

Wilson Sons Limited

Condensed consolidated interim
financial information at 30 June 2014

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Independent Accountants' Review Report on the Consolidated Interim Financial Information

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

Introduction

We have reviewed the condensed consolidated interim financial information of Wilson Sons Limited (“the Company”), contained in the quarterly information form for the quarter ended June 30, 2014, which comprises the condensed consolidated statement of financial position as of June 30, 2014 and the respective condensed consolidated statements of profit or loss and comprehensive income for the three and six -month periods ended at that date and changes in shareholders' equity and cash flows for the six-month period ended at that date, as well as the explanatory notes.

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

Scope of the review

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

**Conclusion on the condensed consolidated interim financial information**

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

Emphasis

Without qualifying our report, we draw attention to the fact mentioned in Note 2, that discloses the fact that the Company presents its condensed interim financial information in two presentation currencies, the United States dollar (US\$) and the Brazilian Real (R\$).

Rio de Janeiro, Brazil, August 14, 2014

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CRC SP-014428/O-6 F-RJ

A handwritten signature in blue ink, appearing to read 'Marcelo Luiz Ferreira'.

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

Wilson Sons Limited

Condensed consolidated interim statements of profit or loss and other comprehensive income

For the period ended 30 June 2014 and 2013 (*Unaudited*)

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

	Notes	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
		30 June 2014 US\$	30 June 2013 US\$	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 R\$	30 June 2013 R\$	30 June 2014 R\$	30 June 2013 R\$
Revenue	4	152,179	158,105	299,907	306,419	338,185	331,392	684,489	630,234
Raw materials and consumables used		(17,789)	(18,753)	(39,824)	(37,744)	(41,222)	(35,895)	(92,712)	(74,212)
Employee benefits expense	5	(58,861)	(54,564)	(101,287)	(104,840)	(131,075)	(112,897)	(231,369)	(213,389)
Depreciation and amortisation expenses		(15,898)	(14,033)	(31,675)	(27,813)	(31,352)	(26,319)	(62,115)	(52,534)
Other operating expenses	6	(47,439)	(48,884)	(90,267)	(92,977)	(104,706)	(103,153)	(204,598)	(190,559)
Profit (loss) on disposal of property, plant and equipment		6	8,790	(242)	9,812	209	20,440	(45)	22,631
Results from operating activities		12,198	30,661	36,612	52,857	30,039	73,568	93,650	122,171
Share of result of joint ventures		2,428	(1,246)	1,612	(45)	6,600	(1,249)	6,464	1,729
Finance income	7	2,249	3,132	3,960	5,074	5,430	6,558	10,793	11,273
Finance costs	7	(1,295)	(8,390)	(1,695)	(11,315)	(2,893)	(21,021)	(4,265)	(24,252)
Exchange gain (loss) on translation	7	3,803	(17,037)	9,931	(12,761)	6,819	(48,846)	21,501	(37,128)
Profit before tax		19,383	7,120	50,420	33,810	45,995	9,010	128,143	73,793
Income tax expense	8	(4,659)	(14,116)	(11,410)	(21,266)	(10,314)	(30,162)	(26,408)	(44,490)
Profit for the period		14,724	(6,996)	39,010	12,544	35,681	(21,152)	101,735	29,303
Profit for the period attributable to:									
Owners of the Company		13,881	(7,326)	37,512	11,430	33,694	(21,610)	98,127	27,053
Non controlling interests		843	330	1,498	1,114	1,987	458	3,608	2,250
		14,724	(6,996)	39,010	12,544	35,681	(21,152)	101,735	29,303
Other comprehensive income									
Items that are or may be reclassified to profit or loss									
Exchange differences on translating		2,544	(5,767)	5,681	(3,380)	(30,175)	94,637	(75,259)	73,496
Effective portion of changes in fair value of cash flow hedges		(539)	-	(484)	-	(1,211)	-	(1,149)	-
Total comprehensive income for the period		16,729	(12,763)	44,207	9,164	4,295	73,485	25,327	102,799
Total comprehensive income for the period attributable to:									
Owners of the Company		15,744	(12,543)	42,371	8,438	2,399	73,027	21,806	100,549
Non controlling interests		985	(220)	1,836	726	1,896	458	3,521	2,250
		16,729	(12,763)	44,207	9,164	4,295	73,485	25,327	102,799
Earnings per share from continuing operations									
Basic (cents per share)	21	19,51c	(10,30c)	52,73c	16,07c	47,36c	(30,38c)	137,93c	38,03c
Diluted (cents per share)	21	18,74c	(10,30c)	50,65c	16,07c	45,50c	(30,38c)	132,50c	38,03c

