Wilson Sons Limited and Subsidiaries

Condensed Consolidated Financial Statements for the Quarters Ended March 31, 2010 and 2009 and Independent Auditors' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

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AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and Management of
Wilson Sons Limited and Subsidiaries
Hamilton, Bermuda

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Wilson Sons Limited and Subsidiaries as of March 31, 2010 and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the quarters ended March 31, 2010 and 2009, all expressed in United States Dollars. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard No. 34 ("IAS 34"), *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34 (IAS 34), *Interim Financial Reporting*.

We have previously audited the consolidated balance sheet of Wilson Sons Limited and Subsidiaries for the year ended December 31, 2009, presented here in condensed format for comparative purposes and, based on our audit, we issued an unqualified opinion thereon, dated March 23, 2010.

Our review also included the convenience translation of the reporting currency amounts (United States Dollar) into Brazilian Real amounts and, based on our review nothing has come to our attention that causes us to believe that such convenience translation has not been made in conformity with the basis stated in Note 2. The translation of the condensed consolidated financial information amounts into the Brazilian Real amounts has been made solely for the convenience of readers in Brazil.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Rio de Janeiro, Brazil
May 14, 2010

WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

				Convenience translation	
	Note	2010 US$	2009 US$	2010 R$	2009 R$
REVENUE	4	121,425	103,597	216,258	239,848
Raw materials and consumables used		(11,855)	(11,786)	(21,115)	(27,287)
Personnel expenses	5	(41,721)	(28,181)	(74,305)	(65,245)
Depreciation and amortization expense		(9,545)	(7,431)	(17,000)	(17,204)
Other operating expenses	6	(44,042)	(32,407)	(78,438)	(75,029)
Profit (loss) on disposal of property, plant and equipment		15	(17)	27	(39)
Investment income	7	(1,068)	3,526	(1,902)	8,163
Finance costs	7	(2,936)	(2,451)	(5,229)	(5,675)
PROFIT BEFORE TAX		10,273	24,850	18,296	57,532
Income tax expense	8	(4,055)	(8,711)	(7,221)	(20,168)
PROFIT FOR THE PERIOD		6,218	16,139	11,075	37,364
Profit for the period attributable to:					
Owners of the company		5,974	15,906	10,640	36,825
Non controlling interests		244	233	435	539
		6,218	16,139	11,075	37,364
OTHER COMPREHENSIVE INCOME AND LOSS					
Exchange differences arising on translation of foreign operations		(184)	446	(329)	1,034
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,034	16,585	10,746	38,398
Total comprehensive income for the period attributable to:					
Owners of the company		5,918	16,338	10,540	37,828
Non controlling interests		116	247	206	571
		6,034	16,585	10,746	38,399
Earnings per share for continuing operations					
Basic and diluted (cents per share)	21	8.40c	22.36c	14.96c	51.80c

Exchange rates
03/31/10 – R$1.7810/ US$1.00
12/31/09 – R$1.7412/ US$1.00
03/31/09 – R$2.3152/ US$1.00

The accompanying notes are an integral part of the condensed consolidated financial statements.

WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2010 AND DECEMBER 31, 2009

(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation)

				Convenience translation	
	Note	2010 US$ Unaudited	2009 US$	2010 R$ Unaudited	2009 R$
NON-CURRENT ASSETS					
Goodwill	9	15,612	15,612	27,805	27,184
Other intangible assets	10	2,148	2,239	3,826	3,899
Property, plant and equipment	11	462,669	438,878	824,013	764,174
Deferred tax assets	16	27,171	25,499	48,391	44,398
Other non-current assets		9,355	10,521	16,661	18,319
Total non-current assets		516,955	492,749	920,696	857,974
CURRENT ASSETS					
Inventories	12	18,428	20,687	32,819	36,021
Trade and other receivables	13	115,563	105,499	205,817	183,695
Short term investments	14	5,782	11,116	10,298	19,355
Cash and cash equivalents	14	190,005	178,136	338,400	310,170
Total current assets		329,778	315,438	587,334	549,241
TOTAL ASSETS		846,733	808,187	1,508,030	1,407,215
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	21	9,905	9,905	17,641	17,247
Capital reserves		146,334	146,334	260,622	254,797
Profit reserve		1,981	1,981	3,528	3,449
Retained earnings		249,277	243,303	443,962	423,640
Translation reserve		16,009	16,065	28,512	27,972
Equity attributable to owners of the company		423,506	417,588	754,265	727,105
Non controlling interests		6,007	5,891	10,698	10,257
Total equity		429,513	423,479	764,963	737,362
NON-CURRENT LIABILITIES					
Bank loans	15	249,888	237,271	445,051	413,136
Deferred tax liabilities	16	15,477	16,140	27,564	28,102
Provisions for contingencies	17	12,182	9,831	21,696	17,118
Obligations under finance leases	18	8,301	8,653	14,783	15,067
Total non-current liabilities		285,848	271,895	509,094	473,423
CURRENT LIABILITIES					
Trade and other payables	19	105,818	89,927	188,460	156,581
Current tax liabilities		2,161	838	3,849	1,460
Obligations under finance leases	18	4,152	3,902	7,395	6,793
Bank overdrafts and loans	15	19,241	18,146	34,269	31,596
Total current liabilities		131,372	112,813	233,973	196,430
Total liabilities		417,220	384,708	743,067	669,853
TOTAL EQUITY AND LIABILITIES		846,733	808,187	1,508,030	1,407,215

Exchange rates
03/31/10 – R$1.7810/ US$1.00
12/31/09 – R$1.7412/ US$1.00
03/31/09 – R$2.3152/ US$1.00

The accompanying notes are an integral part of the condensed consolidated financial statements.

WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

	Note	Share capital US$	Capital reserves: Share premium US$	Capital reserves: Others US$	Profit reserve US$	Retained earnings US$	Currency translation Reserve US$	Attributable to equity holders of the parent US$	Non controlling interests US$	Total US$
BALANCE AT JANUARY 1, 2009		9,905	117,951	28,383	1,981	170,779	1,773	330,772	1,411	332,183
Other comprehensive income and loss		-	-	-	-	-	432	432	14	446
Capital increase		-	-	-	-	-	-	-	1,781	1,781
Profit for the period		-	-	-	-	15,906	-	15,906	233	16,139
Total comprehensive income and loss for the period		-	-	-	-	15,906	432	16,338	2,028	18,366
BALANCE AT MARCH 31, 2009	21	9,905	117,951	28,383	1,981	186,685	2,205	347,110	3,439	350,549
BALANCE AT JANUARY 1, 2010		9,905	117,951	28,383	1,981	243,303	16,065	417,588	5,891	423,479
Other comprehensive income and loss		-	-	-	-	-	(56)	(56)	(128)	(184)
Profit for the period		-	-	-	-	5,974	-	5,974	244	6,218
Total comprehensive income and loss for the period		-	-	-	-	5,974	(56)	5,918	116	6,034
BALANCE AT MARCH 31, 2010	21	9,905	117,951	28,383	1,981	249,277	16,009	423,506	6,007	429,513

