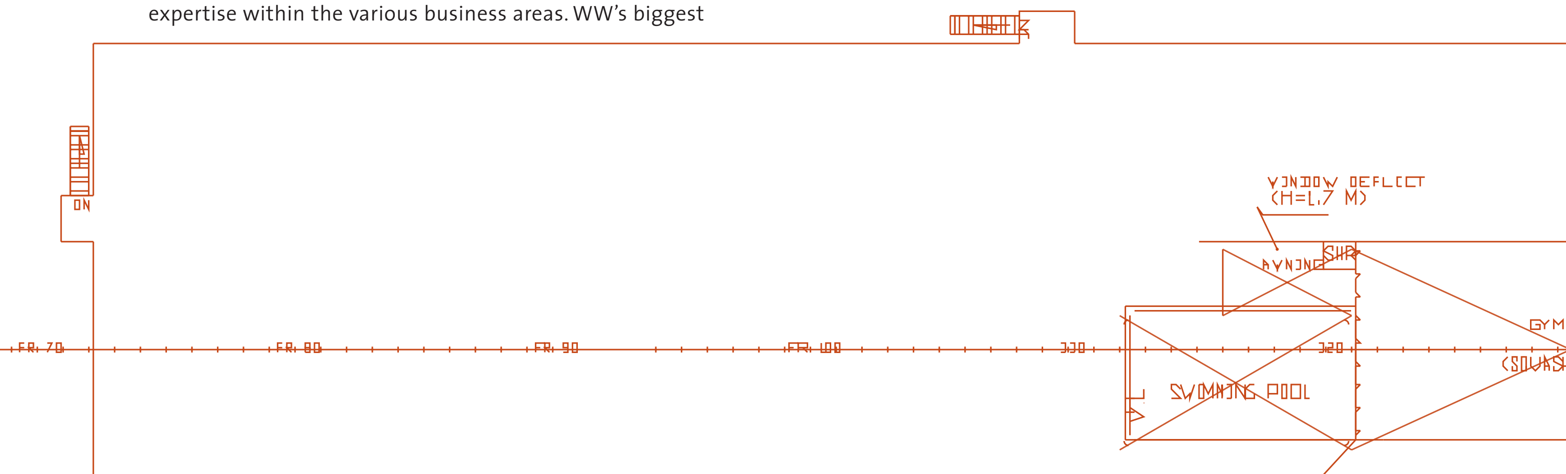
Average sickness absence at head office in 2000 was 3.3 per cent. That represented a small increase from 2.8 per cent the year before. Thirteen people signed off from ships owned by the group because of injuries, and 15 because of sickness — a virtual halving in relation to 1999, when the figures were 25 and 27 respectively.

Leif T Løddesøl stepped down as chief executive of Wilh. Wilhelmsen ASA on 17 March 2000, and took over on the same date as chair of the company. On the same date, Wilhelm Wilhelmsen took over as chief executive.

The environment and environmental work

The group's goal for work on protecting the environment is to organise its business so that damage to or problems for health and the environment are eliminated or minimised within given frameworks.

The company works primarily in maritime transport and related services, an industry which involves several major environmental challenges but is also environment-friendly compared with other forms of transport. However, it causes emissions to the external environment — primarily air and water. Damage to the external environment is best combated through preventive measures. Training and information play key roles in creating an appreciation in the group's own organisation of the importance of a systematic and long-term approach to environmental issues. Emergency response plans for acute pollution incidents have been drawn up and realistic exercise are staged regularly. Courses and conferences for seagoing personnel and land-based employees involved in ship operation are held at all WW's manning offices.



Environmental work in WW is stratified. The management of each company lays the basis for work to anchor its environmental policy in its quality assurance system. Where ship operation is concerned, environmental policy is developed through a collaboration between the shipowning companies and Barber. Responsibility for technical follow-up rests with the superintendent for each ship, who recommends investment required on board. In addition comes an annual inspection programme, with every ship visited once a year by one of the safety inspectors. Their work includes recommending a number of measures to improve safety and the environment. The captain and crew are responsible for day-to-day operation, and the captain's instructions also confer the authority to take such steps as are considered necessary to protect the marine environment.

Barber established its environment management system during the year and aims to have this certified to ISO-14001 during the first half of 2001. Such certification will include all the car and ro-ro carriers. One consequence of this is that an environmental programme has been drawn up and a special environmental committee established to set targets and supervise progress in relation to this programme.

Discharges to the sea: Oil is discharged to water from ships in two ways. Controlled discharges involve pumping ballast and cleaning water overboard in the open sea in accordance with international regulations, which include stringent standards for maximum oil content. Uncontrolled discharges (spills) are the consequence of accidents or equipment failure. Five such incidents were registered on WW ships in 2000, spilling roughly 42 litres of hydraulic oil into the sea. Such spills are thoroughly analysed and the necessary measures implemented to prevent recurrence.

It has also been resolved that only tin-free anti-fouling will be used on all WW ships from 2000. Conversion takes place when the ships are docked, and four went through this process in 2000. Plans call for 11 ships to be docked in 2001.

Emissions to the air: These consist primarily of exhaust fumes from vessel engines. In environmental terms, the most important components in these emissions are carbon dioxide, sulphur dioxide and nitrogen oxides. Average values for emissions from WW ships are listed in the environmental report on page 67.

One goal of the environmental programme which has now been adopted is to reduce nitrogen oxide emissions by 25 per cent up to 2008. For sulphur dioxide, the goal is to use only fuel with a sulphur content below three per cent. The long-term objective is to get down to 1.5 per cent by 2003. The IMO's standard for maximum sulphur content is five per cent.

Four newbuildings were delivered from a Korean yard to WW in 2000 and February 2001. These vessels incorporate a number of measures aimed at protecting the external environment, most of which go further than the requirements of the IMO's Marpol convention on maritime pollution. They include protection of bunkers tanks, electronic charts for safer navigation, engines with low nitrogen-oxide emissions, fuel systems with more effective and complete combustion, new equipment for sewage treatment and waste incineration, and advanced bilge water separators.

See page 64 in this annual report for a more extensive and detailed environmental report.

Prospects

Results for the present year will be depend crucially on developments in the car and ro-ro carrier markets. We have experienced some weakening in certain car/ro-ro markets, while non-containerisable cargo (NCC) volumes are rising. Economic developments in the USA and Japan will be very significant for progress by Wallenius Wilhelmsen Lines during 2001. Great uncertainty prevails in these areas. Overcapacity also remains substantial in several of the trades in which WWL is engaged, and the company also increased its capacity during 2000. One cost component creating some uncertainty is bunkers prices, with fluctuations in these having a big impact on results.

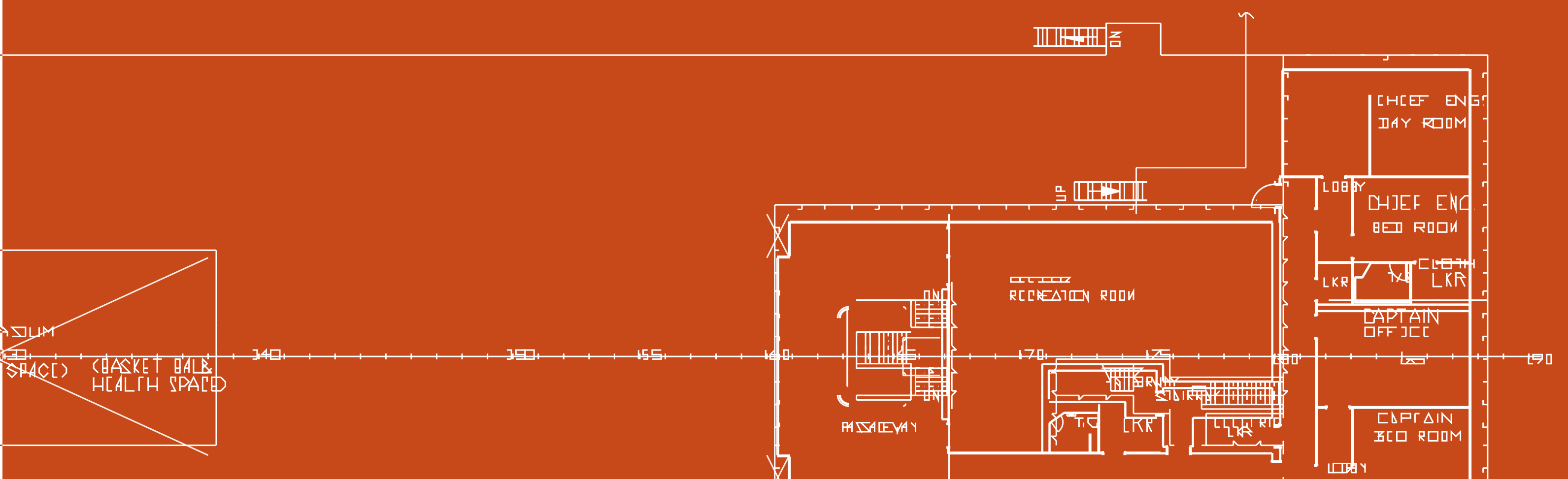
Earnings from the tanker involvement through o/o *Tijuca* are expected to remain good.

Both the service companies, Barber International and Barwil Agencies, expect a continued high level of activity and good results in 2001. Investment in Barwil has been increased, laying the basis for improved earnings. The company is constantly extending into new areas and expanding its range of services. Barber has achieved a very interesting breakthrough in the cruise market and is confident of further progress in this area, while its potential as a supplier of training and IT software for the maritime sector appears to be high in coming years.

Overall, we expect a result for 2001 somewhat weaker than the one achieved in 2000.

Lysaker, 21 March 2001

The board of directors of Wilh. Wilhelmsen ASA



INCOME STATEMENT CONSOLIDATED

USD mill	Note	2000	1999	1998
Operating income				
Gross revenue vessels	1	674	670	723
Voyage related expenses		(340)	(313)	(322)
Voyage related income on T/C basis		**334**	**357**	**401**
Other operating income	1,3	162	117	71
Total operating income		**496**	**474**	**472**
Operating expenses				
Wages and remuneration	2	(112)	(104)	(76)
Depreciation	5	(73)	(70)	(67)
Write-down on fixed assets	5	(10)		
Other operating expenses	3	(217)	(244)	(228)
Total operating expenses		**(412)**	**(418)**	**(371)**
Net operating income		**84**	**56**	**101**
Financial income and expenses				
Financial income	3	31	38	16
Financial expenses	3	(57)	(53)	(61)
Net financial items		**(26)**	**(15)**	**(45)**
Income before taxes		**58**	**41**	**56**
Taxes	4	(7)	(4)	(5)
Net income		**51**	**37**	**51**
Of this minority interests		**1**		
Earnings per share (USD)		1,84	1,28	1,76
Diluted earnings per share (USD)		1,84	1,28	1,76

BALANCE SHEET CONSOLIDATED

USD mill	Note	31.12.00	31.12.99	31.12.98
Fixed assets				
Goodwill	5	40	44	42
Vessels, property, fixtures	5	908	733	748
Investments in associates	6	17	12	8
Investments in shares	7	5	7	2
Other long-term assets	9	14	29	18
Total fixed assets		**984**	**825**	**818**
Current assets				
Other current assets	9	178	177	99
Short-term financial investments	8	151	142	144
Cash and bank deposits		146	196	360
Total current assets		**475**	**515**	**603**
Total assets		**1 459**	**1 340**	**1 421**
Equity				
Paid-in capital	10	131	119	119
Retained earnings	10	335	344	324
Minority interests	10	30	1	
Total equity		**496**	**464**	**443**
Provisions for liabilities				
Pension liabilities	11	13	17	19
Deferred tax	4	14	10	9
Other provisions for liabilities	9	5	11	9
Total provision for liabilities		**32**	**38**	**37**
Long-term liabilities				
Long-term interest-bearing debt	12	752	660	831
Other long-term liabilities		8	8	5
Total long-term liabilities		**760**	**668**	**836**
Current liabilities				
Public duties payable		8	11	10
Payable taxes	4	2	1	5
Other current liabilities	9	161	158	90
Total current liabilities		**171**	**170**	**105**
Total equity and liabilities		**1 459**	**1 340**	**1 421**

Odd Rune Austgulen

Niels Werring
deputy chair

Leif Frode Onarheim

Leif T. Løddesøl
chair

Wilhelm Wilhelmsen
president and member of the board

Anders Chr. Stray Ryssdal

Lysaker, 21 March 2001
The board of directors of Wilh. Wilhelmsen ASA

CASH FLOW STATEMENT CONSOLIDATED

USD mill	2000	1999	1998
Cash flow from operating activities			
Income before taxes	58	41	56
Taxes paid in the period	(1)	(5)	(1)
Loss/(gain) on sale of fixed assets	(3)	(6)	
Depreciation and write-down	83	70	67
Changes in market value - trading portfolio	(9)	(7)	16
Share of net result from associates	(7)	(3)	(2)
Changes in receivables/liabilities/bunkers	(13)	(15)	(56)
Changes in pension liabilities	(4)	(2)	
Currency (gain)/loss	1		(1)
Change in other periodic accruals	(6)	8	6
Net cash flow provided by/(used in) operating activities	**99**	**81**	**85**
Cash flow from investing activities			
Proceeds from sale of fixed assets	107	17	2
Investments in fixed assets	(273)	(63)	(54)
Investments in subsidiary companies and other companies	(18)	(13)	
Changes in other investments	15	(3)	(51)
Net cash flow provided by/(used in) investing activities	**(169)**	**(62)**	**(103)**
Cash flow from financing activities			
Proceeds from issuance/(repayment) of debt	52	(171)	190
Purchase of own shares	(33)	(9)	
Dividends paid	(11)	(10)	(9)
Net cash flow provided by/(used in) financing activities	**8**	**(190)**	**181**
Net increase/(decrease) in cash and cash equivalents	**(62)**	**(171)**	**163**
Drawn on bank overdraft 31.12.	12	7	
Cash and cash equivalents at 1.1.	196	360	197
Cash and cash equivalents at 31.12.	**146**	**196**	**360**
Restricted bank deposits 31.12.:			
Employee tax witholding account	2	1	2
Deposit for syndicated bank facility		2	123
Other restricted deposits	11	12	10
Total	**13**	**15**	**135**

ACCOUNTING PRINCIPLES

Reporting currency

US dollar accounting
The group uses the US dollar (USD) as its reporting currency. This is because the bulk of transactions in the group's international operations are denominated in USD. The reporting currency for the parent company, Wilh. Wilhelmsen ASA, is the Norwegian krone (NOK).

Currency translation

Parent company
Monetary items and market-based financial current assets assessed at their net realisable value are translated to USD at the current exchange rate. The rate prevailing on the transaction date is applied for fixed assets, and the average rate over the period for the income statement. Unrealised and realised translation gains and losses are stated in the income statement.

Subsidiaries reporting in currencies other than the USD
The net investment view is taken, since such units are regarded as independent. Balance sheet items are converted to USD at the exchange rate on the balance sheet date, while the income statement is translated at the average rate over the period. Any translation differences which arise are charged directly against equity.

Consolidation principles

Subsidiary companies
The consolidated accounts of the WW group include the parent company and all subsidiary companies in which the parent company has direct or indirect dominating influence. These subsidiary (and associated) companies are listed in notes 7 and 8 to the parent company accounts. All subsidiaries are consolidated on a 100 per cent basis. Minority interests are included in the group's equity and specified in the balance sheet. Minority interests' share of net income is calculated in the income statement.

When preparing the consolidated accounts, internal transactions, receivables and liabilities are eliminated. Shares in subsidiaries are eliminated in accordance with the purchase method. This means that the purchase price of the shares in the parent company is eliminated against the equity in the subsidiary at the time of acquisition. Additional or lower value at the time of acquisition is analysed and allocated to the specific assets and liabilities to which it relates. Any additional value not applied to specific assets or liabilities is recorded as goodwill and depreciated over its estimated economic life. The nominal tax rate is applied when calculating deferred tax/deferred tax benefit on additional/lower value.

Companies acquired during the year are incorporated in the group accounts from the time of acquisition and up to 31 December. Companies sold during the year are included in the income statement up to the time of their disposal.

Assets in jointly-controlled operations
Assets in jointly-controlled operations are assessed by the gross method. The share of income, expenses, assets and liabilities is incorporated line by line in the accounts. The figures are specified by main category in a note to the accounts.

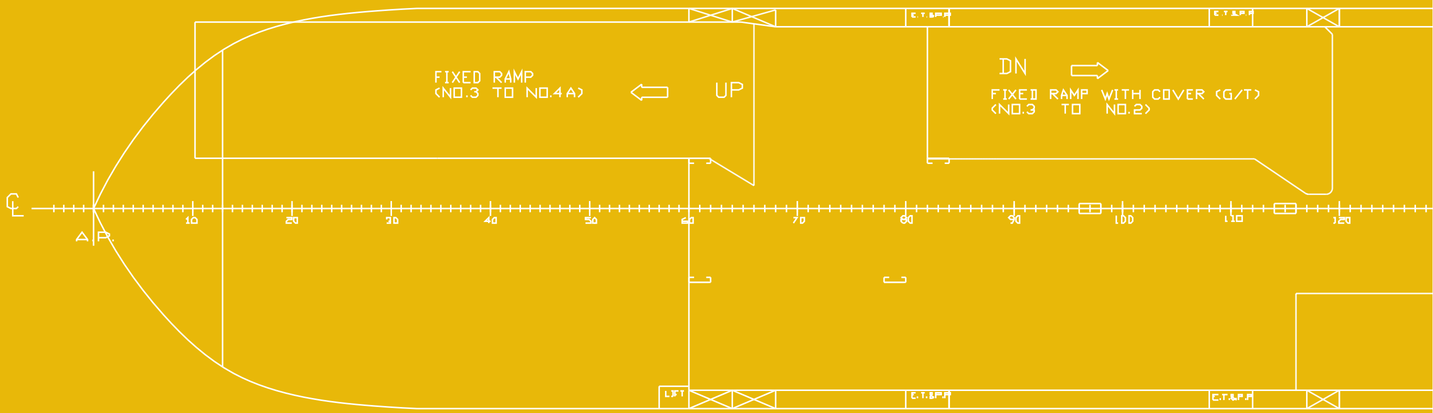
Associated companies
Investment in companies in which the group has an ownership share of 20 to 50 per cent, and exercises significant influence, are considered to be associated companies. Accounting for such companies is based on the equity method.

The group's share of the result in associated companies is based on the net result, less possible depreciation on additional value arising because the acquisition price of the shares was higher than the acquired share of recorded equity. The group's share of the result in associated companies is classified as a financial item in the income statement.

Valuation and classification principles

Main rule for valuation and classification of asset and liabilities
Assets intended for long-term ownership or use are classified as fixed. Other assets are classified as current. Receivables due to be repaid within one year are classified as current assets. Analogous criteria are applied when classifying current and long-term liabilities. The first year's instalment on long-term debt is classified as a long-term liability.

Fixed assets are stated at historic cost price, but written down to net realisable value when the fall in value is considered to be permanent. Such write-downs are reversed when the reason for the write-down no longer applies. Fixed assets with a limited economic life are depreciated on a planned basis. Long-term liabilities are recorded at the nominal amount received on the date they were established. Such liabilities are not restated to their real value as a result of interest rate changes.



Current assets are stated at the lower of acquisition cost and net realisable value. Current liabilities are recorded at the nominal amount received on the date they were established. Such liabilities are not restated to their real value as a result of interest rate changes.

Fixed assets

Tangible fixed assets and goodwill are charged to the accounts at historic cost price and depreciated on a straight line basis over their estimated economic lifetime. Gains/losses which arise from the sale of ships and other tangible fixed assets are classified as other operating revenue/expenses.

Newbuilding contracts

Yard payments and financing expenses relating to newbuildings are recorded as fixed assets when payment is made or financing expense are incurred. The value of vessels under construction is compared to the recorded amounts and the remaining commitments.

Financial lease of vessels

Vessels on long-term charters, where the charterparty in fact represents a financing of the vessel, are capitalised in the balance sheet and the corresponding charter commitments are recorded as a liability. Depreciation is charged on the same basis as for directly-owned vessels. The interest element in the charter rate is treated as a financial expense.

Maintenance costs

Maintenance and classification costs for tankers and heavy transport vessels are estimated and accrued over the reporting periods until the work is completed. For liners, car carriers and service (crew) vessels, maintenance and classification costs are charged in their entirety to expenses in the year when the work is carried out. The large fleet of liner/car carriers and service vessels is subject to continuous maintenance and classification programmes, and the costs are therefore deemed to be properly allocated over time.

Accounts receivable

Accounts receivable are reduced by a provision for bad debts.

Bunkers

Bunkers on the vessels are valued at cost price.

Investment in shares and bonds

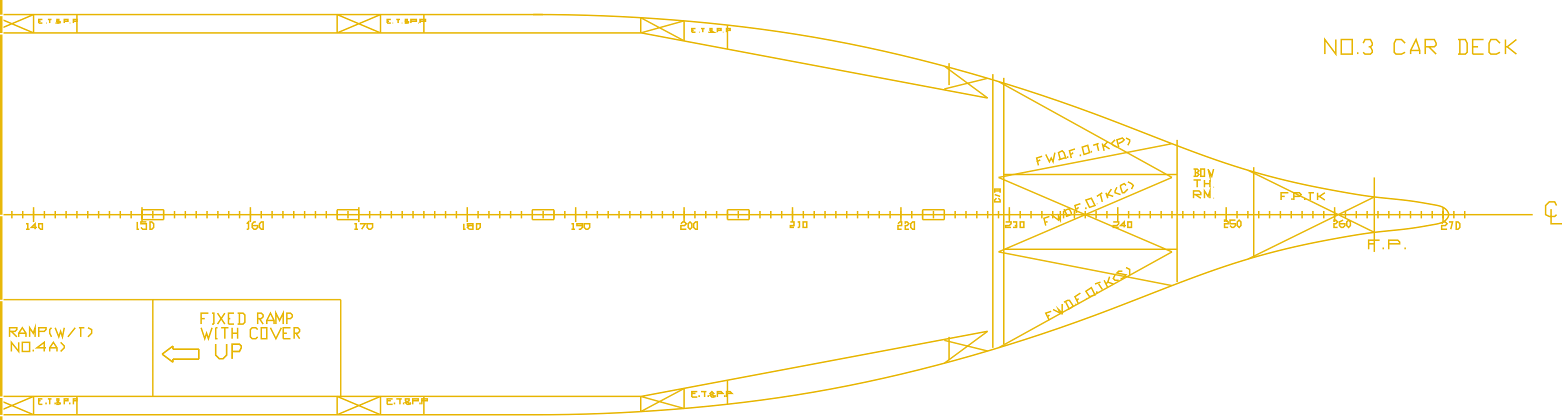
Financial current assets which form part of a trading portfolio with a view to future sale are stated at their net realisable value at 31 December.