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

Wilson Sons Limited

Condensed consolidated interim statements of financial position

For the period ended 30 June 2014 and year ended 31 December 2013

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

	Notes	30 June 2014 US\$ Unaudited	31 December 2013 US\$	30 June 2014 R\$ Unaudited	31 December 2013 R\$
Assets					
Non-current assets					
Goodwill	9	39,022	37,622	85,946	88,134
Other intangible assets	10	45,812	46,650	100,901	109,280
Property, plant and equipment	11	655,845	616,912	1,444,499	1,445,179
Deferred tax assets	16	29,894	30,099	65,842	70,510
Investment in joint ventures	23	6,212	2,577	13,682	6,036
Trade and other receivables	13	54,015	66,198	118,968	155,076
Other non-current assets		11,885	10,209	26,174	23,915
Total non-current assets		842,685	810,267	1,856,012	1,898,130
Current assets					
Inventories	12	36,369	29,090	80,102	68,145
Trade and other receivables	13	98,877	108,487	217,777	254,143
Short-term investments	14	18,000	33,000	39,645	77,306
Cash and cash equivalents	14	77,163	97,946	169,952	229,448
Total current assets		230,409	268,523	507,476	629,042
Total assets		1,073,094	1,078,790	2,363,488	2,527,172
Equity and liabilities					
Capital and reserves					
Share capital	21	9,905	9,905	26,815	26,815
Capital reserves		94,324	94,324	208,550	208,550
Profit reserve		359	807	(326)	737
Share Options		1,477	-	3,393	-
Retained earnings		419,792	409,315	873,078	835,026
Translation reserve		4,255	(1,052)	56,062	131,322
Equity attributable to owners of the Company		530,112	513,299	1,167,572	1,202,450
Non-controlling interests		5,535	3,699	12,191	8,670
Total equity		535,647	516,998	1,179,763	1,211,120
Non-current liabilities					
Bank loans	15	334,523	334,394	736,787	783,351
Derivatives	25	1,649	1,130	3,632	2,648
Post-employment benefits	20	2,572	2,251	5,665	5,273
Deferred tax liabilities	16	29,925	33,761	65,910	79,088
Provisions for tax, labour and civil risks	17	11,862	10,262	26,126	24,039
Obligations under finance leases	18	4,283	4,812	9,433	11,273
Total non-current liabilities		384,814	386,610	847,553	905,672
Current liabilities					
Trade and other payables	19	97,518	135,317	214,783	316,995
Derivatives	25	197	110	433	257
Current tax liabilities		697	211	1,534	492
Obligations under finance leases	18	1,630	1,547	3,590	3,623
Bank loans	15	52,591	37,997	115,832	89,013
Total current liabilities		152,633	175,182	336,172	410,380
Total liabilities		537,447	561,792	1,183,725	1,316,052
Total equity and liabilities		1,073,094	1,078,790	2,363,488	2,527,172

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

Wilson Sons Limited

Condensed consolidated interim statements of changes in equity

For the period ended 30 June 2014 and 2013 (Unaudited)

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

		Share capital	Capital reserves			Derivatives	Profit reserve	Contributed surplus	Share Options	Retained earnings	Translation Reserve	Attributable to owners of the Company	Non-controlling interests	Total
	Notes	US\$	premium US\$	Others US\$	Additional paid-in capital US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2013	21	9,905	67,951	28,383	(2,010)	223	1,981	9,379	-	379,894	2,412	498,118	3,734	501,852
Profit for the period	-	-	-	-	-	-	-	-	-	11,430	-	11,430	1,114	12,544
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(2,992)	(2,992)	(388)	(3,380)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	11,430	(2,992)	8,438	726	9,164
Derivatives	-	-	-	-	-	(223)	-	-	-	-	-	(223)	-	(223)
Transfer to retained earnings	-	-	-	-	-	-	-	(9,379)	-	9,379	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(18,070)	-	(18,070)	-	(18,070)
Balance at 30 June 2013	21	<u>9,905</u>	<u>67,951</u>	<u>28,383</u>	<u>(2,010)</u>	<u>-</u>	<u>1,981</u>	<u>-</u>	<u>-</u>	<u>382,633</u>	<u>(580)</u>	<u>488,263</u>	<u>4,460</u>	<u>492,723</u>
Balance at 1 January 2014	21	9,905	67,951	28,383	(2,010)	(1,174)	1,981	-	-	409,315	(1,052)	513,299	3,699	516,998
Profit for the period	-	-	-	-	-	-	-	-	-	37,512	-	37,512	1,498	39,010
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(448)	-	-	-	-	-	(448)	(36)	(484)
Other comprehensive income	-	-	-	-	-	-	-	-	-	5,307	5,307	5,307	374	5,681
Total comprehensive income for the period	-	-	-	-	-	(448)	-	-	-	37,512	5,307	42,371	1,836	44,207
Share Options	-	-	-	-	-	-	-	-	1,477	-	-	1,477	-	1,477
Dividends	-	-	-	-	-	-	-	-	-	(27,035)	-	(27,035)	-	(27,035)
Balance at 30 June 2014	21	<u>9,905</u>	<u>67,951</u>	<u>28,383</u>	<u>(2,010)</u>	<u>(1,622)</u>	<u>1,981</u>	<u>-</u>	<u>1,477</u>	<u>419,792</u>	<u>4,255</u>	<u>530,112</u>	<u>5,535</u>	<u>535,647</u>