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WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

		Convenience Translation								
			Capital reserves							
	Note	Share capital R$	Share premium R$	Others R$	Profit reserve R$	Retained earnings R$	Currency translation reserve R$	Attributable to equity holders of the parent R$	Non controlling interests R$	Total R$
BALANCE AT JANUARY 1, 2009		23,148	275,652	66,332	4,630	399,111	4,144	773,017	3,298	776,315
Other comprehensive income and loss		-	-	-	-	-	1,000	1,000	32	1,032
Capital increase		-	-	-	-	-	-	-	4,123	4,123
Profit for the period		-	-	-	-	36,828	-	36,828	539	37,367
Total comprehensive income and loss for the period		-	-	-	-	36,828	1,000	37,828	4,694	42,522
Translation adjustment to Real		(216)	(2,572)	(620)	(44)	(3,724)	(39)	(7,215)	(30)	(7,245)
BALANCE AT MARCH 31, 2009	21	22,932	273,080	65,712	4,586	432,215	5,105	803,630	7,962	811,592
BALANCE AT JANUARY 1, 2010		17,247	205,377	49,420	3,449	423,640	27,972	727,105	10,257	737,362
Other comprehensive income and loss		-	-	-	-	-	(100)	(100)	(229)	(329)
Profit for the period		-	-	-	-	10,640	-	10,640	435	11,075
Total comprehensive income and loss for the period		-	-	-	-	10,640	(100)	10,540	206	10,746
Translation adjustment to Real		394	4,694	1,131	79	9,682	640	16,620	235	16,855
BALANCE AT MARCH 31, 2010	21	17,641	210,071	50,551	3,528	443,962	28,512	754,265	10,698	764,963

Exchange rates
03/31/10 – R$1.7810/ US$1.00
12/31/09 – R$1.7412/ US$1.00
03/31/09 – R$2.3152/ US$1.00

The accompanying notes are an integral part of the condensed consolidated financial statements.

WILSON SONS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

				Convenience translation	
	Note	2010 US$	2009 US$	2010 R$	2009 R$
NET CASH FROM OPERATING ACTIVITIES	26	29,793	25,652	53,062	59,390
INVESTING ACTIVITIES					
Interest received		2,113	2,514	3,763	5,820
Proceeds on disposal of property, plant and equipment		154	202	274	468
Purchases of property, plant and equipment		(34,258)	(39,523)	(61,013)	(91,504)
Investment - short term investment		5,334	-	9,500	-
Net cash used in investing activities		(26,657)	(36,807)	(47,476)	(85,216)
FINANCING ACTIVITIES					
Repayments of borrowings		(5,168)	(5,888)	(9,204)	(13,632)
Repayments of obligation under finance leases		(1,290)	(590)	(2,297)	(1,366)
New bank loans raised		18,620	-	33,162	-
Net cash used in financing activities		12,162	(6,478)	21,661	(14,998)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		15,298	(17,633)	27,247	(40,824)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		178,136	180,022	416,304	420,711
Effect of foreign exchange rate changes		(3,429)	1,012	(6,108)	2,343
Translation adjustment to Real		-	-	(99,041)	(3,924)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		190,005	163,401	338,402	378,306

Exchange rates
03/31/10 – R$1.7810/ US$1.00
12/31/09 – R$1.7412/ US$1.00
03/31/09 – R$2.3152/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

1. GENERAL INFORMATION

Wilson Sons Limited (the "Group" or "Company") is a Company incorporated in Bermuda under the Companies Act 1981. The address of the registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The Group is one of the largest providers of integrated port and maritime logistics and supply chain solutions. Throughout over 173 years in the Brazilian market, we have developed an extensive national network and provide a variety of services related to international trade, particularly in the port and maritime sectors. Our principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping assistance, support to offshore oil and natural gas platforms and shipyards.

These condensed consolidated financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US Dollars are included in accordance with the accounting policies described in Note 2.

2. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of preparation

The financial statements have been prepared in US dollars according to the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), on the historical cost basis, except for the revaluation of financial instruments and share-based payments liability.

The accounting policies and most significant judgments adopted by the Group's management were not modified in relation to those presented in the Final Prospectus of the Public Offering for the Primary and Secondary Distribution of Certificates of Deposit representative of Common Shares of Wilson Sons Limited, and the consolidated financial statements for the year ended December 31, 2009, dated March 23, 2010.

Convenience translation

The condensed consolidated financial statements were originally prepared in US Dollars, and also have been translated into the Real, the Brazilian currency. The exchange rates used for the purposes of this convenience translation were the PTAX exchange rates ruling as at the closing dates of the condensed consolidated financial statements, as published by the Brazilian Central Bank. On March 31, 2010, December 31, 2009 and March 31, 2009 the applicable exchange rates were R$1.7810, R$1.7412 and R$2.3152, respectively. The difference between the applicable exchanges rates, on each of the closing dates, generates impacts of translation on the beginning balances of the financial statements and on the changes therein through the subsequent period. The effect of this difference was disclosed in Brazilian Currency (“Real”) Condensed Consolidated Statement of Changes in Equity and respective notes as "Translation adjustment to Real". This convenience translation to the Real was carried out with the sole objective of providing the user of the financial statements a view of the numbers in the currency of the country in which the Group carries out its operations.

3. SEGMENT INFORMATION

Adoption of IFRS 8 Operating Segments

The Group has adopted IFRS 8 Operating Segments as from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity’s “system of internal financial reporting to key management personnel” serving only as the starting point for the identification of such segments.

Reportable segments

For management purposes, the Group is currently organized into six reportable segments: towage, port terminals, ship agency, offshore, logistics and shipyards. These divisions are reported to the Group’s chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment information relating to these businesses is presented below:

March 31, 2010	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyards US$	Non segment activities US$	Elimination US$	Consolidated US$
	2010								
Revenue	35,374	44,280	3,880	10,824	20,563	22,738	9	(16,243)	121,425
Operating profit	9,128	9,621	78	2,214	872	5,356	(9,036)	(3,956)	14,277
Finance costs	(966)	(542)	(1)	(798)	(548)	(35)	(46)	-	(2,936)
Operating profit adjusted by finance cost	8,162	9,079	77	1,416	324	5,321	(9,082)	(3,956)	11,341
Investment income									(1,068)
Profit before tax									10,273
Income tax									(4,055)
Profit for the period									6,218
Other information									
Capital expenditures	(9,142)	(15,783)	(52)	(8,192)	(1,699)	(304)	-	-	(35,172)
Depreciation and amortization	(2,972)	(3,139)	(41)	(1,606)	(1,312)	(36)	(439)	-	(9,545)
Balance sheet									
Segment assets	184,135	245,140	4,420	139,528	46,178	92,967	134,365	-	846,733
Segment liabilities	(123,253)	(86,813)	(4,761)	(150,229)	(30,258)	(21,145)	(761)	-	(417,220)