Pensions

Wilh. Wilhelmsen ASA and the Norwegian subsidiaries have pension plans which will provide employees with future pension benefits. The group also has pension arrangements for parts of its workforce abroad.

The Norwegian plan secures the employee a defined future pension based on the number of years of service and the level of pay at the time of retirement. Pension payments to seagoing personnel, employees taking early retirement and certain former employees on land not covered by the collective plan are charged to operations (unfunded pension plan).

For funded and unfunded pension plans, total pension



commitments are evaluated against the total assets in the funded pension plan. For the Norwegian plans, the effect of changes in estimates and pension plans, plus differences between actual and expected returns over the remaining pension-earning period or expected lifetime, are not accrued until the cumulative effect exceeds 10 per cent of whichever is larger of pension funds and pension commitments. Net pension commitments are recorded as provisions for liabilities. The periodic pension cost is charged to the income statement on a net basis under wages and remunerations.

Social security tax (SST) is calculated and accrued on pension liabilities in the unfunded plan. For the funded plans, SST is charged on the basis of the actual periodic premiums/contributions paid to that plan.

Income recognition

Income is recognised when it has been earned. Income and expenses relating to vessel voyages are accrued on the basis of the number of days that the voyage lasts before and after the end of the accounting period.

Transactions in foreign currency

Transactions in foreign currencies other than the reporting currency are recorded at the value of the payment on the transaction date. Monetary items and market-based financial assets valued in accordance with the market value principle are stated at the current rate of exchange. Other assets and liabilities are stated in accordance with general valuation rules. Unrealised and realised currency gains and losses are stated in the income statement.

Receivables and liabilities secured by forward currency contracts are stated at the forward rate. Currency gains are classified as a financial item in the income statement.

Extraordinary items

Items regarded as unusual, irregular and material are classified as extraordinary.

Taxes

Taxes are charged to the accounts as they fall due — in other words, tax expense relates to the accounting income before tax. Tax expense comprises tax payable (on the taxable income for the year) and the change in net deferred tax. It is allocated between the ordinary result and the result after extraordinary items in accordance with the tax base. Deferred tax and deferred tax benefit are presented net in the balance sheet.

When the equity capital method is used for stating assets in companies which are separately liable for tax, the share of income is already net of tax.

For companies in the group taxed in accordance with the Norwegian tax regime for shipowning companies, the tonnage tax is classified as an operating expense. The company has no plans to withdraw from the regime. No calculation has been made of the effect on tax expense of a possible withdrawal from the regime. An amount relating to deferred tax on future dividend payments has been calculated and provision made.

Financial instruments (off balance sheet items)

A market valuation of the outstanding contracts on the balance sheet date is performed. To the extent that the outstanding contracts have not been concluded for hedging purposes, any net unrealised losses are recorded as a financial expense.

NOTES TO THE ACCOUNTS CONSOLIDATED

NOTE 1 GROSS REVENUE

USD mill	2000	1999	1998
Gross revenue vessels	674	670	723
Other operating income	162	117	71
Total gross revenue	**836**	**787**	**794**

NOTE 2 WAGES AND REMUNERATION

USD mill	2000	1999	1998
Wages	84	85	62
Social security tax	10	8	6
Pension cost	6	4	3
Other remuneration	12	7	5
Total wages and remuneration	**112**	**104**	**76**
Employees:			
Group companies in Norway	242	235	380
Group companies abroad	2 043	2 094	2 406
Wallenius Wilhelmsen Lines*	2 733	2 092	
Other companies Barwil chain	900	769	930
Seagoing personnel Barber International	6 270	6 094	4 833
Total employees	**12 188**	**11 284**	**8 549**

*) The group holds 50% of the shares.

Auditor's fees for the group in 2000 totalled USD 0.9 million. In addition came agreed audit checks and consultancy fees totalling USD 0.6 million.
See also note 2 to the parent company accounts concerning wages and remuneration.

NOTE 3 COMBINED ITEMS INCOME STATEMENT

USD mill	2000	1999	1998
Other operating income			
Commissions/agency fees	38	32	37
Management fee	11	16	13
Profit on sales of fixed assets/long-term investments	3	6	
Liner and car carrier operations - landbased activities	59	35	
Other revenue	51	28	21
Total other operating income	**162**	**117**	**71**
Other operating expenses			
Loss on bad debts	2	3	1
Operating expenses vessels	101	95	96
T/C hire chartered vessels	13	35	56
Rent expenses	5	8	4
Travel expenses	12	8	4
Liner and car carrier operations - landbased activities	28	11	
Sales and administration expenses	56	84	67
Total other operating income	**217**	**244**	**228**
Financial income and expenses			
Net income associates	7	7	2
Dividend			1
Interest income	6	10	12
Other financial income	2	2	1
Changes in market value - trading portfolio	16	19	
Total financial income	**31**	**38**	**16**
Interest expenses	(50)	(51)	(44)
Net currency loss	(7)	(2)	(1)
Changes in market value - trading portfolio			(16)
Total financial expenses	**(57)**	**(53)**	**(61)**
Total financial items	**(26)**	**(15)**	**(45)**

NOTE 4 TAXES

USD mill	2000	1999	1998
Distribution of tax expenses for the year			
Payable taxes in Norway	1	1	4
Payable taxes foreign	3	2	3
Change in deferred tax Norway	2	1	(2)
Change in deferred tax foreign	1		
Total taxes	**7**	**4**	**5**
Tax effect of the group's temporary differences			
Fixed assets	21	14	11
Short term assets/liabilities	(2)	(1)	(2)
Long-term liabilities/provisions	(6)	(6)	(7)
Tax losses carried forward	(5)	(3)	
Deferred tax	**8**	**4**	**2**
Deferred tax shipowning regime 1)	6	6	7
Total deferred tax	**14**	**10**	**9**
Change in deferred tax			
Change in deferred tax	4	1	(2)
Directly recorded in balance sheet		1	
Translation adjustment effect	(1)	(1)	
Change in deferred tax	**3**	**1**	**(2)**

1) The group has recorded USD 6.3 million in deferred tax related to future dividend payments from companies within the tax regime for shipowning companies.

	2000	1999	1998
Basis for tax computation			
Income before tax	58	41	56
28 per cent tax	**16**	**11**	**16**
Tax effect from:			
Permanent differences	2	1	
Non taxable income	(13)	(9)	(11)
Differences in tax rates	2	1	
Calculated tax for the group	**7**	**4**	**5**
Effective tax rate for the group	**12%**	**10 %**	**9 %**

The group's taxable loss expires in 2009 and later.
Untaxed equity at 31.12. was USD 177 million.
Tonnage tax was USD 1 million for 2000, and is classified as operating expense.

NOTE 5 FIXED ASSETS/GOODWILL

USD mill	Property	Fixtures	Vessels	Total fixed assets	Goodwill
Cost price 1.1.	77	97	1 190	1 364	122
Additions	13	21	326	360	2
Disposals	(3)	(6)	(226)	(235)	
Cost price 31.12.	**87**	**112**	**1 290**	**1 489**	**124**
Currency translation adjustments	(1)	(3)		(4)	
Accumulated ordinary depreciation 31.12.	7	56	514	577	84
Accumulated write-downs 31.12.					
Book value 31.12.	**79**	**53**	**776**	**908**	**40**
- of which remaining write-ups	17			17	
Current year's depreciation	**2**	**9**	**54**	**65**	**8**
Current year's write-downs			**10**	**10**	
Economic lifetime	Until 50 years	3-10 years	14-25 years		10 years
Depreciation schedule	Straight line	Straight line	Straight line		Straight line

There is no established market for the company's assets. Its value will depend on the income realised based on the total transport system. Goodwill is depreciated over 10 years, because this, in the company's opinion, is the economic lifetime.

The tankers *Tarim* and *Tartar* were sold and delivered in the second quarter of 2000.
In connection with this transaction, a write-down of the accounting value of the ships was done.

The group has a financial lease agreement for six vessels in the liner and car carrier segment.
The book value of the capitalised car carriers covered by the agreement at 31.12. amounts to USD 95.1 million, and the current year's depreciation amounts to USD 8.6 million.
The leasing commitment is classified as a long-term interest-bearing debt, see note 12.

Capitalised finance expenses regarding vessels belonging to the liner and car carrier segment amount to USD 1.4 million for 2000.

NOTE 6 INVESTMENTS IN ASSOCIATES

Company	Business office Country	Voting share Ownership	Book value USD 1 000
Barwil Forbes	India	50%	116
Barwil Huayang	China	50%	70
Barwil Meridian	Sri Lanka	40%	31
Barwil Roadsea	Iran	50%	134
Barwil SIMAR	Italy	49%	137
Barwil Smith	Philippines	50%	(40)
Barwil Universal Agencias Ltd.	Turkey	50%	1 146
Almoayed Barwil Ltd.	Bahrain	40 %	154
Barber Moss Ship Management	Norway	50%	195
Barwil (Thailand) Ltd.	Thailand	51 %	518
Bat-Haf Barwil Agencies Ltd.	Kenya	50%	105
Barwil Egytrans	Egypt	49%	868
Barwil Georgia	Georgia	50%	198
Barwil Hyop Woon Agencies Ltd.	Korea	50%	335
Barwil Agencies Inc.	Taiwan	33 %	965
Norsul Barwil Agencies Maritima LTDA	Brazil	49%	310
Transocean OY AB	Finland	50%	791
Baasher Barwil Agencies Ltd.	Sudan	50%	351
Barwil Ukraine	Ukraine	75%	562
International Shipping Co. Ltd.	Yemen	55%	197
Barklav (HK) Ltd.	Romania	50%	8
Barwil Zaatarah Agencies Ltd.	Jordan	49%	210
Barwil Hellas	Greece	60%	52
S.I. Andersson Shipping	Latvia	49%	61
Blansco Sdn Bhd.	Malaysia	49 %	160
Towell Barwil LLC	Oman	30%	192
Intertransport Ltd.	Taiwan	33 %	(47)
Knight Transportation	USA	33 %	212
Naviport (SARL)	France	42 %	32
Barwil Shipping (Pvt) Ltd.	Pakistan	50%	85
Barwil S&K Shipping Agency	Lebanon	45%	32
Barwil Star Agencies SRL	Romania	50%	122
Barwil Agencies	Panama	35%	339
Star Information Systems AS	Norway	34%	722
Taiwan Agencies Inc.	Taiwan	20%	470
Barwil Unimaster	Bulgaria	50%	50
Other shares Barwil segment			7 088
Total investments in associates			**16 932**

Specification of recorded share of equity and current year's net income:

Book value 31.12.99	11 724
Share of current year's income	6 825
Equity adjustments/currency translation adjustments	(1 617)
Book value at 31.12.00	**16 932**

There is no additional value in excess of recorded equity or goodwill related to investments in associates.

NOTE 7 INVESTMENTS IN SHARES

Company	Ownership	Book value USD 1 000
Broekman Beheer BV, Netherlands	18 %	4 238
Helssingin Autoalo OY, Finland		421
Partrederiet Polar Frontier Drilling, Norway	47,5%	47
Others		454
Total investments in shares		**5 160**

NOTE 8 SHORT-TERM FINANCIAL INVESTMENTS

USD mill	Market value
Norwegian listed stocks	29
Foreign listed stocks	22
Structured products	10
NOK bonds	4
USD bonds	86
Total short-term financial investments	**151**

NOTE 9 COMBINED ITEMS BALANCE SHEET

USD mill	2000	1999	1998
Other long-term assets			
Newbuilding contracts 1)	10	25	11
Loans to associates	1	3	3
Loans to employees, shareholders etc.	0	0	0
Other long-term assets	3	1	4
Total other long-term asstes	**14**	**29**	**18**

of which long-term debtors falling due for payment later than one year;

Loans to associates	1	3	3
Other long-term assets	3	1	1
Total other long-term assets due after one year	**4**	**4**	**4**

1) Contract for construction of one ro-ro vessel to be operated by Wallenius Wilhelmsen Lines. Three vessels were delivered in 2000, and one was delivered in February 2001.

Other current assets			
Accounts receivables	114	122	66
Other current receivables	54	46	29
Bunkers	10	9	4
Total other current assets	**178**	**177**	**99**
Other provisions for liabilities			
Docking expenses	1	6	3
Social security tax pensions	3	3	3
Other provisions	1	2	3
Total other provisions for liabilities	**5**	**11**	**9**
Other current liabilities			
Dividend	11	11	10
Bank overdraft	12	7	
Accounts payable	61	61	37
Accrued operating expenses vessels	32	38	22
Other short-term liabilities	45	41	21
Total other current liabilities	**161**	**158**	**90**

NOTE 10 EQUITY

USD mill	Share capital	Own shares	Share premium reserve	Total paid-in capital	Retained earnings	Minority	Total
Equity 31.12.99	10		109	119	344	1	464
Current year's change in equity:							
Change in minority interests						29	29
Currency translation adjustments					(3)		(3)
Acquisition of own shares		(22)		(22)	(11)		(33)
Increase of capital in connection with bonus issue	143		(109)	34	(34)		
Amortisation	(8)	8					
Proposed dividend					(11)		(11)
Net income (after minority interests)					50		50
Equity 31.12.00	**145**	**(14)**		**131**	**335**	**30**	**496**

The group has invested in its own shares and amortised some of these during 2000. See note 11 for the parent company for further information.
Own shares represent 10 per cent of the share capital in nominal value.

NOTE 11 PENSIONS

Number of people in pension plans 31.12.		Funded			Unfunded	
	2000	**1999**	**1998**	**2000**	**1999**	**1998**
Employees (incuding disabled)	810	871	620	433	493	502
Retired employees	428	394	382	668	687	663
Total	**1 238**	**1 265**	**1 002**	**1 101**	**1 180**	**1 165**

Financial assumptions for the pension calculations:

	2000	**1999**	**1998**
Expected rate of return on assets in pension plans	7 %	7 %	7 %
Discount rate	6 %	6 %	6 %
Annual pay regulation	3 %	3 %	3 %
Annual regulation of base amount (national security)	2.5 %	2.5 %	2.5 %
Annual regulation of pensions	2 %	2 %	2 %

Specification of pension cost:
USD mill

Defined benefit pension plans	**2000**	**1999**	**1998**
Net present value of current year's service expense	4	2	2
Interest expenses related to service expense	5	6	5
Return on assets in pension plans	(4)	(4)	(4)
Recognised changes in estimates and variances	1		
Net pension expense	**6**	**4**	**3**

Specification of net pension liabilities reflected in the balance sheet at 31.12:
USD mill

		Funded			Unfunded	
	2000	**1999**	**1998**	**2000**	**1999**	**1998**
Calculated pension liabilities	50	48	47	47	42	48
Plan assets at market value	59	59	66			
Plan assets greater/(lesser) than calculated pension liabilities	9	11	19	(47)	(42)	(48)
Unrecognised changes in estimates	9	7	3	16	7	7
Net recognised pension liabilities	**18**	**18**	**22**	**(31)**	**(35)**	**(41)**
Accrued social security tax				(3)	(3)	(3)

NOTE 12 LONG-TERM INTEREST-BEARING DEBT

USD mill	2000	1999	1998
Long-term interest-bearing debt			
Mortgage debt	515	468	644
Leasing commitments	159	156	172
Bonds	49		
Certificate loans	29	36	15
Total	**752**	**660**	**831**
Book value of mortgaged assets:			
Bank deposit	8	2	123
Property	56	44	44
Vessels	753	568	619
Other fixed assets	15	7	2
Total	**832**	**621**	**788**

Repayment schedule for long-term interest-bearing debt;

Due in 2001	94
Due in 2002	64
Due in 2003	119
Due in 2004	70
Due inl 2005 or later	405
Total long-term interest-bearing debt	**752**

Two three-year bond issues totalling NOK 425 million were implemented by the group in the Norwegian market during the year. These were used to repay existing drawing facilities. Bank loans accounted for roughly 70 per cent of total long-term interest-bearing debt in the group, while leasing obligations and borrowing in the Norwegian certificate market accounted for about 30 per cent. The board considers it important to have access to several sources of borrowing, while emphasis is given to maintaining a loan portfolio with a spread of maturities in order to reduce the refinancing risk. Undrawn committed drawing rights represent a central part of the liquidity reserve, and totalled USD 120 million at 31 December. Large parts of the group's interest-bearing liquidity portfolio will be sold during 2001 and the funds applied to repaying debt.

Of the group's total leasing commitments, USD 141 million relates to the sale/leaseback agreement for six car carriers, while the remaining commitments cover leasing of equipment. The leasing agreement for the car carriers runs to 2008 with options for repurchase/extensions.

Loan agreements entered into by the group contain financial covenants related to value-adjusted equity, free liquidity and cash flow. The group was in compliance with these covenants at 31 December 2000.

	2000	1999	1998
Guarantee commitments			
Guarantees for employees	0	0	0
Guarantees for group companies	5	33	37
Other guarantees			1
Total	**5**	**33**	**38**

NOTE 13 INTERESTS IN JOINT VENTURES

USD mill

Company	Business office Country	Ownership
Jointly controlled operations in the liner and car carrier segment:		
Wallenius Wilhelmsen Lines AS	Lysaker, Norway	50 %
ARC LLC	New Jersey, USA	50 %
Fidelio Limited Partnership	New Jersey, USA	50 %
Pride KS	Oslo, Norway	50 %
Jointly controlled operations in the Wilship segment:		
Wilsea Shipping Inc.	Monrovia, Liberia	50 %

The share of result for the year and balance sheet items is incorporated line by line in the accounts. Recognised figures by main category are specified below.

	Liner and car carrier	Wilship	Total
Share of operating income	358	26	384
Share of operating expenses	(333)	(7)	(340)
Share of net financial items	(9)		(9)
Share of result for the year	13	13	26
Share of fixed assets	89		89
Share of current assets	124	9	133
Total assets	**213**	**9**	**222**
Share of equity 31.12. 99	46	22	68
Share of net income	13	13	26
Change in equity	1	(33)	(32)
Share of equity 31.12. 00	**60**	**2**	**62**
Share of long-term liabilities	70	5	75
Share of short-term liabilities	83	2	85
Total liabilities	**153**	**7**	**160**
Uncalled capital commitments at 31.12. 00	10		10

NOTE 14 FINANCIAL INSTRUMENTS

The group's most important financial exposures involve exchange rates, interest rates and the price of bunkers. Various hedging strategies have been established to reduce the effect of fluctuations in these markets on results.

Foreign exchange exposure
The group's foreign exchange strategy is to hedge 20-60 per cent of its exposure on a rolling 12-monthly basis. Foreign exchange exposure is defined as that part of operating expenses which is not in USD. The company realised a loss totalling USD 5.3 million on hedging contracts during the year, and the hedging portfolio was worth USD 1.6 million at 31 December.

Interest rate exposure
The group's interest rate strategy is to ensure that at least 25 per cent of the interest-bearing debt portfolio takes the form of fixed-term debt in excess of 12 months. Active use is made of the derivatives market to ensure the desired proportion of fixed-term debt. At 31 December, about 30 per cent was hedged for longer than 12 months. In addition, forward contracts are used to hedge short-term interest rate exposure. At 31 December, the portfolio of loan hedging instruments had a lesser value of USD 0.9 million.

Bunkers exposure
The group's strategy for bunkers is to hedge 20-80 per cent of its bunkers requirement for the coming 12 months. Annual bunkers consumption by the combined carrier *Tijuca* is just over 20 000 tonnes. No bunkers had been hedged for 2001 at 31 December 2000. An estimated 40 per cent of the roughly 900 000 tonnes of bunkers required annually by Wallenius Wilhelmsen Lines AS is hedged through a bunkers adjustment factor (BAF) in the contracts of affreightment. At 31 December, WW had put further hedging in place, so that total bunkers hedging for the first half of 2001 is just over 50 per cent for the liner and car carrier segment. The value of this hedging had been reduced by just under USD 100 000 at 31 December.

Financial management
The group has centralised its financial management, with the parent company responsible for day-to-day administration. Surplus liquidity in the group, which averaged USD 150 million in 2000, was managed through investment in shares, bonds and structured products and gave a return of USD 6.3 million. Shares accounted for roughly 25 per cent of the total, and the foreign proportion of the share portfolio was about 60 per cent at 31 December. Large parts of the interest-bearing portfolio will be sold by the group during 2001 in order to repay debt. This will help to improve the group's key financial figures while reducing financial risk. The exposure to shares and structured products will be maintained, increasing the risk associated with the portfolio under management when viewed in isolation. In future, the objective for financial management will be to maximise the return on surplus liquidity through investment in shares and structured products within defined risk limits.

Financial derivative instruments are used in managing the group's financial assets. The strategies used most frequently are covered call and the purchase of shares with agreements on forward sales. In addition, the group has a portfolio of structured products which consist of bonds linked to stock market developments and other products with a guaranteed repayment of the principal.

The group's holding of Frontline shares, which was received in partial settlement for the sale of tankers, is kept separate from the managed portfolio. Gains of USD 9.5 million were recorded on these shares in 2000, of which USD 2.3 million was unrealised. The market value of the holding at 31 December was USD 12.1 million.