(continues)

Wilson Sons Limited

Condensed consolidated interim statements of changes in equity

For the period ended 30 June 2014 and 2013 *(Unaudited)*

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

		Capital reserves				Derivatives	Profit reserve	Contributed surplus	Share Options	Retained earnings	Translation Reserve	Attributable to owners of the Company	Non-controlling interests	Total
	Notes	Share capital R\$	Share premium R\$	Others R\$	Additional paid-in capital R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$	R\$
Balance at 1 January 2013	21	26,815	136,396	76,018	(3,864)	463	3,342	19,913	-	762,670	(3,851)	1,017,902	7,631	1,025,533
Profit for the period		-	-	-	-	-	-	-	-	27,053	-	27,053	2,250	29,303
Other comprehensive income		-	-	-	-	-	-	-	-	-	73,496	73,496	-	73,496
Total comprehensive income for the period		-	-	-	-	-	-	-	-	27,053	73,496	100,549	2,250	102,799
Derivatives		-	-	-	-	(463)	-	-	-	-	-	(463)	-	(463)
Transfer to retained earnings		-	-	-	-	-	-	(19,913)	-	19,913	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	(36,194)	-	(36,194)	-	(36,194)
Balance at 30 June 2013	21	<u>26,815</u>	<u>136,396</u>	<u>76,018</u>	<u>(3,864)</u>	<u>-</u>	<u>3,342</u>	<u>-</u>	<u>-</u>	<u>773,442</u>	<u>69,645</u>	<u>1,081,794</u>	<u>9,881</u>	<u>1,091,675</u>
Balance at 1 January 2014		26,815	136,396	76,018	(3,864)	(2,606)	3,342	-	-	835,028	131,321	1,202,450	8,670	1,211,120
Profit for the period		-	-	-	-	-	-	-	-	98,127	-	98,127	3,608	101,735
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(1,062)	-	-	-	-	-	(1,062)	(87)	(1,149)
Other comprehensive income		-	-	-	-	-	-	-	-	-	(75,259)	(75,259)	-	(75,259)
Total comprehensive income for the period		-	-	-	-	(1,062)	-	-	-	98,127	(75,259)	21,806	3,521	25,327
Share Options		-	-	-	-	-	-	-	3,393	-	-	3,393	-	3,393
Dividends		-	-	-	-	-	-	-	-	(60,077)	-	(60,077)	-	(60,077)
Balance at 30 June 2014	21	<u>26,815</u>	<u>136,396</u>	<u>76,018</u>	<u>(3,864)</u>	<u>(3,668)</u>	<u>3,342</u>	<u>-</u>	<u>3,393</u>	<u>873,078</u>	<u>56,062</u>	<u>1,167,572</u>	<u>12,191</u>	<u>1,179,763</u>

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

Wilson Sons Limited

Condensed consolidated statements of cash flows

For the period ended 30 June 2014 and 2013 (*Unaudited*)

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reals, unless otherwise noted)