March 31, 2009	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyards US$	Non segment activities US$	Elimination US$	Consolidated US$
	2009								
Revenue	31,352	34,571	3,009	8,153	19,323	16,325	19	(9,155)	103,597
Operating profit	11,395	8,036	243	3,553	1,790	6,238	(5,911)	(1,569)	23,775
Finance costs	(730)	(501)	-	(711)	(214)	(25)	(270)	-	(2,451)
Operating profit adjusted by finance cost	10,665	7,535	243	2,842	1,576	6,213	(6,181)	(1,569)	21,324
Investment income									3,526
Profit before tax									24,850
Income tax									(8,711)
Profit for the period									16,139
Other information									
Capital expenditures	(13,997)	(13,381)	(14)	(12,646)	(4,126)	(361)	-	-	(44,525)
Depreciation and amortization	(2,070)	(2,643)	(40)	(1,399)	(860)	(44)	(375)	-	(7,431)
March 31, 2009									
Balance sheet									
Segment assets	113,728	196,414	3,974	111,387	26,657	67,416	120,421	-	639,997
Segment liabilities	(61,232)	(69,835)	(2,070)	(113,958)	(15,223)	(19,144)	(7,985)	-	(289,447)
December 31, 2009									
Balance sheet									
Segment assets	168,156	227,992	5,027	129,500	43,451	83,808	150,253	-	808,187
Segment liabilities	(117,780)	(71,149)	(5,541)	(147,114)	(27,968)	(5,436)	(9,720)	-	(384,708)

	2010								
March 31, 2010	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyards R$	Non segment activities R$	Elimination R$	Consolidated R$
Revenue	63,001	78,863	6,910	19,278	36,623	40,496	15	(28,928)	216,258
Operating profit	16,257	17,135	139	3,943	1,553	9,539	(16,094)	(7,045)	25,427
Finance costs	(1,720)	(965)	(2)	(1,421)	(976)	(62)	(83)	-	(5,229)
Operating profit adjusted by finance cost	14,537	16,170	137	2,522	577	9,477	(16,177)	(7,045)	20,198
Investment income									(1,902)
Profit before tax									18,296
Income tax									(7,221)
Profit for the period									11,075
Other information									
Capital expenditures	(16,282)	(28,110)	(93)	(14,590)	(3,026)	(540)	-	-	(62,641)
Depreciation and amortization	(5,293)	(5,591)	(73)	(2,860)	(2,337)	(64)	(782)	-	(17,000)
Balance sheet									
Segment assets	327,944	436,594	7,872	248,499	82,243	165,574	239,304	-	1,508,030
Segment liabilities	(219,514)	(154,614)	(8,479)	(267,558)	(53,889)	(37,659)	(1,354)	-	(743,067)

	2009								
	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyards R$	Non segment activities R$	Elimination R$	Consolidated R$
Revenue	72,586	80,039	6,966	18,876	44,737	37,796	44	(21,196)	239,848
Operating profit	26,382	18,605	563	8,226	4,144	14,443	(13,686)	(3,633)	55,044
Finance costs	(1,690)	(1,160)	-	(1,646)	(495)	(58)	(626)	-	(5,675)
Operating profit adjusted by finance cost	24,692	17,445	563	6,580	3,649	14,385	(14,312)	(3,633)	49,369
Investment income									8,163
Profit before tax									57,532
Income tax									(20,168)
Profit for the period									37,364
Other information									
Capital expenditures	(32,406)	(30,980)	(32)	(29,278)	(9,553)	(836)	-	-	(103,085)
Depreciation and amortization	(4,792)	(6,119)	(93)	(3,239)	(1,991)	(102)	(868)	-	(17,204)
March 31, 2009									
Balance sheet									
Segment assets	263,303	454,738	9,200	257,882	61,717	156,082	278,799	-	1,481,721
Segment liabilities	(141,763)	(161,682)	(4,792)	(263,836)	(35,245)	(44,323)	(18,488)	-	(670,129)
December 31, 2009	-								
Balance sheet									
Segment assets	292,793	396,979	8,753	225,485	75,657	145,926	261,622	-	1,407,215
Segment liabilities	(205,080)	(123,885)	(9,648)	(256,155)	(48,698)	(9,464)	(16,923)	-	(669,853)

Financial expenses and respective liabilities were allocated to reporting segments where interest arises from loans is related with finance the construction of fixed assets in that segment.

Financial income arising from bank balances held in Brazilian operating segments, including foreign exchange variation on such balances, were not allocated to the business segments as cash management is performed centrally by the corporate function. Administrative expenses are presented as unallocated.

Geographical information

The Group's operations are mainly located in Brazil. The Group earns income on Cash and Cash Equivalents invested in Bermuda and in Brazil, and incurs expenses on its activities in the latter country.

4. REVENUE

The following is an analysis of the Group's revenue for the period from continuing operations (excluding investment revenue – see Note 7)

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Sales of services	116,189	97,138	206,933	224,894
Revenue from construction contracts	5,236	6,459	9,325	14,954
Total	121,425	103,597	216,258	239,848

5. PERSONNEL EXPENSES

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Salaries and benefits	31,534	22,413	56,162	51,892
Social securities and charges	8,542	5,271	15,213	12,203
Pension costs	196	112	349	259
Long term incentive plan (Note 20)	1,449	385	2,581	891
Total	41,721	28,181	74,305	65,245

Pension costs are for defined contribution retirement benefit schemes for all qualifying employees of the Group's Brazilian business. Group contributions to the scheme are at rates specified in the rules of the plan. The assets of the scheme are held separately from those of the Group in funds under the control of independent managers.

6. OTHER OPERATING EXPENSES

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Service cost	14,320	10,919	25,504	25,280
Rent of tugs	7,084	4,508	12,617	10,437
Other rentals	4,244	3,665	7,559	8,485
Energy, water and communication	3,265	2,613	5,815	6,049
Container movement	2,072	1,476	3,690	3,417
Insurance	1,505	1,348	2,680	3,121
Maintenance	995	1,156	1,772	2,676
Other taxes	2,787	3,046	4,963	7,053
Provision for contingencies	2,461	959	4,383	2,220
Other expenses	5,309	2,717	9,455	6,291
Total	44,042	32,407	78,438	75,029

7. INVESTMENT INCOME AND FINANCE COSTS

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Interest on investments	2,112	1,938	3,761	4,487
Exchange gain/loss on investments	(3,428)	1,012	(6,105)	2,342
Interest income	248	576	442	1,334
Total investment income	(1,068)	3,526	(1,902)	8,163
Interest on bank loans and overdrafts	(2,165)	(1,868)	(3,856)	(4,325)
Exchange gain/loss on loans	(146)	69	(260)	160
Interest on obligations under finance leases	(446)	(225)	(794)	(521)
Total borrowing costs	(2,757)	(2,024)	(4,910)	(4,686)
Other interest	(179)	(427)	(319)	(989)
Total finance costs	(2,936)	(2,451)	(5,229)	(5,675)

8. INCOME TAX

Income tax recognized in profit or loss:

Current	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Brazilian taxation				
Income tax	4,690	7,090	8,353	16,415
Social contribution	1,796	2,474	3,198	5,728
Total Brazilian current tax	6,486	9,564	11,551	22,143
Deferred tax				
Total deferred tax	(2,431)	(853)	(4,330)	(1,975)
Total income tax	4,055	8,711	7,221	20,168

Brazilian income tax is calculated at 25% of the taxable profit for the period. Brazilian social contribution tax is calculated at 9% of the taxable profit for the period.