NOTE 15 KEY FIGURES BUSINESS AREAS

USD mill	TOTAL			LINER AND CAR CARRIERS			WILSHIP (1)			BARWIL (2)			BARBER INTERNATIONAL			HOLDING ADJUSTMENTS (3)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Income statement																		
Operating income other business areas				1					2	13	6	4	4	4	(6)	(18)	(10)	
Operating income external customers	836	787	794	696	666	670	35	37	43	63	55	52	28	24	22	14	5	7
Primary operating income	**167**	**126**	**168**	**144**	**113**	**141**	**14**	**13**	**16**	**3**		**8**	**6**	**7**	**8**		**(7)**	**(5)**
Ordinary depreciation/write-down	(83)	(70)	(67)	(57)	(51)	(51)	(16)	(11)	(11)	(4)	(4)	(3)	(1)	(1)	(1)	(5)	(3)	(1)
Net operating income	**84**	**56**	**101**	**87**	**62**	**90**	**(2)**	**2**	**5**	**(1)**	**(4)**	**5**	**5**	**6**	**7**	**(5)**	**(10)**	**(6)**
Net financial items	(26)	(15)	(45)	(43)	(20)	(27)	10	(4)	(12)	7	7	4	3	2	2	(3)		(12)
Income before taxes	**58**	**41**	**56**	**44**	**42**	**63**	**8**	**(2)**	**(7)**	**6**	**3**	**9**	**8**	**8**	**9**	**(8)**	**(10)**	**(18)**
Taxes	(7)	(4)	(5)	(6)	(5)	(2)						(1)	(1)	(1)	(1)	(0)	2	(1)
Net income	**51**	**37**	**51**	**38**	**37**	**61**	**8**	**(2)**	**(7)**	**6**	**3**	**8**	**7**	**7**	**8**	**(8)**	**(8)**	**(19)**
Of this minority interests	1															1		
Balance sheet																		
Fixed assets	948	777	790	747	561	571	24	135	147	34	28	19	10	9	5	133	44	48
Long-term receivables/ investments	36	48	28	17	33	13		1	1	17	14	8	6	4	5	(4)	(4)	1
Current assets	475	515	603	295	340	449	13	24	18	81	78	55	26	28	27	(60)	45	54
Total assets	**1 459**	**1 340**	**1 421**	**1 059**	**934**	**1 033**	**37**	**160**	**166**	**132**	**120**	**82**	**42**	**41**	**37**	**189**	**85**	**103**
Equity	496	464	443	327	295	314	8	(22)	(20)	34	45	39	19	20	16	108	126	94
Long-term liabilities	792	706	873	649	542	671	5	92	101	25	23	15	8	8	6	105	41	80
Short-term liabilities	171	170	105	83	97	48	24	90	85	73	52	28	15	13	15	(24)	(82)	(71)
Total equity and liabilities	**1 459**	**1 340**	**1 421**	**1 059**	**934**	**1 033**	**37**	**160**	**166**	**132**	**120**	**82**	**42**	**41**	**37**	**189**	**85**	**103**
Investments in fixed assets	**363**	**84**	**45**	**259**	**61**	**7**				**9**	**15**	**9**	**2**	**3**	**1**	**93**	**5**	**28**

(1) The tankers *Tarim* and *Tartar* were sold and delivered during the 2nd quarter of 2000.
In relation to this transaction, the book value of the vessels was written down by approximately USD 10 million.

(2) The group's share of net income from associated companies is classified as net financial items. Prior period figures have been changed accordingly.

(3) The financial figures for Offshore Heavy Transport ASA (OHT) are consolidated in the balance sheet from 1.7.00
Results for OHT from 1.7. to 31.12. are reflected in holding adjustments above.
Operating income for the period amounts to USD 3.1 million, while net income equals USD 2.3 million.

INCOME STATEMENT WILH. WILHELMSEN ASA

NOK mill	Note	2000	1999	1998
Operating income				
Other operating income	1	104	51	78
Total operating income		**104**	**51**	**78**
Operating expenses				
Wages and remuneration	2	(83)	(62)	(45)
Depreciation	5	(9)	(8)	(3)
Write-down on subsidiaries		152		(283)
Other operating expenses	3	(99)	(92)	(58)
Total operating expenses		**(39)**	**(162)**	**(389)**
Net operating income		**65**	**(111)**	**(311)**
Financial income and expenses				
Financial income	3	182	158	347
Financial expenses	3	(91)	(42)	(94)
Net financial items		**91**	**116**	**253**
Income before taxes		156	5	(58)
Taxes	4	(27)	(1)	17
Net income		**129**	**4**	**(41)**
Transfers and allocations				
(To)/from equity		(26)	83	121
Dividends		(103)	(87)	(80)
Total transfers and allocations		**(129)**	**(4)**	**41**

BALANCE SHEET WILH. WILHELMSEN ASA

NOK mill	Note	31.12.00	31.12.99	31.12.98
Fixed assets				
Deferred tax benefit	4		18	16
Fixtures	5	23	25	9
Investments in subsidiaries	7	1 876	2 150	2 602
Investments in associates	8	34	4	4
Investments in shares	6		13	9
Other long-term assets	9	673	475	163
Total fixed assets		**2 606**	**2 685**	**2 803**
Current assets				
Other current assets	9	332	246	199
Short-term financial investments	10	510	375	323
Cash and bank deposits		86	119	104
Total current assets		**928**	**740**	**626**
Total assets		**3 534**	**3 425**	**3 429**
Equity				
Paid-in capital	11	1 100	73	73
Own shares	11	(110)	(2)	
Share premium reserve	11		835	835
Retained earnings	11	1 271	1 620	1 780
Total equity		**2 261**	**2 526**	**2 688**
Provisions for liabilities				
Pension liabilities	12	123	121	130
Deferred tax	4	9		
Other provisions for liabilities	9	34	38	40
Total provisions for liabilities		**166**	**159**	**170**
Long-term liabilities				
Long-term interest-bearing debt	13	869	491	343
Other long-term liabilities	9	6	11	12
Total long-term liabilities		**875**	**502**	**355**
Current liabilities				
Public duties payable		10	10	7
Payable taxes	4	(3)	(5)	22
Other current liabilities	9	225	233	187
Total current liabilities		**232**	**238**	**216**
Total equity and liabilities		**3 534**	**3 425**	**3 429**

CASH FLOW STATEMENT
WILH. WILHELMSEN ASA

NOK mill	**2000**	**1999**	**1998**
Cash flow from operating activities			
Income before taxes	156	5	(58)
Taxes paid in the period	(1)	(28)	(22)
Depreciation and write-down	(146)	8	286
Changes in market value - trading portfolio	34	(33)	71
Share of net result from associates			(2)
Changes in receivables/liabilities/bunkers	(293)	(314)	(14)
Changes in pension liabilities	2	(9)	(10)
Currency gain	(34)	(17)	(18)
Change in other periodic accruals	6	5	5
Net cash provided by/(used in) operating activities	**(276)**	**(383)**	**238**
Cash flow from investing activities			
Proceeds from sale of fixed assets	1	64	1
Investments in fixed assets	(7)	(89)	(7)
Investments in subsidiary companies and other companies	(18)	374	(5)
Changes in other investments	81	(19)	(46)
Net cash flow provided by/(used in) investing activities	**57**	**330**	**(57)**
Cash flow from financing activities			
Proceeds from issuance/(repayment) of debt	378	148	(168)
Purchase of own shares	(105)		
Dividends paid	(87)	(80)	(65)
Net cash flow provided by/(used in) financing activities	**186**	**68**	**(233)**
Net increase/(decrease) in cash and cash equivalents	**(33)**	**15**	**(52)**
Cash and cash equivalents at 1.1.	119	104	156
Cash and cash equivalents at 31.12.	**86**	**119**	**104**
Restricted bank deposits 31.12.:			
Employee tax witholding account	5	5	5

NOTES TO THE ACCOUNTS
WILH. WILHELMSEN ASA

NOTE 1 GROSS REVENUE

NOK mill	2000	1999	1998
Operating income			
Intercompany income	88	38	24
Fees	16		
Other income		13	54
Total other operating income	**104**	**51**	**78**

NOTE 2 WAGES AND REMUNERATION

NOK mill	2000	1999	1998
Wages	36	33	22
Social security tax	9	10	6
Pension cost	26	14	12
Other remuneration	12	5	5
Total wages and remuneration	**83**	**62**	**45**
Average number of employees	62	71	52

Remuneration NOK 1 000	Board	Working chair	President
Wages/fees	583	1 891	2 053
Pension premium			189
Other remuneration		92	86
Total	**583**	**1 983**	**2 328**

The president has the right to a life-long pension constituting two-thirds of his annual salary at retirement.
Likewise the chair of the board has the right to a life-long pension constituting two-thirds of his annual salary at retirement.

On 21 February 2000, the company launched a option programme offering 30 leaders the right to purchase from 6 000 to 20 000 shares, total 228 000 shares, from the company's own stocks. The strike price is set at NOK 90 per share and the option must be exercised by 31 December 2001 at the latest.

NOTE 2 WAGES AND REMUNERATION *continued*

Loans and guaranties	Employees	Board	Working chair	President
Loans NOK 1 000	855	0	0	0
Employees are charged 5 per cent				
No security has been provided for the loans.				

Auditor

Auditor's fee for 2000 is NOK 505 000 for audit work and NOK 1 253 625 for consultancy.

Shares owned or controlled by representatives of Wilh.Wilhelmsen ASA

Name	A shares	B shares	Total	Per cent of total shares	Per cent of voting stock
BOARD OF DIRECTORS:					
Wilhelm Wilhelmsen (president and CEO)	10 137 874	980 622	11 118 496	40.43 %	53.92 %
Niels Werring (deputy chair)	987 734	156 700	1 144 434	4.16 %	5.25 %
Odd Rune Austgulen	68	20 000	20 068		
Leif Frode Onarheim	462		462		
Anders Chr Stray Ryssdal					
Leif T Løddesøl (chair)	4 576		4 576		
Helen Juell (alternate to the board)	13 494	500	13 994		
Sjur Galtung (alternate to Wilhelm Wilhelmsen)	3 964	2 634	6 598		
MANAGEMENT:					
Emil Gamborg (senior vice president)	882	200	1 082		
Nils P Dyvik (senior vice president)	250		250		
Hans Chr Bangsmoen (senior vice president)	888	210	1 098		
Erik Nes (president, Barwil Agencies)	426		426		
Svein Sørlie (president, Barber International)	312	10	322		

NOTE 3 COMBINED ITEMS INCOME STATEMENT

NOK mill	2000	1999	1998
Other operating expenses			
Intercompany expenses	34	25	35
Loss on bad debts	3	14	
Sales and administration expenses	62	53	23
Total other operating expenses	**99**	**92**	**58**
Financial income and expenses			
Dividend from subsidiaries	58	15	228
Group contribution	39	33	67
Dividend	28	25	20
Interest income	24	17	19
Interest income from subsidiaries	30	19	7
Net currency gain	3	26	6
Changes in market value - trading portfolio		23	
Total financial income	**182**	**158**	**347**
Interest expenses	(52)	(40)	(27)
Interest expenses to subsidiaries	(3)	(2)	
Changes in market value - trading portfolio	(36)		(71)
Other financial items			4
Total financial expenses	**(91)**	**(42)**	**(94)**
Net financial items	**91**	**116**	**253**

NOTE 4 TAXES

NOK mill	2000	1999	1998
Distribution of tax expenses for the year			
Payable taxes	(1)	1	4
Change in deferred tax	28		(21)
Total taxes	**27**	**1**	**(17)**
Tax effect of temporary differences			
Other fixtures	55	33	37
Current assets	(10)	6	(8)
Long-term liabilities/provisions for liabilities	(44)	(44)	(45)
Tax losses carried forward	(2)	(20)	
Effect of group contribution	10	7	
Total deferred tax (deferred tax benefit)	**9**	**(18)**	**(16)**
Deferred tax and change in deferred tax			
Deferred tax benefit 1.1.00	(18)		
Deferred tax related to group contribution	(1)		
Changes in deferred tax profit and loss	28		
Deferred tax 31.12.00:	**9**		
Basis for tax computation			
Income before taxes	156	5	(58)
28 per cent taxes	**44**	**1**	**(16)**
Tax effect from:			
Permanent differences		1	9
Non taxable income	(22)	(2)	(8)
Other	5	1	(2)
Calculated tax	**27**	**1**	**(17)**
Effective tax rate	**18%**	**28 %**	**30%**

NOTE 5 FIXED ASSETS

	Fixtures
Cost price 1.1.	32
Additions	9
Disposals	(2)
Cost price 31.12.	**39**
Accumulated ordinary depreciaton 1.1.	9
Accumulated ordinary depreciaton 31.12.	16
Book value 31.12.	**23**
Current year's depreciation	**9**
Economic lifetime	3-10 years
Depreciation schedule	Straight line

NOTE 6 INVESTMENTS IN SHARES

Where a reduction in the value of shares is considered to be permanent and significant, a write-down to net realisable value is recorded.

Company	Ownership	Cost price	Book value (NOK 1 000)
Barwil Agencies Ltd. UK (under liquidation)	100 %	268	268
ScanDutch BV, Netherlands	15 %	22	22
Bærum Lufthavn ASA		20	20
Fredrikstad Stuerkontor AS		1	1
Oceanor Eiendom AS		6	6
Total investments in shares		**317**	**317**

NOTE 7 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are recorded at cost. Where a reduction in the value of shares is considered to be permanent and significant, a write-down to net realisable value is recorded.

Company	Business office Country	Voting share Ownership share	Book value (NOK 1 000)
Abeer AS	Norway	100 %	6 850
Abeer Marine Services (S) Pte. Ltd.	Singapore	100 %	427
Agencies Maritimes Pommé SARL	France	100 %	15 832
Barber International Ltd.	Hong Kong	100 %	108 965
Barwil Agencies Ltd.	Hong Kong	100 %	111
Barwil Agencies Pte Ltd.	Singapore	100 %	
Barwil Agencies AS	Norway	100 %	4 400
Barwil Agencies Australia Pty. Ltd.	Australia	100 %	5 170
Barwil Agencies Limited	Gibraltar	100 %	1 500
Barwil Agencies Sdn. Bhd.	Malaysia	100 %	473
Barwil Agencies (New Zealand) Pty. Ltd.	New Zealand	100 %	25
Barwil Marine Sdn. Bhd.	Malaysia	100 %	
Barwil Ship Services S.L	Spain	100 %	53
Barwil - World Wide Maritime (Pty) Ltd.	South Africa	100 %	14 590
Bj. Ruud-Pedersen AS	Norway	100 %	3 400
BW World Wide Movers Sdn. Bhd.	Malaysia	100 %	
D.A. Knudsen & Co. Ltd.	Portugal	70 %	17 276
Den norske Amerikalinje AS (ex WON AS)	Norway	100 %	50
Global Transport Services AS	Norway	100 %	50
Intertransport (Hong Kong) Ltd	Hong Kong	100 %	418
Intertransport International Ltd AS	Norway	100 %	2 696
NAL AS (under liquidation)	Norway	100 %	50
Njord Insurance Company Ltd.	Bermuda	100 %	3 610
Pommé & Cie SARL	France	100 %	6 089
Port Klang Multipurpose Terminal Sdn. Bhd.	Malaysia	100 %	
Strandveien 20 ANS	Norway	99 %	139 587
The Wilhelmsen Terminal Ltd.	Latvia	90 %	428
Toronto AS (under liquidation)	Norway	100 %	50
Wilh. Wilhelmsen (Asia) Sdn. Bhd.	Malaysia	100 %	1 875
Wilh. Wilhelmsen (Hong Kong) Ltd	Hong Kong	100 %	50
Wilhelmsen Agencies AS	Norway	100 %	8 430
Wilhelmsen Insurance Services AS	Norway	100 %	50
Wilhelmsen Lines Agencies AB	Sweden	100 %	54
Wilhelmsen Lines AS	Norway	100 %	704 383
Wilhelmsen Lines Shipowning AS	Norway	100 %	457 626
Wilsea AS	Norway	100 %	122 940
WilService AS	Norway	100 %	1 113
Wilship I AS	Norway	100 %	240 848
Aagaard Euro-Oil AS	Norway	100 %	6 850
Total subsidiaries			**1 876 319**

NOTE 8 INVESTMENTS IN ASSOCIATES

Investments in associates are recorded at cost. Where a reduction in the value of shares is considered to be permanent and significant, a write-down to net realisable value is recorded.

Company	Business office Country	Voting share Ownership share	Book value (NOK 1 000)
Alghanim Barwil Shipping Co. W.L.L.	Kuwait	40 %	
Almoayed Barwil Limited	Bahrain	40 %	166
ATG Intertransport (Germany) GmbH	Germany	100 %	397
Barber Dubai Shipping Agencies Co. (L.L.C.)	UAE	50 %	5 726
Barwil Hellas Ltd. Shipping Agencies	Greece	60 %	50
Barwil (Thailand) Ltd.	Thailand	49 %	
Barwil Aberis Agencies Ltd.	Russia	50 %	3 166
Barwil Agencies Inc.	Taiwan	87.5 %	2 153
Barwil Agencies Poland Ltd.	Poland	100 %	15
Barwil Agencies SA	Panama	35 %	23
Barwil Black Sea Shipping Ltd	Gibraltar	50 %	6 626
Barwil Egytrans Shipping Agencies S.A.E.	Egypt	49 %	237
Barwil Forbes Shipping Services Ltd	India	50 %	479
Barwil Hyop Woon Agencies Ltd	Korea	50 %	409
Barwil Huayang Shipping Service Co. Ltd.	China	50 %	4 008
Barwil Meridian Navigation Ltd.	Sri Lanka	40 %	972
Barwil RoadSea Shipping & Forwarding Services	Iran	50 %	773
Barwil S & K Shipping Agencies	Lebanon	49 %	79
Barwil Ship Services (UAE) Ltd.	UAE	42.5 %	
Barwil Shipping (Pvt.) Ltd.	Pakistan	50 %	734
Barwil Shipping (India) Pvt. Ltd.	India	50 %	
Barwil Si. Mar. SRL	Italy	49 %	529
Barwil Smith Bell (Subic) Inc	Philippines	50 %	63
Barwil Star Agencies SRL	Romania	50 %	630
Barwil Ukraine Ltd.	Ukraine	75 %	428
Barwil Unimasters Ltd.	Bulgaria	50 %	
Barwil Universal Agencies Ltd	Turkey	50 %	386
Barwil Zaatarah Agencies Ltd.	Jordan	48.8 %	922
Bat-Haf Barwil Agencies Ltd.	Kenya	50 %	312
Baasher Barwil Agencies Ltd.	Sudan	50 %	73
International Shipping Co. Ltd	Yemen	49 %	258
Intertransport India Private Ltd	India	50 %	
Intertransport Ltd.	Taiwan	100 %	1 537
Lowill SA	Panama	35 %	
Norsul Barwil Agencias Maritimas LTDA	Brazil	49 %	1 168
S.I.A. Andersson Shipping	Latvia	49 %	370
Scan Cargo Services SA	Panama	35 %	23
Scanarabian Shipping Agencies	Egypt	49 %	242
Taiwan Agencies Inc.	Taiwan	87.5 %	
Towell Barwil Co. (L.L.C.)	Oman	30 %	762
Transocean OY AB	Finland	50 %	114
Total associates			**33 830**

NOTE 9 COMBINED ITEMS BALANCE SHEET

NOK mill	2000	1999	1998
Other long-term assets			
Loans to subsidiaries	658	449	139
Loans to employees	1		
Other long-term assets	14	26	24
Total other long-term assets	**673**	**475**	**163**
of which long-term debtors fall due after one year:			
Loans to subsidiaries	627	413	116
Other long-term assets	14	26	24
Total other long-term assets due after one year	**641**	**439**	**140**
Other current assets			
Short-term intercompany receivables	283	194	130
Other current receivables	49	52	69
Total other current assets	**332**	**246**	**199**
Other provisions for liabilities			
Social security tax pensions	21	21	19
Other provisions	13	17	21
Total other provisions for liabilities	**34**	**38**	**40**
Other current liabilities			
Dividend	103	87	80
Accounts payable	3	2	3
Intercompany payable	95	132	94
Other current liabilities	24	12	10
Total current liabilities	**225**	**233**	**187**

NOTE 10 SHORT-TERM FINANCIAL INVESTMENTS

NOK mill	Market value
Norwegian listed stocks	169
Foreign listed stocks	69
Structured products	28
Structured products, USD	8
NOK bonds	10
USD bonds	226
Total short-term financial investments	**510**

NOTE 11 EQUITY

NOK mill	Share capital	Own shares	Share premium reserve	Retained earnings	Total
Equity 31.12.99	73	(2)	835	1 620	2 526
Current year's change in equity					
Acquitition of own shares		(114)		(87)	(201)
Increase of capital in connection with bonus issue	1 085		(835)	(250)	
Amortisation	(58)	58			
Acquisition of own shares		(52)		(38)	(90)
Proposed dividend				(103)	(103)
Net income				129	129
Equity 31.12.00	**1 100**	**(110)**		**1 271**	**2 261**

At 30 September 2000, following decisions by the general meeting and board, the company had bought back 1 724 340 of its own Class A shares and 1 169 754 Class B shares on the open market in 1999 and 2000. Totalling some NOK 275.8 million, these purchases were made by the Wilhelmsen Lines Shipowning AS subsidiary. Through resolutions of the company's general meeting and board, it was decided to amortise 1 066 256 Class A and 353 282 Class B shares. Prior to amortisation, the relevant stock was transferred from the subsidiary to the parent company at market value. The general meeting also resolved to continue the programme of buying back the company's own shares. At 31 December 2000, Wilhelmsen Lines Shipowning AS owned 1 015 884 Class A and 1 734 112 class B shares with a total purchase price of roughly NOK 225.6 million. The justification for these purchases continues to be that the market price of the shares, in the view of the board, represents a favourable investment for the company's shareholders. In addition, holding a certain number of the company's own shares is felt to be appropriate for use as partial settlement in the possible acquisition of other businesses and for an option programme for leading employees.

The company's share capital comprises 18 800 000 Class A shares and 8 700 000 Class B, totalling 27 500 000 shares with a nominal value of NOK 40. Class B shares do not carry a vote at the general meeting. Otherwise, each share confers the same rights in the company.