	Note	2014 US\$	2013 US\$	2014 R\$	2013 R\$
Net cash generated by operating activities	27	28,988	50,388	72,345	98,684
Cash flow from investing activities					
Interest received		4,043	4,889	9,241	9,990
Proceeds on disposal of property, plant and equipment		133	14,662	1,921	31,749
Purchases of property, plant and equipment		(57,591)	(36,292)	(130,545)	(75,701)
Other intangible assets		(496)	(914)	(1,125)	(1,840)
Investment - short term and long term investment		15,000	20,000	37,661	40,870
Net cash used in investing activities		(38,911)	2,345	(82,847)	5,068
Cash flow from financing activities					
Dividends paid		(27,035)	(18,070)	(60,077)	(36,194)
Repayments of borrowings		(20,332)	(18,194)	(46,987)	(36,655)
Repayments of obligation under finance leases		(1,015)	(812)	(2,302)	(1,633)
Derivative paid		(71)	-	(162)	-
New bank loans raised		32,815	18,065	74,963	38,531
Net cash generated by financing activities		(15,638)	(19,011)	(34,565)	(35,951)
Net increase (decrease) in cash and cash equivalents		(25,561)	33,722	(45,067)	67,801
Cash and cash equivalents at beginning of the period		97,946	116,018	229,448	237,083
Effect of foreign exchange rate changes		4,778	(6,066)	(14,429)	13,440
Cash and cash equivalents at end of the period		77,163	143,674	169,952	318,324

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

Notes to the condensed consolidated interim financial information

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted) – Unaudited

1 General information

Wilson Sons Limited (the “Group” or “Company”) is a limited company incorporated in Bermuda under the Companies Act 1981. The address of the registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The Group is one of the largest providers of integrated port and maritime logistics and supply chain solutions in Brazil. Throughout over 176 years in the Brazilian market, the Company has developed a nation-wide network and provides a variety of services related to international trade, particularly in the port and maritime sectors. The Company’s principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping agency, support to offshore oil and natural gas platforms and shipyards.

2 Significant accounting policies and critical accounting judgments

Statement of compliance

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

Basis of preparation

The condensed consolidated interim financial information is presented in US Dollars, which is the Company’s functional currency, and also, because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US Dollars are included in accordance with the accounting policies described below. All financial information presented in dollar has been rounded to the nearest thousand, except when otherwise indicated.

The condensed consolidated interim financial information has been prepared on the historical cost basis except for derivatives that are measured at fair values, as explained in the accounting policies. The accounting policies and most significant judgments adopted by the Group’s management were not modified in relation to those presented in the consolidated financial statements for the year ended 31 December 2013 approved on 27 March 2014.

As allowed by IAS 21 - The Effects of Changes in Foreign Exchange Rates, the Company also presents condensed consolidated interim financial information considering the Brazilian Real (R\$) as presentation currency. The following procedures have been applied:

- Assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or separate income statement presented have been translated at historical exchange rates for the period; and
- All resulting exchange differences have been recognized in other comprehensive income.

Presentation of financial figures in Brazilian Reais, previously disclosed as additional information solely for the convenience of readers in Brazil, has been discontinued as from the quarter ended 30 June 2014.

Estimates

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

In preparing these condensed consolidated interim financial information, significant judgments made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2013.

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.

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

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

Segment information relating to these businesses is presented below:

	2014								
	Towage US\$	Port terminals US\$	Ship agency US\$	Offshore US\$	Logistics US\$	Shipyard US\$	Non segment activities US\$	Elimination US\$	Consolidated US\$
30 June 2014									
(Three-month period ended)									
Revenue	53,527	58,004	4,588	-	19,046	34,419	-	(17,405)	152,179
Operating profit	13,696	9,905	(709)	-	(1,649)	1,944	(10,609)	(380)	12,198
Finance costs	(1,503)	(185)	(5)	-	(207)	(461)	897	169	(1,295)
Operating profit adjusted by finance cost	12,193	9,720	(714)	-	(1,856)	1,483	(9,712)	(211)	10,903
Share of result of joint ventures	-	-	-	2,428	-	-	-	-	2,428
Finance income	-	-	-	-	-	-	-	-	2,249
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	3,803
Profit before tax	-	-	-	-	-	-	-	-	19,383
Other information:									
Capital expenditures	(15,356)	(14,143)	(41)	-	(1,335)	(118)	(263)	-	(31,256)
Depreciation and amortisation	(4,224)	(8,887)	(190)	-	(1,408)	(152)	(1,037)	-	(15,898)

Wilson Sons Limited
Condensed consolidated interim
financial information at 30 June 2014

