

Treasure ASA

QUARTERLY REPORT

FIRST QUARTER 2017

CFO / IR contact:

Morten Lertrø

Phone: +47 67 58 40 00

Mobile: +47 90 41 99 94

info@treasureasa.com

www.treasureasa.com

Report for the first quarter of 2017

Highlights and financial summary

- Net profit of USD 9.9 million, mainly due to Hyundai Glovis share dividend announcement.
- The Hyundai Glovis share price moved from KRW 154.500 to KRW 147.000 per share and USDKRW from 1202 to 1116 during the quarter.
- NAV per share at the end of the quarter: NOK 24.24
- Discount to NAV on average 27% during the quarter
- The board received the following approvals from the annual general meeting:
 - Dividend of NOK 0.30 per share, payable in the second quarter of 2017
 - Authorisation to buy back own shares up to 10% of outstanding shares
 - Authorisation to issue new shares up to 10% of outstanding shares

Investment case and strategy

- Treasure ASA holds (via the wholly-owned subsidiary Den Norske Amerikalinje AS) 12.04% of Hyundai Glovis Co. Ltd., a global logistics company listed on the KRX Korea Exchange.
- The holding in Hyundai Glovis is strategic in nature towards the Hyundai Motor Group in Korea and Treasure ASA is represented on the board of directors of Hyundai Glovis with two board members.
- Treasure ASA shall create shareholder value through a combination of increased value of the shares and dividends, where the primary source of income for Treasure ASA is dividend from Hyundai Glovis.

Prospects

In the next quarter, the board expects the performance of the Hyundai Glovis share to be in line with the general equity indexes of the Korean Stock Exchange.

Lysaker, 10 May 2017
The board of directors of Treasure ASA

Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. Treasure ASA cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.

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Income statement - financial report

USD thousand	Note	01.01-31.03 2017	Pro forma 01.01.-31.03 2016	From 8 June - 31 December 2016
Dividend from available-for-sale financial asset		11 780	11 900	
Other income		91		201
Total income		11 871	11 900	201
Operating expenses				
Other operating expenses		(78)	(400)	(595)
Total operating expenses		(78)	(400)	(595)
Operating profit		11 794	11 500	(394)
Financial income/(expenses)				
Financial income		23		33
Financial expenses		(169)	(1 101)	(782)
Net financial income/(expenses)		(146)	(1 101)	(749)
Profit before tax		11 647	10 399	(1 143)
Tax income/(expense)		(1 787)	(1 800)	440
Profit for the period		9 860	8 599	(704)
Attributable to: owners of the parent		9 860	8 599	(704)
Basic earnings per share (USD)	2	0,00	0,00	(0,00)

Comprehensive income - financial report

USD thousand		01.01-31.03 2017	Pro forma 01.01.-31.03 2016	From 8 June - 31 December 2016
Profit for the period		9 860	8 599	(704)
Items that will be reclassified to income statement				
Changes in fair value of available-for-sale financial asset		14 236	8 400	(132 576)
Currency translation				334
Other comprehensive income, net of tax		14 236	8 400	(132 242)
Total comprehensive income for the period		24 096	16 999	(132 945)
Total comprehensive income attributable to the owners of the parent		24 096	16 999	(132 945)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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Balance sheet - financial report

USD thousand	Note	31.03.2017	31.12.2016
Non current assets			
Deferred tax asset		459	458
Available-for-sale financial assets	3	594 430	580 194
Total non current assets		594 889	580 652
Current assets			
Other current assets		11 965	143
Cash and cash equivalents		16 226	16 416
Total current assets		28 190	16 559
Total assets		623 079	597 211
Equity			
Paid-in capital	2	2 719	2 719
Retained earnings		618 521	594 425
Attributable to equity holders of the owners		621 241	597 144
Current liabilities			
Other current liabilities		1 839	68
Total current liabilities		1 839	68
Total equity and liabilities		623 079	597 211

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Cash flow statement - financial report

USD thousand	Note	01.01-31.03 2017	From 8 June - 31 December 2016
Cash flow from operating activities			
Profit before tax		11 647	(1 143)
Financial (income)/expenses		146	749
Change in working capital		(12 006)	(411)
Tax paid (company income tax, withholding tax)			(24)
Net cash provided by operating activities		(213)	(829)
Cash flow from investing activities			
Interest received		23	33
Net cash flow from investing activities		23	33
Cash flow from financing activities			
Demerger WWASA			17 212
Net cash flow from financing activities		0	17 212
Net increase in cash and cash equivalents ¹		(190)	16 416
Cash and cash equivalents at the beg. of the period ¹		16 416	
Cash and cash equivalents at the end of the period ¹		16 226	16 416

¹ Excluding restricted cash.

