Operator

Good morning, ladies and gentlemen. Welcome to the conference call for Wilson Sons Limited First Quarter 2016 Results. With us we have Mr. Cezar Baiao, CEO of Operations in Brazil; Mr. Sergio Fisher, COO, Port Terminals and Logistics; Mr. Arnaldo Calbucci, COO of Maritime Services; and Mr. Fernando Deveza, the Interim CFO in Brazil.

As a reminder, we will have simultaneous translation for those who wish to listen to the English version. All participants will be in a listen-only mode during the company's presentation. After which, there will be a question-and-answer session for industry analysts. Page two of the presentation contains all the usual forward-looking statement disclaimers for your reference.

Now, I will turn the conference over to Mr. Fernando Deveza, who will begin the presentation.

Fernando Deveza, Interim Chief Financial Officer in Brazil:

Thank you. Good morning. Welcome to our conference call results for the first quarter 2016. We will start on slide number three, where I summarize our consolidated results in the year. Wilson Sons 1Q16 proforma Net Revenue with the Offshore Vessels Joint Venture were US$116.4 M. In this quarter, the Company's total revenue was lower than the comparative mainly due to:

- BRL depreciation against US Dollar, which impacted the Container Terminals´ and Brasco´s revenues, together with other businesses;
- Reduced warehousing in both Container Terminals; and
- Reduced level of construction in the Shipyard.

EBITDA proforma for the quarter was 25% lower than the comparative mainly due to the current weak Brazilian macroeconomic scenario.

Looking at the investments made during the year, we can see that our CAPEX was mainly concentrated in New Towage vessels and Port Terminal equipment.

Turning now to slide 4

Here we present a quick summary of the highlights of the quarter by business

- Export volumes in both **Container Terminals** were positively impacted by the dollar appreciation and the growth in the movement of some products, such as resins in Rio Grande and polymers in Salvador. EBITDA and revenues were negatively impacted by this dollar appreciation. In the case of revenues, there was also the impact of reduced imports and the consequent impacts in the warehousing of both terminals. The warehousing of project cargo was materially stronger in the comparative 1Q15.

- In **Brasco** the revenues and EBITDA decreased against the comparative, mainly due to the dollar appreciation, despite the increase number of vessel turnarounds and higher volume of operations. The end of some operations also impacted the results. On the positive side, lower personal costs and expenses helped the results.

- In **Logistics**, we had a revenue reduction as a result of our strategy to terminate some dedicated operations in 2015. The business also suffered from the exchange rate impact, which negatively impacted the imports and consequently the results of our bonded warehouses and Allink.

- In **Towage**, the revenues decreased mainly due to consolidation of container ship liners and increased competition in some ports, in addition to the exchange rate impact on the contracts that are in Brazilian reais. There was an increase in the EBITDA margin as a result of an increase in the size of the vessels attended and the dollar appreciation impact on costs.

- The **Shipyard** revenues were negatively impacted by the dollar appreciation and the reduced third party shipbuilding activities. Another impact was the fact that the vessels are in different stages of construction and a larger proportion of the revenues were recognized in the previous quarters consistent with the construction profile.

- In the case of **Offshore Support Vessels** there was a decrease in the number of days in operation, mainly because three vessels experienced offhire during 1Q16 impacting reported revenues. Currently, we have two vessels available in the spot market, Mandrião, and the vessel Pardela that recently arrived in Brazil and is in the final process of registration in the Brazilian Special Register (REB).

Moving now to slide 5

Here on this slide we can see some of our financial liquidity ratios.

The metrics of this slide show, among other things, that there was a reduction in total debt, mainly due to the payment of loans and leasing, and increased cash & cash equivalents, as a consequence of the results presented by the Company.

Another point to be emphasized is that the increased CAPEX observed in the quarter can be explained basically by the acquisition of six tugboats that were previously in bareboat lease contracts by the Company.

The other important item in CAPEX is the proportion of construction for acquisition of equipment for Container Terminals, to be delivered next year.

Moving now to slide 6

Here we have some information about the Company's debt in the first quarter and I would like to highlight some points.

The net debt of the Company totaled US$224.2 million, not considering the share of 50% in the Offshore Vessels joint venture, is characterized mainly by the long-term amortization and by the low average interest cost.

