

**Wilson Sons Limited**

Condensed consolidated interim  
financial statements  
March 31, 2013

# Wilson Sons Limited

## Condensed consolidated interim financial statements

**March 31, 2013**

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## **Independent Accountants' Review Report on the Quarterly Information (ITR)**

To  
The Board of Directors and Shareholders of  
Wilson Sons Limited  
Hamilton – Bermuda

### **Introduction**

We have reviewed the condensed consolidated interim accounting information of Wilson Sons Limited ("the Company"), contained in the quarterly information form for the quarter ended March 31, 2013, which comprises the condensed consolidated statement of financial position as of March 31, 2013 and the respective condensed consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended at that date, as well as the explanatory notes.

Management is responsible for the preparation of the interim accounting information in accordance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), applicable to the preparation of quarterly information. Our responsibility is to express our conclusion on this condensed consolidated interim accounting information based on our review.

### **Scope of the review**

We have conducted our review in accordance with international interim information review standards (ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim information consists of making inquiries primarily to persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and, accordingly, we were unable to obtain reasonable assurance that we were aware of all the material issues that would have been identified in an audit. Therefore, we do not express an audit opinion.

### **Conclusion on the condensed consolidated interim accounting information**

Based on our review, we are not aware of any fact that might lead us to believe that the condensed consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with IAS 34 applicable to the preparation of the interim information.



## **Emphasis**

### ***Restatement of corresponding figures***

Without qualifying our review report further, we draw your attention that due to the adoption of new accounting standards the corresponding figures related to the year ended December 31, 2012 and period ended March 31, 2012, presented for comparison purposes, were adjusted and restated as required by IAS 8 - Accounting Policies, changes in Accounting Estimates and Errors, as mentioned in Note 2.

### **Convenience translation**

Our review also comprehended the convenience translation of the presentation 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 been made in conformity with the basis stated in Note 2. The translation of the condensed consolidated interim financial information amounts into Brazilian Reais has been made solely for the convenience of readers in Brazil and does not purport to represent amounts in accordance with International Financial Reporting Standards.

### **Other issues**

#### **Audit of the figures corresponding to the previous year audited by another audit firm**

Figures corresponding to the year and period ended December 31, 2011, presented for comparison purposes, were adjusted and are being restated, as mentioned in Note 2, due to the adoption of new accounting standards, and were examined by other independent auditors, which issued an unqualified report dated May 13, 2013.

Rio de Janeiro, Brazil, May 13, 2013

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-RJ

Marcelo Luiz Ferreira  
Accountant CRC RJ-087095/O-7

# Wilson Sons Limited

## Condensed consolidated statements of comprehensive income

**For the periods ended March 31, 2013 and 2012**

*(Amounts expressed in thousands, unless otherwise noted - Brazilian Real amounts are the result of a convenience translation) - Unaudited*

		March 31, 2013	March 31, 2012	Convenience translation	
	Notes	US\$	Restated US\$	March 31, 2013 R\$	March 31, 2012 Restated R\$
Revenue	4	149,212	150,169	300,482	273,623
Raw materials and consumables used		(14,585)	(18,443)	(29,371)	(33,605)
Employee benefits expense	5	(50,276)	(60,611)	(101,247)	(110,439)
Depreciation and amortization expenses		(13,780)	(14,699)	(27,751)	(26,783)
Other operating expenses	6	(47,473)	(42,529)	(95,600)	(77,492)
Profit on disposal of property, plant and equipment		1,022	18	2,059	32
Results from operating activities		24,120	13,905	48,572	25,336
Equity in subsidiaries		1,201	(4,296)	2,419	(7,828)
Finance income	7	4,293	8,163	8,645	14,874
Finance costs	7	(2,925)	(2,867)	(5,890)	(5,224)
Profit before tax		26,689	14,905	53,746	27,158
Income tax expense	8	(7,150)	(7,661)	(14,399)	(13,959)
Profit for the period		19,539	7,244	39,347	13,199
Profit for the period attributable to:					
Owners of the Company		18,755	6,238	37,768	11,368
Non controlling interests		784	1,006	1,579	1,831
		19,539	7,244	39,347	13,199
Other comprehensive income					
Exchange differences on translating		2,386	2,643	4,806	4,816
Total comprehensive income for the period		21,925	9,887	44,153	18,015
Total comprehensive income for the period attributable to:					
Owners of the Company		20,978	8,803	42,245	16,042
Non controlling interests		947	1,084	1,908	1,973
		21,925	9,887	44,153	18,015
Earnings per share from continuing operations					
Basic and diluted (cents per share)	21	26,36c	8,77c	53,09c	15,98c
<i>Exchange rates</i>					
<i>03/31/13 - R\$2.0138/ US\$1.00</i>					
<i>12/31/12 - R\$2.0435/ US\$1.00</i>					
<i>03/31/12 - R\$1.8221/ US\$1.00</i>					
<i>01/01/12 - R\$1.8758/ US\$1.00</i>					

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

# Wilson Sons Limited

## Condensed consolidated statements of financial position

**For the period ended March 31, 2013, year ended December 31, 2012 and as at January 01, 2012**

*(Amounts expressed in thousands, unless otherwise noted - Brazilian Real amounts are the result of a convenience translation) - Unaudited*

		Convenience translation					
		March 31, 2013 US\$ (Unaudited)	December 31, 2012 US\$ Restated	January 01, 2012 US\$ Restated	March 31, 2013 R\$ (Unaudited)	December 31, 2012 R\$ Restated	January 01, 2012 R\$ Restated
Notes							
ASSETS							
NON-CURRENT ASSETS							
	9	15,612	15,612	15,612	31,440	31,903	29,285
	10	28,669	29,345	28,463	57,734	59,967	53,391
	11	604,749	596,001	538,672	1,217,843	1,217,928	1,010,441
	16	32,021	29,647	29,507	64,483	60,584	55,349
	23	-	22	7,661	-	46	14,371
	13	17,141	16,923	27,965	34,518	34,582	52,457
		10,271	9,216	8,431	20,686	18,831	15,814
		708,463	696,766	656,311	1,426,704	1,423,841	1,231,108
CURRENT ASSETS							
	12	36,814	37,453	25,371	74,135	76,536	47,590
	13	202,312	198,199	160,496	407,416	405,020	301,059
	14	20,000	20,000	24,500	40,276	40,870	45,957
	14	131,667	116,018	106,708	265,151	237,083	200,163
		390,793	371,670	317,075	786,978	759,509	594,769
		1,099,256	1,068,436	973,386	2,213,682	2,183,350	1,825,877
EQUITY AND LIABILITIES							
CAPITAL AND RESERVES							
	21	9,905	9,905	9,905	19,947	20,241	18,580
		94,763	94,547	94,324	190,834	193,205	176,934
		1,981	1,981	1,981	3,989	4,048	3,716
		9,379	9,379	9,379	18,887	19,166	17,593
		398,649	379,894	350,614	802,800	776,314	657,681
		4,635	2,412	9,143	9,334	4,928	17,151
		519,312	498,118	475,346	1,045,791	1,017,902	891,655
		4,681	3,734	3,598	9,427	7,631	6,749
		523,993	501,852	478,944	1,055,218	1,025,533	898,404
NON-CURRENT LIABILITIES							
	19	1,151	1,135	2,471	2,318	2,320	4,635
	23	1,327	-	-	2,672	-	-
	15	315,984	324,138	304,586	636,329	662,375	571,342
	16	14,612	15,043	17,260	29,425	30,741	32,376
	17	11,327	-	-	22,810	-	-
		-	10,966	13,378	-	22,409	25,094
	18	2,679	2,809	3,293	5,395	5,740	6,178
		347,080	354,091	340,988	698,949	723,585	639,625
CURRENT LIABILITIES							
	19	186,653	172,572	120,920	375,881	352,651	226,821
		3,139	3,190	3,545	6,322	6,521	6,649
	18	815	1,234	3,804	1,641	2,522	7,135
	15	37,576	35,497	25,185	75,671	72,538	47,243
		228,183	212,493	153,454	459,515	434,232	287,848
		575,263	566,584	494,442	1,158,464	1,157,817	927,473
TOTAL EQUITY AND LIABILITIES							
		1,099,256	1,068,436	973,386	2,213,682	2,183,350	1,825,877

### Exchange rates

03/31/13 - R\$2.0138/ US\$1.00

12/31/12 - R\$2.0435/ US\$1.00

03/31/12 - R\$1.8221/ US\$1.00

01/01/12 - R\$1.8758/ US\$1.00

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

# Wilson Sons Limited

## Condensed consolidated statements of changes in shareholders` equity

**For the periods ended March 31, 2013 and 2012**

*(Amounts expressed in thousands, unless otherwise noted - Brazilian Real amounts are the result of a convenience translation) - Unaudited*

	Notes	Share capital US\$	Capital reserves			Derivatives US\$	Profit reserve US\$	Contributed surplus US\$	Retained earnings US\$	Translation Reserve US\$	Attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
			Share premium US\$	Others US\$	Additional paid-in capital US\$								
BALANCE AT JANUARY 01, 2012 - Restated		9,905	67,951	28,383	(2,010)	-	1,981	9,379	350,614	9,143	475,346	3,598	478,944
Profit for the period		-	-	-	-	-	-	-	6,238	-	6,238	1,006	7,244
Other comprehensive income (translation gain/loss)		-	-	-	-	-	-	-	-	2,565	2,565	78	2,643
Total comprehensive income for the period		-	-	-	-	-	-	-	6,238	2,565	8,803	1,084	9,887
BALANCE AT MARCH 31, 2012 - Restated	21	9,905	67,951	28,383	(2,010)	-	1,981	9,379	356,854	11,708	484,151	4,682	488,833
BALANCE AT JANUARY 01, 2013	21	9,905	67,951	28,383	(2,010)	223	1,981	9,379	379,894	2,412	498,118	3,734	501,852
Profit for the period		-	-	-	-	-	-	-	18,755	-	18,755	784	19,539
Derivatives		-	-	-	-	217	-	-	-	-	217	-	217
Other comprehensive income (translation gain/loss)		-	-	-	-	-	-	-	-	2,223	2,223	163	2,386
Total comprehensive income for the period		-	-	-	-	217	-	-	18,755	2,223	21,194	947	22,141
BALANCE AT MARCH 31, 2013	21	9,905	67,951	28,383	(2,010)	439	1,981	9,379	398,649	4,635	519,312	4,681	523,993

(continue)

# Wilson Sons Limited

## Condensed consolidated statements of changes in shareholders' equity

**For the periods ended March 31, 2013 and 2012**

*(Amounts expressed in thousands, unless otherwise noted - Brazilian Real amounts are the result of a convenience translation) - Unaudited*

Notes	Share capital	Capital reserves			Derivatives	Profit Reserve	Contributed surplus	Retained earnings	Translation reserve	Attributable to owners of the parent	Non-controlling interests	Total
		Share premium	Others	Additional paid-in capital								
	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$
BALANCE AT JANUARY 01, 2012 - Restated	18,580	127,462	53,242	(3,770)	-	3,716	17,593	657,681	17,151	891,655	6,749	898,404
Profit for the period	-	-	-	-	-	-	-	11,368	-	11,368	1,831	13,199
Other comprehensive income (translation gain/loss)	-	-	-	-	-	-	-	-	4,674	4,674	142	4,816
Total comprehensive income for the period	-	-	-	-	-	-	-	11,368	4,674	16,042	1,973	18,015
Translation adjustment to Real	(532)	(3,648)	(1,525)	108	-	(106)	(504)	(18,825)	(492)	(25,524)	(191)	(25,715)
BALANCE AT MARCH 31, 2012 - Restated	21 18,048	123,814	51,717	(3,662)	-	3,610	17,089	650,224	21,333	882,173	8,531	890,704
BALANCE AT JANUARY 01, 2013	20,241	138,858	57,998	(4,107)	456	4,048	19,166	776,314	4,928	1,017,902	7,631	1,025,533
Profit for the period	-	-	-	-	-	-	-	37,768	-	37,768	1,579	39,347
Derivatives	-	-	-	-	435	-	-	-	-	435	-	435
Other comprehensive income (translation gain/loss)	-	-	-	-	-	-	-	-	4,477	4,477	329	4,806
Total comprehensive income for the period	-	-	-	-	435	-	-	37,768	4,477	42,680	1,908	44,588
Translation adjustment to Real	(294)	(2,018)	(840)	59	(7)	(59)	(279)	(11,282)	(71)	(14,791)	(112)	(14,903)
BALANCE AT MARCH 31, 2013	21 19,947	136,840	57,158	(4,048)	884	3,989	18,887	802,800	9,334	1,045,791	9,427	1,055,218

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

### Exchange rates

03/31/13 - R\$2,0138/ US\$1,00

12/31/12 - R\$2,0435/ US\$1,00

03/31/12 - R\$1,8221/ US\$1,00

01/01/12 - R\$1,8758/ US\$1,00



# Wilson Sons Limited

## Condensed consolidated statements of cash flows

### For the periods ended March 31, 2013 and 2012

(Amounts expressed in thousands, unless otherwise noted - Brazilian Real amounts are the result of a convenience translation) - Unaudited

				Convenience translation	
	Note	2013 US\$	2012 US\$ Restated	2013 R\$	2012 R\$ Restated
NET CASH GENERATED BY OPERATING ACTIVITIES	27	37,088	22,506	74,686	41,010
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received		2,007	2,800	4,042	5,102
Proceeds on disposal of property, plant and equipment		2,193	16	4,416	29
Purchases of property, plant and equipment		(20,583)	(36,997)	(41,450)	(67,412)
Other intangible assets		(466)	(1,644)	(938)	(2,996)
Investment - short term and long term investment		-	400	-	729
Net cash used in investing activities		(16,849)	(35,425)	(33,930)	(64,548)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayments of borrowings		(11,194)	(6,532)	(22,542)	(11,902)
Repayments of obligation under finance leases		(632)	(767)	(1,273)	(1,398)
New bank loans raised		5,351	20,795	10,776	37,891
Net cash generated by financing activities		(6,475)	13,496	(13,039)	24,591
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		13,764	577	27,717	1,053
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		116,018	106,708	237,083	200,163
Effect of foreign exchange rate changes		1,885	4,255	3,796	7,754
Translation adjustment to Real		-	-	(3,445)	(5,734)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u>131,667</u>	<u>111,540</u>	<u>265,151</u>	<u>203,236</u>

(\*) Exchange rates for convenience translation

03/31/13 - R\$2,0138/ US\$1,00

12/31/12 - R\$2,0435/ US\$1,00

03/31/12 - R\$1,8221/ US\$1,00

01/01/12 - R\$1,8758/ US\$1,00

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

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

### Period ended March 31, 2013

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

#### **1. General information**

Wilson Sons Limited (the “Group” or “Company”) is a limited 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 in Brazil. Throughout over 175 years in the Brazilian market, the Company has developed a nationwide network and has also provided a variety of services related to international trade, particularly in the port and maritime sectors. The Company’s principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping agency, support to offshore oil and natural gas platforms and shipyards.

#### **2. Significant accounting policies and critical accounting judgments**

##### ***Statement of compliance***

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board - IASB.

