Wilson Sons Limited

Condensed Consolidated Interim Financial Statements for the Quarter Ended June 30, 2011 and Report on Review of Interim Financial Statements

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

Deloitte Touche Tohmatsu
Av. Pres. Wilson, 231
22°, 25° e 26° andares .
20030-905 - Rio de Janeiro - RJ
Brasil

Tel.: +55 (21) 3981-0500
Fax: +55 (21) 3981-0600
www.deloitte.com.br

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Wilson Sons Limited and Subsidiaries as of June 30, 2011 and the related condensed consolidated statements of comprehensive income for the three and six-month periods then ended, changes in equity and cash flows for the six-month period then ended, all expressed in United States Dollars. Management is responsible for the preparation and presentation of this condensed consolidated interim financial statement in accordance with International Accounting Standard No. 34 ("IAS 34"), *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

Our review also comprehended the convenience translation of the functional 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 statements 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.

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Rio de Janeiro, Brazil
August 11, 2011

WILSON SONS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2011
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a convenience translation) - Unaudited

						Convenience translation			
		Three-month period ending		Six-month period ending		Three-month period ending		Six-month period ending	
		June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	Notes	US$	US$	US$	US$	R$	R$	R$	R$
REVENUE	4	182,315	131,097	338,948	252,522	284,612	236,172	529,133	454,919
Raw materials and consumables used		(20,269)	(11,102)	(37,599)	(22,957)	(31,642)	(19,999)	(58,696)	(41,357)
Employee benefits expense	5	(71,387)	(42,378)	(119,932)	(84,099)	(111,442)	(76,345)	(187,226)	(151,505)
Depreciation and amortization expenses		(13,969)	(10,314)	(26,840)	(19,859)	(21,807)	(18,581)	(41,900)	(35,776)
Other operating expenses	6	(58,004)	(46,020)	(108,876)	(90,062)	(90,550)	(82,905)	(169,966)	(162,247)
Profit on disposal of property, plant and equipment		1,058	18	1,088	33	1,652	35	1,698	60
Investment income	7	5,866	5,197	10,038	4,129	9,157	9,363	15,670	7,439
Finance costs	7	(3,553)	(2,867)	(6,913)	(5,803)	(5,547)	(5,164)	(10,792)	(10,454)
Capital gain in joint venture transaction	23	-	20,407	-	20,407	-	36,762	-	36,762
PROFIT BEFORE TAX		22,057	44,038	49,914	54,311	34,433	79,338	77,921	97,841
Income tax expense	8	(8,372)	(12,997)	(16,532)	(17,052)	(13,072)	(23,414)	(25,808)	(30,719)
PROFIT FOR THE PERIOD		13,685	31,041	33,382	37,259	21,361	55,924	52,113	67,122
Profit for the period attributable to:									
Owners of the Company		13,692	30,776	33,177	36,750	21,371	55,446	51,793	66,205
Non controlling interests		(7)	265	205	509	(10)	478	320	917
		13,685	31,041	33,382	37,259	21,361	55,924	52,113	67,122
OTHER COMPREHENSIVE INCOME									
Exchange differences on translating		4,509	(1,046)	6,425	(1,230)	7,040	(1,885)	10,030	(2,216)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,194	29,995	39,807	36,029	28,401	54,038	62,143	64,906
Total comprehensive income for the period attributable to:									
Owners of the Company		18,084	29,854	39,426	35,772	28,230	53,784	61,548	64,443
Non controlling interests		110	141	381	257	171	254	595	463
		18,194	29,995	39,807	36,029	28,401	54,038	62,143	64,906
Earnings per share from continuing operations									
Basic and diluted (cents per share)	21	19,25c	43,26c	46,63c	51,66c	30,04c	77,93c	72,80c	93,06c

Exchange rates
06/30/11 – R$1.5611/ US$1.00
12/31/10 – R$1.6662/ US$1.00
06/30/10 – R$1.8015/ US$1.00

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

WILSON SONS LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2011
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a convenience translation)

	Notes	2011 US$ (Unaudited)	2010 US$	Convenience translation 2011 R$ (Unaudited)	Convenience translation 2010 R$
ASSETS					
NON-CURRENT ASSETS					
Goodwill	9	15,612	15,612	24,372	26.013
Other intangible assets	10	17.356	16,841	27,094	28,060
Property, plant and equipment	11	646.212	560,832	1,008,802	934,458
Deferred tax assets	16	34.865	28,923	54,428	48,192
Trade and other receivables	13	13.885	6,400	21,676	10,665
Other non-current assets		7.834	6,552	12,233	10,918
Total non-current assets		735.764	635,160	1,148,605	1,058,306
CURRENT ASSETS					
Inventories	12	18,066	20,147	28,203	33.569
Trade and other receivables	13	158.381	128,561	247,249	214,206
Short term investments	14	25.251	36,729	39,419	61,198
Cash and cash equivalents	14	76.407	118,172	119,279	196,898
Total current assets		278.105	303,609	434,150	505,871
TOTAL ASSETS		1.013.869	938,769	1,582,755	1,564,177
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	21	9.905	9,905	15,463	16,504
Capital reserves		94.324	91,484	147,249	152,431
Profit reserve		1.981	1,981	3,093	3,301
Contributed surplus		9.379	27,449	14,642	45,737
Retained earnings		346.476	313,299	540,884	522,017
Translation reserve		27.173	20,924	42,420	34,864
Equity attributable to owners of the Company		489.238	465,042	763,751	774,854
Non-controlling interests		2.789	-	4,354	-
Total equity		492.027	465,042	768,105	774,854
NON-CURRENT LIABILITIES					
Bank loans	15	315,974	288,596	493,267	480.859
Deferred tax liabilities	16	16.835	15,073	26,281	25,115
Provisions for tax, labor and civil risks	17	13.846	12,289	21,615	20,476
Obligations under finance leases	18	4.655	6,305	7,267	10,505
Total non-current liabilities		351.310	322,263	548,430	536,955
CURRENT LIABILITIES					
Trade and other payables	19	129.819	117,698	202,663	196,108
Current tax liabilities		4.935	3,354	7,704	5,588
Obligations under finance leases	18	4.162	4,847	6,497	8,076
Bank overdrafts and loans	15	31.616	25,565	49,356	42,596
Total current liabilities		170.532	151,464	266,220	252,368
Total liabilities		521.842	473,727	814,650	789,323
TOTAL EQUITY AND LIABILITIES		1.013.869	938,769	1,582,755	1,564,177

Exchange rates
06/30/11 – R$1.5611/ US$1.00
12/31/10 – R$1.6662/ US$1.00
06/30/10 – R$1.8015/ US$1.00

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

WILSON SONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a convenience translation) - Unaudited

	Notes	Share capital US$	Capital reserves: Share premium US$	Capital reserves: Others US$	Capital reserves: Additional paid in capital US$	Profit reserve US$	Contributed surplus US$	Retained earnings US$	Translation reserve US$	Attributable to owners of the parent US$	Non Controlling interests US$	Total US$
BALANCE AT JANUARY 1, 2010		9,905	117,951	28,383	-	1,981	-	243,303	16,065	417,588	5,891	423,479
Profit for the period		-	-	-	-	-	-	36,750	-	36,750	509	37,259
Other comprehensive income		-	-	-	-	-	-	-	(978)	(978)	(252)	(1,230)
Total comprehensive income for the period		-	-	-	-	-	-	36,750	(978)	35,772	257	36,029
Purchase of non-controlling interests		-	-	-	(4,850)	-	-	-	-	(4,850)	(4,156)	(9,006)
Transference to contributed surplus		-	(50,000)	-	-	-	50,000	-	-	-	-	-
Dividends		-	-	-	-	-	(22,551)	-	-	(22,551)	(1,992)	(24,543)
BALANCE AT JUNE 30, 2010	21	9,905	67,951	28,383	(4,850)	1,981	27,449	280,053	15,087	425,959	-	425,959
BALANCE AT JANUARY 1, 2011		9,905	67,951	28,383	(4,850)	1,981	27,449	313,299	20,924	465,042	-	465,042
Profit for the period		-	-	-	-	-	-	33,177	-	33,177	205	33,382
Other comprehensive income		-	-	-	-	-	-	-	6,249	6,249	176	6,425
Total comprehensive income for the period		-	-	-	-	-	-	33,177	6,249	39,426	381	39,807
Sale of shares to non-controlling		-	-	-	2,840	-	-	-	-	2,840	2,408	5,248
Dividends		-	-	-	-	-	(18,070)	-	-	(18,070)	-	(18,070)
BALANCE AT JUNE 30, 2011	21	9,905	67,951	28,383	(2,010)	1,981	9,379	346,476	27,173	489,238	2,789	492,027

(continues)

WILSON SONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a convenience translation) - Unaudited