The graph also shows that the amount of new loans made by the Company totaled US$0.2 million and was low. Also, together with the higher amortization of loans made before, it helps to explain the reduction of our total debt, which was already presented.

Considering the closing balance of the first quarter 2016, we see that most of the Company's debt, more than 85%, is related to the businesses of Towage and Port Terminals, including the Container Terminals and Brasco, which confirms what we described in the previous slide.

Our main message here is the debt reduction trend over the coming years, given the reduction in the volume of investments that we have been making.

Moving to slide 7

Here we analyse the operational data of Container Terminals, Towage and Offshore Support Vessels, from January to April.
Container Terminals performed well, driven mainly by exports, which had double digit growth in both terminals in the first four months of 2016, and cabotage, which has shown strong results. These exports were driven by the dollar appreciation and the growth of handling some specific cargoes in the terminals, such as polymers in Salvador and resins in Rio Grande, as mentioned previously.

In the case of **Towage**, a decrease of 6.5% in the number of harbour manoeuvres is a result of the consolidation of container ship liners and increased competition in some ports. We would like to emphasize here that, although there was a reduction in the number of operations, there was a growth of 2.7% for the average deadweight, which represents an increase in the size of vessels attended by our Tugboats, positively impacting our revenues.

Offshore Support Vessels had a decrease of 8.5% in the number of days in operation as three of our vessels experienced offhire in the first months of 2016. Two of these vessels are already in operation and one is available in the spot market. The new vessel Pardela arrived in Brazil, which increased our fleet to 20 vessels. This vessel is in final stages of registration in the Brazilian special register (REB). Despite the challenging environment for the O&G industry, we believe that the coming months of 2016 will be in line with 2015, considering the security we have with existing contracts contracts.

At this time, I would like to invite you to move to the Q&A portion of today's Conference Call.

Questions And Answers

Operator:
Thank you. We will now begin the company's Q&A session. (Operator Instructions) We have a question in English. Mr. Rob Byde from Cantor Fitzgerald will ask a question.

Robin Byde, Analyst:

Hello, everybody. Just two questions from me please. Regarding imports to the container terminals and warehousing revenue, are you seeing any pickup in activity in the second quarter? And then my second question is just on the oil price and offshore exploration activity. Now that the oil price has stabilized, are you seeing the first signs that projects' are being restarted or is this too early? Thank you.

Cesar Baião, CEO of Operations in Brazil:

Hi, Robin. Fisher will answer your first question.

Sergio Fisher, Chief Operating Officer, Port Terminals and Logistics:

About imports, we are not forecasting any improvements in the short term.

Arnaldo Calbucci, Chief Operating Officer of Maritime Services:

This is Arnaldo. About offshore exploration we don't see, in the near future, a pickup of investments in the oil offshore sector, because of the increase in oil prices. So I'm sure that this will still take some time to pick up. About production, this is still in focused on Petrobras side, but new explorations I don't -- did not think will happen in the near furutre.

Operator:

Our next question is from Mr. Andrew Mitchell from Edison.

Andrew Mitchell, Analyst:

Yes. Thank you very much. Two questions from me as well. I was wondering on the front of cost cutting, which is something you've mentioned consistently over time, whether you feel there is much more scope for this and on what front?
And secondly, I wonder if you could give us a background on the decision to purchase the six tugboats and I presume that is a one-off exercise? Thank you.

Cesar Baião, CEO of Operations in Brazil:

Andrew, can you please repeat your question? Unfortunately, we had a problem with the call, so we were unable to hear you.

Andrew Mitchell, Analyst:

Cost cutting in response to a difficult market background, is there much more potential to achieve cost reductions? And secondly, I was just asking, whether you'd give some more background on the decision to purchase the six tugboats, and I assume that's a one-off?

Cesar Baião, CEO of Operations in Brazil:

Okay, Andrew, that makes it clear. Thank you. About cost cutting, we are still very focused on doing that. Probably for the next two years this will be our main priority and we think we will still be successful in improving the company's efficiency by cutting costs. About the acquisition of the six tugboats from Vale, I think Arnaldo can give you some more details.

Arnaldo Calbucci, Chief Operating Officer of Maritime Services:

Yes. These tugboats were on lease to us and the purchase reflects a saving of around $3.5 million a year. So this was very strategic for us to keep the operations in the north part of Brazil.