The group has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

Statement of changes in equity - financial report

Statement of changes in equity - year to date

USD thousand	Share capital	Retained earnings	Total
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		9 860	9 860
Comprehensive income		14 236	14 236
Balance 31.03.2017	2 719	618 521	621 241

Statement of changes in equity - Full year

USD thousand	Share capital	Retained earnings	Total
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(704)	(704)
Comprehensive income		(132 242)	(132 242)
Balance 31.12.2016	2 719	594 425	597 144

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes - financial report

Note 1 - Accounting principles

General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2016 for Treasure ASA group (TRE), which has been prepared in accordance with IFRS's endorsed by the EU.

Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for TRE for the year end 31 December 2016.

Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2 - Shares

The share capital is as follow with a nominal value of NOK 0.10

Ordinary shares	220 000 000
Total shares	220 000 000

Earnings per share taking into consideration the number of outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after minority interests, by average number of total outstanding shares.

Earnings per share is calculated based on 220 000 000 shares for 2016.

Note 3 - Available-for-sale financial assets

USD thousand	01.01-31.03	31.12.2016
Available-for-sale financial assets		
At 1 January	580 194	
Demerger from Wilh Wilhelmsen ASA		712 769
Mark to market valuation	14 236	(132 576)
Total available-for-sale financial assets	594 430	580 194

Available-for-sale financial assets are denominated in KRW

Note 4 - Financial level

USD thousand	Level 1	31.03.2017 Total
Financial assets at fair value		
Available-for-sale financial assets	594 430	594 430
Total financial assets 31.03.	594 430	594 430

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date.

Note 5 - Dividend

The proposed dividend for fiscal year 2016 in 2017 is NOK 0.30 per share, was approved by the annual general meeting on 27 April 2017, and will be paid to the shareholders in May 2017.

The dividend will have effect on retained earnings in second quarter of 2017.

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Note 6 - Income statement - pro forma figures for Q1 2016 and full year 2015 and 2016 and reported Q2, Q3 and Q4 2016

USD mill

	Pro forma	Reported	Reported	Reported	Pro forma	
	Full year 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Full year 2015
Income						
Dividend from available -for-sale financial asset	11,9				11,9	8,2
Other income	0,2	0,1	0,1			
Total income	0,2	0,1	0,1	0,0	11,9	8,2
Operating expenses						
Other expenses	(0,6)	(0,1)	(0,4)	(0,1)	0,0	(0,4)
Total operating expenses	(0,6)	(0,1)	(0,4)	(0,1)	0,0	(0,4)
Operating profit ²	(0,3)	0,0	(0,2)	(0,1)	11,9	7,8
Financial income/(expenses)	(2,0)	-0,1	(0,0)	(0,7)	(1,1)	(0,0)
Profit/(loss) before tax	(2,4)	(0,1)	(0,3)	(0,9)	10,8	7,8
Income tax	(1,8)	0,0	0,0	0,0	(1,8)	(1,4)
Profit/(loss)	(4,2)	(0,1)	(0,3)	(0,9)	9,0	6,3

Statement of Comprehensive Income

Profit for the period	(4,2)	(0,1)	(0,3)	(0,9)	9,0	6,3
Items that will be reclassified to income statement						
Changes in fair value of available-for-sale financial asset	52,9	14,2	69,7	(39,5)	8,4	(465,7)
Other comprehensive income, net of tax	52,9	14,2	69,7	(39,5)	8,4	(465,7)
Total comprehensive income for the period	48,7	14,1	69,4	(40,4)	17,4	(459,4)