##### ***Basis of preparation***

The condensed consolidated interim financial statements are presented in US Dollars, which is the Company’s functional currency, and also, 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 below. All financial information presented in dollar has been rounded to the nearest thousand, except when otherwise indicated.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for derivatives and share-based payments liability that are measured at fair values, as explained in the accounting policies. The accounting policies and most significant judgments adopted by the Group’s management were not modified in relation to those presented in the consolidated financial statements for the year ended December 31, 2012 approved on March 18, 2013, except for the new standards as described in Note 2 – new standards and interpretations adopted.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Estimates***

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2012.

### ***Convenience translation***

The condensed consolidated interim financial statements were originally prepared in US Dollars. A convenience translation to the Real, the Brazilian currency, was carried out solely for the convenience of readers in Brazil and does not purport to represent amounts in accordance with International Financial Reporting Standards, and should not be construed as implying that the amounts in US Dollars represent, or could have been or could be converted into Brazilian Real, at such rates or at any other rate.

The exchange rates used for the purposes of this convenience translation were the PTAX exchange rates prevailing at the end of the reporting period, as disclosed by the *Banco Central do Brasil*. On March 31, 2013, December 31, 2012, March 31, 2012 and January 01, 2012 the applicable exchange rates were R\$2.0138, R\$2.0435, R\$1.8221 and 1.8758, respectively. The difference between the applicable exchanges rates applied at the end of the reporting period generates impacts on the translation of the financial statements opening balances in Brazilian Real and the changes therein disclosed in the financial statements for the subsequent period. The effect of this difference is disclosed in the Brazilian Real Condensed Consolidated Statement of Changes in Equity and respective notes as "translation adjustment to real".

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***New standards and interpretations adopted***

New standards issued by the IASB were effective for annual periods beginning on or after January 01, 2013 as set out in Note 2 (New standards and interpretations) of our consolidated financial statements for the year ended December 31, 2012.

The company implemented the new standards related to the matters regarding subsidiaries and joint arrangements.

IFRS 10 introduces a single control model to determine whether an investee should be consolidated.

Under IFRS 11, the structure of joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the related accounting.

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

The new standard treatment applied by the Company includes the effect of recognising profit / loss of Wilson Sons Ultratug Offshore in a single line item in the Income Statement and Balance Sheet to reflect Company's 50% participation rather than the previous treatment with proportional consolidation line by line. Additionally, Allink, a Company's 50% Non-Vessel Operating Common Carrier ("NVOCC") operations, which previously included only 50% share in both Income Statement and Balance Sheet, now represents 100% in Financial Statements, with the effect of 50% in Non controlling Interest line. For further details of mentioned entities, please refer to note 22 and 23.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The impact of the adoption of these new standards are set out below:

<b>Condensed consolidated statements of comprehensive income</b>						
Mar 31, 2012						
	<u>As presented (*)</u>	<u>Impact of New Standards</u>	<u>Restated</u>	<u>As presented (*)</u>	<u>Impact of New Standards</u>	<u>Restated</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>R\$</u>	<u>R\$</u>	<u>R\$</u>
Revenue	157,165	(6,996)	150,169	286,370	(12,747)	273,623
Raw materials and consumables used	(19,560)	1,117	(18,443)	(35,642)	2,037	(33,605)
Employee benefits expense	(64,970)	4,359	(60,611)	(118,382)	7,943	(110,439)
Depreciation and amortization expenses	(17,436)	2,737	(14,699)	(31,769)	4,986	(26,783)
Other operating expenses	(44,038)	1,509	(42,529)	(80,242)	2,750	(77,492)
Profit on disposal of property, plant and equipment	14	4	18	26	6	32
Results from operating activities	11,175	2,730	13,905	20,361	4,977	25,336
Equity in subsidiaries	-	(4,296)	(4,296)	-	(7,828)	(7,828)
Finance income	7,203	960	8,163	13,125	1,749	14,874
Finance costs	(4,217)	1,350	(2,867)	(7,684)	2,460	(5,224)
Profit before tax	14,161	744	14,905	25,802	1,356	27,158
Income tax expense	(7,661)	-	(7,661)	(13,959)	-	(13,959)
Profit for the period	<u>6,500</u>	<u>744</u>	<u>7,244</u>	<u>11,843</u>	<u>1,356</u>	<u>13,199</u>
Profit for the period attributable to:						
Owners of the Company	6,238	-	6,238	11,368	-	11,368
Non controlling interest	262	744	1,006	475	1,356	1,831
	<u>6,500</u>	<u>744</u>	<u>7,244</u>	<u>11,843</u>	<u>1,356</u>	<u>13,199</u>

(\*) As presented as of March 31, 2012

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

### Consolidated statement of financial position

Dec 31, 2012

	As presented (*)	Impact of New Standards	Restated	As presented (*)	Impact of New Standards	Restated
	US\$	US\$	US\$	R\$	R\$	R\$
Property, plant and equipment	828,750	(232,749)	596,001	1,693,550	(475,622)	1,217,928
Investments	-	22	22	-	46	46
Trade and other receivables	16,892	31	16,923	34,518	64	34,582
Other non-current assets	85,606	(1,786)	83,820	174,937	(3,652)	171,285
Total non-current assets	931,248	(234,482)	696,766	1,903,005	(479,162)	1,423,841
Inventories	27,697	9,756	37,453	56,599	19,937	76,536
Trade and Other Receivables	168,751	29,448	198,199	344,842	60,177	405,020
Cash and Cash equivalents	120,675	(4,657)	116,018	246,596	(9,513)	237,083
Other current assets	20,490	(490)	20,000	41,872	(1,002)	40,870
Total current assets	337,613	34,057	371,670	689,909	69,599	759,509
Total Assets	1,268,861	(200,425)	1,068,436	2,592,914	(409,563)	2,183,350
Equity attributable to owners of the Company	498,118	-	498,118	1,017,902	-	1,017,902
Non-controlling interests	2,630	1,104	3,734	5,374	2,257	7,631
Total equity	500,748	1,104	501,852	1,023,276	2,257	1,025,533
Bank loans	524,908	(200,770)	324,138	1,072,650	(410,275)	662,375
Other non-current assets	32,608	(2,655)	29,953	66,632	(5,422)	61,210
Total non-current assets	557,516	(203,425)	354,091	1,139,282	(415,697)	723,585
Trade and Other payables	163,116	9,456	172,572	333,327	19,324	352,651
Bank overdrafts and loans	43,179	(7,682)	35,497	88,236	(15,698)	72,538
Other current liabilities	4,302	122	4,424	8,793	251	9,043
Total current liabilities	210,597	1,896	212,493	430,356	3,877	434,232
Total equity and liabilities	1,268,861	(200,425)	1,068,436	2,592,914	(409,563)	2,183,350

(\*) As presented as of December 31, 2012.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### Consolidated statement of financial position

Jan 01, 2012

	As presented (*)	Impact of New Standards	Restated	As presented (*)	Impact of New Standards	Restated
	US\$	US\$	US\$	R\$	R\$	R\$
Property, plant and equipment	725,859	(187,187)	538,672	1,361,566	(351,125)	1,010,441
Investments	-	7,661	7,661	-	14,371	14,371
Trade and other receivables	28,240	(275)	27,965	52,972	(516)	52,457
Other non-current assets	82,169	(156)	82,013	154,134	(293)	153,839
Total non-current assets	<u>836,268</u>	<u>(179,957)</u>	<u>656,311</u>	<u>1,568,672</u>	<u>(337,563)</u>	<u>1,231,108</u>
Inventories	21,142	4,229	25,371	39,657	7,933	47,590
Trade and Other Receivables	135,515	24,981	160,496	254,203	46,859	301,059
Cash and Cash equivalents	112,388	(5,680)	106,708	210,817	(10,655)	200,163
Other current assets	24,502	(2)	24,500	45,957	(4)	45,957
Total current assets	<u>293,547</u>	<u>23,528</u>	<u>317,075</u>	<u>550,634</u>	<u>44,134</u>	<u>594,769</u>
Total Assets	<u>1,129,815</u>	<u>(156,429)</u>	<u>973,386</u>	<u>2,119,306</u>	<u>(293,430)</u>	<u>1,825,877</u>
Equity attributable to owners of the Company	475,348	-	475,348	891,655	-	891,655
Non-controlling interests	2,147	1,451	3,598	4,028	2,722	6,749
Total equity	<u>477,495</u>	<u>1,451</u>	<u>478,946</u>	<u>895,683</u>	<u>2,722</u>	<u>898,404</u>
Bank loans	451,381	(146,795)	304,586	846,700	(275,358)	571,342
Other non-current liabilities	45,220	(8,818)	36,402	84,823	(16,541)	68,283
Total non-current liabilities	<u>496,601</u>	<u>(155,613)</u>	<u>340,988</u>	<u>931,523</u>	<u>(291,899)</u>	<u>639,625</u>
Trade and Other payables	115,788	5,132	120,920	217,196	9,627	226,823
Bank overdrafts and loans	32,672	(7,487)	25,185	61,286	(14,044)	47,242
Other current liabilities	7,259	88	7,347	13,618	165	13,783
Total current liabilities	<u>155,719</u>	<u>(2,267)</u>	<u>153,452</u>	<u>292,100</u>	<u>(4,252)</u>	<u>287,848</u>
Total Equity and Liabilities	<u>1,129,815</u>	<u>(156,429)</u>	<u>973,386</u>	<u>2,119,306</u>	<u>(293,430)</u>	<u>1,825,877</u>

(\*) As presented as of January 01, 2012.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### Condensed consolidated statements of cash flows

	Mar, 2012					
	As presented (*)	Impact New Staments	Restated	As presented (*)	Impact New Staments	Restated
	US\$	US\$	US\$	R\$	US\$	R\$
Net cash generated by operating activities	15,477	7,029	22,506	28,201	12,809	41,010
Cash flow from investing activities						
Purchases of property, plant and equipment	(40,248)	3,251	(36,997)	(73,336)	5,924	(67,412)
Other intangible assets	(2,276)	632	(1,644)	(4,147)	1,151	(2,996)
Other cash used in investing activities	3,024	192	3,216	5,510	350	5,860
Net cash used in investing activities	<u>(39,500)</u>	<u>4,075</u>	<u>(35,425)</u>	<u>(71,973)</u>	<u>7,425</u>	<u>(64,548)</u>
Cash flow from financing activities						
Repayments of borrowings	(8,367)	1,835	(6,532)	(15,246)	3,344	(11,902)
Repayments of obligation under finance leases	(767)	-	(767)	(1,398)	-	(1,398)
New bank loans raised	32,253	(11,458)	20,795	58,768	(20,877)	37,891
Net cash generated by financing activities	<u>23,119</u>	<u>(9,623)</u>	<u>13,496</u>	<u>42,124</u>	<u>(17,533)</u>	<u>24,591</u>
Net increase (decrease) in cash and cash equivalents	(904)	1,481	577	(1,648)	2,701	1,053
Cash and cash equivalents at beginning of the period	112,388	(5,680)	106,708	210,817	(10,654)	200,163
Effect of foreign exchange rate changes	3,212	1,043	4,255	5,853	1,901	7,754
Translation adjustment to Real	-	-	-	(6,034)	300	(5,734)
Cash and cash equivalents at end of the period	<u>114,696</u>	<u>(3,156)</u>	<u>111,540</u>	<u>208,988</u>	<u>(5,752)</u>	<u>203,236</u>

(\*) As presented as of March 31, 2012



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

### 3. Segment information

#### Reportable segments

For management purposes, the Group is currently organized into six reportable segments: Towage, port terminals, shipping agency, offshore, logistics and shipyards. These divisions are reported for the purposes of resource allocation and assessment of segment performance.

Finance costs relating to liabilities were allocated to reporting segments based on the loans taken to finance the acquisition or the construction of fixed assets in that segment.

Finance income arising from bank balances held by Brazilian operating segments, including foreign exchange differences on such balances, were not allocated to the reporting segments as cash management is performed centrally by the corporate function. Administrative expenses are presented as non-segment activities.

Segment information relating to these businesses is presented below:

	2013								
	Towage US\$	Port terminals US\$	Ship agency US\$	Offshore US\$	Logistics US\$	Shipyards US\$	Non segment activities US\$	Elimination US\$	Consolidated US\$
March 31, 2013									
(Three-month period ended)	-	-	-	-	-	-	-	-	-
Revenue	43,675	53,567	5,777		25,846	37,239		(16,892)	149,212
Operating profit	11,360	11,352	835		3,548	6,213	(8,260)	(928)	24,120
Finance costs	(1,501)	(1,958)	(8)	-	(466)	(16)	1,004	20	(2,925)
Operating profit adjusted by finance cost	9,859	9,394	827	-	3,082	6,197	(7,256)	(908)	21,195
Equity in subsidiaries	-	-	-	1,201	-	-	-	-	1,201
Finance income	-	-	-	-	-	-	-	-	4,293
Profit before tax	-	-	-	-	-	-	-	-	26,689
Other information:									
Capital expenditures	(4,380)	(11,226)	(2)	-	(388)	(3,455)	(2,095)	-	(21,546)
Depreciation and amortization	(3,665)	(7,099)	(182)	-	(1,855)	(91)	(888)	-	(13,780)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

	2012								
	Restated								
	Towage US\$	Port terminals US\$	Ship agency US\$	Offshore US\$	Logistics US\$	Shipyards US\$	Non segment activities US\$	Elimination US\$	Consolidated US\$
March 31, 2012									
(Three-month period ended)									
Revenue	40,397	59,920	5,712	-	32,003	32,526	157	(20,546)	150,169
Operating profit	3,407	14,161	(97)	-	2,572	9,992	(10,814)	(5,316)	13,905
Finance costs	(1,458)	(651)	(2)	-	(822)	(1)	67	-	(2,867)
Operating profit adjusted by finance cost	1,949	13,510	(99)	-	1,750	9,991	(10,747)	(5,316)	11,038
Equity in subsidiaries	-	-	-	(4,296)	-	-	-	-	(4,296)
Finance income	-	-	-	-	-	-	-	-	8,163
Profit before tax	-	-	-	-	-	-	-	-	14,905
Other information:									
Capital expenditures	(14,146)	(13,792)	(36)	-	(487)	(10,330)	(1,103)	-	(39,894)
Depreciation and amortization	(5,578)	(5,548)	(53)	-	(2,633)	(45)	(842)	-	(14,699)
	2013								
	Towage R\$	Port terminals R\$	Ship agency R\$	Offshore R\$	Logistics R\$	Shipyards R\$	Non segment activities R\$	Elimination R\$	Consolidated R\$
March 31, 2013									
(Three-month period ended)									
Revenue	87,953	107,873	11,805	-	52,049	74,991	-	(34,017)	300,482
Operating profit	22,877	22,861	1,682	-	7,145	12,512	(16,636)	(1,869)	48,572
Finance costs	(3,023)	(3,943)	(16)	-	(938)	(32)	2,022	41	(5,890)
Operating profit adjusted by finance cost	19,854	18,918	1,666	-	6,207	12,480	(14,614)	(1,828)	42,682
Equity in subsidiaries	-	-	-	2,419	-	-	-	-	2,419
Finance income	-	-	-	-	-	-	-	-	8,645
Profit before tax	-	-	-	-	-	-	-	-	53,746
Other information:									
Capital expenditures	(8,820)	(22,607)	(4)	-	(781)	(6,958)	(4,219)	-	(43,389)
Depreciation and amortization	(7,381)	(14,296)	(367)	-	(3,735)	(182)	(1,790)	-	(27,751)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	2012								
	Restated								
	Towage R\$	Port terminals R\$	Ship agency R\$	Offshore R\$	Logistics R\$	Shipyard R\$	Non segment activities R\$	Elimination R\$	Consolidated R\$
March 31, 2012									
(Three-month period ended)									
Revenue	73,607	109,180	10,408	-	58,313	59,266	286	(37,437)	273,623
Operating profit	6,208	25,803	(177)	-	4,686	18,206	(19,704)	(9,686)	25,336
Finance costs	(2,657)	(1,186)	(4)	-	(1,497)	(2)	122	-	(5,224)
Operating profit adjusted by finance cost	3,551	24,617	(181)	-	3,189	18,204	(19,582)	(9,686)	20,112
Equity in subsidiaries	-	-	-	(7,828)	-	-	-	-	(7,828)
Finance income	-	-	-	-	-	-	-	-	14,874
Profit before tax	-	-	-	-	-	-	-	-	27,158
Other information:									
Capital expenditures	(25,775)	(25,130)	(66)	-	(887)	(18,822)	(2,010)	-	(72,690)
Depreciation and amortization	(10,164)	(10,109)	(98)	-	(4,798)	(82)	(1,532)	-	(26,783)

### Geographical information

The Group's operations are mainly located in Brazil. The Group earns income on cash and cash equivalents and short-term investments in Bermuda and in Brazil and incurs expenses on its activities in the both countries.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 4. Revenue

The following is an analysis of the Group's revenue from continuing operations for the period (excluding Finance income - Note 7).