	Convenience translation											
			Capital reserves									
	Notes	Share capital R$	Share premium R$	Others R$	Additional paid in capital R$	Profit reserve R$	Contributed surplus R$	Retained earnings R$	Translation reserve R$	Attributable to owners of the parent R$	Non Controlling interests R$	Total R$
BALANCE AT JANUARY 1, 2010		17,247	205,377	49,420	-	3,449	-	423,641	27,972	727.106	10.257	737.363
Profit for the period		-	-	-	-	-	-	66,205	-	66.205	917	67.122
Other comprehensive income		-	-	-	-	-	-	-	(1,762)	(1.762)	(454)	(2.216)
Total comprehensive income for the period		-	-	-	-	-	-	66,205	(1,762)	64.443	463	64.906
Purchase of non-controlling interests		-	-	-	(8,735)	-	-	-	-	(8.735)	(7.487)	(16.222)
Transference to contributed surplus		-	(90,075)	-	-	-	90,075			-		-
Dividends		-	-	-	-	-	(40,625)	-	-	(40.625)	(3.589)	(44.214)
Translation adjustment to Real		597	7,112	1,711	-	120	-	14,669	969	25.179	356	25.535
BALANCE AT JUNE 30, 2010	21	17,844	122,414	51,131	(8,735)	3,569	49,450	504,515	27,179	767.368	-	767.368
BALANCE AT JANUARY 1, 2011		16,504	113,220	47,291	(8,080)	3,301	45,737	522,017	34,864	774.854	-	774.854
Profit for the period		-	-	-	-	-	-	51,793	-	51.793	320	52.113
Other comprehensive income		-	-	-	-	-	-	-	9,755	9.755	275	10.030
Total comprehensive income for the period		-	-	-	-	-	-	51,793	9,755	61.548	595	62.143
Sale of shares to non-controlling		-	-	-	4,433	-	-	-	-	4.433	3.759	8.192
Dividends		-	-	-	-	-	(28,209)	-	-	(28.209)	-	(28.209)
Translation adjustment to Real		(1,041)	(7,142)	(2,982)	509	(208)	(2,886)	(32,926)	(2,199)	(48.875)	-	(48.875)
BALANCE AT JUNE 30, 2011	21	15,463	106,078	44,309	(3,138)	3,093	14,642	540,884	42,420	763.751	4.354	768.105

Exchange rates
06/30/11 – R$1.5611/ US$1.00
12/31/10 – R$1.6662/ US$1.00
06/30/10 – R$1.8015/ US$1.00

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

WILSON SONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

				Convenience translation	
	Note	2011 US$	2010 US$	2011 R$	2010 R$
NET CASH GENERATED BY OPERATING ACTIVITIES	27	36,681	36,657	57,263	66,038
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received		4,146	4,163	6,472	7,500
Proceeds on disposal of property, plant and equipment		3,571	341	5,575	614
Purchases of property, plant and equipment		(103,398)	(66,282)	(161,415)	(119,408)
Investment - short term investment		11,478	11,116	17,918	20,025
Advance for future investment – Briclog		(6,406)	-	(10,000)	-
Net cash from the Joint Venture transaction		-	5,040	-	9,080
Net cash used in investing activities		(90,609)	(45,622)	(141,450)	(82,189)
CASH FLOW FROM FINANCING ACTIVITIES					
Dividends paid		(18,070)	(24,544)	(28,209)	(44,216)
Repayments of borrowings		(13,069)	(9,465)	(20,403)	(17,051)
Repayments of obligation under finance leases		(3,950)	(1,912)	(6,167)	(3,444)
New bank loans raised		41,790	22,924	65,238	41,299
Bank overdrafts raised		-	1,482	-	2,671
(Purchase) Sale of non-controlling interest in subsidiary		669	(9,006)	1,045	(16,224)
Net cash generated by financing activities		7,370	(20,521)	11,504	(36,965)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(46,558)	(29,486)	(72,683)	(53,116)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		118,172	178,136	196,898	310,170
Effect of foreign exchange rate changes		4,793	(583)	7,483	(1,051)
Translation adjustment to Real		-	-	(12,419)	10,739
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		76,407	148,067	119,279	266,742

(*) Exchange rates for convenience translation
06/30/11 – R$1.5611/ US$1.00
12/31/10 – R$1.6662/ US$1.00
06/30/10 – R$1.8015/ US$1.00

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

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 174 years in the Brazilian market, we have developed an extensive Brazilian network and provided a variety of services related to international trade, particularly in the port and maritime sectors. Our principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping assistance, support to offshore oil and natural gas platforms and shipyard.

2. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically with International Accounting Standards ("IAS") 34.

Basis of preparation

The condensed consolidated interim financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US Dollars are consolidated in accordance with the IFRS.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments and share-based payments liability that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, 2010, approved in March 24, 2011.

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, Reais, at such rates or at any other rate.

The exchange rates used for the purposes of this convenience translation were the PTAX exchange rates ruling as at the closing dates of the condensed consolidated interim financial statements, as published by the Brazilian Central Bank. On June 30, 2011, December 31, 2010 and June 30, 2010 the applicable exchange rates were R$1.5611, R$1.6662 and R$1.8015, respectively. The difference between the applicable exchanges rates, on each of the closing dates, generates impacts of translation on the beginning balances of the financial statements in Brazilian Real and on the changes therein through the subsequent period. The effect of this difference was disclosed in the Brazilian Real Condensed Consolidated Statement of Changes in Equity (Other Comprehensive Income).

3. SEGMENT INFORMATION

Reportable segments

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

Segment information relating to these businesses is presented below:

June 30, 2011 (Three-month period ending)	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyard US$	Non segment activities US$	Elimination US$	Consolidated US$
	2011								
Revenue	40,164	72,661	4,878	10,102	37,373	49,415	-	(32,278)	182,315
Operating profit	6,847	19,972	(738)	209	3,819	11,280	(15,472)	(6,173)	19,744
Finance costs	(1,103)	(247)	(2)	(968)	(1,161)	-	(72)	-	(3,553)
Operating profit adjusted by finance cost	5,744	19,725	(740)	(759)	2,658	11,280	(15,544)	(6,173)	16,191
Investment income									5,866
Profit before tax									22,057
Other information									
Capital expenditures	(9,774)	(16,583)	(88)	(12,237)	(5,964)	(4,653)	(694)	-	(49,993)
Depreciation and amortization	(3,998)	(4,531)	(54)	(1,927)	(2,815)	(38)	(606)	-	(13,969)

June 30, 2010 (Three-month period ending)	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyard US$	Non segment activities US$	Elimination US$	Consolidated US$
	2010								
Revenue	37,782	55,923	4,164	8,802	21,680	37,162	8	(34,424)	131,097
Operating profit	8,904	16,641	855	2,877	935	2,608	(8,936)	(2,583)	21,301
Finance costs	(1,045)	(542)	-	(901)	(553)	(37)	209	2	(2,867)
Operating profit adjusted by finance cost	7,859	16,099	855	1,976	382	2,571	(8,727)	(2,581)	18,434
Investment income									5,197
Capital gain in joint venture transaction									20,407
Profit before tax									44,038
Other information									
Capital expenditures	(7,457)	(5,469)	(76)	(6,968)	(3,491)	(138)	(1,896)	-	(25,495)
Depreciation and amortization	(3,159)	(3,192)	(41)	(2,049)	(1,401)	1	(473)	-	(10,314)

2011

June 30, 2011 (Six-month period ending)	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyard US$	Non segment activities US$	Elimination US$	Consolidated US$
Revenue	76,360	137,437	8,833	17,041	70,430	77,922	-	(49,075)	338,948
Operating profit	14,861	40,444	(768)	(134)	7,043	17,022	(23,110)	(8,569)	46,789
Finance costs	(2,185)	(516)	(4)	(1,813)	(2,238)	-	(157)	-	(6,913)
Operating profit adjusted by finance cost	12,676	39,928	(772)	(1,947)	4,805	17,022	(23,267)	(8,569)	39,876
Investment income									10,038
Profit before tax									49,914
Other information									
Capital expenditures	(27,165)	(40,567)	(119)	(14,332)	(11,288)	(10,080)	(1,280)	-	(104,831)
Depreciation and amortization	(7,984)	(8,451)	(107)	(3,752)	(5,274)	(79)	(1,193)	-	(26,840)
Balance sheet									
Segment assets	214,817	342,196	6,338	160,876	92,761	96,698	100,183	-	1,013,869
Segment liabilities	(117,690)	(135,494)	(6,052)	(142,268)	(71,554)	(43,647)	(5,137)	-	(521,842)

2010

June 30, 2010 (Six-month period ending)	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyard US$	Non segment activities US$	Elimination US$	Consolidated US$
Revenue	73,156	100,203	8,044	19,626	42,243	59,899	18	(50,667)	252,522
Operating profit	18,032	26,262	933	5,091	1,807	7,966	(17,974)	(6,539)	35,578
Finance costs	(2,011)	(1,084)	(1)	(1,699)	(1,101)	(72)	163	2	(5,803)
Operating profit adjusted by finance cost	16,021	25,178	932	3,392	706	7,894	(17,811)	(6,537)	29,775
Investment income									4,129
Capital gain in joint venture transaction									20,407
Profit before tax									54,311
Other information									
Capital expenditures	(16,599)	(21,252)	(128)	(15,160)	(5,190)	(442)	(1,896)	-	(60,667)
Depreciation and amortization	(6,131)	(6,331)	(82)	(3,655)	(2,713)	(35)	(912)	-	(19,859)
Balance Sheet									
Segment assets	191,637	254,635	5,105	130,698	47,433	87,347	108,425	-	825,280
Segment liabilities	(133,724)	(96,417)	(5,196)	(108,226)	(31,419)	(20,441)	(3,898)	-	(399,321)

2011

June 30, 2011 (Three-month period ending)	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyard R$	Non segment activities R$	Elimination R$	Consolidated R$
Revenue	62,700	113,431	7,615	15,770	58,343	77,142	-	(50,389)	284,612
Operating profit	10,690	31,178	(1,152)	326	5,962	17,609	(24,153)	(9,637)	30,823
Finance costs	(1,723)	(386)	(3)	(1,511)	(1,812)	-	(112)	-	(5,547)
Operating profit adjusted by finance cost	8,967	30,792	(1,155)	(1,185)	4,150	17,609	(24,265)	(9,637)	25,276
Investment income									9,157
Profit before tax									34,433
Other information									
Capital expenditures	(15,258)	(25,888)	(137)	(19,103)	(9,310)	(7,264)	(1,083)	-	(78,043)
Depreciation and amortization	(6,243)	(7,073)	(84)	(3,008)	(4,394)	(59)	(946)	-	(21,807)