The charge for the period is reconciled to the profit per the income statement as follows:

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Profit before tax	10,273	24,850	18,296	57,532
Tax at the standard Brazilian tax rate (34%)	3,493	8,449	6,221	19,561
Effect of exchange difference on non-monetary items	2,940	(1,105)	5,236	(2,558)
Reversal of exchange variation in loans on US Dollar	(3,411)	670	(6,075)	1,551
Effect of different tax rates in other jurisdictions	757	111	1,348	257
Others	276	586	491	1,357
Income tax expense	4,055	8,711	7,221	20,168
Effective rate for the period	39%	35%	39%	35%

The tax rate used for the 2010 and 2009 reconciliations above is the corporate tax rate of 34% payable by entities in Brazil under tax law in that jurisdiction.

9. GOODWILL

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Cost and carrying amount attributed to:				
Tecon Rio Grande	13,132	13,132	23,388	22,865
Tecon Salvador	2,480	2,480	4,417	4,319
Total	15,612	15,612	27,805	27,184

For the purposes of testing goodwill for impairment loss, the Group prepares cash flow forecasts for the relevant cash generating unit (Tecon Rio Grande and Tecon Salvador) derived from the most recent financial budget for the next year and extrapolates cash flows for the remaining life of the concession based on an estimated annual growth of between 7% and 10% for Tecon Rio Grande and 5% and 8% for Tecon Salvador. This rate does not exceed the average long-term historical growth rate for the relevant market. After testing goodwill as mentioned above, no impairment losses were recognized for the periods presented.

10. OTHER INTANGIBLE ASSETS

	Mar 31, 2010			Dec 31, 2009		
	Cost US$	Accumulated amortization US$	Net value US$	Cost US$	Accumulated amortization US$	Net value US$
Intangible assets	3,990	(1,842)	2,148	4,062	(1,823)	2,239

	Mar 31, 2010			Dec 31, 2009		
	Cost R$	Accumulated amortization R$	Net value R$	Cost R$	Accumulated amortization R$	Net value R$
Intangible assets	7,106	(3,280)	3,826	7,073	(3,174)	3,899

Intangible assets arose from the acquisition of the concession of the container and heavy cargo terminal in Salvador, Tecon Salvador, in 2000 and the purchase of the remaining 50% rights of the concession for EADI Santo Andre (bonded warehouse).

On November, 2008 the Group's renewed the concession right for EADI Santo Andre for ten years, this right was recognized at intangible asset, as an addition in the amount of US$610 (R$1,426).

Intangible assets are amortized over the remaining terms of the concessions at the time of acquisition which, for Tecon Salvador is 25 years, and for EADI Santo Andre is 10 years.

11. PROPERTY, PLANT AND EQUIPMENT

	Mar 31, 2010			Dec 31, 2009		
	Cost US$	Accumulated depreciation US$	Net value US$	Cost US$	Accumulated depreciation US$	Net value US$
Land and buildings	115,989	(23,209)	92,780	112,444	(22,182)	90,262
Floating craft	315,230	(92,917)	222,313	284,118	(88,128)	195,990
Vehicles, plant and equipment	154,244	(54,783)	99,461	142,286	(52,037)	90,249
Assets under construction	48,115	-	48,115	62,377	-	62,377
Total	633,578	(170,909)	462,669	601,225	(162,347)	438,878

	Mar 31, 2010			Dec 31, 2009		
	Cost R$	Accumulated depreciation R$	Net value R$	Cost R$	Accumulated depreciation R$	Net value R$
Land and buildings	206,576	(41,335)	165,241	195,787	(38,623)	157,164
Floating craft	561,425	(165,485)	395,940	494,706	(153,449)	341,257
Vehicles, plant and equipment	274,708	(97,569)	177,139	247,748	(90,607)	157,141
Assets under construction	85,693	-	85,693	108,612	-	108,612
Total	1,128,402	(304,389)	824,013	1,046,853	(282,679)	764,174

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$22.9 million (R$40.8 million) (2009: US$23.0 million (R$40.0 million)) in respect of assets held under finance leases.

Land and buildings with a net book value of US$385 (R$686) (2009: US$385 (R$670)) and tugs with a net book value of US$2,742 (R$4,844) (2009: US$2,794 (R$4,865)) have been given in guarantee of various lawsuits.

The Group has pledged assets having a carrying amount of approximately US$248.3 million (R$442.2 million) (2009: US$235.4 million (R$409.9 million)) to secure loans granted to the Group.

The amount of capitalized interest in the period is US$334 (R$595), carrying average rate of 3.58%.

On March 31 2010, the Group had contractual suppliers commitments for the acquisition and construction related to property, plant and equipment amounting to US$12.2 million (R$21.8 million) (2009: US$23.7 million (R$41.2 million)).

12. INVENTORIES

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Operating materials	10,214	9,758	18,190	16,991
Raw materials for construction contracts (external customers)	8,214	10,929	14,629	19,030
Total	18,428	20,687	32,819	36,021

13. TRADE AND OTHER RECEIVABLES

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Accounts receivable for services rendered	55,064	49,948	98,069	86,971
Provision for doubtful receivables	(1,636)	(1,637)	(2,914)	(2,850)
Income tax recoverable	5,464	5,484	9,731	9,547
Prepayments and recoverable taxes and levies	56,671	51,704	100,931	90,027
Total	115,563	105,499	205,817	183,695

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets.

Interest of 1 percent plus an average fine of 2 percent per month is charged on overdue balances. The Group has recognized an allowance for doubtful debts of 100% against all receivables over 180 days because historical experience has been that receivables that are past due beyond 180 days are not recoverable. Allowances for doubtful debts are recognized decreasing the amount of accounts receivable and is established whenever a loss is detected, based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The aging list of accounts receivable for services rendered is shown below as follows:

	31 Mar, 2010 US$	31 Dec, 2009 US$	31 Mar, 2010 R$	31 Dec, 2009 R$
Undue	42,971	41,377	76,531	72,046
Overdue:				
From 01 to 30 days	6,632	5,051	11,812	8,796
From 31 to 90 days	2,379	1,440	4,237	2,508
From 91 to 180 days	1,446	443	2,575	771
More than 180 days	1,636	1,637	2,914	2,850
Total	55,064	49,948	98,069	86,971

Changes in allowance for doubtful debts are as follows:

	2010		2009	
	US$	R$	US$	R$
At January 1	1,637	2,850	2,761	6,452
Amounts written off during the period	(394)	(701)	(1,531)	(3,545)
Increase in allowance	429	765	701	1,624
Exchange difference	(36)	(65)	26	61
Translation adjustment to Real	-	65	-	(61)
At March 31	1,636	2,914	1,957	4,531

Management believes that no additional accrual is required for the allowance for doubtful debts.