	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	US\$	Restated US\$	R\$	Restated R\$
Sales of services	128,865	138,267	259,508	251,936
Revenue from construction contracts	20,347	11,902	40,974	21,687
Total	<u>149,212</u>	<u>150,169</u>	<u>300,482</u>	<u>273,623</u>

### 5. Employee benefits expense

	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	US\$	Restated US\$	R\$	Restated R\$
Salaries and benefits	44,303	44,379	89,218	80,863
Payroll taxes	7,385	10,681	14,872	19,462
Pension costs	363	329	731	599
Long-term incentive plan (Note 20)	<u>(1,775)</u>	<u>5,222</u>	<u>(3,574)</u>	<u>9,515</u>
Total	<u>50,276</u>	<u>60,611</u>	<u>101,247</u>	<u>110,439</u>

Pension costs are for defined contribution retirement benefit schemes for all eligible employees of the Group's Brazilian business, Group contributions to the scheme are made at rates specified in plan rules. Plan assets are held separately from those of the Group, in funds under the control of independent managers. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 6. Other operating expenses

	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>R\$</b>	<b>Restated R\$</b>
Service cost	14,905	13,969	30,016	25,452
Rent of tugs	6,050	4,636	12,183	8,447
Freight	1,842	2,073	3,709	3,778
Other rentals	6,632	6,975	13,356	12,709
Energy, water and communication	5,837	5,076	11,755	9,249
Container handling	1,841	2,797	3,707	5,096
Insurance	1,497	1,702	3,015	3,101
Provisions for contingencies	346	1,063	697	1,937
Other taxes	3,976	3,653	8,007	6,656
Other expenses	4,547	585	9,155	1,067
Total	<u>47,473</u>	<u>42,529</u>	<u>95,600</u>	<u>77,492</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 7. Finance income and finance costs

	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	US\$	Restated US\$	R\$	Restated US\$
Interest on investments	2,007	2,800	4,042	5,102
Exchange gain (loss) on investments	1,887	4,255	3,800	7,753
Other interest income	399	1,108	803	2,019
Total finance income	<u>4,293</u>	<u>8,163</u>	<u>8,645</u>	<u>14,874</u>
Interest on bank loans and overdrafts	(2,882)	(2,609)	(5,804)	(4,754)
Interest on obligations under finance leases	(131)	(272)	(264)	(496)
Total borrowing costs	<u>(3,013)</u>	<u>(2,881)</u>	<u>(6,068)</u>	<u>(5,250)</u>
Other interest	88	14	178	26
Total finance costs	<u>(2,925)</u>	<u>(2,867)</u>	<u>(5,890)</u>	<u>(5,224)</u>

Additional to the Exchange Gain (Loss) on investments within the finance income and costs, the Company has Gain (Loss) directly attributed to the balance sheet items of the operations which are currently allocated to the revenues and expenses. In the period this Gain directly allocated to Operating Revenue amounted to US\$ 0.9 million (R\$ 1.8 million) (2012: US\$ 0.4 million (R\$ 0.8 million)) and the Gain allocated Operating Expenses amounted to US\$ 1.0 million (R\$ 2.1 million) (2012: US\$ 0.5 million (R\$ 0.9 million)).

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 8. Income tax expense

Income tax recognized in profit or loss:

	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>R\$</b>	<b>Restated R\$</b>
<b>Current</b>				
Brazilian taxation				
Income tax	7,091	7,857	14,280	14,316
Social contribution	<u>2,689</u>	<u>2,783</u>	<u>5,415</u>	<u>5,070</u>
Total Brazilian current tax	<u>9,780</u>	<u>10,640</u>	<u>19,695</u>	<u>19,386</u>
<b>Deferred tax</b>				
Total deferred tax	<u>(2,630)</u>	<u>(2,979)</u>	<u>(5,296)</u>	<u>(5,427)</u>
Total income tax expense	<u>7,150</u>	<u>7,661</u>	<u>14,399</u>	<u>13,959</u>

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.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The income tax expense for the period can be reconciled to the accounting profit as follows:

	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>
Profit before tax	26,689	14,905
Tax at statutory Brazilian tax rate (34%)	9,074	5,068
Effect of exchange differences arising on translation - IAS 21	(2,500)	(2,019)
Exchange differences on US Dollar loans	257	63
Effect of different tax rates in other jurisdictions	(920)	1,948
Others	1,239	2,601
	<u>7,150</u>	<u>7,661</u>
Income tax expense	<u>7,150</u>	<u>7,661</u>
Effective rate for the period	<u>27%</u>	<u>51%</u>

  

	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>
Profit before tax	53,747	27,158
Tax at statutory Brazilian tax rate (34%)	18,273	9,234
Effect of exchange differences arising on translation - IAS 21	(5,035)	(3,679)
Exchange differences on US Dollar loans	518	115
Effect of different tax rates in other jurisdictions	(1,853)	3,549
Others	2,496	4,740
	<u>14,399</u>	<u>13,959</u>
Income tax expense	<u>14,399</u>	<u>13,959</u>
Effective rate for the period	<u>27%</u>	<u>51%</u>

The tax rate used for the 2013 and 2012 reconciliations above is the corporate tax rate of 34% payable by entities in Brazil under the tax law in that jurisdiction.



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 9. Goodwill

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Cost and carrying amount attributed to:			
Tecon Rio Grande	13,132	13,132	13,132
Tecon Salvador	<u>2,480</u>	<u>2,480</u>	<u>2,480</u>
Total	<u>15,612</u>	<u>15,612</u>	<u>15,612</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>R\$</b>	<b>R\$</b>
Cost and carrying amount attributed to:			
Tecon Rio Grande	26,445	26,835	24,633
Tecon Salvador	<u>4,995</u>	<u>5,068</u>	<u>4,652</u>
Total	<u>31,440</u>	<u>31,903</u>	<u>29,285</u>

For the purposes of testing goodwill for impairment losses, the Group makes use its updated valuation model, for the relevant cash-generating units (Tecon Rio Grande and Tecon Salvador) derived from the most recent financial budget for the following year, extrapolates cash flows for the remaining life of the concession based on an estimated average growth rate of about 6% for Tecon Rio Grande and 7% for Tecon Salvador annually, and a discount rate of 10.07% for both business units. 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 recognised for the periods presented.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 10. Other intangible assets

	US\$	R\$
At January 01, 2012 - Restated	39,041	73,232
Additions	7,209	14,731
Disposals	(684)	(1,398)
Exchange differences	(1,510)	(3,086)
Foreign currency gains in respect of translation into Brazilian Real	-	6,551
At December 31, 2012 - Restated	<u>44,056</u>	<u>90,030</u>
Additions	466	939
Disposals	(14)	(27)
Exchange differences	267	535
Foreign currency gains in respect of translation into Brazilian Real	-	(1,309)
At March 31, 2013	<u>44,775</u>	<u>90,168</u>
<b>Accumulated amortization</b>		
At January 01, 2012 - Restated	10,578	19,841
Charge for the year	5,258	10,745
Disposals	(627)	(1,282)
Exchange differences	(498)	(1,017)
Foreign currency gains in respect of translation into Brazilian Real	-	1,776
At December 31, 2012 - Restated	<u>14,711</u>	<u>30,063</u>
Charge for the period	1,361	2,741
Disposals	(7)	(14)
Exchange differences	41	82
Foreign currency gains in respect of translation into Brazilian Real	-	(438)
At March 31, 2013	<u>16,106</u>	<u>32,434</u>
<b>Carrying amount</b>		
March 31, 2013	<u>28,669</u>	<u>57,734</u>
December 31, 2012 - Restated	<u>29,345</u>	<u>59,967</u>
January 01, 2012 - Restated	<u>28,463</u>	<u>53,391</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

### 11. Property, plant and equipment

	Land and buildings US\$	Vessels US\$	Vehicles, plant and equipment US\$	Assets under construction US\$	Total US\$
<b>Cost or valuation</b>					
At January 01, 2012 - Restated	213,951	296,644	232,579	2,667	745,841
Additions	68,049	3,474	23,232	28,089	122,844
Transfers	15	13,743	(15)	(13,743)	-
Exchange differences	(8,482)	-	(7,033)	-	(15,515)
Disposals	(1,174)	-	(5,315)	-	(6,489)
At December 31, 2012 - Restated	272,359	313,861	243,448	17,013	846,681
Additions	11,126	-	5,924	4,207	21,257
Transfers	-	-	-	-	-
Exchange differences	1,609	-	2,186	-	3,795
Disposals	(975)	(7,206)	(4,705)	-	(12,886)
At March 31, 2013	284,119	306,655	246,853	21,220	858,847
<b>Accumulated depreciation</b>					
At January 01, 2012 - Restated	34,972	98,783	73,414	-	207,169
Charge for the year	12,759	14,350	23,529	-	50,638
Elimination on construction contracts	-	2,628	-	-	2,628
Exchange differences	(1,268)	14	(4,148)	-	(5,402)
Disposals	(545)	(3)	(3,805)	-	(4,353)
At December 31, 2012 - Restated	45,918	115,772	88,990	-	250,680
Additions	3,932	3,042	5,446	-	12,420
Elimination on construction contracts	-	828	-	-	828
Exchange differences	52	-	667	-	719
Disposals	(642)	(6,598)	(3,309)	-	(10,549)
At March 31, 2013	49,260	113,044	91,794	-	254,098
<b>Carrying amount</b>					
March 31, 2013	234,859	193,611	155,059	21,220	604,749
December 31, 2012 - Restated	226,441	198,089	154,458	17,013	596,001
January 01, 2012 - Restated	178,979	197,861	159,165	2,667	538,672

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

	Land and buildings R\$	Vessels R\$	Vehicles, plant and equipment R\$	Assets under construction R\$	Total R\$
<b>Cost or valuation</b>					
At January 01, 2012 - Restated	401,329	556,445	436,271	5,003	1,399,048
Additions	139,058	7,099	47,475	57,400	251,032
Transfers	31	28,084	(31)	(28,084)	-
Exchange differences	(17,333)	-	(14,372)	-	(31,705)
Disposals	(2,399)	-	(10,861)	-	(13,260)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	35,880	49,747	39,003	447	125,077
At December 31, 2012 - Restated	556,566	641,375	497,485	34,766	1,730,192
Additions	22,406	-	11,930	8,472	42,808
Transfers	-	-	-	-	-
Exchange differences	3,240	-	4,402	-	7,642
Disposals	(1,963)	(14,511)	(9,475)	-	(25,949)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	(8,090)	(9,322)	(7,230)	(505)	(25,147)
At March 31, 2013	572,159	617,542	497,112	42,733	1,729,546
<b>Accumulated depreciation</b>					
At January 01, 2012 - Restated	65,600	185,297	137,710	-	388,607
Charge for the year	26,073	29,324	48,082	-	103,479
Elimination on construction contracts	-	5,370	-	-	5,370
Exchange differences	(2,591)	29	(8,476)	-	(11,038)
Disposals	(1,114)	(6)	(7,776)	-	(8,896)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	5,865	16,566	12,311	-	34,742
At December 31, 2012 - Restated	93,833	236,580	181,851	-	512,264
Charge for the period	7,918	6,126	10,967	-	25,011
Elimination on construction contracts	-	1,667	-	-	1,667
Exchange differences	105	-	1,343	-	1,448
Disposals	(1,293)	(13,287)	(6,664)	-	(21,244)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	(1,363)	(3,438)	(2,642)	-	(7,443)
At March 31, 2013	99,200	227,648	184,855	-	511,703
<b>Carrying amount</b>					
At March 31, 2013	472,959	389,894	312,257	42,733	1,217,843
December 31, 2012 - Restated	462,733	404,795	315,634	34,766	1,217,928
January 01, 2012 - Restated	335,729	371,148	298,561	5,003	1,010,441

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The cost balance of the Group's vehicles, plant and equipment includes an amount of US\$20.5 million (R\$41.3 million) (2012: US\$20.5 million (R\$41.9 million)) in respect of assets held under finance leases.

Land and buildings with a net carrying amount of US\$0.2 million (R\$0.5 million) (2012: US\$0.2 million (R\$0.5 million)) and tugboats with a net carrying amount of US\$2.2 million (R\$4.4 million) (2012: US\$2.2 million (R\$4.5 million)) have been pledged as guarantee of various lawsuits.

The Group has pledged assets with a carrying amount of approximately US\$603.6 million (R\$1.216 million) (December 31, 2012: US\$588.6 million (R\$1.185 million)) (January 01, 2012: US\$380.5 million (R\$713.7 million)) to secure loans granted to the Group.

The amount of borrowing costs capitalized in 2013 is US\$0.5 million (R\$1.0 million) (December 31, 2012: US\$4.3 million (R\$8.9 million)), (January 01, 2012: US\$4.6 million (R\$8.7 million)) at an average interest rate of 2.00% (December 31, 2012: 3.18%) (January 01, 2012: 3.94%).