2013									
	Towage US\$	Port terminals US\$	Ship agency US\$	Offshore US\$	Logistics US\$	Shipyard US\$	Non segment activities US\$	Elimination US\$	Consolidated US\$
30 June 2013									
(Three-month period ended)									
Revenue	46,937	59,078	6,057	-	23,843	39,695	-	(17,505)	158,105
Operating profit	10,868	12,554	544	-	56	11,356	38	(4,755)	30,661
Finance costs	(1,769)	(7,321)	(7)	-	(390)	(117)	1,234	(20)	(8,390)
Operating profit adjusted by finance cost	9,099	5,233	537	-	(334)	11,239	1,272	(4,775)	22,271
Share of result of joint ventures	-	-	-	(1,246)	-	-	-	-	(1,246)
Finance income	-	-	-	-	-	-	-	-	3,132
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(17,037)
Profit before tax	-	-	-	-	-	-	-	-	7,120
Other information:									
Capital expenditures	(2,147)	(13,197)	(14)	-	(1,222)	(1,684)	(1,248)	-	(19,512)
Depreciation and amortisation	(3,373)	(7,275)	(175)	-	(1,775)	(516)	(919)	-	(14,033)
2014									
	Towage US\$	Port terminals US\$	Ship agency US\$	Offshore US\$	Logistics US\$	Shipyard US\$	Non Segment activities US\$	Elimination US\$	Consolidated US\$
30 June 2014									
(Six-month period ended)									
Revenue	101,639	113,308	8,821	-	39,507	65,567	-	(28,935)	299,907
Operating profit	29,025	22,203	(207)	-	(894)	2,187	(16,965)	1,263	36,612
Finance costs	(2,955)	505	(16)	-	(424)	(714)	1,740	169	(1,695)
Operating profit adjusted by finance cost	26,070	22,708	(223)	-	(1,318)	1,473	(15,225)	1,432	34,917
Share of result of joint ventures	-	-	-	1,612	-	-	-	-	1,612
Finance income	-	-	-	-	-	-	-	-	3,960
Exchange gain(loss) on translation	-	-	-	-	-	-	-	-	9,931
Profit before tax	-	-	-	-	-	-	-	-	50,420
Other information:									
Capital expenditures	(29,342)	(26,265)	(60)	-	(1,518)	(1,169)	(360)	-	(58,714)
Depreciation and amortisation	(8,327)	(17,593)	(372)	-	(2,970)	(272)	(2,141)	-	(31,675)

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2013									
	Towage	Port	Ship	Offshore	Logistics	Shipyard	Non	Elimination	Consolidated
	US\$	terminals	agency	US\$	US\$	US\$	segment	US\$	US\$
		US\$	US\$				activities		
							US\$		
30 June 2013									
(Six-month period ended)									
Revenue	90,280	112,207	11,802	-	49,689	76,836	-	(34,395)	306,419
Operating profit	21,557	22,916	1,326	-	3,604	17,359	(8,222)	(5,683)	52,857
Finance costs	(3,270)	(9,279)	(15)	-	(856)	(133)	2,238	-	(11,315)
Operating profit adjusted by finance cost	18,287	13,637	1,311	-	2,748	17,226	(5,984)	(5,683)	41,542
Share of result of joint ventures	-	-	-	(45)	-	-	-	-	(45)
Finance income	-	-	-	-	-	-	-	-	5,074
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(12,761)
Profit before tax	-	-	-	-	-	-	-	-	33,810
Other information:									
Capital expenditures	(6,527)	(24,423)	(16)	-	(1,610)	(5,139)	(3,343)	-	(41,058)
Depreciation and amortisation	(7,038)	(14,374)	(357)	-	(3,630)	(607)	(1,807)	-	(27,813)
2014									
	Towage	Port	Ship	Offshore	Logistics	Shipyard	Non	Elimination	Consolidated
	R\$	terminals	agency	R\$	R\$	R\$	segment	R\$	R\$
		R\$	R\$				activities		
							R\$		
30 June 2014									
(Three-month period ended)									
Revenue	119,124	128,864	10,217	-	42,193	75,424	-	(37,637)	338,185
Operating profit	31,678	24,265	(1,586)	-	(2,941)	2,530	(22,971)	(936)	30,039
Finance costs	(3,333)	(426)	(12)	-	(460)	(1,026)	1,992	372	(2,893)
Operating profit adjusted by finance cost	28,345	23,839	(1,598)	-	(3,401)	1,504	(20,979)	(564)	27,146
Share of result of joint ventures				6,600					6,600
Investment income									5,430
Exchange gain(loss) on translation									6,819
Profit before tax									45,995
Other information:									
Capital expenditures	(33,143)	(31,009)	(91)	-	(2,974)	(338)	(595)	-	(68,150)
Depreciation and amortisation	(8,520)	(17,806)	(416)	-	(2,687)	(361)	(1,562)	-	(31,352)