As a matter of routine, the Group reviews taxes and levies impacting its businesses with a view to ensuring that payments of such amounts are correctly made and that no amounts are paid unnecessarily. In this process, where it is confirmed that taxes and/or levies have been overpaid, the Group takes appropriate measures to recover such amounts. During the year ended December 31, 2007, the Group received a response to a consultation to tax officials confirming the exemption of certain transactions to taxes which the Group had been paying through that date. This response permits the Group to recoup such amounts paid in the past provided that the Group takes certain measures to demonstrate that it has met the requirements of tax regulations for such recovery. In the first quarter of 2009, the Group was able to meet such requirements and recognized US$0.7 million (R$1.6 million) as a credit in the Condensed Consolidated Income Statement for the period (line "other operating expenses"). The Group concluded this process at the end of 2009.

14. CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Cash and cash equivalents

Cash and cash equivalents comprises cash on hands, bank accounts and short term investments that are highly liquid and readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents denominated in US Dollar represent principally investments in deposit certificates placed with major financial institutions. Cash and cash equivalents denominated in Real represent principally investments in deposit certificates and Brazilian government bonds.

Short term investments

Short term investments comprises investments that are with more than 90 days of maturity but less than 365 days.

The breakdown of cash and cash equivalents and short term investments is as follows:

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Denominated in US Dollar:				
Cash and cash equivalents	87,809	83,255	156,388	144,963
Total	87,809	83,255	156,388	144,963
Denominated in Real:				
Cash and cash equivalents	102,196	94,881	182,012	165,207
Short term investments	5,782	11,116	10,298	19,355
Total	107,978	105,997	192,310	184,562
Total cash and cash equivalents	190,005	178,136	338,400	310,170
Total short term investments	5,782	11,116	10,298	19,355

Private investment funds

The Group has investments in private investment fund denominated Investment Fund Fixed Income Private Credit Hydrus and that are consolidated in these financial statements. This private investment fund comprise deposit certificates and equivalent instruments, with final maturities ranging from April 2010 to March 2011 and for government bonds, with final maturities ranging from January 2011 to March 2015.

About 93.8% of the bonds included in the portfolio of the Private Investment Fund have daily liquidity and are marked at fair value on a daily basis against current earnings. This private investment fund does not have significant financial obligations. Any financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses.

15. BANK OVERDRAFTS AND LOANS

	Interest rate - %	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Unsecured Borrowings					
Bank overdrafts	13.25% p.y.	187	227	333	395
Total unsecured borrowings		187	227	333	395
Secured Borrowings					
BNDES - FINAME Real	4.5% to 14% p.y	6,163	5,089	10,976	8,861
BNDES - FMM US Dollar	2.64% to 5% p.y	235,289	230,563	419,050	401,456
Total BNDES		241,452	235,652	430,026	410,317
IFC linked to US Dollar	3.18% to 8.49% p.y	11,793	14,080	21,003	24,516
IFC linked to Real	14.09% p.y	4,786	5,458	8,524	9,504
Total IFC		16,579	19,538	29,527	34,020
Eximbank linked to US Dollar	2.09% p.y	6,902	-	12,293	-
Finimp linked to US Dollar	2.02% p.y	4,009	-	7,141	-
Total secured borrowings		268,942	255,190	478,987	444,337
Total		269,129	255,417	479,320	444,732

The breakdown of bank overdrafts and loans by maturity is as follows:

	US$	US$	R$	R$
Within one year	19,241	18,146	34,269	31,596
In the second year	22,869	20,545	40,730	35,773
In the third to fifth years (including)	66,599	60,166	118,613	104,761
After five years	160,420	156,560	285,708	272,602
Total	269,129	255,417	479,320	444,732
Total current	19,241	18,146	34,269	31,596
Total non-current	249,888	237,271	445,051	413,136

The analysis of borrowings by currency is as follows:

March 31, 2010	Real US$	Real linked to US Dollars US$	US Dollars US$	Total US$	Real R$	Real linked to US Dollars R$	US Dollars R$	Total R$
Bank overdrafts	187	-	-	187	333	-	-	333
Bank loans	10,949	235,289	22,704	268,942	19,501	419,050	40,436	478,987
Total	11,136	235,289	22,704	269,129	19,834	419,050	40,436	479,320
December 31, 2009								
Bank overdrafts	227	-	-	227	395	-	-	395
Bank loans	10,547	230,563	14,080	255,190	18,365	401,456	24,516	444,337
Total	10,774	230,563	14,080	255,417	18,760	401,456	24,516	444,732

The Group has main lenders:

Brazilian Economic and Social Development Bank (“BNDES”), as an agent of Brazilian Merchant Maritime Fund (“FMM”) finances tug boats and platform supply vessel’s construction, in the amount outstanding of US$235.3 million (R$419.1 million) (2009: US$230.6 million (R$401.5 million)). The BNDES’s product FINAME finances equipments for logistic operations, US$6.2 million (R$11.0 million) (2009: US$5.1 million (R$8.9 million)). The amounts outstanding at March 31, 2010 are repayable over periods varying up to 21 years. For the part linked to US Dollars the loans carry fixed interest rates between 2.64% and 5% per year, whereas for the loans denominated in Real, the interest rates are between 4.5% and 14% per year.

The International Finance Corporation (“IFC”) finances both port terminals – Tecon Rio Grande and Tecon Salvador. There are three loan agreements with this bank: two for Tecon Salvador and one for Tecon Rio Grande. The amounts outstanding at March 31, 2010 are repayable over periods varying up to 7 years. These loans are denominated part in US Dollar and part in Real. For the part linked to US Dollar, one of the loans has an interest rate fixed at 8.49% per year, while the others carry a variable rate of Libor (6 monthly) plus spread that are between 2.5% to 3.5% per year, whereas for the part denominated in Real, the interest rate is fixed at 14.09% per year.

The Export-Import Bank of China, finances Tecon Rio Grande’s equipment. The amount is US$16.66 million, with initial outlay of US$6.9 million in January 2010. The amount outstanding is repayable up to 10 years, including a grace period of 2 years. The amortization and interest payment are 6 monthly. The loan is denominated in US Dollars with a variable rate (Libor – 6 month). The spread is 1.7% per year and there is a committee’s payment for Bank Itaú BBA’s guarantee of 2% per year.

Guarantees

The loans from BNDES are secured by a pledge over the tug boats and supply vessels that are object of these financing. For three of the seven platform supply vessels being financed there is also a guarantee involving receivables from the client Petrobras.

The loans from IFC are secured by the Groups shares in Tecon Salvador and Tecon Rio Grande, the projects cash flows, equipment and building (equipment and building only for Tecon Rio Grande).

The loan with "The Export-Import Bank of China" is secured by a "Standby Letter of Credit" issued for Tecon Rio Grande and with a financing bank as beneficiary.

As counter-guarantee for the operation, Tecon Rio Grande obtained a formal authorization of the IFC trustee to dispose the equipment funded by "The Export-Import Bank of China" for the bank Itau BBA.

Undrawn borrowing facilities

At March 31, 2010, the Group had available US$90.7 million of undrawn borrowing facilities for which all conditions precedent had been met.