As part of the continuing review of the economic useful life of vessels, on April 2, 2012, the Group concluded the research of its fleet of tugboats and Platform Supply Vessels, supported by technical evidence presented in a report prepared by the specialized engineers and directors of the Group. As a result of this survey the economic life of its vessels was amended with prospective effect from the date of the report. Given the result of the study, the estimated useful life of vessels was adjusted from 20 years to be 25 years for all new vessels built post 1986, with assets prior to this date depreciated over periods 30 to 35 years depending on specification and factors such as remotorisation.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 12. Inventories

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Operating materials	12,978	12,902	11,533
Raw materials for construction contracts (external customers)	<u>23,836</u>	<u>24,551</u>	<u>13,838</u>
Total	<u>36,814</u>	<u>37,453</u>	<u>25,371</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Operating materials	26,134	26,366	21,632
Raw materials for construction contracts (external customers)	<u>48,001</u>	<u>50,170</u>	<u>25,958</u>
Total	<u>74,135</u>	<u>76,536</u>	<u>47,590</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 13. Trade and other receivables

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Receivables for services rendered	71,333	66,025	67,807
Allowance for doubtful debts	(2,558)	(2,506)	(927)
Income tax recoverable (IT and SC)	12,433	11,096	9,261
Recoverable taxes and levies	42,740	44,814	41,278
Prepayment	41,635	43,211	16,319
Other	53,870	52,482	54,723
Total	<u>219,453</u>	<u>215,122</u>	<u>188,461</u>
Total current	<u>202,312</u>	<u>198,199</u>	<u>160,496</u>
Total non-current	<u>17,141</u>	<u>16,923</u>	<u>27,965</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Receivables for services rendered	143,650	134,922	127,192
Allowance for doubtful debts	(5,151)	(5,122)	(1,740)
Income tax recoverable (IT and SC)	25,038	22,674	17,372
Recoverable taxes and levies	86,070	91,577	77,430
Prepayment	83,844	88,301	30,611
Other	108,483	107,250	102,651
Total	<u>441,934</u>	<u>439,602</u>	<u>353,516</u>
Total current	<u>407,416</u>	<u>405,020</u>	<u>301,059</u>
Total non-current	<u>34,518</u>	<u>34,582</u>	<u>52,457</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Trade receivables disclosed are classified as financial assets measured at amortised cost.

Non-current trade receivables with maturities over 365 days refer principally to: (i) recoverable taxes related to PIS, COFINS, ISS and INSS; and (ii) receivables from Intermarítima . There is no impairment evidence related to these receivables.

As a matter of routine, the Group reviews taxes and levies impacting its business to ensure that payments of such amounts are correctly made and that no amounts are paid unnecessarily. The Group is developing a plan to use its tax credits, respecting the legal term for use of tax credits from prior years and, if the inability to recover by compensation is evidenced, requesting reimbursement of these values from the Receita Federal do Brasil.

The aging list of receivables for services rendered is as follows:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Current	<u>52,197</u>	<u>47,257</u>	<u>51,542</u>
Overdue but not impaired:			
01 to 30 days	13,432	8,670	13,720
31 to 90 days	2,093	4,043	996
91 to 180 days	1,053	3,549	622
Impaired:			
More than 180 days	<u>2,558</u>	<u>2,506</u>	<u>927</u>
Total	<u><u>71,333</u></u>	<u><u>66,025</u></u>	<u><u>67,807</u></u>



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Current	<u>105,114</u>	<u>96,570</u>	<u>96,682</u>
Overdue but not impaired:			
01 to 30 days	27,049	17,718	25,736
31 to 90 days	4,214	8,261	1,868
91 to 180 days	2,122	7,251	1,166
Impaired:			
More than 180 days	<u>5,151</u>	<u>5,122</u>	<u>1,740</u>
Total	<u>143,650</u>	<u>134,922</u>	<u>127,192</u>

Generally, interest of one percent per month plus a two-percent penalty 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 shows that receivables that are past due beyond 180 days are not recoverable. Allowances for doubtful debts are recognized as a reduction of receivables, and are recognized whenever a loss is identified, based on estimated unrecoverable amounts determined by reference to past default experience of the counterparty and based on an analysis of the counterparty's current financial position.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Changes in allowance for doubtful debts are as follows:

	US\$	R\$
At January 01, 2012 - Restated	927	1,740
Amounts written off during the year	(5,643)	(11,531)
Increase in allowance	7,348	15,016
Exchange difference	(126)	(258)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	<u>-</u>	<u>155</u>
At December 31, 2012 - Restated	<u>2,506</u>	<u>5,122</u>
Amounts written off during the period	(6,936)	(13,969)
Increase in allowance	6,950	13,997
Exchange difference	38	75
Foreign currency gains/(loss) in respect of translation into Brazilian Real	<u>-</u>	<u>(74)</u>
At March 31, 2013	<u>2,558</u>	<u>5,151</u>

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

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### **14. Cash and cash equivalents and short-term investments**

#### ***Cash and cash equivalents***

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

US dollar-denominated cash and cash equivalents refer principally to investments in deposit certificates placed with major financial institutions, Real-denominated cash and cash equivalents refer principally to investments in deposit certificates and Brazilian treasury bonds.

#### ***Short-term investments***

Short-term investments comprise investments with maturity dates of more than 90 days but less than 365 days.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

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

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Denominated in US dollar:			
Cash and cash equivalents	5,257	5,512	572
Short-term investments	<u>20,000</u>	<u>20,000</u>	<u>24,500</u>
Total	<u>25,257</u>	<u>25,512</u>	<u>25,072</u>
Denominated in Brazilian Real:			
Cash and cash equivalents	<u>126,410</u>	<u>110,506</u>	<u>106,136</u>
Total	<u>126,410</u>	<u>110,506</u>	<u>106,136</u>
Total cash and cash equivalents	<u>131,667</u>	<u>116,018</u>	<u>106,708</u>
Total short-term investments	<u>20,000</u>	<u>20,000</u>	<u>24,500</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Denominated in US dollar:			
Cash and cash equivalents	10,587	11,264	1,073
Short-term investments	<u>40,276</u>	<u>40,870</u>	<u>45,957</u>
Total	<u>50,863</u>	<u>52,134</u>	<u>47,030</u>
Denominated in Brazilian Real:			
Cash and cash equivalents	<u>254,564</u>	<u>225,819</u>	<u>199,090</u>
Total	<u>254,564</u>	<u>225,819</u>	<u>199,090</u>
Total cash and cash equivalents	<u>265,151</u>	<u>237,083</u>	<u>200,163</u>
Total short-term investments	<u>40,276</u>	<u>40,870</u>	<u>45,957</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Private investment fund***

The Group has investments in a private investment fund called Hydrus Fixed Income Private Credit Investment Fund which are consolidated in these Interim financial statements. This private investment fund comprises deposit certificates and equivalent instruments, with final maturities ranging from April 2013 to January 2019, and government bonds, with final maturities ranging from April 2013 to September 2018. About 82.61% of the securities included in the portfolio of the Private Investment Fund have daily liquidity and are marked to 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.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 15. Bank overdrafts and loans

	Interest rate - %	Mar 31, 2013  US\$	Dec 31, 2012 Restated US\$	Jan 01, 2012 Restated US\$
<b>Unsecured borrowings</b>				
Bank overdrafts - Real	12.4% .a.	-	-	132
Total unsecured borrowings		-	-	132
<b>Secured borrowings</b>				
BNDES - FINAME Real	4.5% to 12.0% p.a.	18,230	19,401	30,591
BNDES - FMM linked to US Dollar	2% to 6% p.a.	210,155	213,999	198,827
BNDES - FMM Real	9.71% p.a.	3,982	3,994	4,540
BNDES - linked to US Dollar	5.07% to 5.36% p.a.	13,249	13,821	15,447
BNDES - Real	6.89% p.a.	3,655	3,604	-
Total BNDES		249,271	254,819	249,405
BB – FMM linked to US Dollar	2% to 3% p.a.	3,362	-	-
IFC - US Dollar	3.20% to 8.49% p.a.	75,767	77,606	57,208
IFC - linked to Real	14.09% p.a.	2,279	2,655	3,618
Total IFC		78,046	80,261	60,826
Eximbank - US Dollar	2.19% p.a.	12,548	13,686	15,769
Finimp - US Dollar	2.09% to 4.30% p.a.	10,114	10,605	3,152
Caterpillar – Real	4.41% to 7.44% p.a.	219	264	487
Total others		22,881	24,555	19,408
Total secured borrowings		353,560	359,635	329,639
Total		353,560	359,635	329,771

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	Interest rate - %	Mar 31, 2013 R\$	Dec 31, 2012 Restated R\$	Jan 01, 2012 Restated R\$
<b>Unsecured borrowings</b>				
Bank overdrafts - Real	12.4% p.a.	-	-	248
Total unsecured borrowings		-	-	248
<b>Secured borrowings</b>				
BNDES - FINAME Real	4.5% to 12.0% p.a.	36,712	39,647	57,383
BNDES - FMM linked to US Dollar	2% to 6% p.a.	423,210	437,307	372,959
BNDES - FMM Real	9.71% p.a.	8,019	8,161	8,516
BNDES - linked to US Dollar	5.07% to 5.36% p.a.	26,681	28,244	28,975
BNDES - Real	6.89% p.a.	7,360	7,365	-
Total BNDES		501,982	520,724	467,833
BB – FMM linked to US Dollar	2% to 3% p.a.	6,772	-	-
IFC - US Dollar	3.20% to 8.49% p.a.	152,579	158,587	107,310
IFC - linked to Real	14.09% p.a.	4,589	5,426	6,788
Total IFC		157,168	164,013	114,098
Eximbank - US Dollar	2.19% p.a.	25,270	27,967	29,579
Finimp - US Dollar	2.09% to 4.30% p.a.	20,368	21,671	5,913
Caterpillar – Real	4.41% to 7.44% p.a.	440	538	914
Total others		46,078	50,176	36,406
Total secured borrowings		712,000	734,913	618,337
Total		712,000	734,913	618,585

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

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

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Within one year	37,576	35,497	25,185
In the second year	36,987	38,358	33,927
In the third to fifth years (including)	101,661	102,608	98,092
After five years	<u>177,336</u>	<u>183,172</u>	<u>172,567</u>
Total	<u>353,560</u>	<u>359,635</u>	<u>329,771</u>
 Total current	 <u>37,576</u>	 <u>35,497</u>	 <u>25,185</u>
 Total non-current	 <u><u>315,984</u></u>	 <u><u>324,138</u></u>	 <u><u>304,586</u></u>



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Within one year	75,671	72,538	47,243
In the second year	74,484	78,385	63,639
In the third to fifth years (including)	204,725	209,679	184,000
After five years	357,120	374,311	323,703
Total	<u>712,000</u>	<u>734,913</u>	<u>618,585</u>
Total current	<u>75,671</u>	<u>72,538</u>	<u>47,243</u>
Total non-current	<u>636,329</u>	<u>662,375</u>	<u>571,342</u>

The analysis of borrowings by currency is as follows:

	<b>Real US\$</b>	<b>Real linked to US Dollars US\$</b>	<b>US Dollars US\$</b>	<b>Total US\$</b>	<b>Real R\$</b>	<b>Real linked to US Dollars R\$</b>	<b>US Dollars R\$</b>	<b>Total R\$</b>
<b>March 31, 2013</b>								
Bank loans	28,365	226,766	98,429	353,560	57,120	456,663	198,217	712,000
Total	<u>28,365</u>	<u>226,766</u>	<u>98,429</u>	<u>353,560</u>	<u>57,120</u>	<u>456,663</u>	<u>198,217</u>	<u>712,000</u>
<b>December 31, 2012 - Restated</b>								
Bank loans	29,918	227,820	101,897	359,635	61,137	465,551	208,225	734,913
Total	<u>29,918</u>	<u>227,820</u>	<u>101,897</u>	<u>359,635</u>	<u>61,137</u>	<u>465,551</u>	<u>208,225</u>	<u>734,913</u>
<b>January 01, 2012 - Restated</b>								
Bank overdrafts	132	-	-	132	248	-	-	248
Bank loans	<u>39,236</u>	<u>214,274</u>	<u>76,129</u>	<u>329,639</u>	<u>73,601</u>	<u>401,934</u>	<u>142,802</u>	<u>618,337</u>
Total	<u>39,368</u>	<u>214,274</u>	<u>76,129</u>	<u>329,771</u>	<u>73,849</u>	<u>401,934</u>	<u>142,802</u>	<u>618,585</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The Group's main lenders are described as follows:

The total debt amount with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) was US\$249.2 million (R\$ 501.9 million) on March 31, 2013 (Dec 31, 2012: US\$254.8 million (R\$520.7 million)) (Jan 01, 2012: US\$249.4 million (R\$467.8 million)). As an agent of Fundo da Marinha Mercante's (FMM), BNDES finances the construction of tugboats, and shipyard facilities with a debt amount of US\$ 214.1 million (R\$ 431.2 million) on March 31, 2013 (Dec 31, 2012: US\$218.0 million (R\$445.4 million))(Jan 01, 2012: US\$203.3 million (R\$381.4 million)). FINAME credit line, through a variety of financial agents, finances Logistics and Port Operation equipment acquisition amounting US\$18.2 million (R\$36.7 million) on March 31, 2013 (Dec 31, 2012: US\$19.4 million (R\$39.6 million)) (Jan 01, 2012: US\$30.5 million (R\$57.3 million)). Through FINEM credit line, BNDES is also financing Tecon Rio Grande's existing fixed assets improvement, amounting US\$13.2 million (R\$26.6 million) on March 31, 2013 (Dec 31, 2012: US\$13.8 million (R\$28.2 million)) (Jan 01, 2012: US\$15.4 million (R\$28.9 million)). The debt amount is repayable over different periods up to 19 years. Loans linked to US Dollars bear fixed interest rates between 2%p.a. and 5.36%p.a., loans linked to UMBNDES bear floating interest rate of BNDES's external funding cost plus a spread of 1.48 % p.a., whereas loans denominated in Brazilian-Real, have fixed interest rates between 4.5 % p.a. and 12 % p.a..

Banco do Brasil, as an agent of FMM, finances the construction of tugboats. The total debt amount with BB was US\$3.3 million (R\$6.7 million) on March 31, 2013. Loan is linked to US Dollars, bear fixed interest rates between 2% p.a. and 3% p.a. and the original tenor is up 20 years.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

International Finance Corporation (IFC) finances projects in both container terminals -Tecon Rio Grande and Tecon Salvador. There are three loan agreements, one for Tecon Rio Grande and two for Tecon Salvador. The total debt amount of US\$78.0 million (R\$157.1 million) on March 31, 2013 (Dec 31, 2012: US\$80.2 million (R\$164.0 million)) (Jan 01, 2012: US\$60.8 million (R\$114.0 million)). The amortization and interest payment are semiannual. The Tecon Rio Grande loan is denominated in US Dollar and carries a fixed interest rate of 8.49% p.a. The original tenor of this loan 9 years (actual tenor of 1.5 years as of March 31, 2013). Tecon Salvador loans are denominated part in US Dollar and part in Brazilian Real. The first bears a floating interest rate of Libor (6 months) plus a 2.75% p.a. spread. The original tenor of this loan is 8.5 years (actual tenor of 7 years as of March 31, 2013). The other Tecon Salvador loan is denominated in Brazilian Real, and has interest rate fixed at 14.09% p.a.. The original tenor of this loan is 8 years (actual tenor of 3.5 years as of March 31, 2013).