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2013									
	Towage R\$	Port terminals R\$	Ship agency R\$	Offshore R\$	Logistics R\$	Shipyard R\$	Non segment activities R\$	Elimination R\$	Consolidated R\$
30 June 2013									
(Three-month period ended)									
Revenue	97,739	123,579	12,560	-	50,297	89,402	-	(42,185)	331,392
Operating profit	23,353	26,067	1,082	-	1,289	30,376	2,124	(10,723)	73,568
Finance costs	(3,700)	(18,844)	(11)	-	(810)	(450)	2,564	230	(21,021)
Operating profit adjusted by finance cost	19,653	7,223	1,071	-	479	29,926	4,688	(10,493)	52,547
Share of result of joint ventures				(1,249)					(1,249)
Investment income									6,558
Exchange gain(loss) on translation									(48,846)
Profit before tax									9,010
Other information:									
Capital expenditures	(5,837)	(27,531)	(29)	-	(2,554)	4	(2,587)	-	(38,534)
Depreciation and amortisation	(6,363)	(14,224)	(356)	-	(3,311)	(616)	(1,449)	-	(26,319)
2014									
	Towage R\$	Port terminals R\$	Ship agency R\$	Offshore R\$	Logistics R\$	Shipyard R\$	Non segment activities R\$	Elimination R\$	Consolidated R\$
30 June 2014									
(Six-month period ended)									
Revenue	232,445	258,909	20,206	-	90,083	146,575	-	(63,729)	684,489
Operating profit	69,633	56,720	(380)	-	(171)	2,075	(37,009)	2,782	93,650
Finance costs	(6,747)	770	(36)	-	(971)	(1,623)	3,969	373	(4,265)
Operating profit adjusted by finance cost	62,886	57,490	(416)	-	(1,142)	452	(33,040)	3,155	89,385
Share of result of joint ventures				6,464					6,464
Investment income									10,793
Exchange gain(loss) on translation									21,501
Profit before tax									128,143
Other information:									
Capital expenditures	(65,703)	(60,080)	(137)	-	(3,406)	(2,830)	(933)	-	(133,089)
Depreciation and amortisation	(16,606)	(35,225)	(815)	-	(5,649)	(551)	(3,269)	-	(62,115)

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	2013								
30 June 2013 (Six-month period ended)	Towage R\$	Port terminals R\$	Ship agency R\$	Offshore R\$	Logistics R\$	Shipyard R\$	Non segment activities R\$	Elimination R\$	Consolidated R\$
Revenue	183,995	229,552	24,026	-	101,820	167,043	-	(76,202)	630,234
Operating profit	45,193	47,077	2,642	-	8,731	45,405	(14,285)	(12,592)	122,171
Finance costs	(6,687)	(20,147)	(24)	-	(1,741)	(522)	4,599	270	(24,252)
Operating profit adjusted by finance cost	38,506	26,930	2,618	-	6,990	44,883	(9,686)	(12,322)	97,919
Share of result of joint ventures				1,729					1,729
Investment income									11,273
Exchange gain(loss) on translation									(37,128)
Profit before tax									73,793
Other information:									
Capital expenditures	(15,076)	(50,385)	(32)	-	(3,307)	(7,626)	(6,768)	-	(83,194)
Depreciation and amortisation	(13,330)	(28,109)	(713)	-	(6,746)	(720)	(2,916)	-	(52,534)

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. The Group, through its participation in an Offshore Vessel Joint Venture in Panama, earns income in that country and in Uruguay.

4 Revenue

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

	Three-month period ended		Six-month period ended	
	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 US\$	30 June 2013 US\$
Sales of services	135,165	135,914	263,274	263,977
Revenue from construction contracts	17,014	22,191	36,633	42,442
Total	152,179	158,105	299,907	306,419

	Three-month period ended		Six-month period ended	
	30 June 2014 R\$	30 June 2013 R\$	30 June 2014 R\$	30 June 2013 R\$
Sales of services	300,344	282,614	601,668	536,537
Revenue from construction contracts	37,841	48,778	82,821	93,697
Total	338,185	331,392	684,489	630,234

5 Employee benefits expense

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Salaries and benefits	50,420	48,515	90,403	92,818
Payroll taxes	7,264	8,902	12,547	16,287
Pension costs	282	374	639	737
Long-term incentive plan	895	(3,227)	(2,302)	(5,002)
Total	58,861	54,564	101,287	104,840