2010

June 30, 2010 (Three-month period ending)	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyard R$	Non segment activities R$	Elimination R$	Consolidated R$
Revenue	68,064	100,745	7,501	15,857	39,057	66,949	14	(62,015)	236,172
Operating profit	16,042	29,980	1,540	5,183	1,684	4,697	(16,096)	(4,653)	38,377
Finance costs	(1,883)	(976)	-	(1,623)	(996)	(68)	378	4	(5,164)
Operating profit adjusted by finance cost	14,159	29,004	1,540	3,560	688	4,629	(15,718)	(4,649)	33,213
Investment income									9,363
Capital gain in joint venture transaction									36,762
Profit before tax									79,338
Other information									
Capital expenditures	(13,434)	(9,852)	(137)	(12,553)	(6,289)	(249)	(3,416)	-	(45,930)
Depreciation and amortization	(5,691)	(5,750)	(74)	(3,691)	(2,525)	2	(852)	-	(18,581)

June 30, 2011 (Six-month period ending)	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyard R$	Non segment activities R$	Elimination R$	Consolidated R$
	2011								
Revenue	119,207	214,553	13,789	26,603	109,948	121,644	-	(76,611)	529,133
Operating profit	23,200	63,137	(1,199)	(209)	10,995	26,573	(36,077)	(13,377)	73,043
Finance costs	(3,411)	(806)	(6)	(2,830)	(3,494)	-	(245)	-	(10,792)
Operating profit adjusted by finance cost	19,789	62,331	(1,205)	(3,039)	7,501	26,573	(36,322)	(13,377)	62,251
Investment income									15,670
Profit before tax									77,921
Other information:									
Capital expenditures	(42,408)	(63,329)	(186)	(22,374)	(17,622)	(15,736)	(1,998)	-	(163,653)
Depreciation and amortization	(12,465)	(13,193)	(167)	(5,857)	(8,233)	(123)	(1,862)	-	(41,900)
Balance sheet:									
Segment assets	335,355	534,202	9,894	251,144	144,809	150,955	156,396	-	1,582,755
Segment liabilities	(183,728)	(211,520)	(9,448)	(222,095)	(111,703)	(68,137)	(8,019)	-	(814,650)

June 30, 2010 (Six-month period ending)	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Shipyard R$	Non segment activities R$	Elimination R$	Consolidated R$
	2010								
Revenue	131,791	180,516	14,491	35,356	76,101	107,909	31	(91,276)	454,919
Operating profit	32,484	47,310	1,681	9,171	3,255	14,350	(32,378)	(11,779)	64,094
Finance costs	(3,623)	(1,953)	(2)	(3,061)	(1,983)	(130)	294	4	(10,454)
Operating profit adjusted by finance cost	28,861	45,357	1,679	6,110	1,272	14,220	(32,084)	(11,775)	53,640
Investment income									7,439
Capital gain in joint venture transaction									36,762
Profit before tax									97,841
Other information:									
Capital expenditures	(29,903)	(38,285)	(231)	(27,311)	(9,350)	(796)	(3,416)	-	(109,292)
Depreciation and amortization	(11,045)	(11,405)	(148)	(6,584)	(4,887)	(64)	(1,643)	-	(35,776)
Balance Sheet:									
Segment assets	345,234	458,725	9,197	235,452	85,451	157,354	195,328	-	1,486,741
Segment liabilities	(240,904)	(173,695)	(9,361)	(194,969)	(56,601)	(36,822)	(7,024)	-	(719,376)

Financial expenses and respective liabilities were allocated to reporting segments based on the loans taken to finance the acquisition or the constructions of fixed assets in that segment.

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

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 latter country.

4. REVENUE

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

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 US$	Jun 30, 2010 US$
Sales of services	165,771	120,092	311,497	236,281
Revenue from construction contracts	16,544	11,005	27,451	16,241
Total	182,315	131,097	338,948	252,522

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 R$	Jun 30, 2010 R$	Jun 30, 2011 R$	Jun 30, 2010 R$
Sales of services	258,785	216,347	486,278	425,662
Revenue from construction contracts	25,827	19,825	42,855	29,257
Total	284,612	236,172	529,133	454,919

5. EMPLOYEE BENEFITS EXPENSE

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 US$	Jun 30, 2010 US$
Salaries and benefits	52,383	34,636	95,634	66,170
Social securities and charges	12,814	8,896	23,680	17,438
Pension costs	324	195	590	390
Long term incentive plan (Note 20)	5,866	(1,349)	28	101
Total	71,387	42,378	119,932	84,099

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 R$	Jun 30, 2010 R$	Jun 30, 2011 R$	Jun 30, 2010 R$
Salaries and benefits	81,775	62,396	149,294	119,205
Social securities and charges	20,004	16,026	36,967	31,414
Pension costs	506	353	921	704
Long term incentive plan (Note 20)	9,157	(2,430)	44	182
Total	111,442	76,345	187,226	151,505

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

6. OTHER OPERATING EXPENSES

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	US$	US$	US$	US$
Service cost	18,317	16,233	33,824	30,555
Rent of tugs	6,491	5,613	11,742	12,697
Freight	4,653	5,212	9,893	8,556
Other rentals	11,254	5,577	20,389	9,821
Energy, water and communication	4,441	3,744	8,247	7,009
Container movement	3,986	2,979	6,581	5,051
Insurance	2,473	2,702	4,152	4,208
Maintenance	913	999	1,823	1,994
Other taxes	3,040	2,074	6,639	4,861
Provisions for tax, labor and civil risks	108	(766)	679	1,695
Other expenses	2,328	1,653	4,907	3,615
Total	58,004	46,020	108,876	90,062

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	R$	R$	R$	R$
Service cost	28,594	29,244	52,802	55,047
Rent of tugs	10,133	10,112	18,330	22,874
Freight	7,264	9,389	15,444	15,414
Other rentals	17,569	10,046	31,829	17,692
Energy, water and communication	6,932	6,745	12,874	12,627
Container movement	6,223	5,367	10,274	9,099
Insurance	3,861	4,868	6,482	7,580
Maintenance	1,425	1,799	2,846	3,592
Other taxes	4,745	3,736	10,364	8,757
Provisions for tax, labor and civil risks	168	(1,379)	1,059	3,054
Other expenses	3,636	2,978	7,662	6,511
Total	90,550	82,905	169,966	162,247

7. INVESTMENT INCOME AND FINANCE COSTS

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	US$	US$	US$	US$
Interest on investments	2,507	2,051	4,721	4,163
Exchange gain on investments	3,105	2,845	4,793	(583)
Other interest income	254	301	524	549
Total investment income	5,866	5,197	10,038	4,129
Interest on bank loans and overdrafts	(3,063)	(2,249)	(5,935)	(4,414)
Exchange variation on loans	185	(59)	283	(205)
Interest on obligations under finance leases	(414)	(420)	(830)	(866)
Total borrowing costs	(3,292)	(2,728)	(6,482)	(5,485)
Other interest	(261)	(139)	(431)	(318)
Total finance costs	(3,553)	(2,867)	(6,913)	(5,803)

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	R$	R$	R$	R$
Interest on investments	3,912	3,694	7,370	7,499
Exchange gain on investments	4,848	5,125	7,483	(1,050)
Other interest income	397	544	817	990
Total investment income	9,157	9,363	15,670	7,439
Interest on bank loans and overdrafts	(4,783)	(4,052)	(9,265)	(7,952)
Exchange variation on loans	289	(108)	442	(370)
Interest on obligations under finance leases	(646)	(757)	(1,296)	(1,561)
Total borrowing costs	(5,140)	(4,917)	(10,119)	(9,883)
Other interest	(407)	(247)	(673)	(571)
Total finance costs	(5,547)	(5,164)	(10,792)	(10,454)

8. INCOME TAX EXPENSE

Income tax recognized in profit or loss:

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	US$	US$	US$	US$
Current				
Brazilian taxation				
Income tax	8,310	4,430	14,819	9,119
Social contribution	3,024	1,546	5,386	3,343
Total Brazilian current tax	11,334	5,976	20,205	12,462
Deferred tax				
Total deferred tax	(2,962)	7,021	(3,673)	4,590
Total income tax expense	8,372	12,997	16,532	17,052

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	R$	R$	R$	R$
Current				
Brazilian taxation				
Income tax	12,975	7,980	23,134	16,428
Social contribution	4,721	2,784	8,408	6,022
Total Brazilian current tax	17,696	10,764	31,542	22,450
Deferred tax				
Total deferred tax	(4,624)	12,650	(5,734)	8,269
Total income tax expense	13,072	23,414	25,808	30,719

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

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

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 US$	Jun 30, 2010 US$
Profit before tax	22,057	44,038	49,914	54,311
Tax at the standard Brazilian tax rate (34%)	7,500	14,973	16,971	18,466
Effect of exchange difference on translation process – IAS 21	(7,117)	4,086	(10,225)	7,026
Reversal of exchange variation in loans on US Dollar	7,536	(1,458)	10,789	(4,869)
Effect of different tax rates in other jurisdictions	2,251	322	325	1,079
Others	(1,798)	(4,926)	(1,328)	(4,650)
Income tax expense	8,372	12,997	16,532	17,052
Effective rate for the period	38%	30%	33%	31%

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 R$	Jun 30, 2010 R$	Jun 30, 2011 R$	Jun 30, 2010 R$
Profit before tax	34,433	79,338	77,921	97,841
Tax at the standard Brazilian tax rate (34%)	11,712	26,975	26,493	33,266
Effect of exchange difference on translation process – IAS 21	(11,110)	7,361	(15,962)	12,657
Reversal of exchange variation in loans on US Dollar	11,764	(2,628)	16,843	(8,771)
Effect of different tax rates in other jurisdictions	3,513	579	507	1,943
Others	(2,807)	(8,873)	(2,073)	(8,376)
Income tax expense	13,072	23,414	25,808	30,719
Effective rate for the period	38%	30%	33%	31%

The tax rate used for the 2011 and 2010 reconciliations above is the corporate tax rate of 34% payable by entities in Brazil under tax law in that jurisdiction.