The group owns 2 748 996 of its own shares through Wilhelmsen Lines Shipowning AS. See the specification on page 43.

NOTE 11 EQUITY *continued*

THE LARGEST SHAREHOLDERS IN WILH. WILHELMSEN ASA

Shareholder	A shares	B shares	Total number of shares	Per cent of total shares	Per cent of voting stocks
AS W. Wilhelmsen	3 403 376	397 996	3 801 372	13.82	18.10
Wilhelmsen Lines Shipowning AS	1 015 884	1 734 112	2 749 996	10.00	5.40
AS Orion Invest	2 377 752	247 218	2 624 970	9.55	12.65
Skips AS Tudor	2 033 278	10 000	2 043 278	7.43	10.82
Folketrygdfondet (National Insurance Fund)	802 000	880 000	1 682 000	6.12	4.27
Aksjefondet Odin Norden	8 500	1 639 924	1 648 424	5.99	0.05
AS Tres	1 042 688	130 336	1 173 024	4.27	5.55
Kassiopeia AS	985 792	101 224	1 087 016	3.95	5.24
Aksjefondet Odin Norge	192 742	754 200	946 942	3.44	1.03
Vital Forsikring ASA	466 000	302 300	768 300	2.79	2.48
Kommunale Landspensjonskasse	580 580		580 580	2.11	3.09
Gjensidige Nor Spareforsikring	212 918	242 600	455 518	1.66	1.13
AS Wingana	322 630	63 234	385 864	1.40	1.72
Rasmussengruppen AS	357 000		357 000	1.30	1.90
Storebrand Livsforsikring	44 400	303 144	347 544	1.26	0.24
Verdipapirfondet Avanse Norge	318 000		318 000	1.16	1.69
Verdipapirfondet Avanse Norden	86 700	213 400	300 100	1.09	0.46
Tom Wilhelmsens Stiftelse	185 200	88 000	273 200	0.99	0.99
DNB Real - Vekst	61 754	200 000	261 754	0.95	0.33
Postbanken Aksjespar	220 000	30 000	250 000	0.91	1.17
Oslo Pensjonsforsikring AS	180 200	11 000	191 200	0.70	0.96
Vår Aksjefond	137 000	50 000	187 000	0.68	0.73
DNB Real - Invest	32 888	130 186	163 074	0.59	0.17
Other	3 732 718	1 171 126	4 903 844	17.84	19.83
Total	**18 800 000**	**8 700 000**	**27 500 000**	**100.00**	**100.00**

Of the total number of A shares at 31.12.00, 554 489 (2.95 %) were owned by foreigners. The corresponding figures for 1999 were 211 832 (2.1 %). Foreigners owned 200 249 (2.3 %) of the B shares compared to 95 606 (2.1 %) one year earlier.

NOTE 12 PENSIONS

Number of people in pension plans 31.12:

Funded pensions (collective pension plans) and other pensions (unfunded).
Pension funds are primarily invested in bonds, listed shares and real property.

		Funded			Unfunded	
	2000	1999	1998	2000	1999	1998
Number of people:						
Employees (including disabled)	83	79	88	377	399	428
Retired employees	263	269	272	604	614	585
Total	**346**	**348**	**360**	**981**	**1 013**	**1 013**

Financial assumptions for the pension calculations:

	2000	1999	1998
Expected rate of return on assets in pension plans	7 %	7 %	7 %
Discount rate	6 %	6 %	6 %
Annual pay regulation	3 %	3 %	3 %
Annual regulation of base amount (national security)	2.5 %	2.5 %	2.5 %
Annual regulation of pensions	2 %	2 %	2 %

Specification of pension cost (NOK 1 000):

		Funded			Unfunded	
Defined benefit pension:	2000	1999	1998	2000	1999	1998
Net present value of current year's service expense	3	3	2	1	1	1
Interest expenses related to service expense	11	10	10	21	16	16
Return on assets in pension plans	(17)	(17)	(17)			
Recognised changes in estimates and variances	1			6	1	
Net pension expense	**(2)**	**(4)**	**(5)**	**28**	**18**	**17**

Specification of net pension liabilities reflected in the balance sheet at 31.12.:

		Funded			Unfunded	
	2000	1999	1998	2000	1999	1998
Calculated pension liabilities	(180)	(172)	(168)	(347)	(273)	(273)
Plan assets at market value	242	249	256			
Plan assets greater (lesser) than calculated pension liabilities	62	77	88	(347)	(273)	(273)
Unrecognised changes in estimates	48	31	16	114	44	39
Net recognised pension liabilities	**110**	**108**	**104**	**(233)**	**(229)**	**(234)**
Accrued social security tax (note 9)				(21)	(21)	(19)

NOTE 13 LONG-TERM INTEREST-BEARING DEBT

NOK mill	2000	1999	1998
Long-term interest-bearing debt			
Mortgage debt	179	201	228
Bonds	425		
Certificate loans	265	290	115
Total long-term interest-bearing debt	**869**	**491**	**343**
Book value of mortgaged assets			
Shares	1 064	1 234	1 669
Repayment schedule for long-term interest-bearing debt:			
Due in 2001	265		
Due in 2002			
Due in 2003	425		
Due in 2004			
Due in 2005 or later	179		
Total long-term interest-bearing debt	**869**		
Guarantee commitments			
Guarantees for group companies	44	627	698

AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Wilh. Wilhelmsen ASA

We have audited the annual financial statements of Wilh. Wilhelmsen ASA as of 31 December 2000, showing a profit of NOK 129 million for the parent company and a profit of NOK 51 million 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 allocation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements 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 the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices 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.

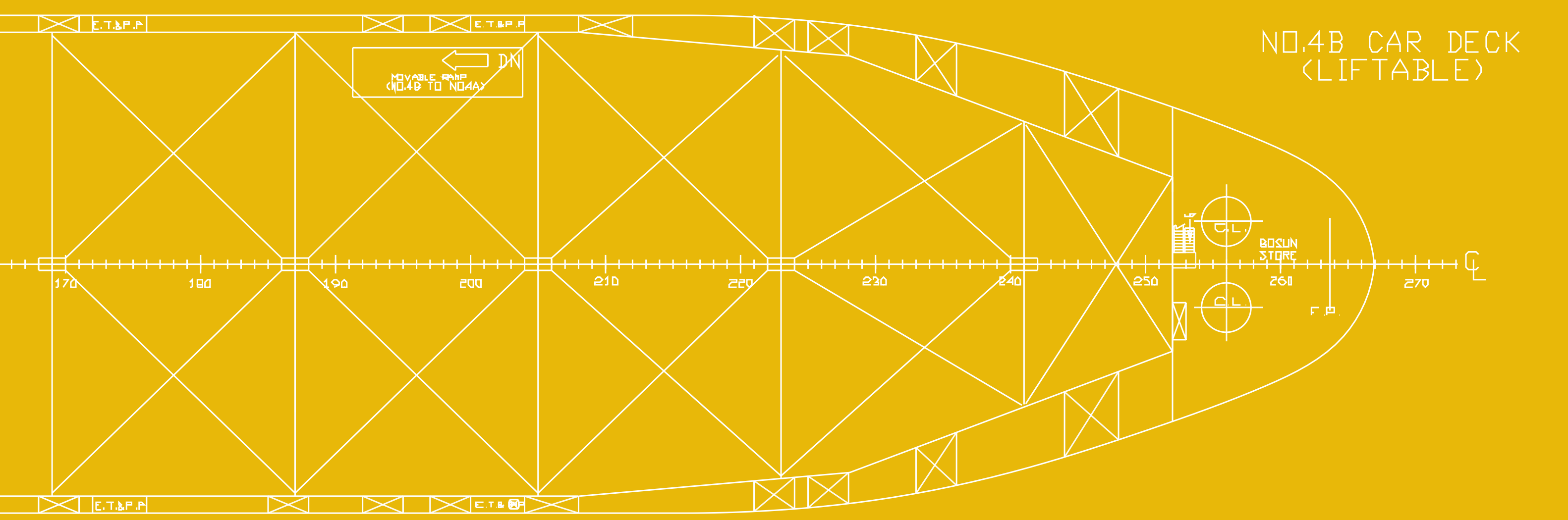
In our opinion,

- the financial statements have been prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of 31 December 2000, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information given in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, 21 March 2001
PricewaterhouseCoopers DA

Per Hanstad
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.



FROM STEEL TO KNOWLEDGE

Traditionally, the shipping business is associated with owning ships. The larger the fleet, the larger the shipping company. This also used to be the case for our company. All the same, a quick look back will show that we as a company have undergone a gradual conversion towards becoming a knowledge-based maritime business. This development can be traced right back to 1911, which was the year we began our liner business.

We have sometimes been conscious of this change, while on other occasions it has only been evident with hindsight. At this point in our history, however, the trend is quite clear. Our roughly 12 200 employees world-wide now administer a unique maritime knowledge.

This is also a form of capital, even though it does not appear on any balance sheet. I would go so far as to maintain that our employees and their expertise represent our most important capital. We still own ships, but in today's business they represent only one of many instruments for reaching our financial targets.

In fact, 2001 could prove a turning point in this development. It is likely to be the first year in which our operations outside the car carrier and ro-ro segment make a really substantial contribution to our results. The direction is at any rate clear. Both in Wallenius Wilhelmsen Lines and perhaps even more in the rest of the group, we see the biggest opportunities for growth and earnings in the areas where we build on knowledge — not steel.

Our business is based on shipping and will continue to be so for the foreseeable future. That does not mean we must own all the vessels used in our operations. In our present development phase, it would be equally natural to invest in people and expertise.

This is why we are now introducing a result-based pay system, which will eventually embrace as large a proportion of our many employees world-wide as possible. By rewarding results, we hope to strengthen the sense of community between company and individual, and to give our employees a proprietary attitude to the results achieved.

Removing artificial barriers between the various parts of our business is an important component in this strategy. We will work across the individual units and subsidiaries where that gives the best results. Only by strengthening our internal collaboration can we reap a full return from our large collective knowledge capital.

We must all live up to these challenges by showing that we are adaptable and by being willing to accept continual change. But some things will remain the same. In my short time as chief executive, I have experienced even more strongly than before the importance of predictable ownership for a global organisation like ours. Our stable ownership remains unchanged, even in the turbulent capital market which characterises our times. Our employees can concentrate on value creation without having to worry about new ownership structures and constellations.

The stock market, which likes restructurings in part because it makes money from them, are not equally enthusiastic. Our asset value becomes less visible. An unchanging ownership structure also means that those who want to be co-owners with us must accept joining a long-term journey in which value is built over time and in which the return to shareholders primarily takes the form of earnings per share and dividend.

Unfortunately, Norway does not provide us with framework conditions for private ownership which promote long-term thinking and predictability. Private owners find themselves taxed differently from other categories of owner — the public sector, institutional and foreign investors and private companies. In my view, private ownership carries the heaviest commitment and gives the greatest predictability and stability for employees. At the same time, this category of owner is in retreat. Shares in private ownership are subject to wealth tax. In addition, Norway has introduced a dividend tax this year — a form of double taxation of shareholders who have already paid tax on possible profits through company taxation. Inheritance tax will also have a big impact for private owners when generations change.

These conditions have a negative effect on our long-term strategy. The latter rests precisely on a long-term approach and predictability, where stable ownership is the very glue which binds the organisation together. All the same, we have jointly succeeded in developing the WW group into one of Norway's leading centres of maritime expertise. Our roughly 12 200 employees work on every continent and in over 60 countries. Our results are created through the interaction between these human resources. Each of us can feel a sense of pride in and security from belonging to a strong team. In a value chain which extends from producer to consumer, with a substantial maritime component, the WW group is committed to being a maritime brand and preferred business partner. We already occupy that position, and will build further on this base through our commitment to people and knowledge.

W. Wilhelmsen

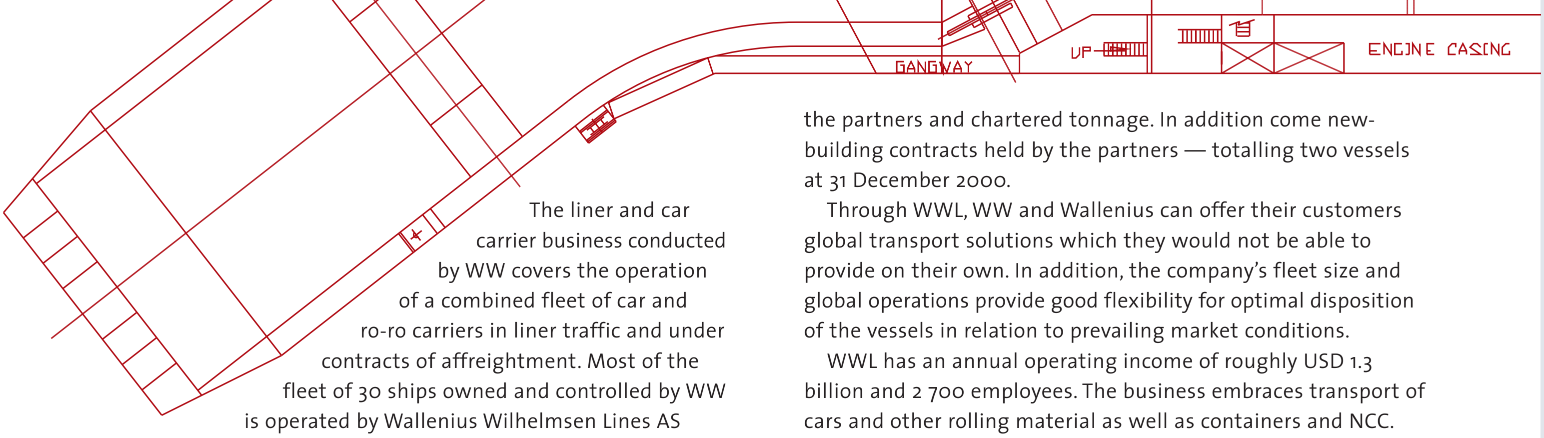
Wilhelm Wilhelmsen

THE LINER AND CAR CARRIER BUSINESS

DATE	TIME	POSITION
31.12.00	24:00:00 GMT	S 32° 07' E 129° 02'

TARAGO	PORT
	CARGO
	CREW

TYPICAL CARGOES IN THE TRAFFIC BETWEEN EUROPE / USA AND AUSTRALIA: CARS, TRACTORS, EXCAVATORS, COMBINE HARVESTERS, PAPER, PRINTING MACHINERY, MACHINECOMPONENTS, TRANSFORMERS, PLEASURE BOATS, ESCALATORS, MOVING PAVEMENTS AND WIND TURBINES.



The liner and car carrier business conducted by WW covers the operation of a combined fleet of car and ro-ro carriers in liner traffic and under contracts of affreightment. Most of the fleet of 30 ships owned and controlled by WW is operated by Wallenius Wilhelmsen Lines AS (WWL), a company established in 1999 and owned jointly with Walleniusrederierna AB in Stockholm. Results for the liner and car carrier business in 2000 were somewhat better than the year before. The market for ro-ro cargo held up well throughout the year. However, the car market was affected by excess tonnage towards the end of 2000 with some reduction of volumes in certain trades. Phasing in WW's new Mark IV ro-ro carriers functioned very satisfactorily.

Company structure at 31 December 2000

The liner and car carrier business in Wilh. Wilhelmsen AS is concentrated in the wholly-owned subsidiaries Wilhelmsen Lines Shipowning AS and Wilhelmsen Lines AS. Wilhelmsen Lines Shipowning AS controls 25 car and ro-ro carriers, including 18 wholly-owned and seven on long-term bareboat charters. The largest part of this fleet — 22 ships — is on long-term time charter to WWL. The charterparty rate is based on a calculated proportion of WWL's earnings for each vessel. Barber International is responsible for manning and technical management of these vessels. Wilhelmsen Lines AS owns one ro-ro carrier — a newbuilding on bareboat charter to Wilhelmsen Lines Shipowning AS — and three vessels under the US flag in which WW has equity interests. It also owns 50 per cent of the share capital in WWL.

Wallenius Wilhelmsen Lines

WWL ranks as the world's largest operator for freighting cars and rolling cargo, with a substantial global distribution network, including land transport. The company is accordingly strongly placed to meet the world-wide transport requirements of its customers.

A number of mergers and acquisitions again occurred during 2000 in the car industry and among producers of rolling cargo, such as construction and agricultural machinery. This reduces the number of players on a world basis. These customers want a smaller number of sub-contractors, who face stronger demands for flexibility and integrated global transport solutions.

A significant challenge in coming years will be to offer customers integrated logistical solutions which embrace maritime ship-ment, port operations and land transport. This in turn makes demands on fleet size, port facilities and inland transport. It also calls for integrated computerised management systems for total logistical services.

WWL was established on 1 July 1999 by Walleniusrederierna AB and Wilh. Wilhelmsen ASA, and is responsible for commercial operation of the partners' car and ro-ro carriers. The collaboration is based on an eight-year agreement with extension clauses. WWL operates a fleet of 65 ships, including vessels owned by the partners and chartered tonnage. In addition come newbuilding contracts held by the partners — totalling two vessels at 31 December 2000.

Through WWL, WW and Wallenius can offer their customers global transport solutions which they would not be able to provide on their own. In addition, the company's fleet size and global operations provide good flexibility for optimal disposition of the vessels in relation to prevailing market conditions.

WWL has an annual operating income of roughly USD 1.3 billion and 2 700 employees. The business embraces transport of cars and other rolling material as well as containers and NCC. Cars account for almost 50 per cent of operations. The company has a global route network and is organised in four regions in addition to the land-based business, in which Richard Lawson ranks as the largest entity.

Vessel operation

Technically speaking, all the vessels operated well in 2000 with minimal off-hire. However, one of the ships under the US flag damaged its rudder in a harbour collision and required 1.5 months to effect repairs.

The vessels are managed by Barber Ship Management, with the exception of those under the US flag. These are managed by two American management companies.

As in previous years, a number of courses and conferences were staged for seagoing personnel to identify and implement improvement measures on the management and operational side. This work is coordinated with WWL as operator of the vessels.

The recruitment programme for younger officers was continued in 2000, when the proportion of foreign officers also increased somewhat.

Environmental measures

All WW's vessels are already certified in accordance with the ISM code. This specifies requirements which the company has considered it expedient to adopt, not least as part of its injury/damage prevention efforts. The authorities require that all vessels be certified by 1 July 2002.

A programme to achieve ISO 14001 certification of environmental standards on all the ships has been initiated and is well under way.

Newbuildings

Wilhelmsen Lines Shipowning AS awarded a contract to Daewoo Heavy Industries of Korea in 1999 for the construction of a ro-ro carrier with delivery in February 2001. This had a design corresponding to the three newbuildings delivered in 2000. Cooperation with the yard on supervising the newbuilding contract functioned very well. The vessel was named Tamerlane and delivered as scheduled on 15 February 2001.

Tonnage sales

Wilhelmsen Lines Shipowning AS and Wilhelmsen Lines AS concluded an agreement in 2000 on the sale of two small wholly-owned ro-ro carriers and two pure car carriers (PCCs) owned 50 per cent. One of the ro-ro carriers was delivered in the last quarter of 2000, while the three other vessels were delivered to their new owners in January-February 2001.

FACTS LINER AND CAR CARRIER BUSINESS 31.12.00:

FLEET	30 vessels, including 14 PCTCs, 12 large ro-ro carriers, three PCCs and a small ro-ro ship.
OWNERSHIP	20 vessels wholly-owned, four owned 50 per cent, and six on long-term bareboat charter.
EMPLOYMENT	26 vessels in WWL, three under the US flag with WW equity interests and one on a long-term time charter.
NEWBUILDINGS	One large ro-ro carrier delivered in February 2001.
SALES (DECIDED IN 2000)	Two PCCs (owned 50 per cent) in January 2001, and a small ro-ro carrier (wholly-owned) in February 2001.

Cars

Global sales of cars and other light vehicles increased again in 2000, by three per cent to a total of just over 54 million units. North America continued to lead this development, with overall sales of cars and other light vehicles in the region rising by four per cent to almost 20 million units. Sales declined somewhat in western Europe during 2000, after a long period of continuous growth. The Asian market continued to progress, although sales rose less than in earlier years and remained overall below the peak year of 1996. An incipient increase in sales could also be detected for vehicle markets in South and Central America after a sharp decline in 1998 and 1999.

Global transport of cars and other light vehicles increased by about 4.5 per cent in 2000 to a new record of almost eight million units. Exports from Japan increased by one per cent, with Japanese vehicle shipments rising to all regions other than Europe and Africa. Exports rose by just over 11 per cent from Korea and eight per cent from western Europe, while North American shipments of new vehicles declined by eight per cent.

Volumes (1 000 units) in the principal transport routes for cars:

Transport routes	1999	2000
Japan – North America	1 724	1 834
Japan – northern Europe	1 042	878
Korea – North America	453	612
Korea – northern Europe	433	358
Europe – USA – Europe	1 022	1 073
Asia – South/Central-America	370	447

Ro-ro

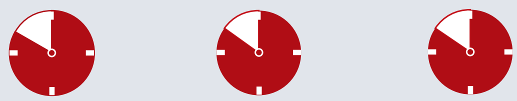
The ro-ro segment primarily comprises two components — construction machinery and agricultural machinery. Generally speaking, 2000 was a less positive year than 1999. Total shipments declined somewhat over the year, partly as a result of lower American exports to Asia and Europe. Shipments to North America from both Europe and Asia increased somewhat in 2000, but less than expected.

NCC

Non-containerised cargo (NCC) comprises many different segments, with considerable differences in the development of both global and regional demand. As a result, demand for maritime transport is very variable. Despite a decline in paper volumes from North America to Europe, total NCC volumes shipped by WWL increased in 2000 compared with the year before.