Fair value

Management estimates the fair value of the Group's borrowings as follows:

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Bank overdrafts	187	227	333	395
Bank loans				
BNDES	241,452	235,652	430,026	410,317
IFC	17,164	20,160	30,569	35,103
Eximbank	6,902	-	12,292	-
Finimp	4,009	-	7,140	-
Total bank loans	269,527	255,812	480,027	445,420
Total	269,714	256,039	480,360	445,815

Covenants

The subsidiaries Tecon Rio Grande and Tecon Salvador have specific restrictive clauses in their financing contracts with financial institutions related, basically, to the maintenance of liquidity ratios. At March 31, 2010, the Group is in compliance with all clauses of these contracts.

16. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognized by the Group during the current and prior reporting periods:

	Accelerated depreciation US$	Exchange variance on loans US$	Timing differences US$	Non-monetary items US$	Total US$
At January 1, 2009	(13,243)	1,906	10,618	(4,024)	(4,743)
(Charge)/Credit to income	(8,351)	(15,156)	741	35,086	12,320
Exchange differences	-	3	1,779	-	1,782
At December 31, 2009	(21,594)	(13,247)	13,138	31,062	9,359
(Charge)/Credit to income	(663)	2,750	3,284	(2,940)	2,431
Exchange differences	-	2	(98)	-	(96)
At March 31, 2010	(22,257)	(10,495)	16,324	28,122	11,694

	Accelerated depreciation R$	Exchange variance on loans R$	Timing differences R$	Non-monetary items R$	Total R$
At January 1, 2009	(30,949)	4,454	24,815	(9,404)	(11,084)
(Charge)/Credit to income	(14,541)	(26,390)	1,290	61,092	21,451
Exchange differences	-	5	3,098	-	3,103
Translation adjustment to Real	7,891	(1,135)	(6,327)	2,397	2,826
At December 31, 2009	(37,599)	(23,066)	22,876	54,085	16,296
(Charge)/Credit to income	(1,181)	4,898	5,849	(5,236)	4,330
Exchange differences	-	4	(175)	-	(171)
Translation adjustment to Real	(860)	(528)	524	1,236	372
At March 31, 2010	(39,640)	(18,692)	29,074	50,085	20,827

Certain tax assets and liabilities have been offset on an entity by entity basis. In the consolidated financial statements, a deferred tax asset of one entity in the Group cannot be offset against a deferred tax liability of another entity in the Group as there is no legally enforceable right to offset tax assets and liabilities between Group companies. After offset, deferred tax balances are presented in the balance sheet as follows:

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Deferred tax liabilities	(15,477)	(16,140)	(27,564)	(28,102)
Deferred tax assets	27,171	25,499	48,391	44,398
Total	11,694	9,359	20,827	16,296

At the balance sheet date, the Group has unused tax losses of US$25,295 (R$45,051) (2009: US$23,664 (R$41,203)) available for offset against future fiscal profits. No deferred tax asset has been recognized in the amount of US$8,600 (R$15,317) (2009: US$8,046 (R$14,009)) due to the unpredictability of future fiscal profits streams.

Deferred tax arises on Brazilian property, plant and equipment, inventories and prepaid expense held in US Dollar functional currency businesses. Deferred tax is calculated on the difference between the historical US Dollar balances recorded in the Group's accounts and the Real balances used in the Group's Brazilian tax calculations.

Deferred tax arises from exchange gains on the Group's US Dollar and Real denominated loans linked to the US Dollar that are taxable on settlement and not in the period in which the gains arise.

17. PROVISIONS FOR CONTINGENCIES

	2010		2009	
	US$	R$	US$	R$
At January 1	9,831	17,118	8,455	19,759
Net addition in the period	2,564	4,566	969	2,242
Exchange difference	(213)	(379)	79	184
Translation adjustment to Real	-	391	-	(184)
At March 31	12,182	21,696	9,503	22,001

The breakdown of classes of provision is described below as follows:

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Civil cases	1,469	781	2,616	1,360
Tax cases	789	921	1,405	1,604
Labor claims	9,924	8,129	17,675	14,154
Total	12,182	9,831	21,696	17,118

In the normal course of business in Brazil, the Group continues to be exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal advisors. There are no material claims outstanding at March 31, 2010 which have not been provided for and which the Group's legal advisers consider are more likely than not to result in a financial settlement against the Group.

The mainly probable and possible Group's claims are described below:

- Civil and Environmental cases: Indemnification for damages caused by floating crafts accidents. These claims are pleas related to environmental causes and indemnities for work accidents.
- Labor claims: These lawsuits litigate about salary differences, overtime worked without payments, and other additional.
- Tax cases: Brazilian taxes that the Group considers inappropriate and litigates against the government.

In addition to the cases for which the Group booked the provision for contingencies there are other tax, civil and labor disputes amounting to US$57,050 (R$101,606) (2009: US$60,355 (R$105,089)), whose probability of loss was estimated by the legal advisors as possible. Of the amount of US$57,050 classified as possible in March, 2010, US$10,428 refer to approximately 130 labor claims which were filed against the Port Terminal during 2009, the amount of US$11,039 relates to exchange difference. The principal thrust of such claims was for the additional compensation for the alleged enhanced risk of operating the port during the construction phase of the port expansion. The Superior Labor Court ("SLC") judged the object and declared the inapplicability of private terminals employees additional. The Group's legal advisers will continue monitoring progress on the case with SLC, in order to promote a court decision favorable to the Port Terminal.

18. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	Mar 31, 2010	Dec 31, 2009	Mar 31, 2010	Dec 31, 2009
Amounts payable under finance leases:	US$	US$	US$	US$
Within one year	5,447	5,263	4,152	3,902
In the second to fifth years, inclusive	9,363	9,950	8,301	8,653
	14,810	15,213	12,453	12,555
Less future finance charges	(2,357)	(2,658)	N/A	N/A
Present value of lease obligations	12,453	12,555		

	Minimum lease payments		Present value of minimum lease payments	
	Mar 31, 2010	Dec 31, 2009	Mar 31, 2010	Dec 31, 2009
Amounts payable under finance leases:	R$	R$	R$	R$
Within one year	9,701	9,164	7,394	6,793
In the second to fifth years inclusive	16,676	17,324	14,784	15,067
	26,377	26,488	22,178	21,860
Less future finance charges	(4,199)	(4,628)	N/A	N/A
Present value of lease obligations	22,178	21,860		

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 4 years.

For the period ended March 31, 2010 the average effective leasing rate was 15.29% per year (2009: 15.21%). Interest rates are fixed at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 10.05% to 20.39% per year.

Leases are denominated in Reais.

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

19. TRADE AND OTHER PAYABLES

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Suppliers	73,294	61,756	130,535	107,530
Taxes	12,065	11,847	21,488	20,628
Share-based payment	12,040	10,591	21,443	18,441
Accruals and other payables	8,419	5,733	14,994	9,982
Total	105,818	89,927	188,460	156,581

The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe.