The Export-Import Bank of China (Eximbank) finances Tecon Rio Grande's equipment acquisition. As per loan agreement original tenor is 9 years (actual tenor of 6 years as of March 31, 2013) with semiannual amortization and interest payment. The loan is denominated in US Dollars with a floating interest rate of Libor (6 months) plus a spread of 1.7 % p.a.. Additionally, there is a 2.0 % p.a. guarantee fee paid to Banco Itaú BBA. The debt amount was US\$12.5 million (R\$25.2 million) on March 31, 2013 (Dec 31, 2012: US\$13.6 million (R\$27.9 million)) (Jan 01, 2012: US\$15.7 million (R\$29.5 million)).

Banco Itaú BBA S.A finances Tecon Rio Grande's equipment acquisition through an Import Finance Facility ("FINIMP"). One loan is denominated in US Dollars with a floating interest rate of Libor (6 months) plus a spread of 1.63% p.a. Banco Itaú BBA S.A. also charges a 1.75 % p.a. local fee. As per loan agreement the original tenor is 5 years (actual tenor of 2 years as of March 31, 2013) with semiannual amortization and interest payment. The other loan was signed on January 06, 2012. The total contract worth US\$9.2 million is under disbursement. The loan agreement is denominated in US Dollars with a floating interest rate of Libor (6 months) plus a spread of 3.8% p.a. As per loan agreement the original the tenor is 5 years (actual tenor of 4 years as of March 31, 2013) with semiannual amortization and interest payment. The debt amount was US\$10.1 million (R\$20.4 million) on March 31, 2013 (2012: US\$10.6 million (R\$21.7 million)) (2011: US\$3.1 million (R\$5.9 million)).

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Guarantees***

Loans with BNDES rely on a corporate guarantee from Wilson Sons de Administração e Comércio Ltda. For some contracts, the corporate guarantee is additional to: (i) pledge of the respective financed tug boat or platform supply vessel and/or (ii) lien of logistics and port operations equipment financed.

Loans with BB rely on a corporate guarantee from Wilson, Sons de Administração e Comércio Ltda. And pledge of the respective financed tug boat.

The loans that Tecon Salvador and Tecon Rio Grande hold with IFC are guaranteed by shares of each company, projects' cash flows, equipment and buildings.

The loan with “The Export-Import Bank of China” is guaranteed by a “Standby Letter of Credit” issued for Tecon Rio Grande by Banco Itaú BBA S.A., with the financing bank as beneficiary, as counter-guarantee, Tecon Rio Grande obtained a formal authorization from IFC trustee to pledge the equipment funded by “The Export-Import Bank of China” to Banco Itaú BBA S.A.

Loan with Itaú BBA S.A. is guaranteed by the corporate guarantee from Wilson Sons de Administração e Comércio Ltda and the pledge of the respective financed equipment. One contract is additionally guaranteed by promissory note.

### ***Undrawn credit facilities***

At March 31, 2013, the Group had available US\$265.5 million of undrawn borrowing facilities. For each disbursement, there is a set of precedent conditions that must be satisfied.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Fair value***

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

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Bank overdrafts	-	-	132
Bank loans			
BNDES	249,271	254,819	249,405
BB	3,362	-	-
IFC	78,113	80,352	60,934
Eximbank	12,548	13,686	15,769
Finimp	10,114	10,605	3,152
Caterpillar	219	264	487
Total bank loans	<u>353,627</u>	<u>359,726</u>	<u>329,747</u>
Total	<u>353,627</u>	<u>359,726</u>	<u>329,879</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Bank overdrafts	-	-	248
Bank loans			
BNDES	501,982	520,724	467,833
BB	6,772	-	-
IFC	157,306	164,198	114,300
Eximbank	25,270	27,967	29,579
Finimp	20,368	21,671	5,913
Caterpillar	440	538	914
Total bank loans	<u>712,138</u>	<u>735,098</u>	<u>618,539</u>
Total	<u>712,138</u>	<u>735,098</u>	<u>618,787</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Covenants***

According to BNDES loans, the holding Wilson, Sons de Administração e Comércio Ltda. (“WSAC”) have to comply with specific financial covenants. On March 31, 2013 WSAC was in compliance with all clauses in those loan contracts.

According to IFC loans, the subsidiaries Tecon Rio Grande and Tecon Salvador have specific restrictive clauses. These covenants are mainly related to the maintenance of specific liquidity ratios. On March 31, 2013 these subsidiaries were in compliance with all clauses in those loan contracts.

According to the BNDES loan, the subsidiary Tecon Rio Grande has specific restrictive clauses. These covenants are mainly related to the maintenance of specific liquidity ratios. On March 31, 2013 this subsidiary was in compliance with all clauses in this loan contract.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 16. Deferred taxes

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 Differences on loans US\$	Timing differences US\$	Non- monetary items US\$	Total US\$
At January 01, 2012 - Restated	(16,203)	508	24,790	3,152	12,247
(Charge) credit to income	(1,670)	4,958	9,913	(10,225)	2,976
Exchange differences	-	(61)	(558)	-	(619)
At December 31, 2012 - Restated	(17,873)	5,405	34,145	(7,073)	14,604
(Charge)/credit to income	(1,101)	(206)	1,253	2,683	2,629
Exchange differences		10	166		176
At March 31, 2013	(18,974)	5,209	35,564	(4,390)	17,409

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Accelerated depreciation R\$</b>	<b>Exchange Differences on loans R\$</b>	<b>Timing differences R\$</b>	<b>Non- monetary items R\$</b>	<b>Total R\$</b>
At January 01, 2012 - Restated	(30,394)	953	46,501	5,913	22,973
(Charge) credit to income	(3,413)	10,132	20,257	(20,895)	6,081
Exchange differences	-	(125)	(1,140)	-	(1,265)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	(2,716)	85	4,157	528	2,054
At December 31, 2012 - Restated	(36,523)	11,045	69,775	(14,454)	29,843
(Charge)/credit to income	(2,217)	(415)	2,523	5,403	5,294
Exchange differences		20	334		354
Foreign currency gains/(loss) in respect of translation into Brazilian Real	530	(160)	(1,013)	210	(433)
At March 31, 2013	(38,210)	10,490	71,619	(8,841)	35,058



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Certain tax assets and liabilities have been offset on an entity-by-entity basis. After offset, deferred tax balances are disclosed in the balance sheet as follows:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Deferred tax liabilities	(14,612)	(15,043)	(17,260)
Deferred tax assets	32,021	29,647	29,507
Total	<u>17,409</u>	<u>14,604</u>	<u>12,247</u>

  

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Deferred tax liabilities	(29,425)	(30,741)	(32,376)
Deferred tax assets	64,483	60,584	55,349
Total	<u>35,058</u>	<u>29,843</u>	<u>22,973</u>

At the end of the reporting period, the Group has unutilized tax loss carry forwards of US\$69,333 (R\$139,623) (December 31, 2012: US\$66,522 (R\$135,939)) (January 01, 2012: US\$35,232 (R\$66,089)) available for offset against future taxable income.

Also a deferred tax asset in the amount of US\$ 7,452 (R\$15,006) (December 31, 2012: US\$6,874 (R\$14,047)) (January 01, 2012: US\$10,830 (R\$20,314)) has not been recognized due to the unpredictability of this portion of future flows of related taxable income. Part of this amount, US\$1,189 (R\$2,394) (December 31, 2012: US\$1,250 (R\$2,554)) (January 01, 2012: US\$1,932 (R\$3,623)), refers to unutilized tax loss carry forwards generated by the holding entities of the group, the remaining amount of US\$6,263 (R\$12,612) (December 31, 2012: US\$5,624 (R\$11,493)) (January 01, 2012: US\$8,898 (R\$16,691)) refers to operational entities.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Deferred tax assets and liabilities arise on Brazilian property, plant and equipment, inventories and prepaid expense held in US Dollar functional currency businesses. Deferred taxes are 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 liabilities arise from exchange gains on the Group's US dollar-denominated borrowings and the real-denominated loans pegged to the US dollar that are taxable when settled and not in the period in which the gains arise.

### 17. Provisions for tax, labor and civil risks

	US\$	R\$
At January 01, 2012	13,378	25,094
Addition to provision	1,658	3,388
Reversal of provision	(3,452)	(7,054)
Exchange difference	(618)	(1,263)
Foreign currency gains in respect of translation into Brazilian Real	-	2,244
At December 31, 2012 - Restated	10,966	22,409
Addition to provision	2,100	4,229
Reversal of provision	(1,634)	(3,291)
Exchange difference	(105)	(212)
Foreign currency gains in respect of translation into Brazilian Real	-	(325)
At March 31, 2013	11,327	22,810

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The breakdown of the provision by type of risk is as follows:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>US\$</b>
Civil cases	1,985	1,747	1,910
Tax cases	1,777	1,764	169
Labor claims	<u>7,565</u>	<u>7,455</u>	<u>11,299</u>
Total	<u>11,327</u>	<u>10,966</u>	<u>13,378</u>

  

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>R\$</b>
Civil cases	3,997	3,570	3,583
Tax cases	3,579	3,606	317
Labor claims	<u>15,234</u>	<u>15,233</u>	<u>21,194</u>
Total	<u>22,810</u>	<u>22,409</u>	<u>25,094</u>

In the normal course of business in Brazil, the Group remains 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 counsel.

In addition to the cases for which the Group booked the provision, there are other tax, civil and labor disputes amounting to US\$112,624 (R\$226,803) (Dec 31, 2012: US\$91,580 (R\$187,141)) (Jan 01, 2012: US\$68,662 (R\$128,795)), whose probability of loss was estimated by the legal counsel as possible.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The breakdown of possible losses is described as follows:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Civil cases	9,063	7,140	6,261
Tax cases	54,120	40,479	25,036
Labor claims	49,441	43,961	37,365
Total	<u>112,624</u>	<u>91,580</u>	<u>68,662</u>

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Civil cases	18,251	14,591	11,744
Tax cases	108,987	82,715	46,962
Labor claims	99,565	89,835	70,089
Total	<u>226,803</u>	<u>187,141</u>	<u>128,795</u>

The main probable and possible claims against the Group are described below:

- **Civil and environmental cases** - Discussions on contractual matters and lawsuits involving cargo handling charge of Port Terminals.
- **Labor claims**- These lawsuits claim payment of salary differences, overtime worked without payment, and other allowances.
- **Tax cases**- The Group litigates against governments in respect of assessments considered inappropriate.

The Group considers as relevant causes involving amounts, assets or rights over US\$2.5 million (R\$5 million).

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

### 18. Obligations under finance leases

	Minimum lease payments			Present value of minimum lease payments		
	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
	US\$	Restated US\$	Restated US\$	US\$	Restated US\$	Restated US\$
Amounts payable under finance leases:						
Within one year	1,233	1,666	4,568	815	1,234	3,804
From second to fifth years, inclusive	3,352	3,564	4,305	2,679	2,809	3,293
	4,585	5,230	8,873	3,494	4,043	7,097
Less future finance charges	(1,091)	(1,187)	(1,776)	-	-	-
Present value of lease obligations	3,494	4,043	7,097	-	-	-
Total current	815	1,234	3,804	-	-	-
Total non-current	2,679	2,809	3,293	-	-	-

  

	Minimum lease payments			Present value of minimum lease payments		
	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
	R\$	Restated R\$	Restated R\$	R\$	Restated R\$	Restated R\$
Amounts payable under finance leases:						
Within one year	2,483	3,405	8,569	1,641	2,522	7,135
From second to fifth years inclusive	6,750	7,283	8,075	5,395	5,740	6,178
	9,233	10,688	16,664	7,036	8,262	13,313
Less future finance charges	(2,197)	(2,426)	(3,331)	-	-	-
Present value of lease obligations	7,036	8,262	13,313	-	-	-
Total current	1,641	2,522	7,135	-	-	-
Total non-current	5,395	5,740	6,178	-	-	-

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

It is the Group's policy to lease certain of its vehicles and equipment under finance leases. The average lease term is 56 months, of which, at the end of March 2013, only 34 months on average remained.

For the period ended March 31, 2013, the average effective leasing interest rate was 14.86 percent per annum (Dec 31, 2012: 14.94 percent) (Jan 01, 2012: 16.65 percent), Interest rates are set 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 9.65 to 17.32 percent per annum.

Leases are denominated in Reais.

There is a non significant difference between the fair value and the present value of the Group's lease obligations. The present value is calculated with its own interest rate over the future instalments of each contract.

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

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 19. Trade and other payables

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Trade payables	152,626	133,840	81,241
Taxes	14,208	15,199	16,709
Share – based payment (provision)	10,553	12,328	14,371
Accruals and other payables	10,417	12,340	11,070
	<u>187,804</u>	<u>173,707</u>	<u>123,391</u>
Total current	<u>186,653</u>	<u>172,572</u>	<u>120,920</u>
Total non-current	<u>1,151</u>	<u>1,135</u>	<u>2,471</u>

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Trade payables	307,358	273,503	152,387
Taxes	28,612	31,059	31,346
Share – based payment (provision)	21,251	25,193	26,957
Accruals and other payables	20,978	25,216	20,766
	<u>378,199</u>	<u>354,971</u>	<u>231,456</u>
Total current	<u>375,881</u>	<u>352,651</u>	<u>226,821</u>
Total non-current	<u>2,318</u>	<u>2,320</u>	<u>4,635</u>

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*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

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

Construction contracts in progress at the end of each reporting period:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>
Contract costs incurred plus recognized revenues			
less recognized losses to date	66,281	77,029	63,425
Less unbilled services	<u>(163,041)</u>	<u>(152,366)</u>	<u>(87,232)</u>
Net liability included in suppliers	<u>(96,760)</u>	<u>(75,337)</u>	<u>(23,807)</u>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Contract costs incurred plus recognized revenues			
less recognized losses to date	133,477	157,409	118,972
Less unbilled services	<u>(328,333)</u>	<u>(311,361)</u>	<u>(163,630)</u>
Net liability included in suppliers	<u>(194,856)</u>	<u>(153,952)</u>	<u>(44,658)</u>



# Wilson Sons Limited

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*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 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:

	US\$	R\$
Liability at January 01, 2012	<u>14,371</u>	<u>26,958</u>
Charge for the year	1,690	3,454
Payment for the year	(3,733)	(7,628)
Foreign currency gains in respect of translation into Brazilian Real	<u>-</u>	<u>2,408</u>
Liability at December 31, 2012	<u>12,328</u>	<u>25,192</u>
Charge for the period	(1,775)	(3,574)
Foreign currency gains in respect of translation into Brazilian Real	<u>-</u>	<u>(367)</u>
Liability at March 31, 2013	<u>10,553</u>	<u>21,251</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The liability above is included in ‘Share-Based Payment’ presented in Note 19.