9. GOODWILL

	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
Cost and carrying amount attributed to:				
Tecon Rio Grande	13,132	13,132	20,500	21,881
Tecon Salvador	2,480	2,480	3,872	4,132
Total	15,612	15,612	24,372	26,013

For the purposes of testing impairment loss for goodwill, the Group prepares, for each year end, cash flow forecasts for the relevant cash generating unit (Tecon Rio Grande and Tecon Salvador) derived from the most recent financial budget for the following year and extrapolates cash flows for the remaining life of the concession based on an estimated annual growth of between 8% and 10% for Tecon Rio Grande and 7% and 10% for Tecon Salvador. This rate does not exceed the average long-term historical growth rate for the relevant market. After testing goodwill as mentioned above for the year ended 2010, no impairment losses were recognized. There was no evidence to necessitate the update of the prior impairment test.

10. OTHER INTANGIBLE ASSETS

	US$	R$
Cost		
At January 1, 2010	4,062	7,073
Additions	14,546	24,236
Exchange differences	606	1,009
Translation adjustment to Real	-	(304)
At December 31, 2010	19,214	32,014
Exchange differences	1,239	1,934
Translation adjustment to Real	-	(2,018)
At June 30, 2011	20,453	31,930
Accumulated amortization		
At January 1, 2010	1,823	3,174
Charge for the year	488	813
Exchange differences	62	103
Translation adjustment to Real	-	(136)
At December 31, 2010	2,373	3,954
Charge for the period	595	928
Exchange differences	129	202
Translation adjustment to Real	-	(248)
At June 30, 2011	3,097	4,836
Carrying amount		
June 30, 2011	17,356	27,094
December 31, 2010	16,841	28,060

Intangible assets arose from (i) the acquisition of the concession of the container and heavy cargo terminal in Salvador (Tecon Salvador) in 2000; (ii) the purchase of the remaining 50% of the concession rights for EADI Santo Andre (bonded warehouse); and (iii) for the Ponta Norte expansion (Tecon Salvador) in 2010.

Tecon Salvador signed on September 2, 2010, an amendment to the lease agreement with Companhia das Docas do Estado da Bahia (CODEBA). This additive term is for the expansion of the area known as Ponta Norte, in the Salvador Port, adjacent to TECON Salvador. An initial installment in the total amount of R$25.0 million (equivalent to US$14.5 million on the date of the transaction) was paid as a downpayment and a monthly price calculated on the leased area and a new price for container handling and general cargo, which are consistent with the original lease.

Intangible assets are amortized over the remaining terms of the concessions at the time of acquisition which, for Tecon Salvador is 25 years, for EADI Santo Andre is 10 years and for Ponta Norte is 15 years.

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	US$	US$	US$	US$	US$
Cost or valuation					
At January 1, 2010	112,444	284,118	142,286	62,377	601,225
Additions	30,959	6,908	64,175	64,697	166,739
Transfers	-	98,429	-	(98,429)	-
Exchange differences	2,112	-	4,701	-	6,813
Disposals	(485)	(574)	(3,151)	-	(4,210)
Net assets transferred to Joint Venture transaction	(13)	(8,606)	(1,097)	(4,586)	(14,302)
At December 31, 2010	145,017	380,275	206,914	24,059	756,265
Additions	31,265	4,182	37,528	31,856	104,831
Transfers	-	28,754	-	(28,754)	-
Exchange differences	4,183	-	8,063	-	12,246
Disposals	-	(876)	(6,111)	-	(6,987)
At June 30, 2011	180,465	412,335	246,394	27,161	866,355
Accumulated depreciation					
At January 1, 2010	22,182	88,128	52,037	-	162,347
Charge for the year	5,695	19,806	16,932	-	42,433
Exchange differences	432	-	1,780	-	2,212
Disposals	(397)	(122)	(3,124)	-	(3,643)
Net assets transferred to Joint Venture transaction	(4)	(7,639)	(273)	-	(7,916)
At December 31, 2010	27,908	100,173	67,352	-	195,433
Charge for the period	3,874	11,554	10,817	-	26,245
Exchange differences	390	-	2,444	-	2,834
Disposals	-	(711)	(3,658)	-	(4,369)
At June 30, 2011	32,172	111,016	76,955	-	220,143
Carrying amount					
June 30, 2011	148,293	301,319	169,439	27,161	646,212
December 31, 2010	117,109	280,102	139,562	24,059	560,832

	Land and Buildings	Floating	Vehicles, plant and equipment	assets under construction	Total
	R$	R$	R$	R$	R$
Cost or valuation					
At January 1, 2010	195,787	494,706	247,748	108,612	1,046,853
Additions	51,584	11,510	106,928	107,799	277,821
Transfers	-	164,003	-	(164,003)	-
Exchange differences	3,520	-	7,833	-	11,353
Disposals	(808)	(956)	(5,251)	-	(7,015)
Net assets transferred to Joint Venture transaction	(22)	(14,340)	(1,829)	(7,641)	(23,832)
Translation adjustment to Real	(8,434)	(21,308)	(10,669)	(4,681)	(45,092)
At December 31, 2010	241,627	633,615	344,760	40,086	1,260,088
Additions	48,808	6,529	58,585	49,731	163,653
Transfers	-	44,888	-	(44,888)	-
Exchange differences	6,530	-	12,587	-	19,117
Disposals	-	(1,368)	(9,540)	-	(10,908)
Translation adjustment to Real	(15,241)	(39,968)	(21,746)	(2,528)	(79,483)
At June 30, 2011	281,724	643,696	384,646	42,401	1,352,467
Accumulated depreciation					
At January 1, 2010	38,623	153,449	90,607	-	282,679
Charge for the year	9,488	33,002	28,212	-	70,702
Exchange differences	720	-	2,967	-	3,687
Disposals	(661)	(203)	(5,206)	-	(6,070)
Net assets transferred to Joint Venture transaction	(6)	(12,728)	(455)	-	(13,189)
Translation adjustment to Real	(1,664)	(6,612)	(3,903)	-	(12,179)
At December 31, 2010	46,500	166,908	112,222	-	325,630
Charge for the period	6,048	18,037	16,887		40,972
Exchange differences	611	-	3,815	-	4,426
Disposals	-	(1,109)	(5,711)	-	(6,820)
Translation adjustment to Real	(2,935)	(10,529)	(7,079)	-	(20,543)
At June 30, 2011	50,224	173,307	120,134	-	343,665
Carrying amount					
June 30, 2011	231,500	470,389	264,512	42,401	1,008,802
December 31, 2010	195,127	466,707	232,538	40,086	934,458

The cost balance of the Group's vehicles, plant and equipment includes an amount of US$22.0 million (R$34.3 million) (2010: US$24.9 million (R$41.5 million)) in respect of assets held under finance leases.

Land and buildings with a net book value of US$0.4 million (R$0.6 million) (2010: US$0.4 million (R$0.6 million)) and tugs with a net book value of US$2.5 million (R$3.9 million) (2010: US$2.6 million (R$4.3 million)) have been given in guarantee of various lawsuits.

The Group has pledged assets having a carrying amount of approximately US$353.1 million (R$551.2 million) (2010: US$317.1 million (R$528.4 million)) to secure loans granted to the Group.

The amount of capitalized interest in 2011 is US$0.5 million (R$0.7 million) (2010: US$1.9 million (R$3.2 million)), at an average interest rate of 3.82% (2010: 3.83%).

On June, 30 2011, the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$64.8 million (R$101.2 million) (2010: US$116.4 million (R$194.0 million)). The amount mainly refers to the expansion of Tecon Salvador and Tecon Rio Grande and to the construction of the Guarujá II shipyard.

When the Company entered into the Joint Venture with Magallanes Navegação Brasileira in 2010 the property, plant and equipment was reduced by US$16.8 million (R$26.2 million), equivalent to the portion of the net assets transferred to the partner on setting up the joint venture.

12. INVENTORIES

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Operating materials	11,633	11,024	18,160	18,368
Raw materials for construction contracts (external customers)	6,433	9,123	10,043	15,201
Total	18,066	20,147	28,203	33,569

13. TRADE AND OTHER RECEIVABLES

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Accounts receivable for services rendered	77,220	65,240	120,549	108,703
Allowance for doubtful debts	(1,329)	(1,320)	(2,075)	(2,200)
Income tax recoverable	9,534	8,203	14,884	13,667
Prepayments and recoverable taxes and levies	86,841	62,838	135,567	104,701
Total	172,266	134,961	268,925	224,871
Total current	158,381	128,561	247,249	214,206
Total non-current	13,885	6,400	21,676	10,665

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

Long term trade receivables refers to: recoverable taxes with maturity dates of more than 365 days and mainly refers to PIS, COFINS, ISS and INSS and receiving from Intermarítima (see Note 22). There is not any impairment evidence related to tax.

As a matter of routine, the Group reviews taxes and levies impacting its businesses with a view to ensure that payments of such amounts are correctly made and that no amounts are paid unnecessarily. In this process, where it is confirmed that taxes and/or levies have been overpaid, the Group takes appropriate measures to recover such amounts.