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Salaries and benefits	112,337	100,365	206,776	188,859
Payroll taxes	16,119	18,553	28,568	33,319
Pension costs	626	780	1,468	1,507
Long-term incentive plan	1,993	(6,801)	(5,443)	(10,296)
Total	131,075	112,897	231,369	213,389

6 Other operating expenses

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Service cost	19,206	18,676	27,820	28,243
Rent of tugs	6,741	7,787	13,344	13,837
Freight	2,215	2,566	4,879	4,408
Other rentals	5,713	5,822	11,017	12,454
Energy, water and communication	5,467	6,566	10,935	12,403
Container handling	3,383	3,994	6,047	5,835
Insurance	1,090	1,462	2,764	2,959
Other taxes	2,464	2,152	5,483	6,128
Other expenses	1,160	(141)	7,978	6,710
Total	47,439	48,884	90,267	92,977

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Service cost	33,778	30,464	63,501	57,331
Rent of tugs	15,038	16,221	30,636	28,276
Freight	4,948	5,284	11,256	8,960
Other rentals	12,673	12,171	25,115	25,407
Energy, water and communication	12,208	13,635	25,063	25,262
Container handling	7,556	8,267	13,991	11,864
Insurance	2,381	3,037	6,146	6,011
Other taxes	5,471	4,868	12,589	12,621
Other expenses	10,653	9,207	16,301	14,827
Total	104,706	103,153	204,598	190,559

7 Finance income and finance costs

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Interest on investments	1,636	2,189	3,541	4,196
Exchange gain (loss) on investments	(197)	37	(775)	(427)
Other interest income	810	906	1,194	1,305
Total finance income	2,249	3,132	3,960	5,074
Interest on bank loans	(3,092)	(2,997)	(5,939)	(5,789)
Exchange gain on loans	1,941	(5,548)	4,495	(5,638)
Interest on obligations under finance leases	(227)	(161)	(506)	(292)
Total borrowing costs	(1,378)	(8,706)	(1,950)	(11,719)
Other interest	83	316	255	404
Total finance costs	(1,295)	(8,390)	(1,695)	(11,315)
Foreign exchange gains (losses) on monetary items	3,803	(17,037)	9,931	(12,761)
	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Interest on investments	3,640	4,591	8,129	8,595
Exchange gain (loss) on investments	-	-	-	-
Other interest income	1,790	1,967	2,664	2,678
Total finance income	5,430	6,558	10,793	11,273
Interest on bank loans	(6,865)	(6,291)	(13,564)	(11,780)
Exchange gain on loans	4,302	(15,077)	9,868	(12,730)
Interest on obligations under finance leases	(506)	(342)	(1,155)	(603)
Total borrowing costs	(3,069)	(21,710)	(4,851)	(25,113)
Other interest	176	689	586	861
Total finance costs	(2,893)	(21,021)	(4,265)	(24,252)
Foreign exchange gains (losses) on monetary items	6,819	(48,846)	21,501	(37,128)

8 Income tax expense

Income tax recognized in profit or loss:

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Current				
Brazilian taxation				
Income tax	3,822	6,121	10,079	13,212
Social contribution	1,869	2,393	4,459	5,082
Total Brazilian current tax	5,691	8,514	14,538	18,294
Deferred tax				
Total deferred tax	(1,032)	5,602	(3,128)	2,972
Total income tax expense	4,659	14,116	11,410	21,266
	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Current				
Brazilian taxation				
Income tax	8,476	13,130	23,109	27,215
Social contribution	4,141	5,139	10,186	10,478
Total Brazilian current tax	12,617	18,269	33,295	37,693
Deferred tax				
Total deferred tax	(2,303)	11,893	(6,887)	6,797
Total income tax expense	10,314	30,162	26,408	44,490

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

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Profit before tax	19,383	7,120	50,420	33,810
Tax at statutory Brazilian tax rate (34%)	6,590	2,421	17,143	11,495
Effect of exchange differences arising on translation - IAS 21	(4,621)	15,670	(10,837)	13,170
Long-term incentive plan	304	(1,097)	(783)	(1,701)
Effect of tax losses unrecognized in deferred tax assets	1,804	(2,118)	2,273	896
Effect of calculating tax on presumed profit	-	(2,891)	-	(2,891)
Others	582	2,131	3,614	297
Income tax expense	4,659	14,116	11,410	21,266
Effective rate for the period	24%	198%	23%	63%