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Construction contracts				
Contracts in progress at the end of each reporting period:				
Contract costs incurred plus recognized revenues less recognized losses to date	27,615	22,807	51,765	39,712
Less billings in process	(39,945)	(35,207)	(72,433)	(61,302)
Net liability included in suppliers	(12,330)	(12,400)	(20,668)	(21,590)

20. CASH-SETTLED SHARE-BASED PAYMENTS

On April 9, 2007, the board of Wilson Sons Limited approved a stock option plan (the “Share-Based Payment” or “Long-Term Incentive Scheme”), which allows for the grant of phantom options to eligible employees to be selected by the board over the next five years. The options will provide cash payments, on exercise, based on the number of options multiplied by the growth in the price of a Brazilian Depositary Receipts (“BDR”) of Wilson Sons Limited between the date of grant (the Base Price) and the date of exercise (the “Exercise Price”). The plan is regulated by the laws of Bermuda.

The changes on the accrual for the plan are as follows:

	2010 US$	2009 US$	2010 R$	2009 R$
At January 1	10,591	1,167	18,889	2,728
Charge for the period	1,449	385	2,581	891
Exchange difference	-	-	(25)	(25)
At March 31	12,040	1,552	21,445	3,594

The liability above is included in “Share-Based Payment” presented in Note 19.

As March 31, 2010 the number of share options was 3,912,760, and none of them was exercised during the first quarter of 2010.

Fair value of the recorded liability in the amount of US$12,040 (R$21,445) (2009: US$10,591 (R$18,441)) was determined using the binomial model based on the assumptions mentioned below:

	2010
Closing share price (in real)	R$23.35
Expected volatility	32-33%
Expected life	10 years
Risk free rate	9.30%
Expected dividend yield	2.00 %

Expected volatility was determined by calculating the historical volatility of the Group's share price. The expected life used in the model has been adjusted based on management´s best estimate for exercise restrictions and behavioral considerations.

21. EQUITY

Share Capital

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
71,144,000 ordinary shares issued and fully paid	9,905	9,905	17,641	17,247

Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Quarter ended			
	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Net income for the period	5,974	15,906	10,639	36,825
Weighted average number of ordinary shares	71,144,000	71,144,000	71,144,000	71,144,000
Earnings per share (in cents)	8.40	22.36	14.96	51.80

22. SUBSIDIARIES

Details of the Company's subsidiaries at March 31, 2010 and 2009 are as follows:

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Holding company			
Wilson Sons de Administração e Comércio Ltda.	Brazil	100%	Consolidation
Vis Limited	Guernsey	100%	Consolidation
Towage			
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	Consolidation
Sobrare-Servemar Ltda.	Brazil	100%	Consolidation
Wilson Sons Apoio Marítimo Ltda.	Brazil	100%	Consolidation
Wilson Sons Operações Marítimas Especiais Ltda.	Brazil	100%	Consolidation
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	Consolidation
Offshore			
Wilson Sons Offshore S.A.	Brazil	100%	Consolidation
Shipyard			
Wilson, Sons S.A., Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	Consolidation
Wilson Sons Estaleiro Ltda.	Brazil	100%	Consolidation
Ship Agency			
Wilson Sons Agência Marítima Ltda.	Brazil	100%	Consolidation
Wilson Sons Navegação Ltda.	Brazil	100%	Consolidation
Stevedoring			
Wilport Operadores Portuários Ltda.	Brazil	100%	Consolidation
Logistics			
Wilson, Sons Logística Ltda.	Brazil	100%	Consolidation
Transport services			
Wilson, Sons Terminais de Cargas Ltda.	Brazil	100%	Consolidation
Bonded warehousing			
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	Consolidation
Port terminal			
Tecon Rio Grande S.A.	Brazil	100%	Consolidation
Tecon Salvador S.A.	Brazil	100%	Consolidation
Port operator			
Brasco Logística Offshore Ltda.	Brazil	75%	Consolidation
Wilson Sons Operadores Portuários Ltda.	Brazil	100%	Consolidation

The Group also has 100% of ownership interest in a Brazilian Private Investment Funds denominated Investment Fund Fixed Income Private Credit Hydrus. This fund is managed by Itaú bank and its policies and objectives are determined by the Group's treasury (Note 14).

23. JOINT VENTURES

The following amounts are included in the Group's financial statements as a result of proportionate consolidation of joint ventures.

	Mar 31, 2010 US$	Dec 31, 2009 US$	Mar 31, 2010 R$	Dec 31, 2009 R$
Current assets	3,959	3,639	7,051	6,336
Non-current assets	2,132	2,297	3,797	4,000
Current liabilities	(4,654)	(4,744)	(8,289)	(8,260)
Non-current liabilities	(18)	(21)	(32)	(37)

	Mar31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Income	4,175	3,572	7,436	8,270
Expenses	(3,827)	(2,852)	(6,816)	(6,603)

The Group has the following significant interests in joint ventures at March 31, 2010:

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Towage			
Consórcio de Rebocadores Barra de Coqueiros	Brazil	50%	Proportional Consolidation
Consórcio de Rebocadores Baia de São Marcos	Brazil	50%	Consolidation
Non-vessel operating common carrier			
Allink Transportes Internacionais Limitada	Brazil	50%	Proportional Consolidation

On November 6, 2009 the Group sold its participation of 33.3% in the Joint Venture Dragaport Engenharia Ltda. to the partner Serveng Civilsan S.A.

24. FINANCIAL INSTRUMENTS AND RISK ASSESSMENT

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowing disclosed in Note 15, cash and cash equivalents, short term investments and equity attributable to owners of the parent comprising issued capital, reserves and retained earnings as disclosed in Note 21.

b) Categories of financial instruments:

	Fair value		Book value	
	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009
	US$	US$	US$	US$
Financial assets (includes: cash and cash equivalents, short term investments and trade and other receivables)	311,350	294,751	311,350	294,751
Financial liabilities (includes: bank loans and overdrafts, obligations under finance leases and trade and other payables)	387,985	358,521	387,400	357,899

	Fair value		Book value	
	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009
	R$	R$	R$	R$
Financial assets (includes: cash and cash equivalents, short term investments and trade and other receivables)	554,515	513,220	554,515	513,220
Financial liabilities (includes: bank loans and overdrafts, obligations under finance leases and trade and other payables)	690,998	624,256	689,958	623,173

c) Financial risk management objectives

The Group's Structured Operations Department monitors and manages financial risks related to the operations and coordinates access to domestic and international financial markets. These risks include market risk (currency and interest rate variation), credit risk and liquidity risk. The primary objective is to keep a minimum exposure to those risks by using non-derivative financial instruments and by assessing and controlling the credit and liquidity risks.

d) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currency (Real). Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, which may include the use of forward foreign exchange contracts.