Share of gross revenue

2000 1999 1998



83.3 % 84.9 % 84.5 %

Share of primary operating income

2000 1999 1998

86.9 % 90.8 % 84.0 %

Competition

The competitive position in the car and ro-ro market showed little change in 2000, and newly-established WWL's share of the global market was relatively unchanged from earlier years.
This company's strong position in certain important main trades — primarily the Atlantic, where volumes increased more than the rest of the market — had a positive effect. But sharp increases in trades with little or no WWL presence had a negative impact on its global position.

The emergence of "third-party and fourth-party logistic providers" (3PL and 4PL) is continuing. One example is United Parcel Services (UPS), which has taken over part of the development of Ford's logistical planning. As before, WWL is following this trend closely, and also developing its own total logistical solutions for car and ro-ro carrier customers.

A total of 34 new pure car and pure car/truck carriers (PCC/PCTC) were delivered in 2000, bringing the overall world fleet to 409 after six ships were taken out of the market.

Customers

The six large car manufacturers (including alliance partners and/or controlled companies) — General Motors, Ford, Toyota, DaimlerChrysler (including Mitsubishi), Volkswagen and RenaultNissan — accounted for more than 70 per cent of world vehicle production in 2000.

The consolidation process in the global vehicle industry continued. GM is forging ever closer ties with Fiat and Suzuki, while DaimlerChrysler's alliance with Hyundai (which earlier had a technical collaboration with Mitsubishi) looks like being an important part of the company's strategic planning in Asia.
The final solution for Daewoo's vehicle production in Korea and other regions remains uncertain.

Work continues on developing internet-based communication, relating both to procurement/sale and to simplifying access to research results on production and distribution processes.
During 2000, for instance, Covisint was established by GM, Ford, DaimlerChrysler and RenaultNissan. This business has been launched with the participation of important sub-contractors for these manufacturers.

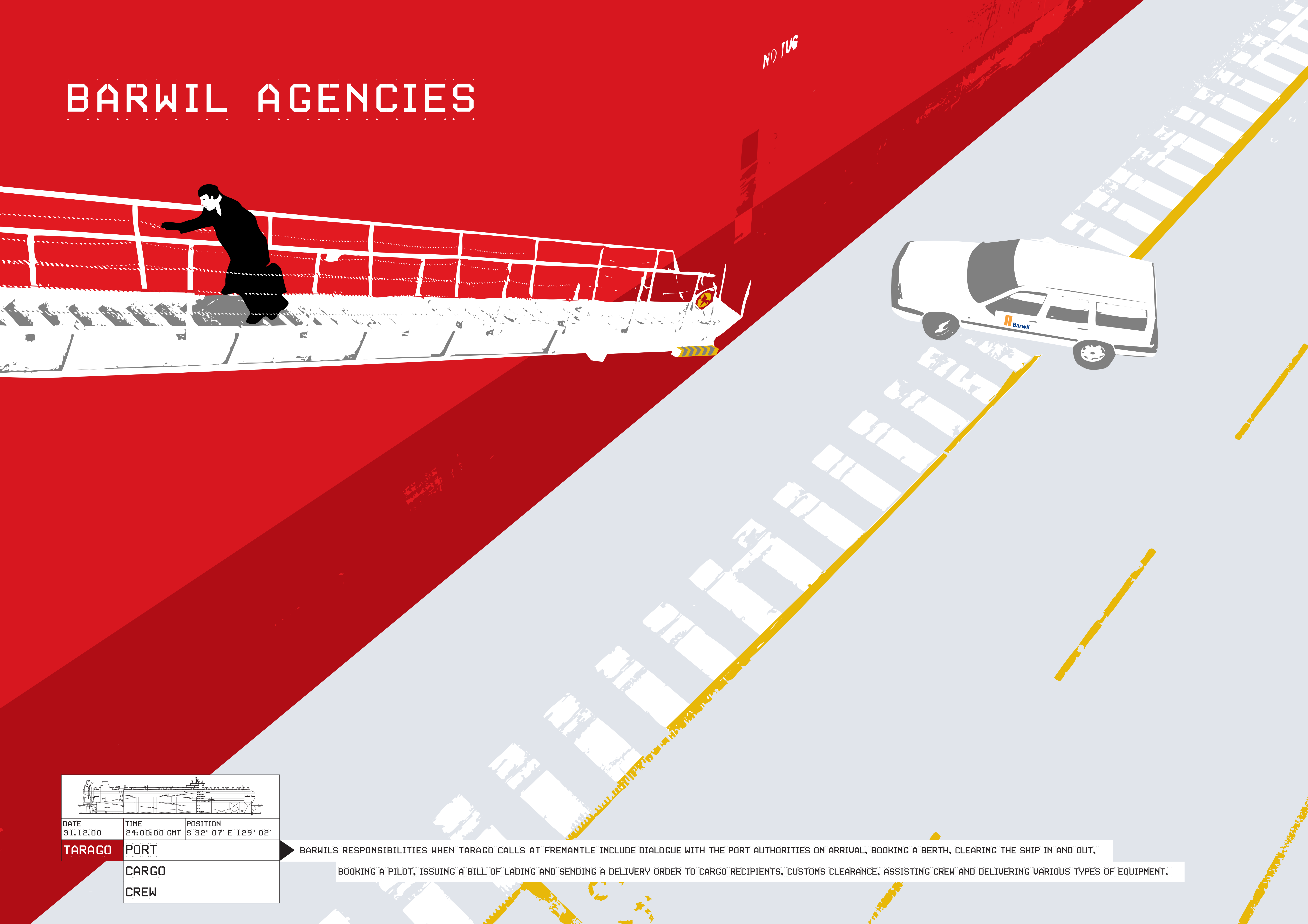
Prospects

Overall volumes of car and ro-ro cargo are expected to decline slightly in 2001, reflecting an anticipated fall in volumes from Asia to Europe and North America, and in the Atlantic. Other Asian exports and shipments from Europe to Asia and Oceania are expected to increase.

Volumes of high and heavy (H/H) cargo are expected to rise, primarily driven by growth in the Atlantic, in the traffic between Asia and North America and in shipments from Europe to Asia and Oceania. Eleven new PCC/PCTCs are due to be delivered in 2001. At the same time, the overall age of the fleet is rising.
This means there were 75 ships aged 20 years or more at 31 December 2000, and 15 will become more than 25 years old during 2001.

USD mill	2000	1999	1998
Gross revenue	*696.3*	*667.3*	*670.3*
Primary operating income	*144.2*	*113.0*	*140.5*
Ordinary depreciation	*(56.7)*	*(51.5)*	*(50.5)*
Net operating income	***87.5***	***61.5***	***90.0***
Net financial items	*(43.2)*	*(20.0)*	*(27.1)*
Income before taxes	*44.3*	*41.5*	*62.9*
Taxes	*(5.9)*	*(4.8)*	*(2.3)*
Net income	***38.4***	***36.7***	***60.6***

BARWIL AGENCIES



DATE	TIME	POSITION
31.12.00	24:00:00 GMT	S 32° 07' E 129° 02'
TARAGO	PORT	
	CARGO	
	CREW	

BARWILS RESPONSIBILITIES WHEN TARAGO CALLS AT FREMANTLE INCLUDE DIALOGUE WITH THE PORT AUTHORITIES ON ARRIVAL, BOOKING A BERTH, CLEARING THE SHIP IN AND OUT, BOOKING A PILOT, ISSUING A BILL OF LADING AND SENDING A DELIVERY ORDER TO CARGO RECIPIENTS, CUSTOMS CLEARANCE, ASSISTING CREW AND DELIVERING VARIOUS TYPES OF EQUIPMENT.

Barwil Agencies AS (Barwil), a wholly-owned subsidiary of WW, operates an extensive international ship agency network with associated activities. The network is a world leader in this field, and the geographical scope of its operations has expanded strongly in recent years. Activity was very high in all areas of the company's business in 2000, and the financial results were good with clear improvements from the year before. The head office at Lysaker administers two principal businesses: a global network of ship agencies and operation of a fleet of service vessels for the oil industry in the Middle East and south-east Asia.

Barwil continued to expand during 2000. This global growth is pursued through new ventures, acquisitions, cooperation agreements or management deals. The company has become involved in new businesses together with local partners in some areas, such as terminal operations, inland transport and warehousing.

Through its own and associated companies, Barwil's business now embrace 185 offices in 54 countries. Partnerships and joint ventures have been formed with local interests in 40 of these nations. The company operates 31 service vessels in the Middle East and south-east Asia. At 1 January 2001, roughly 2 700 people in all were employed in Barwil's operations.

Agency network

Barwil's international agency network represents a number of major liner operators and roughly 2 500 tramp, tanker, cruise ship and gas carrier operators and charterers.

The company offers a broad range of ship agency and associated services. Barwil cleared some 25 000 ship calls through its agency network in 2000, and opened new offices in Qatar, Pakistan, Iran, Portugal and Armenia.

During the year, the company took delivery of a new vessel for port operations in Algeciras. It also acquired substantial equity holdings in the ship agency business in the United Arab Emirates, Poti and Novorossiysk. Terminal operations were also expanded, and Barwil completed a new timber terminal with drying facilities at Riga in Latvia.

Service vessels

Through its Abeer Marine Services affiliate, Barwil operated 31 service vessels for the oil industry in the Arabian Gulf and south-east Asia in 2000. Financial results for the year from this business were good.

The fleet comprises aluminium-hulled vessels measuring 85-135 feet long, built to a standard American design. Propulsion is provided by diesel engines, giving a service speed of about 20 knots. These vessels have proved very suitable for Barwil's operation in the Middle East and south-east Asia, and the fleet is renewed regularly. A new vessel was delivered to Abeer Marine Services in January 2001, and immediately entered a long-term charter in the Middle East.

With a very good workload in 2000, the service vessels operate mainly on medium- and long-term charterparties (two-seven years), with options for cancellation.

Employment is largely secured through long-term relations with key players in the offshore industry in the Arabian Gulf and south-east Asia. The vessels are used for supply services, crew change and inspection of oil installations, and are therefore shielded to a degree from political or price changes. Abeer Marine Services seeks to ensure an appropriate spread of the vessels over several charterers and charters of varying duration in order to reduce exposure to short-term fluctuations in the level of rates. Several medium-term contracts secured in 2000 will ensure good future employment.

Barwil expects a better result in 2001 than in 2000 because the conditions which adversely affected its performance in the latter year are not expected to influence the company to the same extent.

Aagaard Euro-Oil

Aagaard Bunker Brokers AS acquired Euro-Oil AS on 1 May, and the new company was renamed Aagaard Euro-Oil AS. This business now employs eight brokers, and handled about 2.4 million tonnes of bunkers oil in 2000. That volume makes the company Norway's largest bunkers broker, and positions it among the biggest in Europe.

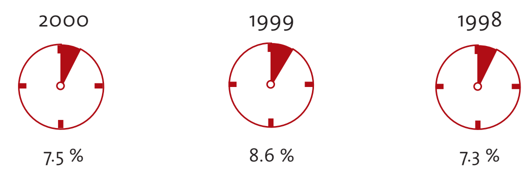
In addition to Wallenius Wilhelmsen Lines, the company purchases bunkers for a number of large shipping companies in Norway and abroad. It now also offers bunkers hedging to its customers in addition to normal broking and trading.

In connection with the winding-up of Wilship on 1 June, administrative responsibility for Aagaard Euro-Oil was transferred to Barwil.

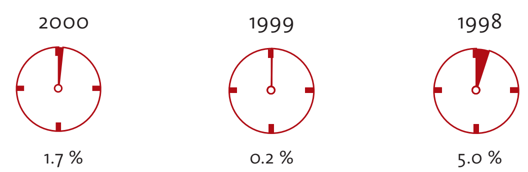
Operation of Aagaard Euro-Oil was very satisfactory, and substantial synergies were achieved from the merger. The financial results are good.

USD mill	**2000**	**1999**	**1998**
Gross revenue	*62.6*	*67.6*	*57.7*
Primary operating income	*2.9*	*0.3*	*8.4*
Ordinary depreciation	*(4.3)*	*(3.8)*	*(2.8)*
Net operating income	***(1.4)***	***(3.5)***	***5.6***
Net financial items	*7.2*	*6.3*	*3.5*
Income before taxes	*5.8*	*2.8*	*9.1*
Taxes	*(0.2)*	*0.2*	*(1.1)*
Net income	***5.6***	***3.0***	***8.0***

Share of gross revenue



Share of primary operating income



BARWIL'S AGENCY OFFICES

REGION NORTH EUROPE	Gothenburg	Hamburg	Riga	Sopot	
	Helsinki	Oslo	Szczecin	Tallin	
ASSOCIATED OFFICES	Antwerpen	Ghent	Zeebrugge		
REGION MEDITERRANIAN, SOUTH EUROPE, MIDDLE EAST, AFRICA, BLACK SEA	*South East Europe*	*Middle East*		*Africa*	*Black Sea*
	Algeciras	Abu Dhabi	Ras al Khaimah	Alexandria	Batumi
	Augusta	Aden	Ras Tanura	Cape Town	Bourgas
	Aveiro	Amman	Riyadh	Damietta	Constantza
	Beirut	Aqaba	Ruwais	Durban	Ilyichevsk
	Gibraltar	Bandar Abbas	Salalah	Cairo	Novorossiysk
	Haydarpasa	Bandar I. Khomeini	Teheran	Khartoum	Odessa
	Iskenderun	Bahrain	Yanbu	Mombasa	Poti
	Istanbul	Dammam		Port Said	Varna
	Izmir	Dubai		Port Sudan	
	Leixoes	Doha		Richards Bay	
	Lisbon	Fujairah		Suez	
	Lisnave	Hodeidah			
	Marseille	Jebel Ali			
	Piraeus	Jeddah			
	Port de Bouc	Jubail			
	Sete	Kharg Island			
	Setubal	Karachi			
	Sines	Kuwait			
	Siracusa	Mukalla			
	Thessaloniki	Muscat			
	Viano Do Costelo	Rabigh			
REGION AMERICAS	*North America*			*Central America*	*South America*
	Beaumont	New Orleans	Portland (Oregon)	Cristobal	Santos
	Houston	New York	San Fransisco	Panama City	Sao Paulo
	Los Angeles	Norfolk	Seattle		
	Mobile	Philadelphia			
REGION OCEANIA	*Australia*				*New Zealand*
	Adelaide	Darwin	Melbourne	Townsville	Auckland
	Bell Bay	Fremantle	Newcastle	Weipa	Christchurch
	Brisbane	Geelong	Port Hedland	Whyalla	Tauranga
	Cairns	Gladstone	Port Kembla		Wellington
	Dampier	Mackay	Sydney		Whangarei
REGION SOUTH-EAST ASIA	Ahmedabad	Cochin	Kuala Lumpur	Mumbai	Sriracha
	Balikpapan	Colombo	Kuantan	New Dehli	Subic Bay
	Bangkok	Danang City	Kuching	Paradip	Surabaya
	Banjarmasin	Goa	Labuan	Pasir Gudang	Tanjung Priok
	Belawan	Haldia	Lahad Datu	Penang	Tanjung Redeb
	Bintulu	Ho Chi Minh City	Lumut	Port Klang	Tuticorin
	Bontang	Jakarta	Malacca	Samarinda	Vishakhapatnam
	Calcutta	Kakinada	Mangalore	Semarang	Vung Tau City
	Chennai	Kemaman	Maptaphut	Sibu	
	Cilegon	Kota Kinabalu	Miri	Singapore	
REGION FAR EAST	Beijing	Inchon	Quingdao	Taichung	Ulsan
	Busan	Kaohsiung	Seoul	Taipei	Xianen
	Dalian	Keelung	Shanghai	Tianjin	Zhuhai
	Hong Kong	Ningbo	Shenzhen	Tokyo	


BARBER INTERNATIONAL
DATE
31.12.00
TIME
24:00:00 GMT
POSITION
S 32° 07' E 129° 02'
TARAGO
PORT
CARGO
CREW
TARAGOS CREW OF 23 INCLUDES THREE NATIONALITIES. FIVE OF THEM ARE NORWEGIAN: CAPTAIN, FIRST OFFICER, CHIEF ENGINEER, ELECTRICIAN AND TRUCK REPAIRER.
TWO ARE INDIAN: RADIO OFFICER AND STEWARD. SIXTEEN HAIL FROM THE PHILIPPINES: SECOND AND THIRD OFFICERS, BOSUN, ABLE SEAMEN, ENGINE ROOM PERSONNEL, FITTER, COOK AND MESSMAN.

Barber International Ltd of Hong Kong (Barber) ranks as one of the world's leading international service companies for ship management, manning, training of seagoing personnel, technical-maritime consultancy services and delivery of information technology solutions to the shipping sector. The company had operations offices in Kuala Lumpur, Oslo and New Orleans during 2000 as well as its own manning offices in Mumbai, Calcutta, New Delhi, Stettin, Novorossiysk, Chittagong, Bangkok, Djakarta, Dhaka, Manila, Constanza, Miami and Oslo. In addition, Barber owns International Tanker Management Ltd, which specialises in tanker management. This company has its head office in Dubai and branch offices in Oslo and Singapore.

About 6 000 seagoing personnel are attached to Barber's operations, and the company was responsible at 31 December 2000 for full management or manning on 208 ships. This fleet is owned by roughly 70 companies from all parts of the world, and sails under 13 different flags. Some 12.5 per cent the overall business relates to the WW fleet.

Barber could report satisfactory results in operational, financial and market terms. Work continued on safety and quality management, organisational development and marketing.

Market

Barber gained entry to the big cruise market by concluding an agreement to provide subordinate seagoing personnel for one of the USA's largest cruise operators. Manning services for the international cruise industry represent a business area with great potential for Barber in that a substantial number of new cruise liners are due for delivery in coming years. Up to 31 December 2000, Barber had supplied some 800 seagoing personnel to serve on cruise liners. The number of jobs on such vessels is expected to rise substantially in 2001. This reflects stricter requirements for training and expertise development, which can be met at Barber's various training centres. The market for management services remains somewhat uncertain in 2001, while demand for quality assurance services looks like expanding. A great deal of structural change is taking place in this industry, and the recently announced merger between two of the principal players — Acomarit and V-ships — is an example of the way the business is tending towards larger and fewer companies.

The recent groundings with consequent oil spills have attracted much media coverage and emphasise the need for an even stronger focus on operational reliability and environmental protection. WW is convinced that Barber's long-term commitment to safety and quality will give the company a competitive advantage.

Barber Software Solutions (Bass) succeeded in completing and implementing several software applications during 2000. The focus is now on expanding the customer base for the various Bass systems on offer. A number of new clients were secured during the year, and an increased commitment to marketing is expected to expand the customer portfolio even further over coming months. Bass' main competitive advantage lies in its ability to utilise Barber's substantial experience in all aspects of ship management and manning. This ensures user-friendly system development of applications on the basis of practical experience. Bass has built up development resources in countries with a favourable cost structure, such as Malaysia and India.

Operations

Overall operation of the fleet was satisfactory in 2000.

Barber's fleet of vessels under management met all the obligatory standards set by the International Safety Management (ISM) code long before the deadline of 1 July 2002. Quality has long been Barber's trademark, and the company will continue to exert itself to meet tough quality challenges beyond those enshrined in international regulations governing the industry. On that basis, the company has opted to implement the ISO 14001 environment management system standard at all its ship management offices by July 2001.

New business areas

A joint venture — Barklav Romania SRL — was established by Barber with the Torvald Klaveness group. This company supplies Romanian officers and crew as well as training services to shipping companies world-wide.

Barber's Indian Maritime Training Centre (IMTC) won a contract from a major Japanese client who wishes to use this facility to develop programmes tailored for its Indian crew. As a result of good expansion during 2000 and good prospects, the IMTC moved into new and larger premises in Mumbai.

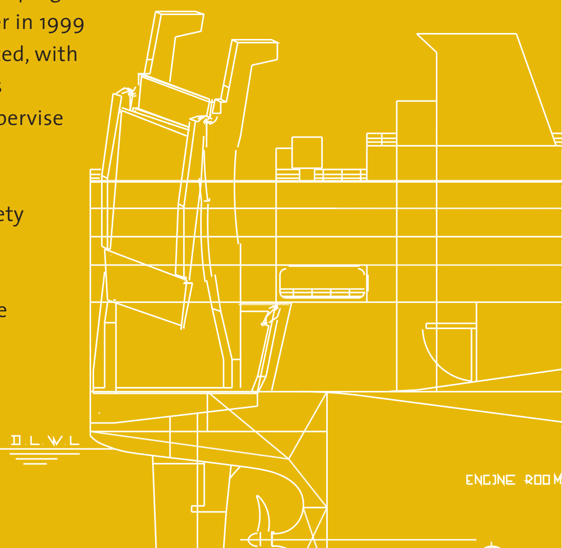
The company also established a representation office in Manila, which will cooperate closely with the various manning agencies used by Barber in the Philippines as well as supervising recruitment and selection of Filipino seafarers working on ships under Barber's management.

On the software side, Bass established a collaboration with Gard Services AS to market and further develop the latter's Safir safety and reporting system. This programme is already used by more than 50 shipping and ship management companies for loss and injury prevention at sea and on land in accordance with the ISM code.

Organisation and resources

The reorganisation programme initiated by Barber in 1999 has been completed, with regional branches established to supervise Barber's offices world-wide.

The former safety quality assurance group (SQAG) has been renamed the



safety, health and environment (SHE) group and incorporated in Barber Marine Consultants in order to contribute more operations expertise and experience to this consultancy and engineering unit.

All manning operations in Barber have been consolidated in an independent business area called Barber Marine Team (BMT) in an effort to provide services which go beyond manning and training. In cooperation with Barber's other manning offices world-wide, BMT has established an integrated network for providing personnel resources to the international maritime industry. That represents a business concept tailored for the future.

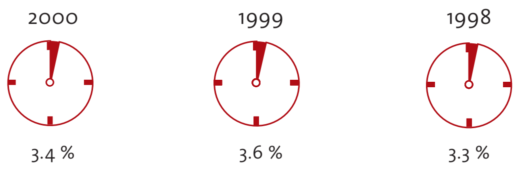
Barber Marine Consultants

Barber Marine Consultants AS (BMC) is the WW group's company for technical-maritime expertise. It provides engineering and consultant services both within the group and to external customers in such areas as project management, newbuilding supervision, plan approvals, condition assessments, technical studies and consultancy.