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

	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
Current	66,782	52,518	104,254	87,506
Overdue but not impaired:				
01 to 30 days	4,642	7,351	7,247	12,248
31 to 90 days	1,866	3,442	2,913	5,735
91 to 180 days	2,601	609	4,060	1,014
Impaired:				
More than 180 days	1,329	1,320	2,075	2,200
Total	77,220	65,240	120,549	108,703

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

Changes in allowance for doubtful debts are as follows:

	US$	R$
At January 1, 2010	1,637	2,850
Amounts written off during the year	(2,288)	(3,812)
Increase in allowance	1,910	3,182
Exchange difference	61	103
Translation adjustment to Real	-	(123)
At December 31, 2010	1,320	2,200
Amounts written off during the period	(1,250)	(1,952)
Increase in allowance	1,176	1,836
Exchange difference	83	130
Translation adjustment to Real	-	(139)
At June 30, 2011	1,329	2,075

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

14. CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Cash and cash equivalents

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

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

Short term investments

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

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

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Denominated in US Dollar:				
Cash and cash equivalents	840	32,403	1,311	53,990
Short term investments	25,251	36,729	39,419	61,198
Total	26,091	69,132	40,730	115,188
Denominated in Real:				
Cash and cash equivalents	75,567	85,769	117,968	142,908
Total	75,567	85,769	117,968	142,908
Total cash and cash equivalents	76,407	118,172	119,279	196,898
Total short term investments	25,251	36,729	39,419	61,198

Private investment fund

The Group has investments in a private investment fund called Hydrus Fixed Income Private Credit Investment Fund that are consolidated in these financial statements. This private investment fund comprises deposit certificates and equivalent instruments, with final maturities ranging from July 2011 to September 2015 and for government bonds, with final maturities ranging from July 2013 to September 2015.

About 96% 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.

15. BANK OVERDRAFTS AND LOANS

	Interest rate - %	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
Unsecured borrowings					
Bank overdrafts - Real	12.40 -15.45% p.a.	5,530	6,479	8,633	10,795
Total unsecured borrowings		5,530	6,479	8,633	10,795
Secured borrowings					
BNDES - FINAME Real	4.5% to 14% p.a.	34,961	26,789	54,578	44,636
BNDES - FMM linked to US Dollar	2.11% to 5% p.a.	212,310	198,192	331,437	330,228
BNDES - linked to US Dollar	5.36%	9,731	-	15,191	-
Total BNDES		257,002	224,981	401,206	374,864
IFC - US Dollar	3% to 8.49% p.a.	8,272	9,813	12,913	16,350
IFC - linked to Real	14.09% p.a.	4,783	4,888	7,467	8,145
Total IFC		13,055	14,701	20,380	24,495
Eximbank - US Dollar	2.43% p.a.	16,808	14,818	26,239	24,690
Finimp - US Dollar	2.12% - 2.27% p.a.	3,600	4,051	5,620	6,749
BB - FMM linked to US Dollar	3.10% p.a.	51,005	49,131	79,624	81,862
Carterpillar - Real	4.35% p.a.	590	-	921	-
Total others		72,003	68,000	112,404	113,301
Total secured borrowings		342,060	307,682	533,990	512,660
Total		347,590	314,161	542,623	523,455

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

	Jun 30, 2011 US$	Dec 31,2010 US$	Jun 30, 2011 R$	Dec 31,2010 R$
Within one year	31,616	25,565	49,356	42,596
In the second year	34,437	26,194	53,760	43,644
In the third to fifth years (including)	91,733	82,187	143,204	136,941
After five years	189,804	180,215	296,303	300,274
Total	347,590	314,161	542,623	523,455
Total current	31,616	25,565	49,356	42,596
Total non-current	315,974	288,596	493,267	480,859

The analysis of borrowings by currency is as follows:

	Real US$	Real linked to US Dollars US$	US Dollars US$	Total US$	Real R$	Real linked to US Dollars R$	US Dollars R$	Total R$
June 30, 2011								
Bank overdrafts	5,530	-	-	5,530	8,633	-	-	8,633
Bank loans	40,334	273,046	28,680	342,060	62,966	426,252	44,772	533,990
Total	45,864	273,046	28,680	347,590	71,599	426,252	44,772	542,623
December 31, 2010								
Bank overdrafts	6,479	-	-	6,479	10,795	-	-	10,795
Bank loans	31,677	247,323	28,682	307,682	52,781	412,090	47,789	512,660
Total	38,156	247,323	28,682	314,161	63,576	412,090	47,789	523,455

The principal lenders of the Group are discussed as follows:

Banco Nacional do Desenvolvimento (“BNDES”), as an agent of Fundo da Marinha Mercante (“FMM”) finances tug boat, platform supply vessel and shipyard construction, in the amount outstanding as of June 30, 2011 of US$212.3 million (R$331.4 million) (2010: US$198.2 million (R$330.2 million)). As of June 30, 2011 the BNDES’s FINAME product mainly finances equipment for logistic operations, US$34.9 million (R$54.6 million) (2010: US$26.8 million (R$44.6 million)). The amounts outstanding at June 30, 2011 are repayable over periods varying up to 21 years. For the part linked to US Dollars the loans carry fixed interest rates between 2.64% and 5% per year, whereas for the loans denominated in Real, the interest rates are between 4.5% and 14% per year.

The Banco do Brasil (“BB”), as an agent of Fundo da Marinha Mercante (“FMM”) finances platform supply vessel’s construction, in the amount outstanding as of June 30, 2011 of US$51.0 million (R$79.6 million) (2010: US$49.1 million (R$81.9 million)). This liability was assumed when the Company entered into the Joint Venture with Magallanes Navegação Brasileira. All contracts are in a grace period and will be amortized from January 2012 and are repayable over periods varying up to 17 years. These loans are denominated in the U.S. dollar and bear fixed interest rates of 3.1% per year.

The International Finance Corporation (“IFC”) finances both port terminals – Tecon Rio Grande and Tecon Salvador. There are two loan agreements with this bank: one for Tecon Salvador and one for Tecon Rio Grande. The amounts outstanding at June 30, 2011 are repayable over periods varying up to 6 years. These loans are denominated partly in the US Dollar and partly in the Real. For the part linked to the US Dollar, one of the loans has an interest rate fixed at 8.49% per year, while the others bear interest at a variable rate of Libor (6 monthly) plus spread of between 3% to 4% per year, whereas for the part denominated in Real, the interest rate is fixed at 14.09% per year.

The Export-Import Bank of China (“Eximbank”), finances Tecon Rio Grande’s equipment. The outstanding amount at June 30, 2011 is repayable over 8 years. The amortization and interest payment are 6 monthly. The loan is denominated in US Dollars with a variable rate Libor (6 monthly). The spread is 1.7% per year and there is a payment for Bank Itaú BBA’s guarantee of 2% per year.

The Banco Itaú BBA S.A. credit line, Finimp, finances Tecon Rio Grande’s equipment. The amount is US$3.6 million and is repayable up to 5 years, including a grace period of one year. The amortization and interest payment are semiannualy. The loan is denominated in US Dollars with a variable rate (Libor – 6 month) and carries fixed interest rates of 1.63% per year. The local commission for Banco Itaú BBA S.A. is 1.75% per year.

Guarantees

The loans from BNDES are secured by a pledge over the tug boats and supply vessels financed. Financing of three of the eleven platform supply vessels is guarantee by receivables from the client Petrobras.

The loans from BB are secured by a pledge over the supply vessels that are financed, by a “Standby Letter of Credit” and by fiduciary assignment of long-term contracts with Petrobras.

The loans from the IFC are secured by the Group's shares in Tecon Salvador and Tecon Rio Grande, the projects cash flows, and, in the case of Tecon Rio Grande, equipment and building.

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

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

Undrawn borrowing facilities

At June 30, 2011, the Group had available US$420.6 million of undrawn borrowing facilities. This value includes fifty percent of the loan agreements on September 28, 2010, as described below. For every disbursement there is a set of conditions precedent that should be fulfilled.

Loan agreements signed

On September 28, 2010, the Group signed a US$ 670 million Financing Agreement. The Financing Agreement is between the joint venture Wilson, Sons Ultratug Offshore and BNDES as agent for the Fundo da Marinha Mercante (FMM). The 18 year financing includes a three year repayment grace period and is intended for the construction of 13 Offshore Support Vessels (OSV's), to be constructed in the Wilson, Sons' Shipyards.

The 13 vessels are expected to be delivered between 2011 and 2015 increasing the joint venture fleet to 24 vessels. Construction has already commenced on three of the vessels.

Fair value

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

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Bank overdrafts	5,530	6,479	8,632	10,794
Bank loans				
BNDES	257,002	224,981	401,206	374,864
IFC	13,348	15,096	20,838	25,152
Eximbank	16,808	14,818	26,239	24,690
Finimp	3,600	4,051	5,620	6,749
BB	51,005	49,131	79,624	81,862
Carterpillar	590	-	921	-
Total bank loans	342,353	308,077	534,448	513,317
Total	347,883	314,556	543,080	524,111

Covenants

The subsidiaries Tecon Rio Grande and Tecon Salvador have specific restrictive clauses in their financing contracts with financial institutions related, basically, to the maintenance of liquidity ratios. At June 30, 2011, the Group is in compliance with all clauses of these contracts.