Operator:

Our next question is from Mr. Leandro Fontanesi from Bradesco BBI.

Leandro Fontanesi, Analyst:

Good morning. I have two questions. The first is if you can update us on the innovation process in Tecon Salvador and if anything has changed in that project? And the second question is about the shipyard, if you can tell us a bit about the activity levels in the shipyard and how or which opportunities you would see in the market for closing new contracts? Apparently, you have some backlog in your towage section, so can you tell us a bit about the contracts in the shipyard section which seems to be a bit more difficult. Are there other opportunities in that sense? Thank you.

Sergio Fisher, Chief Operating Officer, Port Terminals and Logistics:

Well, about the update of Tecon Salvador, I think we are close approval but it's still under negotiation.

Arnaldo Calbucci, Chief Operating Officer of Maritime Services:
About the shipyard, as we heard, we still have two CFVs under construction for are joint venture, which are set to be launched in May or August this year. We have five towage vessels in our group and six for SAAM Smit Towage six under construction, so the shipyard scenario is still very challenging. Of course, we have been working very hard to find other markets, such as maintenance for the existing fleet. So the demand for new offshore support vessels will probably be very low in the next few months and possibly for the next year or so. So we are not seeing great opportunities in the future to take on vessels being built by other shipyards, so it's a very difficult situation now. Our work is more directed towards cost cutting and adapting our workforce to our current portfolio.

Cesar Baião, CEO of Operations in Brazil:

So just to add to what Arnaldo said, we still have $68 million in our portfolio in the shipyard, which will be distributed within 2016 and the first half of 2017. About the shipyard market that are potentially available for sale in the market. We are definitely not interested in doing any acquisitions in that area.

Leandro Fontanesi, Analyst:

Perfect. Thank you.

Operator:

Our next question is from Mr. Sami Karlik from Votorantim Bank.

Sami Karlik, Analyst:

Good morning, gentlemen. I would just like to understand what Wilson Sons contracts with Petrobras. I'm sure that this is not the strongest sector, but how have their payments been? Are we seeing any problems in payments and what are your perspectives for that client? Thank you.

Fernando Deveza, Interim Chief Financial Officer in Brazil:

Good morning. About Petrobras contracts have been met. Normally we have not had any problems with payment, so payments are all up-to-date. Obviously, due to the actual situation, our process is a bit more bureaucratic, but this is natural due to the economic moment we're facing. So we continue having our contracts paid normally. In terms of working capital delayed payments, this has not happened either. No, not at all.

Sami Karlik, Analyst:

Okay. Thank you.

Operator:

(Operator Instructions) There is a question from the webcast. Mr. Rodrigo Glatt from GT Invest asks, do you think with the company deleveraging in the next years it is possible to increase the dividend payout and the frequency of payments throughout the year? Thank you.

Cesar Baião, CEO of Operations in Brazil:

Hi, Rodrigo. Thank you. Our dividend policy being followed is already quite agressive. We
have a target of paying 50% of net revenues and we've been able to deliver percentage even above that target. So we do not aim to change our policy for now, but our intention is also not to hold back any cash if we do not have any projects in the pipeline. About the second part of your question. No, we are going to continue paying dividends once a year.

Operator:

(Operator Instructions) Mr. Peter O'Brien has a question. (Operator Instructions)

Arnaldo Calbucci, Chief Operating Officer of Maritime Services:

I'm sorry, just to answer Peter's questions about the offshore support vessels which were reduced in terms of operating days due to a request from the clients to adapt the vessel in the first quarter. The question was, if we have received any compensation? No, we did not. As soon as the vessel was ready, it was put into on-hire and we started receiving payments for these services.

Operator:

(Operator Instructions) Since there seem to be no further questions, this session is now adjourned. We would now like to give the floor back to the company for their closing remarks.

Cesar Baião, CEO of Operations in Brazil:

Once again, I'd like to thank our nearly 5,000 employees. This has been a challenging year just as 2015 was and I would also like to thank our shareholders and investors for their trust in us. Thank you.

Operator:

Wilson Sons Limited conference call is now finished. We would like to thank you all for taking part, and wish you a nice day.