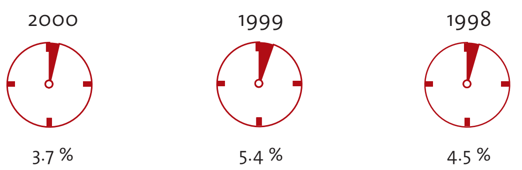
BMC was established as a separate company in December 2000 with three departments: the design group, the newbuilding group and a group for safety, health and the environment.

The company has won a contract for project management and newbuilding supervision of seven open-hatch bulk carriers for a leading US-based company involved in timber shipments. This is an almost ideal project because it draws on the whole breadth of BMC's expertise and experience. The company will be involved throughout the process from the drawing board, via the shipyard, to delivery. An east European yard is building the vessels.

Share of gross revenue



Share of primary operating income



USD mill	**2000**	**1999**	**1998**
Gross revenue	*28.0*	*28.0*	*26.0*
Primary operating income	*6.1*	*6.7*	*7.5*
Ordinary depreciation	*(1.1)*	*(1.0)*	*(0.8)*
Net operating income	***5.0***	***5.7***	***6.7***
Net financial items	*2.8*	*2.1*	*1.9*
Income before taxes	*7.8*	*7.8*	*8.6*
Taxes	*(0.6)*	*(0.6)*	*(0.9)*
Net income	***7.2***	***7.2***	***7.7***

WILHELMSEN INSURANCE SERVICES AS

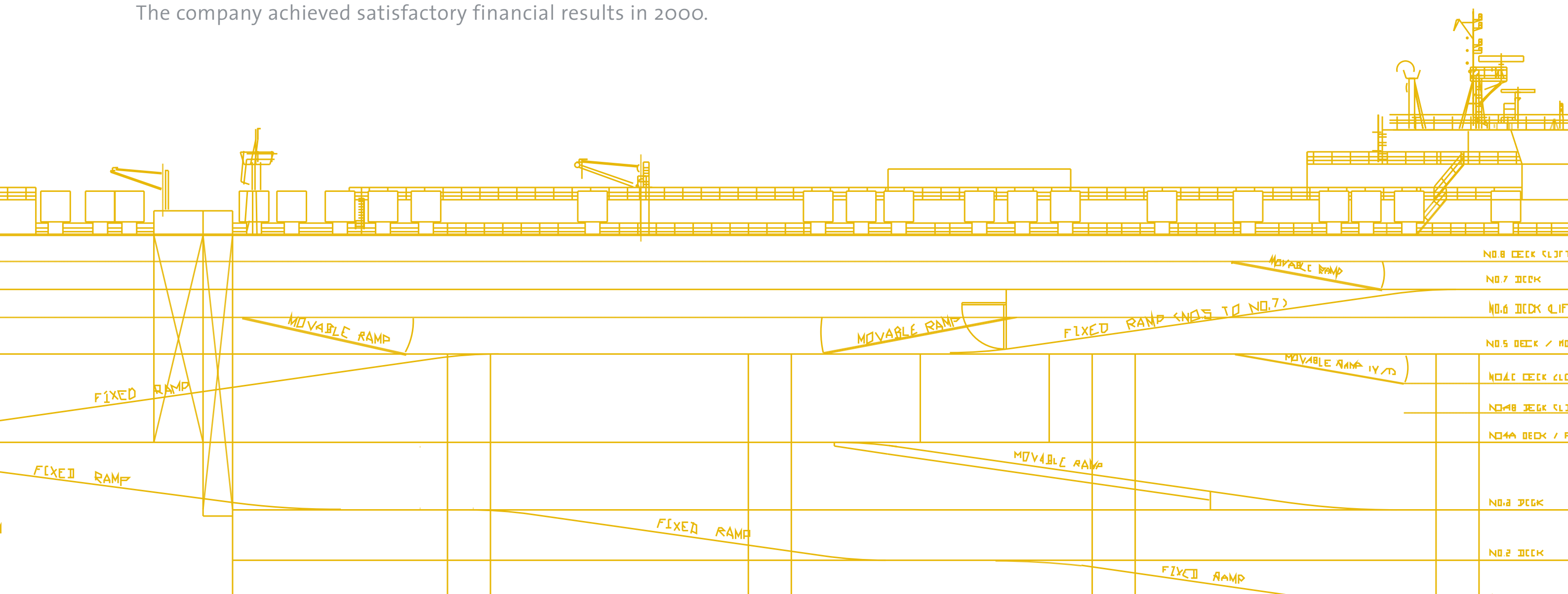
The WW group's insurance expertise was concentrated in 1989 in a separate profit centre, Wilhelmsen Insurance Services AS (WIS), which is a wholly-owned subsidiary of WW. WIS offers advice and assistance in placing all maritime risks for vessels belonging to the WW group and for vessels owned by other companies which are managed by Barber and for which Barber holds insurance responsibility. The company also offers consultancy and coordination of the WW group's non-marine insurances.

Other services provided by WIS include settlement of claims, collecting and allocating payments from underwriters for all losses affecting its clients, and some assistance with the settlement of cargo damage claims.

The decline in prices in the insurance market bottomed out for all types of marine underwriting, and there are signs which suggest that premiums can be expected to rise in the near future. This increase could be substantial for some forms of cover.

Thanks to its overall volume and economies of scale, WIS can still secure additional reductions in insurance costs for its clients.

The company achieved satisfactory financial results in 2000.



WILSHIP

Tankers
As a consequence of the company's decision to reduce its exposure to the tanker market, the very large crude carriers *Tartar* and *Tarim* were sold in the first half-year. Part of the payment for the tankers took the form of shares in Frontline. Through the rise in the price of these shares, the company has benefited from the positive development in value for the tanker market during the second half of 2000.

Wilsea Shipping Inc.
Together with its Brazilian partner Docenave, WW has owned two very large oil/ore carriers (VLOOCs) — each of 310 000 dwt — for the past 14 years. These vessels have been managed and operated by WW under a 15-year ore contract from Brazil to Japan, with oil for western destinations — primarily Brazil — as the return cargo. At the desire of the Brazilian partner, the ore contract was cancelled in the spring of 2000 in exchange for a compensation payment of just over USD 3 million to the owner company, Wilsea Shipping Inc. That autumn, the joint venture was dissolved at Docenave's desire, so that the partners received one ship each. Until the dissolution of the joint venture, the ships sailed on satisfactory time charter rates of about USD 40 000 per day. They spent a total of 165 days at shipyards during the period for extensive upgrading and maintenance work to ensure problem-free future operation.

The wholly-owned Wilsea AS subsidiary took over the newer of the ships, *Tijuca*. Since the take-over, this vessel has operated in the spot tanker market at an average rate of about USD 70 000 per day on a time charter basis in the final quarter of the year.

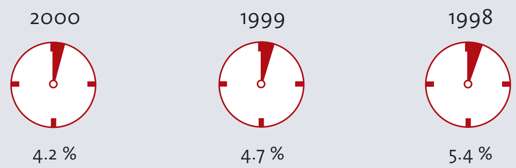
Short and medium term prospects for the tanker market are regarded as bright. WW believes that phasing out older VLCC tonnage will intensify, not least because of new IMO regulations likely to be introduced in the spring on obligatory phasing out of older single-hulled tonnage. The order book up to 2003 is also reasonable and can hardly be expanded significantly. Within this horizon, the largest source of uncertainty is the demand side, which will depend on oil prices and developments in the world economy.

Tijuca underwent an intermediate inspection in the middle of 2000, with extensive upgrading work aimed at problem-free future operation. The vessel is free of debt and will continue to operate in the spot market for the time being.

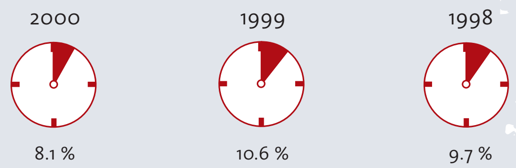
Organisation
In connection with the sale of the tankers, Wilship was wound up as an organisational unit on 1 June. The corporate staff has taken over responsibility for winding up Wilsea Shipping Inc and future operation of *Tijuca*. Management of this ship remains with Barber Ship Management AS.

USD mill	2000	1999	1998
Gross revenue	*34.7*	*36.7*	*42.5*
Primary operating income	*13.5*	*13.2*	*16.3*
Ordinary depreciation	*(15.9)*	*(11.1)*	*(11.1)*
Net operating income	***(2.4)***	***2.1***	***5.2***
Net financial items	*10.1*	*(4.5)*	*(12.0)*
Income before taxes	*7.7*	*(2.4)*	*(6.8)*
Taxes	*(0.2)*	*0.1*	
Net income	***7.5***	***(2.3)***	***(6.8)***

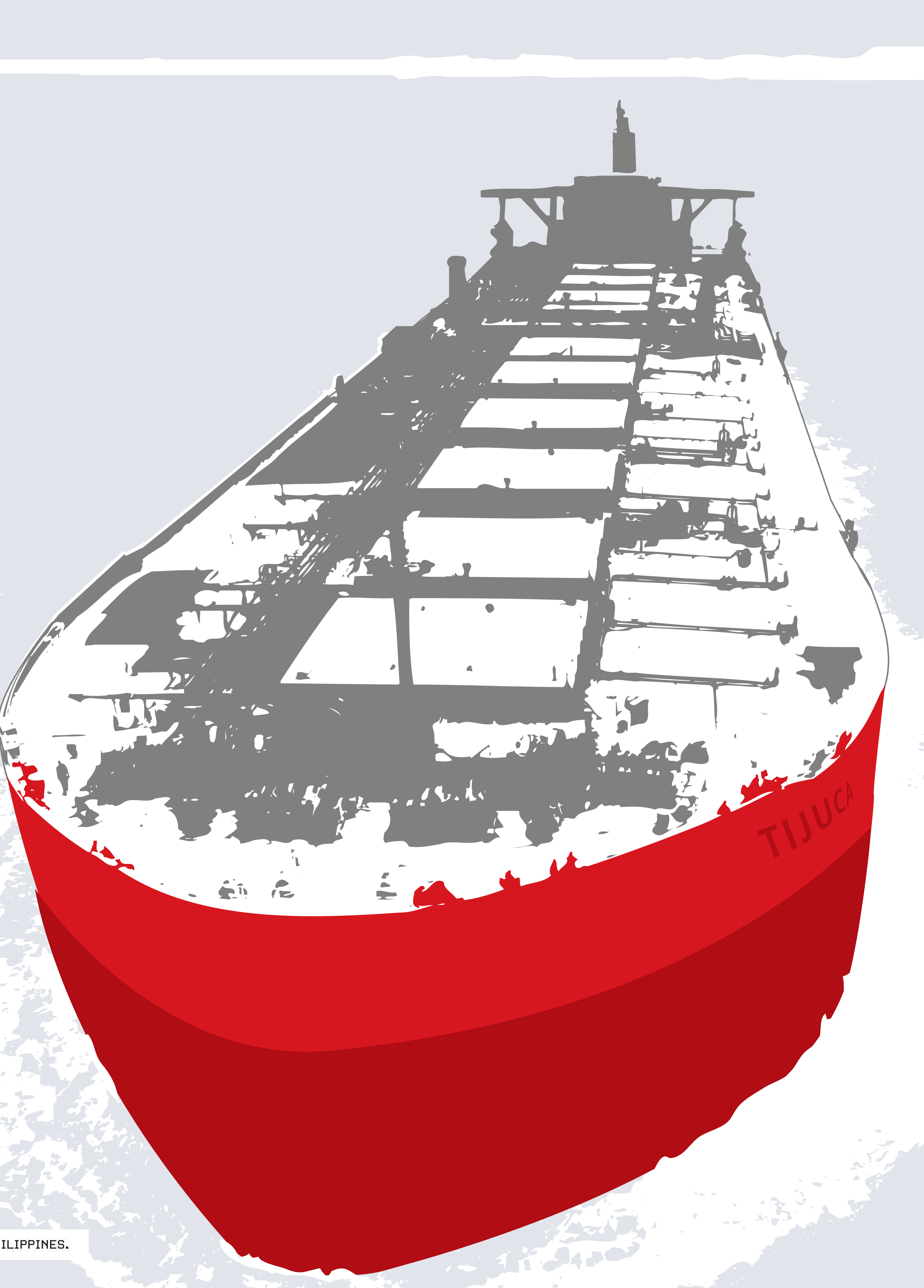
Share of gross revenue



Share of primary operating income



DATE	TIME	POSITION	
31.12.00	24:00:00 GMT	N 03° 21' E 05° 35'	
TIJUCA	PORT		BONNY, NIGERIA
	CARGO		269 000 TON CRUDE OIL
	CREW		26 PEOPLE. NORWEGIAN MASTER, INDIAN OFFICERS AND CREW FROM THE PHIL



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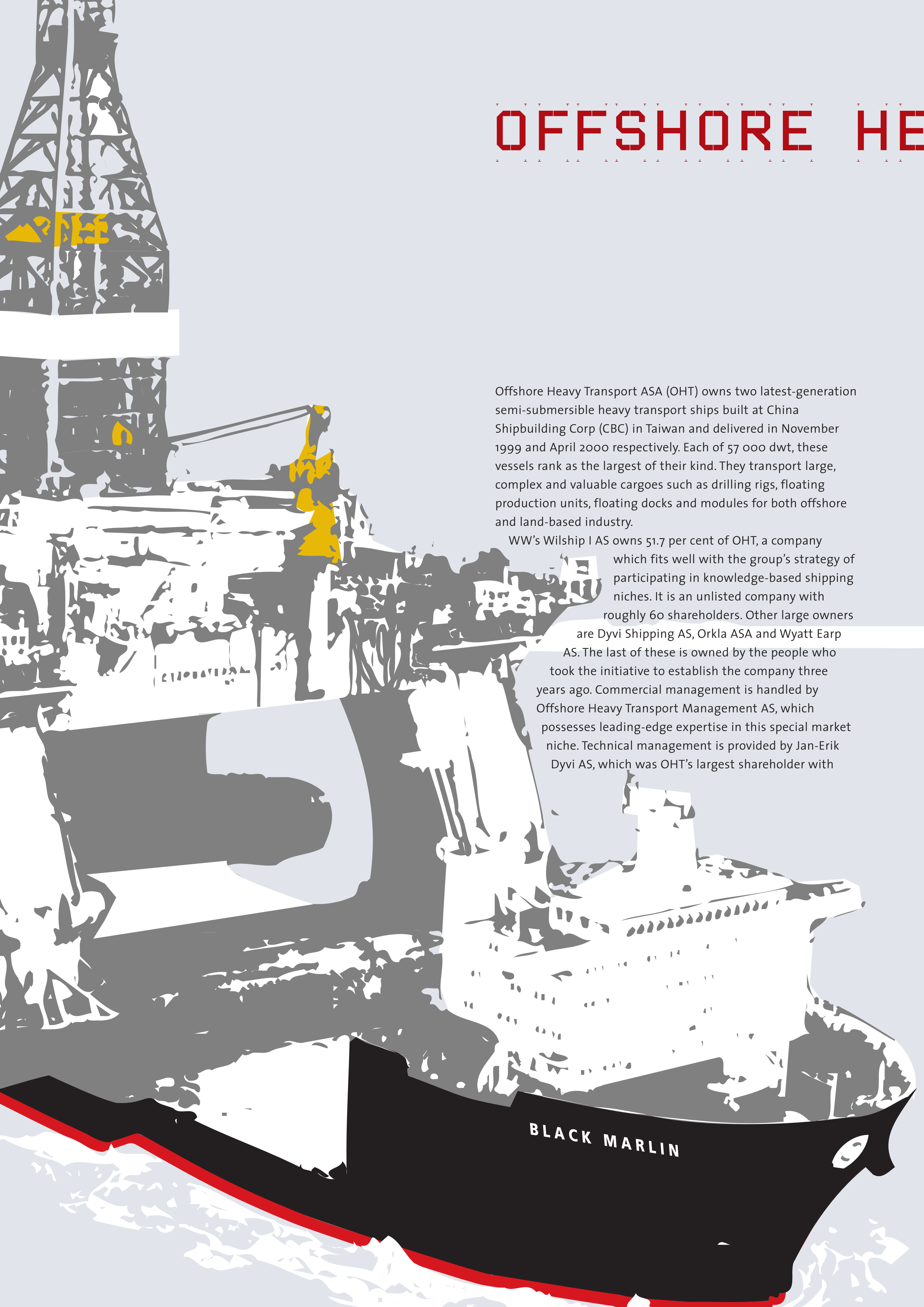
OFFSHORE HE



Offshore Heavy Transport ASA (OHT) owns two latest-generation semi-submersible heavy transport ships built at China Shipbuilding Corp (CBC) in Taiwan and delivered in November 1999 and April 2000 respectively. Each of 57 000 dwt, these vessels rank as the largest of their kind. They transport large, complex and valuable cargoes such as drilling rigs, floating production units, floating docks and modules for both offshore and land-based industry.

WW's Wilship I AS owns 51.7 per cent of OHT, a company which fits well with the group's strategy of participating in knowledge-based shipping niches. It is an unlisted company with roughly 60 shareholders. Other large owners are Dyvi Shipping AS, Orkla ASA and Wyatt Earp AS. The last of these is owned by the people who took the initiative to establish the company three years ago. Commercial management is handled by Offshore Heavy Transport Management AS, which possesses leading-edge expertise in this special market niche. Technical management is provided by Jan-Erik Dyvi AS, which was OHT's largest shareholder with

EAVY TRANSPORT

about 13 per cent before WW increased its holding from roughly five per cent to over 50 per cent in June 2000.

The company's most important clients are offshore drilling contractors, oil companies, engineering firms and fabricators building equipment for the oil industry.

Over the relatively short time it has been in operation, the company has performed several very demanding transport assignments. Its very first assignment involved the highly complicated launch of a 30 000-tonne semi-submersible drilling rig which was built on land rather than in a dock. Later, the Black Marlin vessel transported the same rig from Korea to the US Gulf in less than half the time a conventional tow would have taken. This yielded significantly better economics for the rig owner, who could thereby commence the drilling contract correspondingly sooner.

In addition, the company has transported several jack-up drilling rigs for major US drilling contractors. One of these assignments involved carrying two jack-ups at the same time from Singapore and Sharjah respectively to the US Gulf. Immediately after completing that job, sister vessel Blue Marlin performed a docking operation with another jack-up. This solution proved considerably more cost-effective for the rig owner than a conventional docking.

Another interesting assignment was the transport of a large floating dock from Norfolk, Virginia, to Mangalia in Romania, with a return shipment a few months later. The original enquiry involved carrying a dock section from Romania to Norfolk, but the charterer discovered that it was more cost-efficient to take the dock to Romania, make the modifications there and then ship it back to Norfolk three months later.

Towards the end of the year, Blue Marlin performed an important assignment for the America's Military Sealift Command (MSC) by transporting the damaged destroyer USS Cole from Yemen to the US Gulf. After the warship had been rendered unseaworthy by sabotage, the MSC called out OHT. Blue Marlin and other resources were mobilised to perform this important assignment at short notice. Worth about USD 1 billion, USS Cole is probably the most valuable cargo ever carried by a ship.

Although the bulk of OHT's contracts are based on immediate assignments, the company has also secured jobs which will be performed well into the future. That applies particularly to shipments where the cargo is optimally dimensioned to be carried on the company's ships.

OHT got off to a good start in its first operating year. Both ships were delivered for less than the contract price, and almost USD 10 million was paid in compensation to the company for delays at CSBC. During 2000, the ships achieved a utilisation factor of about 90 per cent and an average day rate on a time charter basis about 30 per cent above the required level in liquidity terms.

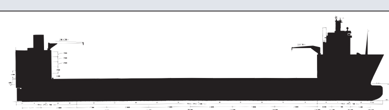
13 March 2001 OHT and Dockwise Transport BV (Dockwise) provisionally agreed that Dockwise will make a friendly bid for all outstanding shares in OHT.

Following thorough assessments of relative values and negotiations between the parties it is agreed that 34 per cent of a combined company will accrue to the present shareholders of OHT whilst the remaining 66 per cent will belong to Dockwise shareholders.

The joining of forces between Dockwise and OHT is in response to the ongoing consolidation taking place amongst the companies' main customers. A larger and more versatile fleet will enable the combined company to offer a wide range of services with a global coverage with minimum positioning costs.

When a final agreement is signed, which is expected to take place in a couple of months' time, the combined company will have assets of USD 300 million and a turnover of USD 125 million.

The company will have its headquarters at Breda in the Netherlands and operate a fleet of 14 vessels covering all aspects of the heavy transport sector.



	DATE	TIME	POSITION
	31.12.00	24:00:00 GMT	N 35° 05' E 129° 02'
BLACK MARLIN	PORT		PUSAN, SOUTH KOREA
	CARGO		30 000 TON SEMI SUBMERSIBLE DRILLING RIG
	CREW		23 FROM LATVIA

ENVIRONMENTAL REPORT

Finding solutions to global pollution problems represent one of the biggest challenges facing the world in the years to come. WW's area of operation — maritime transport and related services — presents several central environmental challenges, and the group is concerned to prevent and reduce possible unfortunate environmental consequences of the business operations it pursues. Modern society is entirely dependent on being able to offer transport services. In that context, maritime transport is incomparably the most energy-effective option when measured by megajoules per tonne of cargo per kilometre transported (MJ/t-km). A comparison shows that one of the group's modern ro-ro ships currently uses about 0.1 MJ/t-km, while a corresponding cargo transported by road needs six to 10 times more energy. The challenges are nevertheless real enough, and the group will accept its share of responsibility for ensuring that its transport operations take them seriously in coming years. Shipping is an international business, and WW will actively support efforts to establish a common international regulatory regime and environmental policy.

Goal

Within the constraints set by technological development and economic realities, WW will continuously organise its business so that damage to or problems for health and the environment are eliminated or minimised.