Outstanding stock options are broken down as follows:

	<b>Number of share options</b>
Outstanding at January 01, 2012	3,826,260
Exercised during the year	(1,232,000)
Forfeited during the year	(53,000)
Outstanding at December 31, 2012	2,541,260
Outstanding at March 31, 2013	2,541,260

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The fair value of the recorded liability in the amount of US\$10,553(R\$21,251) (Dec 31, 2012: US\$12,328 (R\$25,192)) (Jan 01, 2012: US\$14,371 (R\$26,958)) was determined using the Binomial model based on the assumptions mentioned below:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
Closing share price (in Real)	R\$28.79	R\$31.99	R\$25.40
Expected volatility	25-30%	26-30%	30-33%
Expected life	10 years	10 years	10 years
Risk free rate	6.00%	3.90%	7.10%
Expected dividend yield	1.7%	1.5%	1.61%

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.

<b>Options series</b>	<b>Number</b>	<b>Grant date</b>	<b>Vesting date</b>	<b>Expiry date</b>	<b>Exercise price (R\$)</b>
07 ESO - 2 Year	563,690	5/5/2007	5/5/2009	5/5/2017	23.77
07 ESO - 3 Year	563,690	5/5/2007	5/5/2010	5/5/2017	23.77
07 ESO - 4 Year	572,440	5/5/2007	5/5/2011	5/5/2017	23.77
07 ESO - 5 Year	601,940	5/5/2007	5/5/2012	5/5/2017	23.77
08 ESO - 2 Year	21,250	15/8/2008	17/8/2010	17/8/2018	18.70
08 ESO - 3 Year	33,750	15/8/2008	17/8/2011	17/8/2018	18.70
08 ESO - 4 Year	33,750	15/8/2008	17/8/2012	17/8/2018	18.70
08 ESO - 5 Year	33,750	15/8/2008	17/8/2013	17/8/2018	18.70
11 ESO - 2 Year	29,250	10/11/2011	10/11/2013	9/11/2021	24.58
11 ESO - 3 Year	29,250	10/11/2011	10/11/2014	9/11/2021	24.58
11 ESO - 4 Year	29,250	10/11/2011	10/11/2015	9/11/2021	24.58
11 ESO - 5 Year	29,250	10/11/2011	10/11/2016	9/11/2021	24.58

The options terminate on the expiry date or immediately on the resignation of the director or senior employee, whichever is earlier.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Share options outstanding at the end of the period had a weighted average exercise price of R\$23.56 (Dec 31, 2012: R\$23.56) (Jan 01, 2012: R\$23.64) and a weighted average remaining contractual life of 1,577 days (Dec 31, 2012: 1,667days) (Jan 01, 2012: 2,031 days).

In order to show the sensitivity of the charge to changes in the share price, the Group considered a 10% increase/decrease in the share price. In each case, the dividend yield was adjusted in line with the change in share price, but all other assumptions were kept unchanged, including the volatility of the share price.

	<b>Actual</b>	<b>(+10%)</b>	<b>(-10%)</b>
Share price at March 31, 2013 - R\$	28.79	31.67	25.91
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Balance sheet liability at March 31, 2013	10,553	12,815	8,819
	<b>R\$</b>	<b>R\$</b>	<b>R\$</b>
Balance sheet liability at March 31, 2013	21,251	25,807	17,759

The sensitivities illustrated by the table above are hypothetical and presented for information purposes only. The analysis is based on the stock price and the facts known at the reporting date.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 21. Equity

#### *Share capital*

	<b>Mar 31, 2013 US\$</b>	<b>Dec 31, 2012 US\$</b>	<b>Jan 01, 2012 US\$</b>
71,144,000 common shares issued and fully paid	9,905	9,905	9,905

	<b>Mar 31, 2013 R\$</b>	<b>Dec 31, 2012 R\$</b>	<b>Jan 01, 2012 R\$</b>
71,144,000 common shares issued and fully paid	19,947	20,241	18,580

#### *Earnings per share*

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

	<b>Mar 31, 2013 US\$</b>	<b>Mar 31, 2012 US\$</b>	<b>Mar 31, 2013 R\$</b>	<b>Mar 31, 2012 R\$</b>
Profit for the period attributable to owners of the Company	<u>18,755</u>	<u>6,238</u>	<u>37,768</u>	<u>11,368</u>
Weighted average number of common shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic and diluted earnings per share (cents per share)	26.36	8.77	53.09	15.98

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Capital reserves***

The capital reserves arise principally from transfers from revenue which in prior periods were required by law to be transferred to capital reserves and other profits not available for distribution, share premium on incoming IPO issues and gains/losses on purchase and sale of non-controlling interest.

### ***Profit reserve***

An amount equal to 5% of the Company's net profit for the current year is to be credited to a retained earnings account to be called "Profit Reserve" until such account equals 20% of the Company's paid up share capital. The Company does not recognize any further profit reserve, because it has already reached the limit of 20% of share capital.

### ***Translation reserve***

The translation reserve arises from exchange differences on the translation of operations with a functional currency other than the US Dollar.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 22. Subsidiaries

#### ***Acquisition of Briclog***

The Group announced on the 2nd of June 2011, it has through its wholly-owned subsidiary Brasco Logística Offshore Ltda (“Brasco”), signed an amendment to the contract for the acquisition of 100% of the issued share capital of Bric Brazilian Intermodal Complex S/A, (“Briclog”) adjusting the consideration to one hundred and sixteen million five hundred thousand Brazilian Reais (R\$116.5 million (equivalent to US\$63.9 million at the transaction date)). The Company expects that during the first half of 2013 such conditions precedent will be completed.

Consideration for the acquisition is payable in three amounts including R\$10 million (equivalent to US\$5.4 million at the transaction date) already paid in deposit, R\$53.25 million (equivalent to US\$29.2 million at the transaction date) payable on satisfaction of the conditions precedent, and R\$53.25 million (equivalent to US\$29.2 million at the transaction date) 300 days from the closing with the latter two payments adjusted for movement in the Brazilian index of consumer prices (IPCA) from the date of the amendment. As at March 31, 2013, no effect of the business combination transaction has been recognized in this combined consolidated interim financial statement.

#### ***Formation of Ecos Gerenciamento de Fluidos LTDA ('Ecocleaning Limpeza de Fluidos')***

On January 23, 2012 the Company formed Ecos Gerenciamento de Fluidos LTDA ("Ecocleaning Limpeza de Fluidos") along with ICS DB, LLC, The startup enterprise will provide innovative tank cleaning services to the upstream Oil and Gas industry, Wilson Sons holds a 70% participation and ICS DB, LLC, a participation of 30% although the capital of the entity is not yet paid up by either partner.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Details of the Company's subsidiaries, and other entities and operations under its control, at the end of the reporting period are as follows:

	Place of incorporatio n and operation	Proportion		
		of ownership interest		
		Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
			Restated	Restated
Holding company				
Wilson, Sons de Administração e Comércio Ltda.	Brazil	100%	100%	100%
Vis Limited	Guernsey	100%	100%	100%
WS Participações S.A.	Brazil	100%	100%	100%
Towage				
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	100%	100%
Sobrare-ServemarLtda.	Brazil	100%	100%	100%
Wilson, Sons Apoio Marítimo Ltda.	Brazil	100%	100%	100%
Wilson, Sons Operações Marítimas Especiais Ltda.	Brazil	100%	100%	100%
Shipyard				
Wilson, Sons S.A. Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	100%	100%
Wilson, Sons Estaleiro Ltda.	Brazil	100%	100%	100%
Ship Agency				
Wilson, Sons Agência Marítima Ltda.	Brazil	100%	100%	100%
Wilson, Sons Navegação Ltda.	Brazil	100%	100%	100%
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	100%	100%
Logistics				
Wilson, Sons Logística Ltda.	Brazil	100%	100%	100%
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	100%	100%
Allink Transportes Internacionais Ltda (*)	Brazil	50%	50%	50%
Consórcio EADI Santo André.	Brazil	100%	100%	100%
Port terminal				
Brasco Logística Offshore Ltda.	Brazil	100%	100%	100%
Ecos Gerenciamento de Fluidos Ltda.	Brazil	70%	70%	

(\*) Considers having control of the Subsidiary, despite having 50% of shares



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	Place of incorporation and operation	Proportion of ownership interest		
		Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
Tecon Rio Grande S.A.	Brazil	100%	100%	100%
Tecon Salvador S.A.	Brazil	92,5%	92,5%	92,5%
Wilport Operadores Portuários Ltda.	Brazil	100%	100%	100%
Wilson, Sons Operadores Portuários Ltda.	Brazil	100%	100%	100%
Wilson, Sons Terminais de Cargas Ltda.	Brazil	100%	100%	100%

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

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 23. Joint arrangements

The Group holds the following significant interests in joint operations and joint ventures at the end of the reporting period:

	Place of incorporation  and operation	Proportion of ownership interest		
		Mar 31, 2013	Dec 31, 2012 Restated	Jan 01, 2012 Restated
Towage				
Consórcio de Rebocadores Barra de Coqueiros	Brazil	50%	50%	50%
Consórcio de Rebocadores Baía de São Marcos	Brazil	50%	50%	50%
Logistics				
Porto Campinas, Logística e Intermodal Ltda	Brazil	50%	50%	50%
Offshore				
Wilson, Sons Ultratug Participações S.A.*	Brazil	50%	50%	50%
Atlantic Offshore S.A.	Panama	50%	-	-

(\*) Wilson, Sons Ultratug Participações S.A. controls Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A. These latter two companies are indirect joint ventures of the Company. Wilson, Sons Ultratug Participações S.A is the only direct Joint Venture in the Group.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 23.1. Joint operations

The following amounts are included in the Group's financial statements as a result of proportionate consolidation of joint operations listed in the previous chart:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>Restated US\$</b>	<b>R\$</b>	<b>Restated R\$</b>	<b>Restated R\$</b>
Current assets	4,610	4,827	4,462	9,285	9,864	8,370
Non-current assets	1,535	2,114	932	3,092	4,321	1,748
Current liabilities	(6,132)	(6,913)	(5,555)	(12,349)	(14,127)	(10,420)
Non-current liabilities	(14)	(28)	-	(28)	(58)	-

	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>US\$</b>	<b>Restated US\$</b>	<b>R\$</b>	<b>Restated R\$</b>
Income	3,115	2,379	6,274	4,335
Expenses	(3,115)	(2,379)	(6,274)	(4,335)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 23.2. Joint ventures

The following amounts are not consolidated in the Group's financial statements as they are considered as joint ventures. The Groups' interest on joint ventures are equity accounted as described in note 2 – New standards and interpretations adopted.

	Mar, 2013 US\$	Mar, 2012 US\$	Mar, 2013 R\$	Mar, 2012 R\$
Revenue	23,873	18,403	48,075	33,532
Raw materials and consumable used	(1,403)	(2,238)	(2,825)	(4,077)
Employee benefits expense	(10,310)	(10,458)	(20,763)	(19,055)
Depreciation and amortization expenses	(5,872)	(5,498)	(11,826)	(10,018)
Other operating expenses	<u>(3,158)</u>	<u>(3,691)</u>	<u>(6,363)</u>	<u>(6,725)</u>
Results from operating activities	3,129	(3,482)	6,299	(6,343)
Finance income	6,969	163	14,035	296
Finance costs	(3,350)	(4,750)	(6,747)	(8,654)
Profit before tax	<u>6,748</u>	<u>(8,069)</u>	<u>13,587</u>	<u>(14,701)</u>
Income tax expense	(4,249)	(523)	(8,556)	(952)
Profit for the period	<u>2,499</u>	<u>(8,592)</u>	<u>5,031</u>	<u>(15,653)</u>
Participation	50%	50%	50%	50%
Equity result	1,201	(4,296)	2,419	(7,828)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Mar, 2013</b>	<b>Dec, 2012</b>	<b>Jan, 2012</b>	<b>Mar, 2013</b>	<b>Dec, 2012</b>	<b>Jan, 2012</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>R\$</b>	<b>R\$</b>	<b>R\$</b>
Other non-current Assets	695	876	(1,410)	1,399	1,793	(2,645)
Property, plant and equipment	555,893	508,040	410,986	1,119,458	1,038,180	770,928
Long-term investment	2,104	2,144	2,145	4,238	4,382	4,023
Other current assets	386	380	21	778	777	40
Trade and other receivables	23,171	24,906	22,464	46,662	50,895	42,138
Derivatives	765	985	-	1,540	2,013	-
Cash and cash equivalents	14,936	10,479	12,641	30,077	21,414	23,712
Total assets	<u>597,950</u>	<u>547,810</u>	<u>446,847</u>	<u>1,204,152</u>	<u>1,119,454</u>	<u>838,196</u>
Bank overdrafts and loans	458,145	416,905	308,562	922,612	851,946	578,800
Other non-current liabilities	9,556	5,537	17,666	19,246	11,318	33,139
Trade and other payables	89,464	87,489	84,560	180,162	178,784	158,617
Equity	40,785	37,879	36,059	82,132	77,406	67,640
Total liabilities	<u>597,950</u>	<u>547,810</u>	<u>446,847</u>	<u>1,204,152</u>	<u>1,119,454</u>	<u>838,196</u>

### Guarantees

Loans with Banco do Brasil are guaranteed by a pledge over the financed supply vessels, “Standby Letter of Credit” and fiduciary assignment of Petrobras long-term contracts. The Magallanes Navegação Brasileira S.A. subsidiary, in accordance to this Financing Agreement with Banco do Brasil, constituted a restricted cash account, accounted for under Long term investments, in the amount of US\$2.1 million (R\$4.2 million). This reserve will be retained until financing settlement, with minimum remuneration as savings account or by other financial instrument with similar risk, at the financial institution’s discretion, and operated exclusively by the financial institution.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### Covenants

The joint venture Magallanes Navegação Brasileira S.A. have to comply with specific financial covenants. On March, 2013, this joint venture was in compliance with all clauses in this loan contract.

### Provisions for tax, labor and civil risks

The breakdown of the provision by type of risk is as follows:

	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Civil cases	-	-	-
Tax cases	-	-	-
Labor claims	22	21	-
	<hr/>	<hr/>	<hr/>
Total	22	21	-
	<hr/>	<hr/>	<hr/>
	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Jan 01, 2012</b>
	<b>R\$</b>	<b>R\$</b>	<b>R\$</b>
Civil cases	-	-	-
Tax cases	-	-	-
Labor claims	44	43	-
	<hr/>	<hr/>	<hr/>
Total	44	43	-
	<hr/>	<hr/>	<hr/>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

In the normal course of business in Brazil, the Group remains 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 counsel.

In addition to the cases for which the Group booked the provision, there are other tax, civil and labor disputes amounting to US\$2,947 (R\$5,935) (Dec 31, 2012: US\$1,945 (R\$3,976))(Jan 01, 2012: US\$756 (R\$1,418)), whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described as follows

	<b>Mar 31, 2013 US\$</b>	<b>Dec 31, 2012 US\$</b>	<b>Jan 01, 2012 US\$</b>
Civil cases	10	10	-
Tax cases	730	712	739
Labor claims	<u>2,207</u>	<u>1,223</u>	<u>17</u>
Total	<u>2,947</u>	<u>1,945</u>	<u>756</u>
	<b>Mar 31, 2013 R\$</b>	<b>Dec 31, 2012 R\$</b>	<b>Jan 01, 2012 R\$</b>
Civil cases	20	20	-
Tax cases	1,470	1,456	1,386
Labor claims	<u>4,445</u>	<u>2,500</u>	<u>32</u>
Total	<u>5,935</u>	<u>3,976</u>	<u>1,418</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 23.3. Investments

As mentioned in the explanatory note 2 in this report, due to the adoption of the IFRS 10 and 11, the Wilson Sons Ultratug Participações Group is now presented as an investment instead of being proportionally consolidated.