16. DEFERRED TAX

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

	Accelerated depreciation US$	Exchange variance on loans US$	Timing differences US$	Non-monetary items US$	Total US$
At January 1, 2010	(21,594)	(13,247)	13,138	31,062	9,359
(Charge) credit to income	(5,869)	(1,484)	1,415	6,613	675
Deferred tax booked in disposed investment	5,058	2,885	216	(4,686)	3,473
Exchange differences	-	35	308	-	343
At December 31, 2010	(22,405)	(11,811)	15,077	32,989	13,850
(Charge) credit to income	(4,499)	(5,218)	2,606	10,784	3,673
Exchange differences	-	25	482	-	507
At June 30, 2011	(26,904)	(17,004)	18,165	43,773	18,030

	Accelerated depreciation R$	Exchange variance on loans R$	Timing differences R$	Non-monetary items R$	Total R$
At January 1, 2010	(37,599)	(23,066)	22,876	54,085	16,296
(Charge) credit to income	(9,779)	(2,473)	2,358	11,019	1,125
Deferred tax booked in disposed investment	8,427	4,806	359	(7,808)	5,784
Exchange differences	-	58	513	-	571
Translation adjustment to Real	1,619	995	(983)	(2,330)	(699)
At December 31, 2010	(37,332)	(19,680)	25,123	54,966	23,077
(Charge) credit to income	(7,023)	(8,146)	4,068	16,835	5,734
Exchange differences	-	39	753	-	792
Translation adjustment to Real	2,354	1,241	(1,584)	(3,467)	(1,456)
At June 30, 2011	(42,001)	(26,546)	28,360	68,334	28,147

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

	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
Deferred tax liabilities	(16,835)	(15,073)	(26,281)	(25,115)
Deferred tax assets	34,865	28,923	54,428	48,192
Total	18,030	13,850	28,147	23,077

At the balance sheet date, the Group has unused tax losses of US$51,657 (R$80,642) (2010: US$30,487 (R$50,797)) available for offset against future fiscal profits. No deferred tax asset has been recognized in the amount of US$17,563 (R$27,417) (2010: US$10,366 (R$17,272)) due to the unpredictability of future streams of related taxable income, only in some entities.

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

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

17. PROVISIONS FOR TAX, LABOR AND CIVIL RISKS

	US$	R$
At January 1, 2010	9,831	17,118
Addition to provision	4,464	7,437
Reversal of provision	(2,575)	(4,290)
Exchange difference	569	947
Translation adjustment to Real	-	(736)
At December 31, 2010	12,289	20,476
Addition to provision	3,638	5,679
Reversal of provision	(2,947)	(4,600)
Exchange difference	866	1,352
Translation adjustment to Real	-	(1,292)
At June 30, 2011	13,846	21,615

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

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Civil cases	2,021	1,128	3,155	1,879
Tax cases	129	261	201	435
Labor claims	11,696	10,900	18,259	18,162
Total	13,846	12,289	21,615	20,476

In the normal course of business in Brazil, the Group continues to be exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal advisors. There are no material claims outstanding at June 30, 2011 which have not been provided for and which the Group's legal advisers consider are more likely than not to result in a financial settlement against the Group.

In addition to the cases for which the Group booked the provision there are other tax, civil and labor disputes amounting to US$62,470 (R$97,520) (2010: US$53,404 (R$88,981)), whose probability of loss was estimated by the legal advisors as possible.

The breakdown of possible claims is described below as follows:

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Civil cases	4,448	7,259	6,944	12,094
Tax cases	20,000	15,829	31,221	26,375
Labor claims	38,022	30,316	59,355	50,512
Total	62,470	53,404	97,520	88,981

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

- Civil and Environmental cases: Discussions on contractual matters related to a punctual disagreement in transport supply contract and casuals demands based on service contracts, regarding some of its obligations.
- Labor claims: These lawsuits litigate about salary differences, overtime worked without payments, and other additional.
- Tax cases: The Group itself litigates against the respective governments in respect of Group considers inappropriate.

18. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	US$	US$
Amounts payable under finance leases:				
Within one year	5,200	5,921	4,162	4,847
In the second to fifth years, inclusive	5,786	7,098	4,655	6,305
	10,986	13,019	8,817	11,152
Less future finance charges	(2,169)	(1,867)		
Present value of lease obligations	8,817	11,152		
Total current	4,162	4,847		
Total non-current	4,655	6,305		

	Minimum lease payments		Present value of minimum lease payments	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	R$	R$	R$	R$
Amounts payable under finance leases:				
Within one year	8,118	9,866	6,497	8,076
In the second to fifth years inclusive	9,032	11,826	7,267	10,505
	17,150	21,692	13,764	18,581
Less future finance charges	(3,386)	(3,111)		
Present value of lease obligations	13,764	18,581		
Total current	6,497	8,076		
Total non-current	7,267	10,505		

It is the Group's policy to lease certain of its vehicles and equipment under finance leases. The average lease term is forty-eight months, of which, at the end of June 2011, there remained only twenty-three months on average.

For the period ended June 30, 2011 the average effective leasing interest rate was 16.84% per year (2010: 15.87%). Interest rates are fixed at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 9.80% to 20.39% per year.

Leases are denominated in Reais.

The fair value of the Group's lease obligations is the present value of the future instalments of each contract calculated with its own interest rate and is approximately equal to their carrying amount.

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

19. TRADE AND OTHER PAYABLES

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Suppliers	77,050	70,353	120,285	117,222
Taxes	18,230	16,657	28,459	27,754
Share-based payment (provision)	23,278	23,795	36,339	39,647
Accruals and other payables	11,261	6,893	17,580	11,485
Total	129,819	117,698	202,663	196,108

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:

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Contract costs incurred plus recognized revenues less recognized losses to date	60,805	41,632	94,923	69,367
Less billings in process	(74,747)	(58,705)	(116,688)	(97,814)
Net liability included in suppliers	(13,942)	(17,073)	(21,765)	(28,447)

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 1, 2010	10,591	18,441
Charge for the year	13,204	22,001
Translation adjustment to Real	-	(795)
Liability at December 31, 2010	23,795	39,647
Charge for the period	28	44
Payment for the period	(545)	(851)
Translation adjustment to Real	-	(2,501)
Liability at June 30, 2011	23,278	36,339

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

Details of the share options outstanding as follows:

	Number of share options
Outstanding at January 1, 2010	3,912,760
Lapsed during the year	(15,000)
Outstanding at December 31, 2010	3,897,760
Exercised/lapsed during the period	(219,500)
Outstanding at June 30, 2011	3,678,260

The fair value of the recorded liability in the amount of US$23,278 (R$36,339) (2010: US$23,795 (R$39,647)) was determined using the Binomial model based on the assumptions mentioned below:

	Jun 30, 2011	Jun 30, 2010
Closing share price (in real)	R$30.39	R$21.50
Expected volatility	26-31%	32-33%
Expected life	10 years	10 years
Risk free rate	7.70%	9.70%
Expected dividend yield	1.35%	2.60%

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.

Options series	Number	Grant date	Vesting date	Expiry date	Exercise price (R$)
07 ESO – 2 Year	875,440	5/5/2007	5/5/2009	5/5/2017	23.77
07 ESO – 3 Year	877,440	5/5/2007	5/5/2010	5/5/2017	23.77
07 ESO – 4 Year	901,440	5/5/2007	5/5/2011	5/5/2017	23.77
07 ESO – 5 Year	901,440	5/5/2007	5/5/2012	5/5/2017	23.77
08 ESO – 2 Year	21,250	15/8/2008	17/8/2010	17/8/2019	18.70
08 ESO – 3 Year	33,750	15/8/2008	17/8/2011	17/8/2019	18.70
08 ESO – 4 Year	33,750	15/8/2008	17/8/2012	17/8/2019	18.70
08 ESO – 5 Year	33,750	15/8/2008	17/8/2013	17/8/2019	18.70

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

Share options outstanding at the end of the period had a weighted average exercise price of R$23.60 (2010: R$23.59) and a weighted average remaining contractual life of 2,164 days (2010: 2,346 days).

The Group, to show the sensitivity of the charge to changes in the share price, 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.

	Actual	(+10%)	(-10%)
Share price at June 30, 2011 - R$	30.39	33.43	27.35
	US$	US$	US$
Balance sheet liability at June 30, 2011	23,278	26,839	19,378
	R$	R$	R$
Balance sheet liability at June 30, 2011	36,339	41,899	30,251

The sensitivities here are notional and purely for information as the share price on the reporting date is a known fact.

21. EQUITY

Share Capital

	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
71,144,000 ordinary shares issued and fully paid	9,905	9,905	15,463	16,504

Dividends

According to the Company's by-laws, an amount of no less than 25% of the Adjusted Net Profit for the current year shall be declared by the Board as a dividend to be paid to the Members before the next Annual General Meeting. The by-laws provided that the dividend will be mandatory unless the Board considers that the payment of such dividends will not be in the interests of the Company. The final dividend is subject to approval by shareholders at the Annual General Meeting.

In the Board Meeting held on May 6, 2011 the Board of Directors declared the payment of a dividend in the amount of US$0.254 cents per share (2010: US$0.317 cents per shares) in the total amount of US$18,070 (2010: US$22,551) to Shareholders of record as at May 11, 2011 and the payment of such dividend on May 13, 2011.

Earnings per share

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

	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 R$	Jun 30, 2010 R$
Profit for the period attributable to owners of the company	33,177	36,750	51,793	66,205
Weighted average number of ordinary shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic and diluted earnings per share (cents per share)	46.63	51.66	72.80	93.06

22. SUBSIDIARIES

The Group acquired the minority 25% share participation in Brasco Logística Offshore Ltda. As a result of this transaction, the Group became the sole owner of 100% of Brasco's total share capital.

The transaction was completed on June 16, 2010, with a consideration in the total amount R$15.5 million (equivalent to US$ 9.0 million on the date of the transaction) measured by reference to the fair value, for the acquisition of shares equivalent to 25% of the total Brasco share capital. This transaction resulted in additional paid in capital in the total amount of R$8.7 million (equivalent to US$4.8 million on the date of the transaction) reported in the consolidated statement of changes in equity.

During the period, the Group disposed of 7,5% share participation in Tecon Salvador S.A. to Intermarítima, reducing its continuing interest to 92,5%.