Environmental strategies

One consequence of the world-wide significance of the environmental issue is that this will also represent an important competitive and commercial factor. Damage to the environment is best combated through preventive measures. WW will continuously evaluate its environmental risks and analyse how the level of safety can be raised or the environmental burden reduced.

Research and technological development are essential for identifying the most appropriate and cost-effective solutions. WW's ambition is to maintain a network of contacts with national and international research institutes and specialists which allows it to access existing expertise in the area. Emergency response plans for pollution incidents cover both preventive measures and crisis management. Realistic exercises are staged regularly.

Openness and acceptance of the public's need for information about WW's attitudes and actions in the environmental area will characterise its relations with the media on this subject.

Environmental challenges

The WW group takes environmental challenges seriously. It aims for a process which will not only improve its understanding of how it actually affects the environment, but also achieve continuous progress towards a cleaner environment.

Two areas within the group are of great significance in environmental terms. The most important of these are the vessels owned directly through its shipowning companies, followed by the ships which external owners have entrusted to the management of Barber International. The group's opportunities to influence design and new investment for the latter vessels are limited. Barber has nevertheless resolved that environmental management of its land-based operations will be certified in accordance with the ISO 14001 standard by July 2001. Another goal is to persuade as many as possible of Barber's clients to opt for an environment-friendly operational profile, and to be able to offer environmental certification of their vessels if desired.

This report focuses primarily on the directly-owned WW fleet. An environmental accounting has been compiled for these vessels which critically evaluates processes relating to emissions to the air and discharges to the sea, together with volumes delivered to land. The most important emission figures have also been compared with the 1999 results, and these comparisons will be used in evaluating the group's environmental targets for future work.

Process description

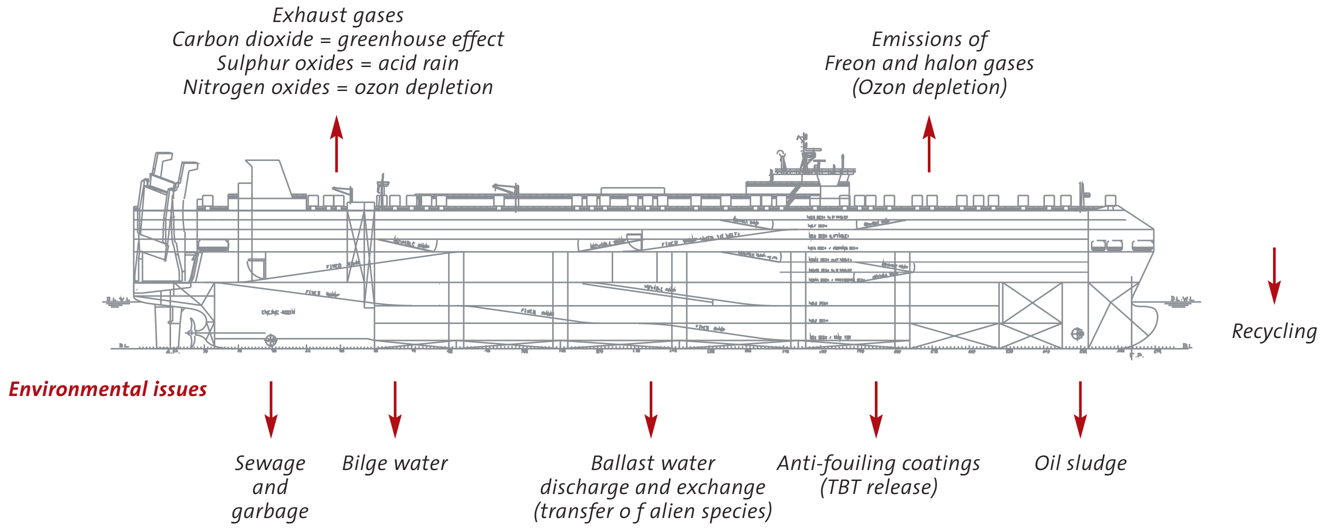
A number of sub-processes are pursued on ships which collectively represent the process with the biggest impact on the external environment in WW's business. The diagram shows the most significant discharges/emissions.

Operational discharges to the sea

This category embraces discharges of sewage and waste, bilge water, ballast water, toxic anti-foulings and oily sludge.

Ballast water

This issue has come into focus after the discovery that alien types of algae and plants/animals are flourishing in certain areas. They appear to have been introduced in ballast water shipped from one port region to another. Their expansion can displace existing species or cause heavy pollution and fouling of seawater intakes and filters.



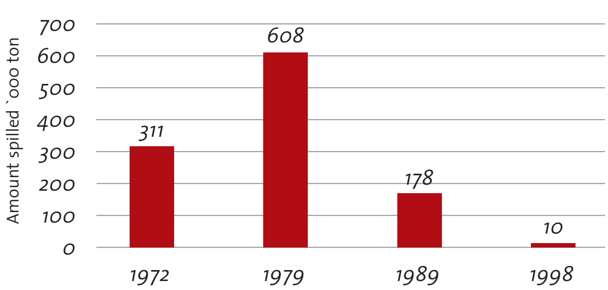
Anti-foulings
Anti-fouling coatings are intended to keep the hull smooth and thereby reduce fuel consumption — with lower exhaust fumes as a further side effect. The drawback with traditional anti-foulings are that they not only kill weeds and other foulings but also add toxins to the sea. That applies particularly to the tin-based TBT coatings.

Recycling
Recycling of ships which are no longer serviceable forms part of the vessel life-cycle. More attention is being given today to the way the whole process occurs. Efforts are being made, for instance, to find methods of establishing the recycling methods used and how such recycling helps to pollute the seas.

Other discharges
Other discharges, such as sewage, bilge water, oily sludge and waste, are all treated before being discharged. The levels of cleanliness required are defined in international regulations.

Accidental discharges to the sea
Unfortunately, accidental discharges represent a risk which must be lived with. The group's responsibility is to do whatever it can to minimise such discharges, and to have good emergency response routines in place to limit the scope of any accidents which might happen. Continuous efforts are pursued in this area with regard to both regulations and emergency response plans. Fortunately, statistics show that both the number and volume of spills/discharges are declining on a world basis. The figures presented here come from the ITOPF.

QUANTITIES OF OIL SPILT



Source: ITOPF

Emissions to the air
These consist primarily of exhaust fumes, but also include volatile organic compounds (VOCs) given off from the cargo as well as freon and halon gases.

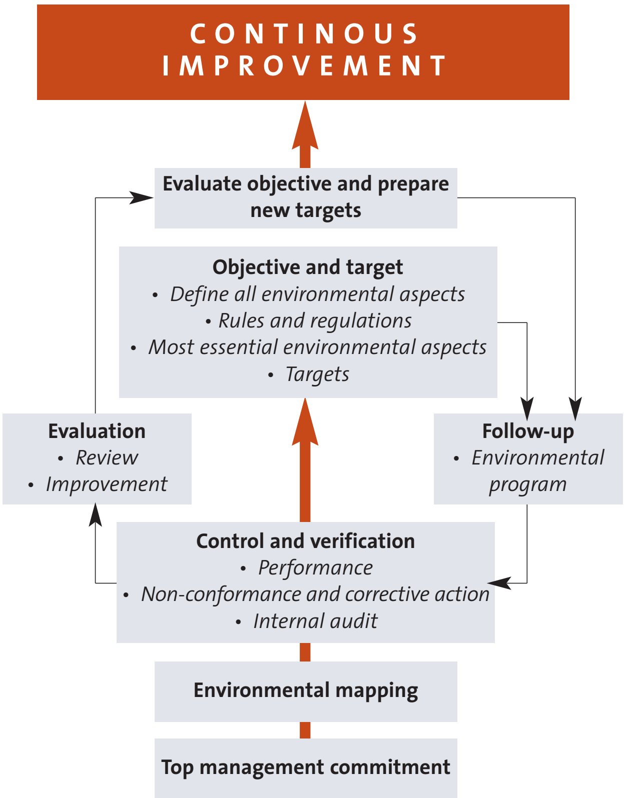
Pollutants contained in exhaust fumes include:
Carbon dioxide
Carbon dioxide is regarded as an important greenhouse gas. This is a direct combustion product. High combustion efficiency will mean lower bunkers consumption and thereby lower carbon emissions. The slow-speed diesel engines installed in most of WW's ocean-going vessels are among the most efficient internal combustion engines available today. A number of WW's ships mix additives with the bunkers to reduce pollution and enhance engine efficiency.

Nitrogen oxides
Nitrogen oxides contribute to acid precipitation and ground-level smog, as well as to the greenhouse effect and ozone depletion. They also pose a health hazard.

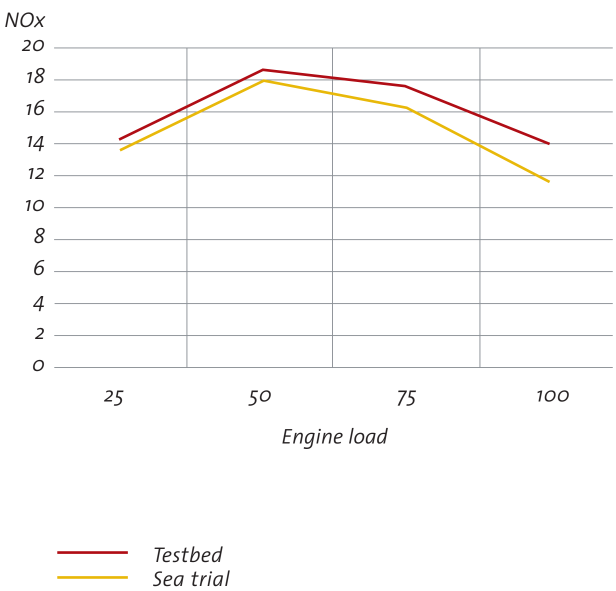
According to a research report published by Marintek in 1989, international shipping contributed about seven per cent of total nitrogen oxide emissions. New IMO requirements aim to limit these emissions. They will apply to vessels built after 2000.

Sulphur oxides
Sulphur oxides contribute to acid precipitation and pose a health hazard. The Marintek report mentioned above estimated that shipping accounts for roughly four per cent of global sulphur oxide emissions. Since these result directly from the sulphur content in bunkers, the best way of reducing these emissions will be to use low-sulphur oil. The IMO's standard for maximum sulphur content is five per cent, while the average for bunkers used by WW is about three per cent.

Particulate matter
Particulate matter (PM) in exhaust fumes comprises both organic and inorganic components. They contribute to pollution and pose a risk of cancer and other health hazards.



Nitrogen oxides measurements Mark IV



VOCs

Vaporisation from oil cargoes occurs particularly during the loading process, when petroleum gases in the tanks are displaced by the cargo being pumped aboard. In addition, volatile components vaporise from the cargo throughout the voyage.

Freon and halon gases

These contribute to depleting the ozone layer in the atmosphere. Freon is used in refrigeration processes on board, while halon is used for fire-fighting.

Regulatory regime

WW's efforts to limit emissions to the air and discharges to the sea are based on the international regulations contained in the IMO's Marpol 73/78 convention. This deals primarily with discharges to the sea, but Annex VI — adopted in 1997 and in force from 2000 — also covers emissions to the air. In addition, a number of national provisions must be taken into account.

Organisation

Environmental efforts within the organisation are stratified. The management of each company lays the basis for work to anchor its environmental policy in its quality assurance system. Where ship operation is concerned, environmental policy is developed through a collaboration between the shipowning companies and Barber. Responsibility for technical follow-up rests with the operations inspector for each ship, who recommends investment required on board. In addition comes an annual inspection programme, with every ship visited once a year by one of the safety inspectors. Their work includes recommending a number of measures to improve safety and the environment. The captain and crew are responsible for day-to-day operation, and the captain's instructions also confer the authority to take such steps as are considered necessary to protect the marine environment.

Barber established its environment management system during the year and aims to have this certified to ISO 14001 during the first half of 2001. Such certification will include all the car and ro-ro carriers. One consequence of this is that an environmental programme has been drawn up and a special environmental committee established to set targets and supervise progress in relation to this programme.

Design and upgrading

The Mark IV series of newbuildings delivered from Daewoo in Korea go beyond existing standards in a number of areas. All the bunkers tanks are protected so that minor damage to the vessel's sides will not cause polluting leaks. The bridge is equipped with electronic charts for better and safer navigation. Nitrogen oxide emissions from the ship's engines are below the new Marpol requirements. These vessels are also fitted with three homogenisers in the fuel system to achieve more efficient and complete combustion, and to reduce the volume of oily sludge. The latest sewage treatment and waste incineration equipment is installed, with capacities which exceed the Marpol standard. Advanced bilge water separators have been specified, which release bilge water with an oil content of five parts per million. This is significantly below the Marpol requirement of 15 ppm.

The combined carrier *Tijuca* is now fitted with a vapour return line, making it possible to return VOCs from the cargo tanks to land during the loading process if the terminal is equipped to receive such vapour. A facility of this kind has been installed at Mongstad, for instance. For a 300 000-tonner like *Tijuca*, this means that about 300 tonnes of VOCs can be recovered per voyage rather than being released to the air. *Tijuca* is also equipped with extra high-level alarms which help to prevent pollution in the event of possible overfilling of the cargo tanks. Inspectors for externally-owned ships managed by Barber International collaborate actively with the owners to make these vessels more environment-friendly. Ship operation is constantly developing, and many of the measures currently being tried out on some of the group's vessels aim to reduce emissions of polluting substances. If the results are successful, WW will aim to extend these methods to more of its ships in coming years.

Registration and analysis
Barber has adopted a computer system developed in-house to register and analyse operational data as well as incidents and non-conformances. This information is compared with pre-defined quality parameters to check that levels are not unacceptably high.

Consumption
All purchases of bunkers oil are registered on a continuous basis, but total energy consumption is a misleading parameter for measuring how well the group's ships are being managed. Comparing consumption and emissions in grams per tonne-kilometre (g/t-km) on the most interesting vessel types provides the best measure. These data are now calculated for all WW ships and presented in the environmental accounting.

The tables below show average emissions from WW ships for car/ro-ro carriers and tankers respectively:

Table 1: Average values for emissions to the air from the car/ro-ro carriers.

	Description	2000	1999
Emissions	Nitrogen oxides: g/t-km	0.340	0.331
	Carbon dioxide: g/t-km	7.819	7.766
	Sulphur oxides: g/t-km	0.179	0.169
	PM: g/t-km	0.021	0.021

Table 2: Average values for emissions to the air from the tankers.

	Description	2000	1999
Emissions	Nitrogen oxides: g/t-km	0.040	0.040
	Carbon dioxide: g/t-km	1.046	1.046
	Sulphur oxides: g/t-km	0.018	0.018
	PM: g/t-km	0.003	0.003

The table for car/ro-ro carriers shows somewhat higher values than in 1999. This reflects the sale of some ships with less efficient engines and lower speeds. Emissions from the three newbuildings added during the year are lower than average but, because of their higher speed, they are not as low as for the ships sold. Values for the tankers are roughly the same as in 1999. The low values for tankers compared with car/ro-ro carriers primarily reflect size and speed. More cargo carried in a vessel with lower speed reduces emissions per tonne shipped per kilometre.

Environmental programme
An environmental programme was adopted for all the car/ro-ro carriers in 2000. The most important targets being pursued are:

Nitrogen oxide emissions
The goal is to reduce such emissions by 25 per cent up to 2008. As a consequence, nitrogen oxide emissions were measured at the works on all main engines for the newbuildings delivered in 2000. These measurements were then verified during sea trials. Emissions are clearly below the upper limit of 17 g/kWh. The vessels were delivered with a certificate which documents the nitrogen oxide results obtained. Measurement of these gases will also be initiated on some existing ships to clarify emission levels from the various engines. Technical and operational solutions which could help to meet the target will then be assessed.

Sulphur oxide emissions
The group will not use fuel containing more than three per cent sulphur. In the longer term, its strategy is to get down to 1.5 per cent in 2003. Some of the auxiliary engines are also now being run on diesel oil.

Fuel consumption
The goal is to reduce the volume of oily sludge from fuel oil. Homogenisers are being installed in all WW newbuildings, and corresponding equipment has also been installed in Takara. This will reduce the volume of sludge to be handled. An evaluation of the results will be made in 2001.

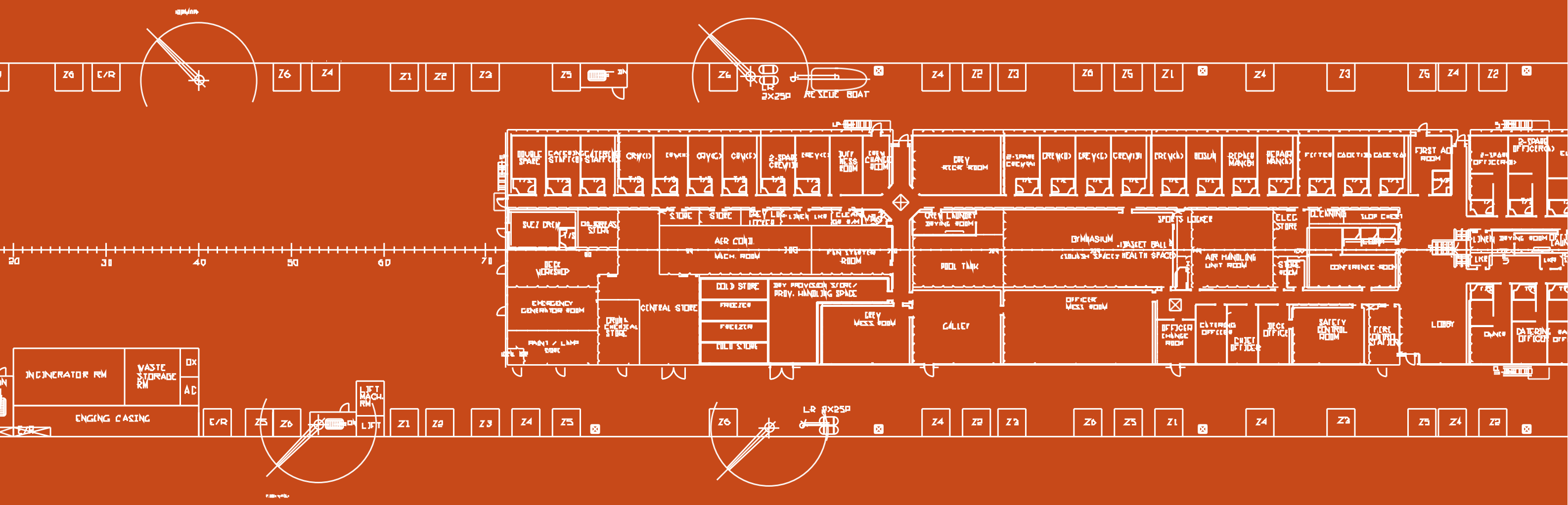
Tin-free anti-fouling
The aim is to use only tin-free anti-foulings from 2000. Four of the vessels were docked in 2000, and a further 11 will be docked this year. WW will also study new alternative anti-foulings, and has begun carrying out tests.

Accidental oil spills
Five incidents on WW ships were registered in 2000, spilling roughly 42 litres of hydraulic oil to the sea. Six incidents in 1999 spilt about 200 litres. Such incidents are naturally analysed and the necessary measures implemented to prevent recurrence.

Freon and halon gases
The volume of freon used is registered, and a campaign has been launched to reduce possible leaks from refrigeration plant on the vessels. Remaining halon-based systems will be replaced with more environment-friendly products when refilling is required.

Use of chemicals
Use of environment-friendly chemicals will be stepped up this year. The group's procurement staff is preparing lists of such substances which will be used in the time to come.

Bilge water
The aim is to reduce the oil content in bilge water to five ppm in 2008. Advanced separators have been installed in WW's newbuildings to achieve this, and experience will be assessed in the course of the year.



Waste handling
All the vessels have an established plan for waste sorting. The latest newbuilding from Korea also features a separate recycling station. The intention is to reap experience with this during the year.

Ballast water
The goal is to reduce the volume of micro-organisms in ballast water and to limit the intake and discharge of such water where possible. A ballast management system has been implemented, and plans for internal transfers of ballast between the tanks are being prepared. In addition, one of the ro-ro carriers will be equipped during the year with a ballast treatment plant.

Training
A well-founded training programme plays an important part in getting people to think safety and environmental protection. Barber has its own maritime training centre at Mumbai in India. Specially-tailored training programmes are also run in cooperation with the company's manning offices in Norway, Poland and the Philippines. In addition, Barber cooperates closely with the Vestfold Regional College in Norway, which gives seminars on safety training in critical situations six times a year. This programme is specially developed for WW officers, and very positive feedback has been received from participants.

All WW's operations offices are now certified and hold a document of compliance, and all the ships have received a safety management certificate (SMC) in accordance with the ISM code.

Emergency response exercises to handle oil spills are staged regularly both at sea and on land. Environmental work is also a topic at the conferences organised regularly for ship's officers. Computer-based training (CBT) modules are supplied to Barber's manning offices and vessels under management through a collaboration with Seagull. WW's Mark IV newbuildings also feature a dedicated CBT room for such training.

Inspections
Barber has a special inspection programme to monitor compliance with the standards set by WW. Every ship is visited once a year by the company's safety inspectors. A special safety, health and environmental (SHE) group has been established to follow up this work. SHE inspectors check the vessel's condition, interview the crew, initiate emergency response exercises, give talks and discuss how further improvements could be achieved in safety and environmental protection.

Reporting
WW received an honourable mention for its environmental reporting when Norway's Environmental Reporting Prize was presented for 1999. This provided confirmation that the group is on the right track, and served as an inspiration for continued environmental efforts. WW will continue to maintain an open policy on information to the general public in this area.

Activities in environmental research
WW played an active part during the year in the research project on environmental measures for existing ships being run jointly by the Research Council of Norway and the Norwegian Shipowners Association. It participated, for instance, in trials with new TBT-free anti-foulings to document whether these meet the requirements for smooth ship bottoms without marine fouling. The first test vessel was Tancred. The test fields coated will be monitored through annual diver inspections until the next docking, when they will be finally inspected and evaluated. WW is also participating in a sub-project to evaluate the utility of fuel homogenisation and fuel/water emulsion. Homogenisers are installed on Takara and all the group's newbuildings. The aim of the project is to assess possible improvements in environmental emissions and fuel consumption, and to look at operating properties and maintenance requirements. So far, the project has determined that using a water emulsion reduces the release of nitrogen oxides. Adding one per cent water cuts such emissions by one per cent. Documenting other properties will provide a systematic registration of operating data for vessels with homogenisers and relevant sister ships without such devices.