March 31, 2013									
	Currency	Number of shares	Ownership interest - %	Capital social	Investee's adjusted shareholders' equity	Elimination on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	USD	45,816,550	50,00	25,131	40,785	(43,441)	2,499	1,201	(1,327)
Wilson, Sons Ultratug Participações S.A,	BRL	45,816,550	50,00	50,609	82,133	(87,481)	5,032	2,419	(2,672)



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

December, 31 2012									
	Currency	Number of shares	Ownership interest - %	Capital social	Investee's adjusted shareholders' equity	Elimination on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	USD	45,816,550	50,00	25,131	37,879	(37,832)	1,379	690	22
Wilson, Sons Ultratug Participações S.A.	BRL	45,816,550	50,00	51,355	77,406	(77,310)	2,818	1,410	46
January 01, 2012									
	Currency	Number of shares	Ownership interest - %	Capital social	Investee's adjusted shareholders' equity	Elimination on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	USD	45.816.550	50,00	25,131	36,059	(20,738)	(6,636)	(3,318)	7,661
Wilson, Sons Ultratug Participações S.A.	BRL	45.816.550	50,00	47,141	67,639	(38,900)	(12,448)	(6,224)	14,371

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The reconciliation of the investments balance, including the impact of profit recognized by Wilson, Sons Ultratug Participações S.A:

	<b>Investment</b>	
	<b>US\$</b>	<b>R\$</b>
At January 01, 2012	7,661	14,371
Equity in subsidiaries	690	1,410
Elimination on Construction Contracts	(8,552)	(17,476)
Derivatives	223	456
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	1,285
At December 31, 2012	22	46
Equity in subsidiaries	1,201	2,419
Elimination on Construction Contracts	(2,767)	(5,572)
Derivatives	217	437
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	(2)
At March 31, 2013	(1,327)	(2,672)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 24. Operating lease arrangements and other obligations

#### *The Group as lessee*

	Mar 31, 2013 US\$	Dec 31, 2012 US\$	Mar 31, 2013 R\$	Dec 31, 2012 R\$
Minimum lease payments under operating leases recognized in income for the year	14,780	14,128	29,764	28,871

On March 31, 2013, the minimum amount due by the Group for future lease payments under cancellable operating leases was US\$13,573 (R\$27,333) (US\$13,441 (R\$27,467)).

Lease commitments for land and buildings with a term of over 5 years are recognized as an expense on a straight-line basis over the lease term. These operating lease arrangements are entered into between Tecon Rio Grande and the Rio Grande port authority, and between Tecon Salvador and the Salvador port authority. The Tecon Rio Grande minimum period extends to 2022 and the Tecon Salvador minimum period extends to 2025. Both have an option to renew the concession for a maximum period of 25 years.

The Tecon Rio Grande guaranteed payments consist of two elements: a fixed rental, and fee per 1,000 containers moved based on minimum forecast volumes.

Tecon Salvador guaranteed payments consist of three elements: a fixed rental, a fee per container handled based on minimum forecast volumes and a fee per ton of non-containerized cargo handled based on minimum forecast volumes.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Mar 31, 2013 US\$</b>	<b>Dec 31, 2012 US\$</b>	<b>Mar 31, 2013 R\$</b>	<b>Dec 31, 2012 R\$</b>
Within one year	5,381	5,176	10,836	10,578
In the second to fifth year inclusive	<u>21,645</u>	<u>24,085</u>	<u>43,588</u>	<u>49,218</u>
Total	<u>27,026</u>	<u>29,261</u>	<u>54,424</u>	<u>59,796</u>

Non-cancellable lease payments represent rental payments by the Group for the bonded warehouse used by EADI Santo Andre. Corporate office space and warehouses used for Logistics.

In November, 2008 the Group's renewed the concession to operate EADI Santo Andre (a bonded warehouse) for a further ten years. With this, the Group's management renewed the rental agreement contract of the bonded warehouse used by EADI Santo Andre for the same period. The unexpired lease period at March 31, 2013 is 5 years and 9 months. These rental payments are updated by a Brazilian general inflation index (IGPM - General Market Price Index).

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***Other obligations***

The Group entered into an agreement on August 15, 2011 with the City of Guarujá and State of São Paulo's Prosecutor, revoking the subpoena that ordered the suspension of construction of the Guarujá II shipyard. The agreement states that the Company will make investments in social and environmental projects for the city of Guarujá, from 2011 through 2014. During this period, up to US\$2.7 million (equivalent to R\$5.0 million at the transaction date) will be invested in these projects as an additional cost necessary for the completion of the shipyard construction. All projects are located within the area of influence of the shipyard in the city of Guarujá.

## **25. Financial instruments and risk assessment**

### ***a. Capital risk management***

The Group manages its capital to ensure that its entities will be able to continue as going concerns, while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's capital structure consists of debt (which includes the borrowing disclosed in Note 15), cash and cash equivalents and short-term investments disclosed in Note 14, and equity attributable to owners of the parent comprising issued capital, reserves, and retained earnings as disclosed in Note 21.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

### b. Categories of financial instruments

	Fair value			Book value		
	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
		Restated	Restated		Restated	Restated
	US\$	US\$	US\$	US\$	US\$	US\$
Cash and cash equivalents	131,667	116,018	106,708	131,667	116,018	106,708
Short Term Investments	20,000	20,000	24,500	20,000	20,000	24,500
Trade and other receivables	219,453	215,122	188,461	219,453	215,122	188,461
	<u>371,120</u>	<u>351,140</u>	<u>319,669</u>	<u>371,120</u>	<u>351,140</u>	<u>319,669</u>
Bank loans and overdrafts	353,627	359,726	329,879	353,560	359,635	329,771
Trade and other payables	187,804	173,707	123,391	187,804	173,707	123,391
	<u>541,431</u>	<u>541,433</u>	<u>453,270</u>	<u>541,364</u>	<u>533,342</u>	<u>453,162</u>

  

	Fair value			Book value		
	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
		Restated	Restated		Restated	Restated
	R\$	R\$	R\$	R\$	R\$	R\$
Cash and cash equivalents	265,151	237,083	200,163	265,151	237,083	200,163
Short Term investments	40,276	40,870	45,957	40,276	40,870	45,957
Trade and other receivables	441,934	439,602	353,516	441,934	439,602	353,516
	<u>747,361</u>	<u>717,555</u>	<u>599,636</u>	<u>747,361</u>	<u>717,555</u>	<u>599,636</u>
Bank loans and overdrafts	712,139	735,097	618,787	712,000	734,913	618,585
Trade and other payables	378,199	354,971	231,456	378,199	354,971	231,456
	<u>1,090,338</u>	<u>1,090,068</u>	<u>850,243</u>	<u>1,090,199</u>	<u>1,089,884</u>	<u>850,041</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***c. Financial risk management objectives***

The Group's Structured Finance Department monitors and manages financial risks related to the operations. These risks include market risk, credit risk and liquidity risk. The primary objective is to keep a minimum exposure to those risks by using financial instruments and by assessing and controlling the credit and liquidity risks. The Group does not operate financial instruments with different goals than protection (hedging).

### ***d. Foreign currency risk management***

The operating cash flows are exposed to currency fluctuations because they are denominated part in Brazilian Real and part in US Dollars. These proportions vary according to the characteristics of each business. In general terms, for operating cash flows, the Group seeks to neutralize the currency risk by matching receivables and payments. Furthermore, the Group seeks to generate an operating cash surplus in the same currency in such business has been funded.

Cash flows from investments in fixed assets are denominated in Brazilian Real and US Dollars. These investments are subject to currency fluctuations between the time that price of goods or services are settled and the actual payment date. The resources and their application are monitored with purpose of matching the currency cash flows and due dates.

The Group has contracted US Dollar-denominated and Brazilian Real-denominated debt, and the cash and cash equivalents balances are also US Dollar-denominated and Brazilian Real-denominated.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

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

	Assets			Liabilities		
	Mar 31, 2013	Dec 31, 2012 Restated	Jan 01, 2012 Restated	Mar 31, 2013	Dec 31, 2012 Restated	Jan 01, 2012 Restated
	US\$	US\$	US\$	US\$	US\$	US\$
Amounts denominated in dollar	350,968	365,269	303,828	211,380	236,867	168,323

	Assets			Liabilities		
	Mar 31, 2013	Dec 31, 2012 Restated	Jan 01, 2012 Restated	Mar 31, 2013	Dec 31, 2012 Restated	Jan 01, 2012 Restated
	R\$	R\$	R\$	R\$	R\$	R\$
Amounts denominated in Real	706,779	746,428	569,920	425,677	484,038	315,740

### *Foreign currency sensitivity analysis*

The sensitivity analysis presented in the following sections, which refer to the position on March 31, 2013, seeks to simulate how a stress on the risk variability may impact the Group. The first step was to identify the main factors that have potential to generate losses in the results, which in the case of the Group, summed up the exchange rate. The analysis commenced with a baseline scenario, represented by the carrying value of the operations, considering the PTAX ruling at March 31, 2013. Additionally, three scenarios were drawn: the likely scenario (Probable) and two possible scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate. The Group uses Focus report published by the Brazilian Central Bank (BACEN) to parameterize the probable scenario.



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

March 31, 2013						
Exchange rates (i)						
Probable scenario			Possible scenario (25%)		Remote scenario (50%)	
R\$2.000/US\$1.00			R\$2.500/US\$1.00		R\$3.000/US\$1.00	
Operation	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	350,968	Exchange effects	2,422	(68,256)	(115,375)
Total liabilities	BRL	211,380	Exchange effects	(1,459)	41,109	69,488
Net effect				963	(27,147)	(45,887)
Operation	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	706,779	Exchange effects	4,877	(137,454)	(232,342)
Total liabilities	BRL	425,677	Exchange effects	(2,937)	82,786	139,934
Net effect				1,940	(54,668)	(92,408)

(i) Information source: Focus BACEN, report from April 19, 2013

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

December 31, 2012 - Restated						
Exchange rates (i)						
Probable scenario		Possible scenario (25%)		Remote scenario (50%)		
R\$2.070/US\$1.00		R\$2.588/US\$1.00		R\$3.105/US\$1.00		
Operation	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	365,269	Exchange effects	(4,676)	(76,795)	(124,874)
Total liabilities	BRL	236,867	Exchange effects	3,032	49,799	80,977
			Net effect	(1,644)	(26,996)	(43,897)
Operation	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	746,428	Exchange effects	(9,556)	(156,930)	(255,180)
Total liabilities	BRL	484,038	Exchange effects	6,197	101,765	165,477
			Net effect	(3,359)	(55,165)	(89,703)

(i) Information source: Focus BACEN, report from January 25, 2013

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

January 01, 2012 - Restated						
Exchange rates (i)						
Probable scenario			Possible scenario (25%)		Remote scenario (50%)	
R\$1.800/US\$1.00			R\$2.250/US\$1.00		R\$2.700/US\$1.00	
Operation	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	303,828	Exchange effects	12,795	(50,530)	(92,746)
Total liabilities	BRL	168,323	Exchange effects	(7,088)	27,994	51,382
			Net effect	5,707	(22,536)	(41,364)
Operation	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	569,920	Exchange effects	24,000	(94,784)	(173,974)
Total liabilities	BRL	315,740	Exchange effects	(13,296)	52,511	96,383
			Net effect	10,704	(42,273)	(77,591)

### e. Interest rate risk management

Most of the Group's fixed rates borrowings are contracted with BNDES and Banco do Brasil as agents of the FMM.

Other loans exposed to floating rates, are as follows:

1. TJLP (Brazilian Long Term Interest Rate) for Brazilian Real-denominated funding through FINAME credit line to Port Operations and Logistics operations.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

2. DI (Brazilian Interbank Interest Rate) for Brazilian Real-denominated funding in Logistics operations.
3. 6-month Libor (London Interbank Offered Rate) for US Dollar-denominated funding for Port Operations.

The Brazilian Real-denominated investments yield interest rates corresponding to the DI daily fluctuation for privately-issued securities and/or “Selic-Over” government-issued bonds. The US Dollar-denominated investments are part in time deposits, with short-term maturities, and part linked to PTAX variation.

### *Interest rate sensitivity analysis*

The Group does not account for any financial asset or liability interest rate at fair value through profit or loss, and the Group does not use derivatives (interest rate swaps) as hedging instruments under a model of hedge accounting at fair value. Therefore, a change in interest rates at the reporting date would not change the result. The Group uses two important information sources to estimate the probable scenario, BM&F (*Bolsa de Mercadorias e Futuros*) and Bloomberg.

The following analysis concerns a possible fluctuation of revenue or expenses linked to the transactions and scenarios shown, without considering their fair value.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

March 31, 2013						
Libor(i)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Loans				0.71%	0.89%	1.07%
Investments				0.43%	0.54%	0.65%
Transaction	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	74,411	Interest	(103)	(172)	(241)
Eximbank loan	Libor	12,548	Interest	(18)	(31)	(45)
Finimp loan	Libor	10,106	Interest	(13)	(23)	(34)
Investments	Libor	23,000	Income	251	226	201
Net effect				117	-	(119)
Transaction	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	149,848	Interest	(208)	(347)	(485)
Eximbank loan	Libor	25,270	Interest	(35)	(63)	(91)
Finimp loan	Libor	20,352	Interest	(26)	(47)	(68)
Investments	Libor	46,317	Income	506	457	406
Net effect				237	-	(238)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

March 31, 2013						
CDI (ii)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments				7.83%	9.79%	11.75%
Transaction	Risk	Principal US Dollars	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	125,015	Income	701	3,027	5,354
Transaction	Risk	Principal R\$	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	251,755	Income	1,412	6,096	10,782

The net effect was obtained by assuming a 12 month period starting March 31, 2013 in which interest rates vary and all other variables are held constant.

The investment rate risk mix is 15.5% Libor, 84.5% CDI.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

December 31, 2012 - Restated						
Libor(i)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Loans				0.81%	1.01%	1.21%
Investments				0.48%	0.60%	0.72%

  

Transaction	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	75,750	Interest	(75)	(191)	(308)
Eximbank loan	Libor	13,686	Interest	(9)	(33)	(56)
Finimp loan	Libor	10,588	Interest	(4)	(14)	(23)
Investments	Libor	23,000	Income	246	214	188
Net effect				158	(24)	(199)

  

Transaction	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	154,795	Interest	(153)	(390)	(629)
Eximbank loan	Libor	27,967	Interest	(18)	(67)	(114)
Finimp loan	Libor	21,637	Interest	(8)	(29)	(47)
Investments	Libor	47,001	Income	503	437	384
Net effect				324	(49)	(406)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

December 31, 2012 - Restated						
CDI (ii)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments				7.09%	8.86%	10.64%
Transaction	Risk	Principal US Dollars	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	108,428	Income	30	1,832	3,633
Transaction	Risk	Principal R\$	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	221,574	Income	61	3,744	7,423

The net effect was obtained by assuming a 12 month period starting December 31, 2012 in which interest rates vary and all other variables are held constant.