The Group may enter into derivatives contracts such as forward contracts and swaps to hedge risks arising from exchange rate fluctuations. There were no such contracts on March 31, 2010 and December 31, 2009.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	Assets		Liabilities	
	March, 31 2010	December, 31 2009	March, 31 2010	December, 31 2009
	US$	US$	US$	US$
Amounts denominated in Real	343,550	327,593	148,091	129,292

	Assets		Liabilities	
	March, 31 2010	December, 31 2009	March, 31 2010	December, 31 2009
	R$	R$	R$	R$
Amounts denominated in Real	611,863	570,405	263,750	225,123

Foreign currency sensitivity analysis

Exchange rates		
Probable scenario	Possible scenario (25%)	Remote scenario (50%)
R$1.8000/US$1.00	R$2.2500/US$1.00	R$2.700/US$1.00

Operation	Risk	Amount in US$	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Total assets	Real	343,550	Exchange effects	(3,626)	(71,611)	(116,934)
Total liabilities	Real	148,091	Exchange effects	1,563	30,869	50,406
			Net effect	(2,063)	(40,742)	(66,528)

e) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. BNDES charges fixed interest rates on loans for construction of vessels. Since these rates are considerably low, the Group understands that there is hardly a market risk for this part of the debt. As for the financing of Port Operations the Group's strategy for interest rate management has been to maintain a balanced portfolio of fixed and floating interest rates in order to optimize cost and volatility. The Company's interest rate risk management strategy may use derivative instruments to reduce debt cost attributable to interest rate volatility. As of March 31, 2010 and December 31, 2009 the Company had no outstanding interest rate swap contracts.

The group has part of its equity reserves linked to “DI” (Brazilian interbank interest rates) and part linked to fixed deposits in US Dollar.

f) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

g) Credit Risk

The Group's credit risk can be attributed mainly to balances such as cash and cash equivalents and trade accounts receivable. The accounts receivable in the balance sheet are shown net of the provision for doubtful receivables. The valuation provision is booked whenever a loss is detected, which, based on past experience, evidences impaired possibility of recovering cash flows.

The Group's sales policy is subordinated to the credit sales rules set by Management, which seeks to mitigate any loss from customers' delinquency.

h) Derivatives

The Group may enter into derivatives contracts such as forward contracts and swaps to hedge risks arising from exchange rate fluctuations. There were no such contracts on March 31, 2010 and December 31, 2009.

i) Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at March 31, 2010 and December 31, 2009 at amounts similar to the fair value at those dates. These instruments are managed though operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of an ongoing monitoring of rates agreed versus those in force in the market and confirmation as to whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

The Group does not make speculative investments in derivatives or any other risk assets. The determination of estimated realization values of Company's financial assets and liabilities relies on information available in the market and relevant assessment methodologies. Nevertheless, a considerable judgment was required when interpreting market data to derive the most adequate estimated realization value.

j) Criteria, assumptions and limitations used when computing market values

Cash and cash equivalents

The market values of the bank current account balances are consistent with book balances.

Short term investments

The book value of short-term financial investments approximates its fair value.

Trade and other receivables/payables

In the Group management's view, the book balance of trade and other accounts receivable and payables approximates fair value.

Bank Overdrafts and Loans

Fair value of loans arrangements were calculated at their present value determined by future cash flows and at interest rates applicable to instruments of similar nature, terms and risks or at market quotations of these securities.

Fair value of BNDES financing arrangements is identical to book balances since there are no similar instruments, with comparable maturity dates and interest rates.

In the loan arrangement with IFC, fair value was obtained using the same spread as in the most recent agreement plus Libor.

25. RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates, joint ventures and others investments are disclosed below.

	Current assets US$	Non-current assets US$	Current liabilities US$	Non-current liabilities US$	Revenues US$	Expenses US$
Associates:						
1. Gouvêa Vieira Advogados	-	-	3	-	-	-
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	79
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	10	-	-	-	185	3
4. Consórcio de Rebocadores Barra de Coqueiros	28	61	-	-	19	-
5. Consórcio de Rebocadores Baía de São Marcos	19	2,025	108	-	534	-
Others						
7. Patrick Hamilton Hill	-	2,636	-	-	52	-
At 31 March, 2010	57	4,722	111	-	790	82
At 31 December, 2009	29	4,833	92	-	N/A	N/A
At 31 March, 2009	167	2,733	-	146	1,526	70

	Current assets R$	Non-current assets R$	Current liabilities R$	Non-current liabilities R$	Revenues R$	Expenses R$
Associates:						
1. Gouvêa Vieira Advogados	-	-	5	-	-	-
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	141
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	18	-	-	-	330	5
4. Consórcio de Rebocadores Barra de Coqueiros	50	109	-	-	35	-
5. Consórcio de Rebocadores Baía de São Marcos	34	3,607	193	-	951	-
Others						
7. Patrick Hamilton Hill	-	4,695	-	-	93	-
At 31 March, 2010	102	8,411	198	-	1,409	146
At 31 December, 2009	51	8,415	160	-	N/A	N/A
At 31 March, 2009	388	6,327	-	338	3,535	163

1. Dr. J.F. Gouvea Vieira is a managing partner in the law firm Gouvea Vieira Advogados. Fees were paid to Gouvea Vieira Advogados for legal services.

2. Mr. C. M. Marote is a shareholder and Director of CMMR Intermediação Comercial Limitada. Fees were paid to CMMR Intermediação Comercial Limitada for consultancy services.

3. Allink Transportes Internacionais Limitada is 50% owned by the Group and rents office space from the Group.

4-6 The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation. The proportion of ownership interest in each joint venture is described on Note 23.

26. NOTES TO THE CASH FLOW STATEMENT

	Mar 31, 2010 US$	Mar 31, 2009 US$	Mar 31, 2010 R$	Mar 31, 2009 R$
Profit before tax	10,273	24,850	18,296	57,532
Less: Investments revenues	1,068	(3,526)	1,902	(8,163)
Add: Finance costs	2,936	2,451	5,229	5,675
Operating profit from operations	14,277	23,775	25,427	55,044
Adjustments for:				
Depreciation and amortization expenses	9,545	7,431	17,000	17,204
Gain on disposal of property, plant and equipment	(15)	17	(27)	39
Provision for cash-settled share-based payment	1,449	385	2,581	891
Increase/decrease in provisions	2,351	663	4,189	1,536
Operating cash flows before movements in working capital	27,607	32,271	49,170	74,714
(Increase)/decrease in inventories	2,259	(1,655)	4,023	(3,832)
Increase in trade and receivables	(8,424)	(7,796)	(15,003)	(18,049)
Increase in trade and other payables	15,440	13,171	27,499	30,494
Increase in other non-current assets	1,166	154	2,077	357
Cash generated by operations	38,048	36,145	67,766	83,684
Income taxes paid	(5,865)	(8,023)	(10,447)	(18,575)
Interest paid	(2,390)	(2,470)	(4,257)	(5,719)
Net cash from operating activities	29,793	25,652	53,062	59,390

27. SUBSEQUENT EVENT

In Board Meeting held on May 5, 2010 the Board Directors declared the payment of dividends in the amount of USD0.317 per share (R$0.5662 cents per share) in the total amount of US$22,553 (R$40,284) to Shareholders of record as at May 5, 2010 and the payment of such dividend on May 11,2010.

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statement were approved by the board of directors and authorized for issue on May 13, 2010.