This transaction proceeds R$11.2 million (equivalent to US$6.7 million on the date of the transaction) were received part in cash and with the remaining to be received in the following years. An amount of R$3.8 million (equivalent to US$2.4 million on the date of the transaction) (being the proportionate share of the carrying amount of the net assets of Tecon Salvador S.A.) has been transferred to non-controlling interests. The difference of R$4.4 million (equivalent to US$2.8 million on the date of the transaction), net of tax, between the increase in the non-controlling interests and the consideration received has been credited in the consolidated statement of changes in equity.

The Group announced that, on the June 2, 2011, it has, through its wholly-owned subsidiary Brasco Logística Offshore Ltda. (Brasco), signed a contract for the acquisition of 100% of the issued share capital of Bric Brazilian Intermodal Complex S/A. (“Briclog”) for consideration of R$125.0 million (equivalent to US$79.0 million on the date of contract signature). Briclog provides port services to the oil & gas industry. The closing of the acquisition, and the control change, are subject to various conditions precedent including a 30 year lease right to operate in a defined 66,860 square meter area in the Bay of Guanabara, Rio de Janeiro, Brazil, together with the assignment of certain other lease contracts to Briclog.

Consideration for the acquisition is payable in three amounts, R$10.0 million (equivalent to US$ 6.3 million on the date of the contract signature) was paid on contract signature (accounted for in “trade and other receivables”), R$60 million (US$ 37.9 million on the date of the of the contract signature) is payable on satisfaction of all conditions precedent, and the remainder R$55.0 million (equivalent to US$34.8 million on the date of the contract signature) 360 (three hundred and sixty) days from the contract signature with the later two payments adjusted for movement in the Brazilian index of consumer prices (IPCA). As of June 30, 2011, no business combination transaction has been applied in this interim financial statement.

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Place of incorporation and operation	Proportion of ownership interest	
		Jun 30, 2011	Dec 30, 2010
Holding company			
Wilson, Sons de Administração e Comércio Ltda.	Brazil	100%	100%
Vis Limited	Guernsey	100%	100%
WS Participações S.A.	Brazil	100%	100%
Towage			
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	100%
Sobrare-Servemar Ltda.	Brazil	100%	100%
Wilson, Sons Apoio Marítimo Ltda.	Brazil	100%	100%
Wilson, Sons Operações Marítimas Especiais Ltda.	Brazil	100%	100%
Shipyard			
Wilson, Sons S.A. Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	100%
Wilson, Sons Estaleiro Ltda.	Brazil	100%	100%
Ship Agency			
Wilson, Sons Agência Marítima Ltda.	Brazil	100%	100%
Wilson, Sons Navegação Ltda.	Brazil	100%	100%
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	100%
Logistics			
Wilson, Sons Logística Ltda.	Brazil	100%	100%
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	100%
Port terminal			
Brasco Logística Offshore Ltda	Brazil	100%	100%
Tecon Rio Grande S.A.	Brazil	100%	100%
Tecon Salvador S.A.	Brazil	92.5%	100%
Wilport Operadores Portuários Ltda.	Brazil	100%	100%
Wilson, Sons Operadores Portuários Ltda.	Brazil	100%	100%
Wilson, Sons Terminais de Cargas Ltda.	Brazil	100%	100%

The Group also has 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).

23. JOINT VENTURES

On 28 May 2010 the Group finalised the offshore joint venture "Wilson, Sons Ultratug Participacoes S.A." with Remolcadores Ultratug Ltda., a subsidiary of Ultratug Ltda., a Chilean Group.

The Group contributed its 50% participation of the joint venture with the issued shares of Wilson, Sons Offshore S.A., the company that owns and operates the Group's offshore supply vessels. The Ultratug Group contributed its 50% participation of the joint venture with the issued shares of Magallanes Navegacao Brasileira S.A., the owner of the Ultratug Group's offshore operations in Brazil and US$14.3 million in cash.

A gain of US$20.4 million calculated based on SIC13 was realized on formation of the joint venture as set out below.

	US$	R$
Wilsons Sons share of fair value of the assets contributed by Magallanes	16,165	29,120
Less Carrying value of Wilsons Sons Offshore S.A.	(6,208)	(11,184)
Consolidation elimination of intercompany profit	10,450	18,826
Wilsons Sons contribution at net book value	4,242	7,642
Total gain on joint venture formation	20,407	36,762

Consolidation elimination of intercompany profit represents profits on the construction of PSVs in the Groups shipyards previously eliminated on consolidation.

The Group has the following significant interests in joint ventures at June 30, 2011:

	Place of incorporation and operation	Proportion of ownership interest Jun 30, 2011	Dec 31, 2010
Towage			
Consórcio de Rebocadores Barra de Coqueiros	Brazil	50%	50%
Consórcio de Rebocadores Baia de São Marcos	Brazil	50%	50%
Logistics			
Allink Transportes Internacionais Ltda	Brazil	50%	50%
Offshore			
Wilson, Sons Ultratug Participações S.A.*	Brazil	50%	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.

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

	Jun 30, 2011 US$	Dec 31, 2010 US$	Jun 30, 2011 R$	Dec 31, 2010 R$
Current assets	18,855	17,991	29,434	29,977
Non-current assets	142,153	127,213	221,915	211,963
Current liabilities	(50,009)	(31,976)	(78,070)	(53,278)
Non-current liabilities	(109,843)	(109,242)	(171,476)	(182,020)

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	US$	US$	US$	US$
Income	15,203	6,450	27,197	10,625
Expenses	(12,936)	(6,305)	(22,745)	(10,132)

	Three-month period ending		Six-month period ending	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
	R$	R$	R$	R$
Income	23,733	11,620	42,456	19,142
Expenses	(20,194)	(11,358)	(35,507)	(18,253)

In 2010, Wilson, Sons Ultratug S.A. became joint ventures and their proportional contributions are equivalents to one month results.

24. OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Minimum lease payments under operating leases recognized in income for the year	15,506	14,528	24,207	24,207

At June 30, 2011, the minimum amount due by the Group for future minimum lease payments under cancellable operating leases was US$14,588 (R$22,773) (2010: US$13,668 (R$22,774)).

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 between Tecon Rio Grande and the Rio Grande port authority, and between Tecon Salvador and the Salvador port authority. The Tecon Rio Grande concession expires in 2022 and the Tecon Salvador concession in 2025.

The Tecon Rio Grande guaranteed payments consist of two elements; a fixed rental, and fee per 1,000 containers moved based on forecast volumes made by the consortium. The amount shown in the accounts is based on the minimum volume forecast. Volumes are forecasted to rise in future years. If container volumes moved through the terminal exceed forecast volumes in any given year additional payments will be required.

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

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	R$	R$
Within one year	2,360	2,211	3,684	3,684
In the second to fifth year inclusive	18,486	18,425	28,858	30,700
Total	20,846	20,636	32,542	34,384

Non-cancellable lease payments represent rental payments by the Group for the bonded warehouse used by EADI Santo Andre.

In November, 2008 the Group's renewed the concession to operate the 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 June 30, 2011 is 8 years and 10 months. These rental payments are updated by a Brazilian general inflation index (IGPM - General Market Price Index).

25. FINANCIAL INSTRUMENTS AND RISK ASSESSMENT

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowing disclosed in Note 15, cash and cash equivalents, 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.

b) Categories of financial instruments:

	Fair value		Book value	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	US$	US$
Financial assets:				
Loans and receivables (includes: cash and cash equivalents, short term investments and trade and other receivables)	273,924	289,862	273,924	289,862
Financial liabilities:				
Other financial liabilities (includes: bank loans and overdrafts, obligations under finance leases and trade and other payables)	486,519	443,406	486,226	443,011

	Fair value		Book value	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	R$	R$	R$	R$
Financial assets:				
Loans and receivables (includes: cash and cash equivalents, short term investments and trade and other receivables)	427,623	482,967	427,623	482,967
Financial liabilities:				
Other financial liabilities (includes: bank loans and overdrafts, obligations under finance leases and trade and other payables)	759,506	738,799	759,050	738,144

c) Financial risk management objectives

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

d) Foreign currency risk management

The operating cash flows are subject to fluctuation in currency, because they are denominated part in Real and part in US Dollars, the proportions of which 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 assets (receivables) and liabilities (payments). Furthermore, the Group seeks to generate an operating cash surplus in the same currency in which the debt service of each business is denominated.

Cash flows from investments in fixed assets are mostly denominated in Real and US Dollars. These investments are subject to currency fluctuations within the period between when goods or services are contracted and the price is determined and the actual date of payment of those goods and services. These flows are monitored with the purpose of matching the currencies of sources and uses of funds and their due dates.

The Group has contracted debt that is US Dollar-denominated and Real-denominated, and the cash and cash equivalents balances are also invested in US Dollar-denominated and Real-denominated vehicles.

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

	Assets		Liabilities	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	US$	US$	US$	US$
Amounts denominated in Real	288,876	255,565	220,115	159,567

	Assets		Liabilities	
	Jun 30, 2011	Dec 31, 2010	Jun 30, 2011	Dec 31, 2010
	R$	R$	R$	R$
Amounts denominated in Real	450,965	425,822	343,621	265,871

Foreign currency sensitivity analysis

Exchange rates		
Probable scenario	Possible scenario (25%)	Remote scenario (50%)
R$1.60/US$1.00	R$2.00/US$1.00	R$2.40/US$1.00

Operation	Risk	Amount USD	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	288,876	Exchange effects	(7,023)	(63,394)	(100,974)
Total liabilities	BRL	220,115	Exchange effects	5,352	48,304	76,939
			Net effect	(1,671)	(15,090)	(24,035)

e) Interest rate risk management

The Group is exposed to interest rate risk as entities within the Group borrow funds at both fixed and floating interest rates. BNDES and Banco do Brasil (“BB”), providing funds from the Fundo da Marinha Mercante (“FMM”), charge fixed interest rates on loans for vessel construction. Since these rates are fixed and they are below market interest rates, the Group understands that the risk for these contracts is low.