The investment rate risk mix is 18% Libor, 82% CDI.



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

January 01,2012 - Restated						
Libor(i)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Loans				1.11%	1.39%	1.66%
Investments				0.79%	0.99%	1.19%

  

Transaction	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	54,323	Interest	(193)	(301)	(410)
Eximbank loan	Libor	15,769	Interest	(76)	(106)	(137)
Finimp loan	Libor	3,134	Interest	(12)	(17)	(22)
Investments	Libor	24,500	Income	199	148	98
Net effect				(82)	(276)	(471)

  

Transaction	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
IFC loan	Libor	101,899	Interest	(362)	(565)	(769)
Eximbank loan	Libor	29,579	Interest	(142)	(200)	(257)
Finimp loan	Libor	5,879	Interest	(22)	(32)	(42)
Investments	Libor	45,957	Income	372	278	185
Net Effect				(154)	(519)	(883)

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

January 01,2012 - Restated						
CDI (ii)						
Transaction				Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments				9.66%	12.08%	14.49%
Transaction	Risk	Principal US Dollars	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	103,447	Income	(791)	2,060	4,911
Transaction	Risk	Principal R\$	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	194,046	Income	(1,484)	3,865	9,213

The net effect was obtained by assuming a 12 month period starting January 01, 2012 in which interest rates vary and all other variables are held constant.

The investment rate risk mix is 18.2% Libor, 81% CDI.

(I) Information source: Bloomberg, report from April 24, 2013;

(II) Information source: BM&F (Bolsa de Mercadorias e Futuros), report from April 24, 2013.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### ***f. Liquidity risk management***

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

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling obligations associated with its financial liabilities that are settled with cash payments or other financial asset. The Group's approach in managing liquidity is to ensure that the Group always has sufficient liquidity to fulfill the obligations that expire, under normal and stress conditions, without causing unacceptable losses or risk damage to the reputation of the Group.

The Group uses costing based on activities to price the products and services, which assist in monitoring cash flow requirements and optimizing there turn on cash investments.

Normally, the Group ensures it has sufficient cash reserves to meet the expected operational expenses, including financial obligations. This practice excludes the potential impact of extreme circumstances that cannot be reasonably foreseen, such as natural disasters.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited

	Weighted average effective interest rate %	Less than 12 months US\$	1-5 years US\$	More than 5 years US\$	Total US\$
<b>March, 31 2013</b>					
Variable interest rate instruments	3.76%	15,967	64,914	29,453	110,334
Fixed interest rate instruments	3.52%	<u>21,609</u>	<u>73,734</u>	<u>147,883</u>	<u>243,226</u>
		37,576	138,648	177,336	353,560

	Weighted average effective interest rate %	Less than 12 months R\$	1-5 years R\$	More than 5 years R\$	Total R\$
<b>March, 31 2013</b>					
Variable interest rate instruments	3.76%	32,155	130,723	59,313	222,191
Fixed interest rate instruments	3.52%	<u>43,516</u>	<u>148,486</u>	<u>297,807</u>	<u>489,809</u>
		75,671	279,209	357,120	712,000

	Weighted average effective interest rate %	Less than 12 months US\$	1-5 years US\$	More than 5 years US\$	Total US\$
<b>December 31, 2012 Restated</b>					
Variable interest rate instruments	4.03%	13,511	64,103	35,408	113,022
Fixed interest rate instruments	3.57%	<u>21,986</u>	<u>76,863</u>	<u>147,764</u>	<u>246,613</u>
		35,497	140,966	183,172	359,635

	Weighted average effective interest rate %	Less than 12 months R\$	1-5 years R\$	More than 5 years R\$	Total R\$
<b>December 31, 2012 Restated</b>					
Variable interest rate instruments	4.03%	27,610	130,994	72,355	230,959
Fixed interest rate instruments	3.57%	<u>44,928</u>	<u>157,072</u>	<u>301,956</u>	<u>503,954</u>
		72,538	288,065	374,311	734,913

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

<b>January 01, 2012 Restated</b>	<b>Weighted average effective interest rate %</b>	<b>Less than 12 months US\$</b>	<b>1-5 years US\$</b>	<b>More than 5 years US\$</b>	<b>Total US\$</b>
Variable interest rate instruments	4.18%	6,268	52,183	27,723	86,175
Fixed interest rate instruments	3.84%	<u>18,917</u>	<u>76,864</u>	<u>147,764</u>	<u>243,596</u>
		25,185	129,047	175,487	329,771

<b>January 01, 2012 Restated</b>	<b>Weighted average effective interest rate %</b>	<b>Less than 12 months R\$</b>	<b>1-5 years R\$</b>	<b>More than 5 years R\$</b>	<b>Total R\$</b>
Variable interest rate instruments	4.18%	11,758	97,885	52,004	161,648
Fixed interest rate instruments	3.84%	<u>35,485</u>	<u>144,181</u>	<u>277,176</u>	<u>456,842</u>
		47,242	242,067	329,179	618,489

### ***g. Credit risk***

The Group's credit risk can be attributed mainly to balances such as cash and cash equivalents and trade receivables. Trade and other receivables disclosed in the balance sheet are shown net of the allowance for doubtful debts.

The allowance is booked whenever a loss is identified, which based on past experience is an indication of impaired cash flows.

The Group invests temporary cash surpluses in government and private bonds, according to regulations approved by management, which follow the Group policy on credit risk concentration. Credit risk on investments in non-government backed bonds is mitigated by investing only in assets issued by leading financial institutions.

The Group's sales policy follows the criteria for credit sales set by management, which seeks to mitigate any loss due to customer default.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

Carrying value							
US\$				R\$			
	Note	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012	Mar 31, 2013	Dec 31, 2012	Jan 01, 2012
			Restated	Restated		Restated	Restated
Cash and cash equivalents	14	131,667	116,020	106,708	265,151	237,083	200,163
Short term investments	14	20,000	20,000	24,500	40,276	40,870	45,957
Trade and other receivables	13	219,453	215,122	188,461	441,934	439,602	353,516
<b>Exposed to credit risk</b>		<u>371,120</u>	<u>351,142</u>	<u>319,669</u>	<u>747,361</u>	<u>717,555</u>	<u>599,636</u>

### *h. Fair value of financial instruments*

The Group's financial instruments are recorded in balance sheet accounts at March 31, 2013 and December 31, 2012 at amounts similar to the fair value at those dates. These instruments are managed through operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of ongoing monitoring of rates agreed versus those in force in the market, and confirmation of 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 in 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, considerable judgment is required when interpreting market data to derive the most adequate estimated realization value.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no amounts related to levels 1 and 3 at March 31, 2013 and December 31, 2012. The table below analyses financial instruments carried at fair value.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Fair Value Hierarchy</b>	
	<b>Level 2</b>	<b>Total</b>
March 31, 2013		
Financial Assets		
Short term investments	<b>US\$</b> 20,000	20,000
Total US\$	<b>20,000</b>	<b>20,000</b>
March 31, 2013		
Financial Assets		
Short term investments	<b>R\$</b> 40,276	40,276
Total R\$	<b>40,276</b>	<b>40,276</b>
December 31, 2012 - Restated		
Financial Assets		
Short term investments	<b>US\$</b> 20,000	20,000
Total US\$	<b>20,000</b>	<b>20,000</b>
December 31, 2012 - Restated		
Financial Assets		
Short term investments	<b>R\$</b> 40,870	40,870
Total R\$	<b>40,870</b>	<b>40,870</b>
January 01, 2012 - Restated		
Financial Assets		
Short term investments	<b>US\$</b> 24,500	24,500
Total US\$	<b>24,500</b>	<b>24,500</b>
January 01, 2012 - Restated		
Financial Assets		
Short term investments	<b>R\$</b> 45,957	45,957
Total R\$	<b>45,957</b>	<b>45,957</b>



# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### *i. 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.

#### *Investments*

The carrying amounts of short-term investments approximate their fair value.

#### *Trade and other receivables/payables*

According to the Group's management the book balances of trade and other receivables and payables approximate fair values.

#### *Bank Overdrafts and Loans*

Fair value of loan 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 measurements recognized in the consolidated interim financial statements are grouped into levels based on the degree to which the fair value is observable.

The fair values of BNDES, Caterpillar, Finimp, and Eximbank financing arrangements are similar to their carrying amounts since there are no similar instruments, with comparable maturity dates and interest rates.

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

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### 26. 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, other investments, and other related parties are disclosed below.

	<b>Current Assets (liabilities) US\$</b>	<b>Revenues US\$</b>	<b>Expenses US\$</b>
Joint ventures:			
1. Allink Transportes Internacionais Ltda,	(1)	10	-
2. Consórcio de Rebocadores Barra de Coqueiros	53	85	-
3. Consórcio de Rebocadores Baía de São Marcos	2,023	2	663
4. Wilson Sons Ultratug and subsidiaries	(9,463)	17,337	-
Other:			
5. Gouvêa Vieira Advogados Associados	(3)	-	92
6. CMMR Intermediação Comercial Ltda.	(25)	-	119
At March 31, 2013	<u>(7,417)</u>	<u>17,434</u>	<u>874</u>
At December 31, 2012	<u>(10,347)</u>	<u>63,369</u>	<u>1,169</u>
At March 31, 2012	<u>3,137</u>	<u>205</u>	<u>606</u>
At Jan 01, 2012 - Restated	<u>11,480</u>	<u>56,135</u>	<u>1,585</u>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

	<b>Current Assets (liabilities) R\$</b>	<b>Revenues R\$</b>	<b>Expenses R\$</b>
Joint ventures:			
1. Allink Transportes Internacionais Ltda,	(2)	20	-
2. Consórcio de Rebocadores Barra de Coqueiros	107	171	-
3. Consórcio de Rebocadores Baía de São Marcos	4,074	4	1,335
4. Wilson Sons Ultratug and subsidiaries	(19,057)	34,913	-
Other:			
5. Gouvêa Vieira Advogados Associados	(7)	-	185
6. CMMR Intermediação Comercial Ltda,	(51)	-	240
At March 31, 2013	(14,936)	35,108	1,760
At December 31, 2012	(21,144)	129,495	2,389
At March 31, 2012	5,716	374	1,103
At Jan 01, 2012 - Restated	21,553	105,298	2,973

1. Allink Transportes Internacionais Ltda. is 50% owned by the Group and rents office space and terminal warehousing from the Group.
- 2-3. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation.
4. Intergroup loans with Wilson, Sons Ultratug (interest – 0.3% per month; with no maturity) and trade payables from Wilson, Sons Offshore and Magallanes to Wilson, Sons shipyards relate to proportionate amounts of vessel construction.
5. Mr. J.F. Gouvea Vieira is a partner with the law firm Gouvea Vieira Advogados, fees were paid to Gouvea Vieira Advogados for legal services.
6. Mr. C.M. Marote is a shareholder and director of CMMR Intermediação Comercial Ltda. Fees were paid to CMMR Intermediação Comercial Ltda. for consultancy services to the Wilson, Sons towage segment.

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

The Company has adopted the policy of netting the assets and liabilities of the group related party transactions.

### 27. Notes to the consolidated statement of cash flows

	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	US\$	Restated US\$	R\$	Restated R\$
Profit before tax	26,689	14,905	53,746	27,158
Less: Investment revenues	(4,293)	(8,163)	(8,645)	(14,874)
Less: Capital gain in Joint venture transaction	(1,201)	4,296	(2,419)	7,828
Add: Finance costs	2,925	2,867	5,890	5,224
Operating profit from operations	24,120	13,905	48,572	25,336
Adjustments for:				
Depreciation and amortization expenses	13,780	14,699	27,751	26,783
Gain on disposal of property, plant and equipment and investments	(1,022)	(18)	(2,059)	(32)
Provision (reversal) for cash-settled share-based payment	(1,775)	5,222	(3,574)	9,515
Increase/decrease in provisions	412	936	830	1,707
	35,515	34,744	71,520	63,309
Decrease in inventories	639	11,079	1,287	20,187
Increase in trade and other receivables	(3,045)	(4,138)	(6,132)	(7,540)
Increase in trade and other payables	15,872	(3,154)	31,963	(5,747)
Increase in other non-current assets	(1,055)	(2,019)	(2,125)	(3,679)
Cash generated by operations	47,926	36,512	96,513	66,531
Income taxes paid	(6,839)	(10,209)	(13,773)	(18,602)
Interest paid – borrowings	(3,969)	(3,534)	(7,993)	(6,439)
Interest paid – leasing	(118)	(277)	(238)	(505)
Interest paid – others	88	14	177	26
Net cash from operating activities	37,088	22,506	74,686	41,010

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

*(Amounts expressed in thousands, unless otherwise noted - Brazilian real amounts are the result of a Convenience Translation - See Note 2) - Unaudited*

### **Non-cash transactions**

During the current period, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

	Mar 31, 2013	Mar 31, 2012 Restated	Mar 31, 2013	Mar 31, 2012 Restated
	US\$	US\$	R\$	R\$
<b>Additions to fixed assets</b>				
Capitalized interest	517	1,256	1,041	2,289

## **28. Compensation of key management personnel**

Compensation, of the Group's key management personnel, is set out below in aggregate for each of the categories:

	<b>Three-month period ended</b>		<b>Three-month periods ended</b>	
	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>	<b>Mar 31, 2013</b>	<b>Mar 31, 2012</b>
	<b>US\$</b>	<b>US\$</b>	<b>R\$</b>	<b>R\$</b>
Short-term employee benefits	1,666	1,492	3,355	2,718
Post-employment benefits and social charges	401	554	808	1,010
Share-based payment provision	1,775	5,222	3,574	9,515
<b>Total</b>	<b>3,842</b>	<b>7,268</b>	<b>7,737</b>	<b>13,243</b>

# Wilson Sons Limited

## Notes to the condensed consolidated interim financial statements

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### **29. Subsequent Event**

In Board Meeting held on April 26, 2013 the Board Directors declared the payment of dividends in the amount of USD0.254 per share (R\$0.511 cents per share) in the total amount of US\$18,071 (R\$36,354) to Shareholders of record as at April 26, 2013 and the payment of such dividend on May 8, 2013.

### **30. Approval of the condensed consolidated interim financial statements**

The condensed consolidated interim financial statements were approved by the board of directors and authorized for issue on May 13, 2013.

#### ***Directors Declaration***

In compliance with article 25, section V of CVM Instruction 480 of December 7, 2009, the Directors of WILSON SONS LTD, a publicly traded company, registered at the Brazilian Ministry of Finance under the CNPJ 05.721.735/0001-28, based in Clarendon House, 2 Church Street, Hamilton HM 11 - Bermuda, declare that they have reviewed, discussed and agreed with the Financial Statements and the views expressed in the review report of the independent auditors.