Another interesting project initiated by WW is a system for cleaning ballast water. Transport of such water by ships is seen as a possible means of spreading large quantities of undesirable organisms between the continents. One example is the Zebra mussel, which has caused heavy fouling of seawater intakes in the Great Lakes area between the USA and Canada.

Extensive laboratory trials conducted in cooperation with Det Norske Veritas have yielded positive results, and the intention is to undertake a full-scale test programme on one of WW's ships during 2001. This project is again a collaboration between the Research Council of Norway and the Norwegian Shipowners Association.

SHAREHOLDER INFORMATION

Shareholder policy
WW ASA's goal is to give the shareholders a high return over time through a combination of a rising value for the company's shares and a steadily increasing dividend, based on the company's results and future investment requirements.

The company will give emphasis to keeping the stock market regularly informed of its results and developments. This will primarily be done through the annual report, quarterly interim reports and press releases. The aim of this information is to obtain a correct pricing of the company's shares.

At present the company does not have any plans for new share issues. The board of directors has resolved to recommend to the annual general meeting that the dividend for 2000 be set at NOK 3.75 per share.

Basis for valuing the company
The group management's judgement is that a valuation of the company must be based on a combination of discounted net income streams and net asset value.

In the liner and car carrier segment (Wilhelmsen Lines Shipowning AS and Wilhelmsen Lines AS), significant investments have been undertaken in vessels and other fixed assets. Shipbrokers will provide valuations for each vessel, but no established market exists for the individual units. The sales process would be limited to finding special buyers with corresponding purchase needs. Saying that the value of the liner segment is the sum of the value of the individual tangible fixed assets would therefore be of limited relevance. The value of the business over time will depend primarily on the net income the company manages to generate from the total transport system developed.

This will encompass both vessels and other tangible fixed assets, the established sailing schedules, employee knowledge and experience, the established market position and goodwill.

It becomes even more apparent with the Barwil and Barber International service operations that net income would be the correct basis for valuation. Investment in these companies is relatively moderate, although not inconsiderable sums will have been spent on company acquisitions, human resources and system infrastructure.

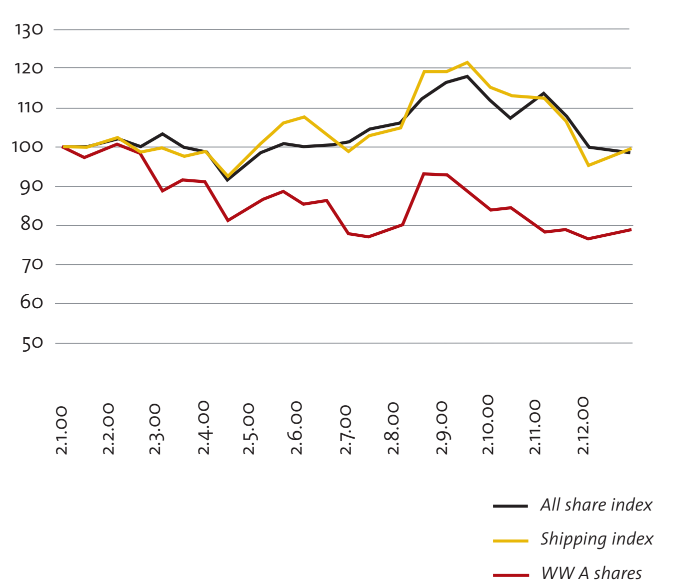
The combined carrier *Tijuca* is engaged in regular market shipping operations, where tangible fixed assets are subject to constant value appraisals by the market. A net asset valuation will therefore be the most relevant approach for this business area. The same applies to the company's office property at Lysaker.

Offshore Heavy Transport ASA pursues a specialised niche business, while there will be a market for its tangible fixed assets. WW's involvement should therefore be valued through a combination of net asset value and discounted net income.

A total valuation of the parent company must accordingly be based on the considerations outlined above, supplemented with the parent company's other assets less pension commitments and other liabilities.

See also note 14 for information on the hedging strategy for currency and interest rate exposures, and for the related sensitivity analysis.

STOCK EXCHANGE RATE 2000 WILH. WILHELMSEN ASA,
COMPARED WITH THE ALL SHARE AND SHIPPING INDEX ON OSLO STOCK EXCHANGE



BUSINESS AREAS

LINER AND CAR CARRIER ACTIVITIES

- Willhelmsen Lines AS, Norway
  - ScanCarriers AS, Norway, Under liquidation
  - Pride KS, Norway
  - Wilhelmsen Lines (Germany) GmbH, Germany, Under liquidation
  - Fidelio Inc, USA, 50 %
    - Fidelio Partnership, USA, 2 %
  - Fidelio Partnership, USA, 49 %
  - Nosac AS, Norway, Under liquidation
    - Nosac ANS, Norway, Under liquidation
  - ARC LLC, USA, 50 %
  - Wilhelmsen Lines Shipowning AS, Norway
- Wallenius Wilhelmsen Lines AS (parent company and Oslo joint head office)
  - Wallenius Wilhelmsen Lines AB (Stockholm joint head office)
  - WW Lines UK (London joint head office)
  - Region Americas*)
    - WW Lines Am. Holdings LLC (USA)
      - WW Lines Am. Agencies LLC
      - Pacific RoRo Stevedoring LLC
      - Atlantic RoRo Stevedoring LLC
      - Pacific Vehicle Processors Inc
      - WW Lines Americas Realty Inc
      - WWL AS Terminal LLC
  - Region Europe (shipping) *)
    - WW Lines AS Sweden Branch
    - WW Lines AS German Branch
    - WW Lines UK
    - WW Lines France
    - WW Lines AS Finland Branch
    - WW Lines Belgium
    - Broekman Beheer BV (18%)
  - Region Europe (In-land) *)
    - RL Autologistics Ltd. UK (90%)
    - RL Auto Logistik GmbH Germany
      - RL Auto Logisitics Poland sp. z.o.o. Poland
      - RL Auto Logistique SARL France
      - RL Auto Logistica Iberica S.L. Spain
  - Region Asia*)
    - WW Lines Asia Japan
    - WW Lines Korea Branch
    - WW Lines Singapore Branch
    - WW Lines China Co Ltd
    - 2W Logistics (Thailand) Co. Ltd
  - Region Oceania*)
    - WW Lines Oceania (Australia)
      - Wiltrans Pty Ltd
      - Fleet Fit Pty Ltd (90%)
    - WW Lines New Zealand

WW Lines = Wallenius Wilhelmsen Lines
RL = Richard Lawson
(yellow box) = Legally part of parent company (branches)
(white box) = Separate taxable entities
*) Management structure only

WILSHIP

- Wilsea AS, Norway
  - Wilsea Shipping Inc, Liberia
- Wilship I AS, Norway
  - Wiltank I KS, Norway, Under liquidation
  - Wiltank II KS, Norway, Under liquidation
- Bj. Ruud-Pedersen AS, Norway

OTHER GROUP COMPANIES

- Den norske Amerikalinje AS (ex Wilhelmsen Offshore Norway AS), Norway
  - P/R Polar Frontier Drilling, Norway, 47,5 %
  - Polar AS, Norway, 55 %
- Strandveien 20 ANS, Norway, 99 %
- Toronto AS, Norway, Under liquidation
- Den norske Amerikalinje AS (NAL) Norway, Under liquidation
- Wilhelmsen Insurance Services AS, Norway
- WilService AS, Norway
  - Strandveien 20 ANS, Norway, 1 %
- Offshore Heavy Transport ASA, Norway, 51,72 %
- Njord Insurance Company Ltd, Bermuda
- Wilh. Wilhelmsen (Asia) Sdn Bhd, Malaysia
- Wilh. Wilhelmsen (Hong Kong) Ltd, Hong Kong

BARWIL AGENCIES

- Barwil World Wide Maritime Pty Ltd, South Africa
  - Baroil Bunker Brokers (Pty) Ltd, South Africa
- Barwil Universal Agencies, Turkey, 50 %
- Barwil Hellas Ltd, Greece, 60 %
- Abeer Marine Services Ltd (AMS), Singapore
  - Barber Lines Arabian Navigation & Shipping Co., Malaysia / 49 %
- Barwil Agencies Limited, Hong Kong
  - Barwil Agencies Inc, Taiwan / 87,5%
  - Intertransport Ltd, Taiwan
  - Taiwan Agencies Inc, Taiwan
  - Fast Marine Supply Ltd, Hong Kong
- Barwil Hyop Woon Agencies Ltd, Korea / 50 %

- Barwil Ship Services SL, Spain
- Barwil Agencies Ltd, Gibraltar
- Intertransport (HK) Limited, Hong Kong
- Agencies Maritimes Pommé, France
- Pommé & Cie, France
- Barwil Agencies Inc (a division of Wilh. Wilhelmsen USA Inc), USA
  - Knight Transport Houston, USA / 50 %
- Barwil Agencies Pte Ltd, Singapore
- Baasher Barwil Agencies Ltd, Sudan, 50 %

- Wilhelmsen Agencies AS, Norway
- Global Transport Services AS, Norway
- Wilhelmsen Lines Agencies AB, Sweden
  - Barwil Agencies AB, Sweden
- Intertransport International Limited AS, Norway
- Barwil Agencies (Australia) Pty Ltd, Australia
- Barwil Agencies (NZ) Ltd, New Zealand
- D.A. Knudsen & Co LDA, D.A. Knudsen (Norte), Agencia de Vistorias & Peritages, Argomar Navegacao & Transportes SA, 70%
- Almoayed Barwil Ltd, Bahrain, 40 %
- Barwil (Thailand) Ltd, Thailand, 49 %
- The Wilhelmsen Terminal Ltd, Latvia
- Barwil Abris Agencies Ltd, Russia / 50%
- Barwil Black Sea Shipping Ltd, Gibraltar, 50 %

- Abeer AS, Norway
  - Abeer Marine Services Ltd, Hong Kong
  - Barber Lines Arabian Navigation & Shipping Co. (Blansco), Hong Kong

- Aagaard Euro-Oil AS, Norway
- Transocean OY AB, Finland, 50 %
- Barwil Ukraine Ltd, Ukraine, 75 %
- Barwil Agencies SA, Panama, 35 %
- Norsul Barwil Agencias Maritimas Ltda, Brazil / 49 %
- Scanarabia Shipping Agencies SAE, Egypt / 49 %
- Towel Barwil LLC, Oman, 30 %
- Alghanim Barwil Shipping Co. WLL, Kuwait / 40 %
- Barwil Agencies Sdn Bhd, Malaysia
  - West Fertilizer Terminal Sdn Bhd, Malaysia, 35,2 %

BARBER INTERNATIONAL

Barber International Ltd, Hong Kong — Regional Office Kuala Lumpur, Malaysia

- Barber Ship Management Sdn Bhd, Malaysia
- Barber International (USA) Inc, USA
- Barber Ship Management (Sing) Pte Ltd, Singapore
- Barber Ship Management AS, Norway
  - Norsk Bemanning Services AS, Norway
  - Barber Moss Ship Management AS, Norway / 50 %
- Barber Ship Management Ltd, Hong Kong
  - Barber Ship Management Ltd, Rep. office Manila
  - Barber Ship Management Ltd, Rep. office Jakarta

- Barber Marine Team Sdn Bhd
- Barber Ship Management (India) Pvt Ltd, India
- International Manning Services (Thailand) Ltd
- Barber Manning Ltd, Russia
- Unicorn Shpg. Services Ltd, Bangladesh, 51 %
- Barber Poland Ltd, Poland
  - Polish Manning Services, Poland, 50 %
- Barklav (Hong Kong) Ltd, 50 %
  - Barklav Romania S.R.L.

- BASS (Hong Kong) Limited, Hong Kong
- BASS Sdn Bhd, Malaysia
- BASS AS, Norway (ex. IMSAS)
  - IMSAS regionskontor Kuala Lumpur
- Star infomation System AS, Norway, 34 %

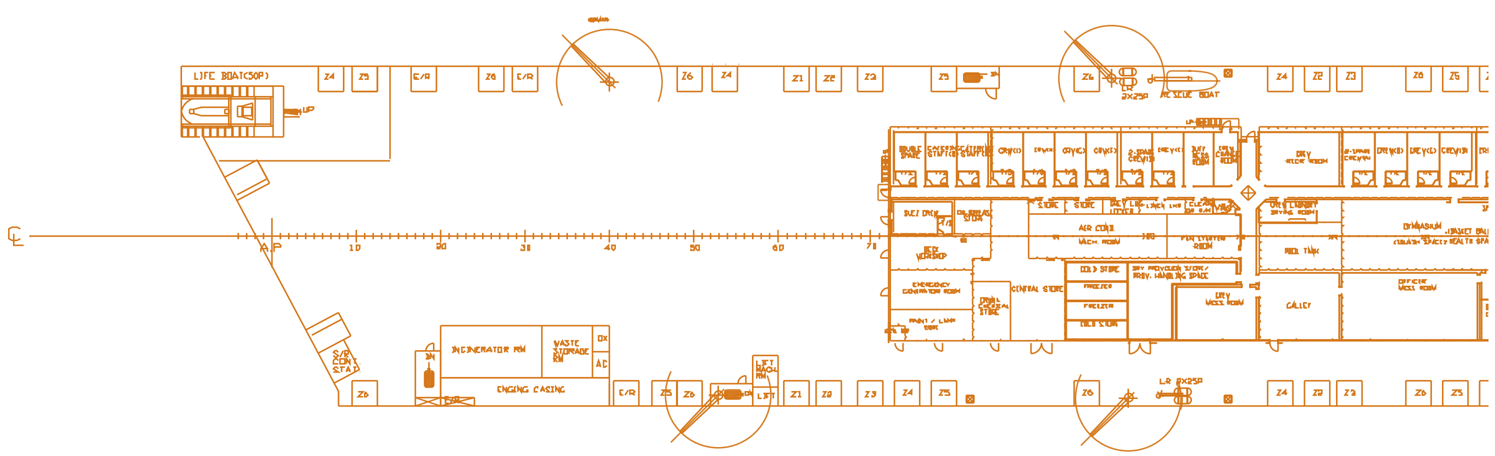
- International Tanker Holding Management Ltd, Bermuda
  - International Tanker Management(S) Pte Ltd, Singapore
  - International Tanker Management Ltd, Bermuda
    - International Tanker Management Ltd, Dubai Branch
  - International Tanker Management Norway AS

- Barber Marine Consultants AS, Norway
- Barber Bulk Sdn Bhd, Malaysia
  - West Fertilizer Terminal Sdn Bhd, Malaysia, 35,2 %

THE FLEET

Vessel	Ownership share %	Built year/month	Dwt	Capacity	Flag
Ro-ro vessels				**Cars**	
Tamesis	100	2000/04	39 400	5 310	NIS
Talisman	100	2000/06	39 400	5 310	NIS
Tarago	100	2000/09	39 400	5 310	NIS
ConRo vessels				**TEUS**	
Taronga	100	1996/12	47 144	2 720	NIS
Tampa	100	1984/02	44 014	2 525	NIS
Texas	100	1984/03	44 081	2 525	NIS
Taiko	100	1984/06	43 986	2 525	NIS
Seaboard Panama II (ex. Tana)	100	1983/08	14 454	792	NIS
Tapiola	100	1978/08	33 702	1 928	NIS
Tourcoing	100	1978/10	33 719	1 928	NIS
Toba	100	1979/01	34 310	1 830	NIS
Tampere	100	1979/05	35 098	1 830	NIS
Talabot	100	1979/06	34 605	1 830	NIS
Car carriers				**Cars**	
Takamine	100	1997/03	19 844	5 730	NIS
Takasago	100	1996/12	19 844	5 730	NIS
Tanabata	100	1994/11	20 082	5 740	US
Fidelio	50	1987/01	15 681	5 450	US
Tagus	100	1985/03	21 900	5 410	NIS
Tasco	100	1985/02	21 900	5 410	NIS
Takayama	100	1983/05	10 599	3 090	NIS
Terrier	100	1982/11	17 863	5 540	NIS
Sea Premier	50	1981/06	10 678	3 000	NIS
Sea Pride	50	1980/01	10 729	3 000	NIS
Tellus	50	1978/11	17 406	5 460	US
Ore-oil carrier					
Tijuca	100	1987/05	310 686		Liberia
Heavy transport vessels				**Capacity**	
Black Marlin	51,72	1999/11	57 000	40 000 t	Panama
Blue Marlin	51,72	2000/04	57 000	40 000 t	Panama
Crew vessels					
Abeer 15 båter	100	1985-1991	85 fot		
Abeer 2 båter	100	1985/1994	100 fot		
Abeer 8 båter	100	1983-1997	110 fot		
Abeer 4 båter	100	1988-1991	120 fot		
Abeer 1 båt	100	1993	135 fot		
Vessels sold in 2000					
Armacup Patricia	100	1974/09	9 485	3 380	NIS
Seabord Costa Rica (ex. Takoradi)	100	1984/01	14 466	792	NIS
Tarim	100	1993/10	300 364		NIS
Tartar	100	1993/01	306 902		NIS
Docefjord	50	1986/03	310 698		Liberia
Vessels sold in 2000 for delivery in 2001					
Seaboard Panama II (ex. Tana)	100	1983/08	14 454	792	NIS
Sea Premier	50	1981/06	10 678	3 000	NIS
Sea Pride	50	1980/01	10 729	3 000	NIS
Bareboat chartered car carriers					
Tancred	100	1987/04	15 571	5 720	NIS
Tricolor	100	1987/06	15 543	5 830	NIS
Trinidad	100	1987/09	15 528	5 830	NIS
Trianon	100	1987/04	15 530	5 830	NIS
Tai Shan	100	1986/12	15 577	5 720	NIS
Takara	100	1986/09	15 546	5 720	NIS
Newbuilding					
Ro-ro vessel		Delivery			
TBN Tamerlane		2001/02	38 300	5 310	NIS

INDEX



FINANCIAL CALENDAR

Annual Report	18 April 2001
Annual General Meeting	3 May 2001
Quoted exclusive dividend	4 May 2001
Payment of dividend	22 May 2001

Report 1 Quarter	15 May 2001
Report 2 Quarter	7 August 2001
Report 3 Quarter	30 October 2001

TERMS AND EXPRESSIONS

Aframax ship > Afra - Average Freight Rate Assessment. Used for tankers in the 80 - 100 000 dwt range.

Bareboat charter > An agreement to charter a vessel with all operating costs paid by the charterer - in other words, a "bare vessel".

Bulk carrier > A vessel built to transport loose - uncontainerised - dry bulk cargoes. Only one deck. Also called «bulker».

Charterparty (c/p) > An agreement to charter a vessel for one or more voyages (voyage charter) or for a specified period (time charter).

ConRo vessels > Ships which carry a combination of ro-ro and containerised cargoes.

Operating costs > Crew wages and all expenditures associated with technical operation of the vessel, including insurance.

Dwt > Deadweight tonnes - a vessel's cargo capacity measured in tonnes of cargo, stores, fuel, passengers and crew.

Freight revenue on T/C basis > Freight revenues less voyage-related costs.

Heavy transport vessels > Ships involved in transporting large, heavy, complicated and valuable cargoes, such as drilling rigs, floating production units, floating docks and modules for both offshore and land-based industries.

IMO > International Maritime Organisation

ISM Code > International Safety Management Code

Contract of affreightment (c.o.a.) > The shipowner undertakes to transport certain volumes of cargo in given consignments over a specified period, and is usually free to choose which vessel should do the job.

Liner conference > An agreement between liner companies to stabilise the market and services.

Logistics chain management > Administration of a total chain of transportation from door to door.

NIS > Norsk Internasjonalt Skipsregister.

NVOCC > Non Vessel Operating Common Carrier. A liner service with own bill of lading, without self beeing the owner of the container, carrier or means of transportation.

OBO carrier > Vessel to carry oil, bulk and ore cargoes.

O/O carrier > Vessel intended to carry ore or oil.

Panmax ship > The maximum size of vessel able to pass through the Panama Canal (about 70 000 dwt).

PCC > Pure Car Carrier

PCTC > Pure Car and Truck Carrier.

Pool > A partnership between owners who place vessels in a jointly-controlled financial and operative entity, with freight revenues on t/c basis divided between the partners in predetermined proportions.

Voyage related costs > Principally bunkers, port fees, canal dues, loading and discharging costs.

Voyage charter > This charter relates to a specific volume of cargo. Freight rates are usually agreed per tonne of cargo. Concluded for one or several consecutive voyages.

Ro-ro vessel > Roll on, roll off. Vessel for rolling cargo. Could be a car carrier, a cargo liner or a combination.

Slot charter > A short or long term contract for hireing space in a vessel for own containers - expressed in a price per 20 feet unit (slot).

Spot rate > Rate for an individual voyage agreed on the basis of prevailing market conditions.

Suezmax ship > The maximum size of a vessel able to pass fully laden through the Suez Canal (140 - 160 000 dwt).

Tanker > Carries liquid bulk cargoes. Variants include carriers for oil, product, chemical and gas - LNG and LPG.

TEU > Twentyfoot equivalent unit. In otherwords, a 20-foot container. The measure of a vessel's container capacity.

Time charter (T/C) > Very widely used. The rate is agreed as hire for the vessel, and usually expressed per dwt per month. Voyage related costs like bunkers and port expenses are paid by the charterer. Within agreed limits, the charterer determines utilisation of the vessel.

Dry cargo > Principally grain, coal and ores.

ULCC > Ultra Large Crude Carrier. Oiltankers over 300.000 dwt.

VLCC > Very Large Crude Carrier. Oiltankers on 200.000 dwt to 300.000 dwt.

VLOOC > Very Large Ore Oil Carrier