As for the financing of Port Operations, the Group’s strategy for interest rate management has been to maintain a balanced portfolio of fixed and floating interest rates depending on market conditions and yield curves. The Company's interest rate risk management strategy may use derivative instruments to reduce debt cost attributable to interest rate volatility.

The BNDES’s FINAME product and the financial leasing provide financing for equipment in our Logistics Operations. The interest rate for BNDES’s FINAME product is the Long Term Interest Rate (“TJLP”) and there are no instruments on the market to mitigate fluctuations of this rate. However, the risk is considered low because the rate is determined below market rates, it is lower than the interest rate of the economy (Selic), and has the inflation target as one of the components of its calculation.

The Real-linked investments yield interest rates that follow the “DI” (Brazilian Interbank interest rates) daily variation for privately-issued securities and/or “Selic-Over” government-issued bonds. The US Dollar-linked investments are time deposits, with short-term maturities.

Interest rate sensitivity analysis

The following analysis concerns an eventual variation of revenue or expenses associated with the operations and scenarios shown, without consider its fair value.

	Libor interest rate		
Operation	Probable scenario	Possible scenario 25%	Remote scenario 50%
Loans	0.76%	0.95%	1.14%
Investments	0.43%	0.54%	0.65%

Operation	Risk	Amount USD	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Loan IFC	Libor	5,042	Loan Interest	(8)	(13)	(19)
Loan Eximbank	Libor	16,808	Loan Interest	(18)	(28)	(38)
Loan Finimp	Libor	3,600	Loan Interest	(7)	(11)	(15)
Investments	Libor	25,252	Investment Income	(59)	(32)	(5)
			Net Effect	(92)	(84)	(77)

CDI interest rate

Operation	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	12.59%	15.74%	18.89%

Operation	Risk	Principal US Dollars	Result	Probable scenario	Possible scenario 25%	Remote scenario 50%
Investments	CDI	71,351	Investment income	136	2,398	4,659
			Net effect	136	2,398	4,659

The net effect was obtained by assuming a scenario for the 12 months starting June 30, 2011 in which interest rates and all other variables remain constant.

The other loans bear a fixed interest rate and represent 88.3% of the total loans.

The investment rate risk mix is 25.9% Libor, 73.0% CDI and 1.1% on exchange rate variation (Ptax).

f) Liquidity risk management

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

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.

	Weighted average effective interest rate %	Less than 12 months US$	1-5 years US$	More than 5 years US$	Total US$
June 30, 2011					
Finance lease liability	16.80%	4,162	4,549	106	8,817
Variable interest rate instruments	5.30%	7,640	25,604	8,061	41,305
Fixed interest rate instruments	3.90%	23,977	100,565	181,743	306,285
		35,779	130,718	189,910	356,407

	Weighted average effective interest rate %	Less than 12 months US$	1-5 years US$	More than 5 years US$	Total US$
December 31, 2010					
Finance lease liability	15.87%	4,847	6,184	121	11,152
Variable interest rate instruments	4.73%	5,261	19,669	7,851	32,781
Fixed interest rate instruments	3.95%	20,304	88,712	172,364	281,380
		30,412	114,565	180,336	325,313

g) Credit Risk

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

The Group invests surplus temporarily cash in government bonds and in private investment funds with regulations approved by Management which follow Group policy on concentration of credit risk. Credit risk on investments is non-government backed paper is mitigated by investing only in leading financial institutions.

The Group's sales policy follow the criteria for credit sales set by Management, which seeks to mitigate any loss from customers' delinquency.

h) Derivatives

The Group may enter into derivatives contracts to hedge risks arising from exchange rate fluctuations and interest. In 2010, the Group entered into futures contracts for one-day interbank deposits at notional average one day interest rate for the period between the trade date and the final day of the contracted trading period, marked to market against the effective average one day interest rate for the period, as calculated and published daily by CETIP. As of June 30, 2011 there were no such contracts.

i) Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at June 30, 2011 and December 31, 2010 at amounts similar to the fair value at those dates. These instruments are managed though operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of an ongoing monitoring of rates agreed versus those in force in the market and confirmation as to whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

The Group does not make speculative investments in derivatives or 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 was required when interpreting market data to derive the most adequate estimated realization value.

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

<u>Cash and cash equivalents</u>

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

Short term investments

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

Trade and other receivables/payables

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

Bank Overdrafts and Loans

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

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

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

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 parties are disclosed below.

	Current liabilities US$	Revenues US$	Expenses US$
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	(3)	18	3
2. Consórcio de Rebocadores Barra de Coqueiros	61	156	-
3. Consórcio de Rebocadores Baía de São Marcos	(1,627)	13	7
4. Wilson Sons Ultratug and subsidiaries	3,842	28,587	833
Other:			
5. Gouvêa Vieira Advogados	-	-	160
6. CMMR Intermediação Comercial Ltda.	-	-	181
7. Transamérica Ag. Marítima	1,833	-	2
Six-month period ended June 30, 2011	4,105	28,774	1,186
Three-month period ended June 30, 2011		17,208	77
At December 31, 2010	7,651	40,964	5,218
Six-month period ended June 30, 2010	(394)	1,485	182
Three-month period ended June 30, 2010		76	36

	Current liabilities R$	Revenues R$	Expenses R$
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	(4)	28	4
2. Consórcio de Rebocadores Barra de Coqueiros	95	244	-
3. Consórcio de Rebocadores Baía de São Marcos	(2,540)	20	11
4. Wilson Sons Ultratug and subsidiaries	5,997	44,628	1,301
Other:			
5. Gouvêa Vieira Advogados	-	-	250
6. CMMR Intermediação Comercial Ltda.	-	-	282
7. Transamérica Ag. Marítima	2,862	-	3
Six-month period ended June 30, 2011	6,410	44,920	1,851
Three-month period ended June 30, 2011		26,080	43
At December 31, 2010	12,746	68,256	8,696
Six-month period ended June 30, 2010	(713)	2,678	328
Three-month period ended June 30, 2010		138	65

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

2-3. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation.

4. Intercompany loan receivable with Wilson, Sons Ultratug (Interest – 0.3% per month; with no maturity) and Trade payable with Wilson, Sons Offshore and Magallanes for Wilson, Sons shipyards in respect of vessel construction are disclosed as a result of proportionate amounts not eliminated on consolidation.

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

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.

7. Trade and other payables with Transamérica (Interest – 1% per month; with no maturity).

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

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 R$	Jun 30, 2010 R$
Profit before tax	49,914	54,311	77,921	97,841
Less: Investments income	(10,038)	(4,129)	(15,670)	(7,439)
Less: Capital gain in joint venture transaction	-	(20,407)	-	(36,763)
Add: Finance costs	6,913	5,803	10,792	10,454
Operating profit from operations	46,789	35.578	73,043	64,093
Adjustments for:				
Depreciation and amortization expenses	26,840	19,859	41,900	35,776
Gain on disposal of property, plant and equipment	(1,088)	(33)	(1,698)	(60)
Increase in provisions	1,586	1,382	2,475	2,490
Operating cash flows before movements in working capital	74,127	56,786	115,720	102,299
Increase(decrease) in inventories	2,082	(1,615)	3,250	(2,910)
Increase in trade and receivables	(24,874)	(33,130)	(38,830)	(59,681)
Increase in trade and other payables	12,093	26,043	18,878	46,917
Decrease in other non-current assets	(1,282)	3,565	(2,001)	6,422
Cash generated by operations	62,146	51,649	97,017	93,047
Income taxes paid	(19,089)	(11,011)	(29,800)	(19,836)
Interest paid	(6,376)	(3,981)	(9,954)	(7,173)
Net cash from operating activities	36,681	36,657	57,263	66,038

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:

- Equipment acquisition under finance leasing of US$1,493 (R$2,331) (2010: US$1,054 (R$1,899));
- Fixed Assets suppliers (US$437) ((R$682)) (2010: US$1,462 (R$2,634));
- Capitalized interest US$486 (R$759) (2010: US$932 (R$1,679));
- Taxes settlement US$278 (R$434) (2010: US$2,796 (R$5,037)).
- Receivables from Intermarítima US$6,405 (R$9,998).

Supplemental notes related to Cash Flow Statement:

Effect of joint venture transaction in the cash flow statement:

	2010	
	US$	R$
Cash and cash equivalents	5,040	9,080
Property, plant & equipment	(6,386)	(11,504)
Other non-current assets	49	88
Inventories	(515)	(928)
Trade and other receivables	(2,639)	(4,754)
Bank overdrafts and loans	12,002	21,622
Others liabilities	12,856	23,159
Total	20,407	36,763

28. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories:

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 US$	Jun 30, 2010 US$	Jun 30, 2011 US$	Jun 30, 2010 US$
Short-term employee benefits	5,982	5,844	7,524	7,118
Post-employment benefits and social charges	646	483	1,211	971
Share-based payment provision	5,866	(1,349)	28	101
Total	12,494	4,978	8,763	8,190

	Three-month period ending		Six-month period ending	
	Jun 30, 2011 R$	Jun 30, 2010 R$	Jun 30, 2011 R$	Jun 30, 2010 R$
Short-term employee benefits	9,233	10,554	11,745	12,824
Post-employment benefits and social charges	970	879	1,890	1,749
Share-based payment provision	9,157	(2,430)	44	182
Total	19,360	9,003	13,679	14,755

29. 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 August 11, 2011.