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Profit before tax	45,995	9,010	128,143	73,793
Tax at statutory Brazilian tax rate (34%)	15,638	3,063	43,569	25,090
Effect of exchange differences arising on translation - IAS 21	(10,239)	34,302	(23,954)	29,060
Long-term incentive plan	677	(2,313)	(1,851)	(3,501)
Effect of tax losses unrecognized in deferred tax assets	3,946	(4,085)	5,007	1,985
Effect of calculating tax on presumed profit	-	(6,497)	-	(6,497)
Others	292	5,692	3,637	(1,647)
Income tax expense	<u>10,314</u>	<u>30,162</u>	<u>26,408</u>	<u>44,490</u>
Effective rate for the period	<u>22%</u>	<u>335%</u>	<u>21%</u>	<u>60%</u>

The tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate of 34% payable by entities in Brazil under the tax law in that jurisdiction.

9 Goodwill

	30 June 2014	31 December 2013
	US\$	US\$
Cost and carrying amount attributed to:		
Tecon Rio Grande	13,132	13,132
Tecon Salvador	2,480	2,480
Brazilian Intermodal Complex (Brasco Cajú)	<u>23,410</u>	<u>22,010</u>
Total	<u>39,022</u>	<u>37,622</u>
	30 June 2014	31 December 2013
	R\$	R\$
Cost and carrying amount attributed to:		
Tecon Rio Grande	28,923	30,763
Tecon Salvador	5,462	5,810
Brazilian Intermodal Complex (Brasco Cajú)	<u>51,561</u>	<u>51,561</u>
Total	<u>85,946</u>	<u>88,134</u>

For the purposes of testing goodwill for impairment losses, the Group makes use its updated valuation model, for the relevant cash-generating units (Tecon Rio Grande and Tecon Salvador) derived from the most recent financial budget for the following year, extrapolates cash flows for the remaining life of the concession based on an estimated average growth rate of about 6% for Tecon Rio Grande and 6% for Tecon Salvador annually, and a discount rate of 10.07% for both business units. This rate does not exceed the average long-term historical growth rate for the relevant market. After testing goodwill as mentioned above, no impairment losses were recognised for the periods presented.

Brasco Cajú's goodwill arose from the acquisition of Briclog and is composed partly of expectation for future profitability and partially for deferred tax on intangibles. This goodwill's historical value is equivalent to US\$23.3 million (R\$51.6 million), with positive foreign exchange impact of US\$0.1 million (2013: US\$1.3 million) due to the translation effect. The goodwill will be tested for impairment annually; more details regarding this operation are presented in note 22.

10 Other intangible assets

	US\$	R\$
Cost		
At 1 January 2013	44,056	90,030
Additions	26,294	58,567
Disposals	(30)	(58)
Exchange differences	(3,469)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	8,066
At 31 December 2013	<u>66,851</u>	<u>156,605</u>
Additions	496	1,125
Disposals	(87)	(165)
Exchange differences	2,455	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	(4,018)
At 30 June 2014	<u>69,715</u>	<u>153,547</u>
Accumulated amortisation		
At 1 January 2013	14,711	30,063
Charge for the year	6,508	12,034
Disposals	(23)	(46)
Exchange differences	(995)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	5,274
At 31 December 2013	<u>20,201</u>	<u>47,325</u>
Charge for the period	3,501	6,599
Disposals	(86)	(162)
Exchange differences	287	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	(1,116)
At 30 June 2014	<u>23,903</u>	<u>52,646</u>
Carrying amount		
30 June 2014	<u>45,812</u>	<u>100,901</u>
31 December 2013	<u>46,650</u>	<u>109,280</u>

The breakdown of intangibles by type is as follows:

	30 June 2014 US\$	31 December 2013 US\$
Lease right - Brasco Cajú	22,432	21,454
Lease right - Tecon Salvador	9,438	9,263
Computer software - SAP	6,433	7,613
Other	<u>7,509</u>	<u>8,320</u>
Total	<u>45,812</u>	<u>46,650</u>

	30 June 2014 R\$	31 December 2013 R\$
Lease right - Brasco Cajú	49,406	50,258
Lease right - Tecon Salvador	20,788	21,698
Computer software - SAP	14,169	17,835
Other	16,538	19,489
Total	<u>100,901</u>	<u>109,280</u>

11 Property, plant and equipment

	Land and buildings US\$	Vessels US\$	Vehicles, plant and equipment US\$	Assets under construction US\$	Total US\$
Cost or valuation					
At 1 January 2013	272,359	313,861	243,447	15,876	845,543
Additions	50,840	7,197	33,525	19,091	110,653
Transfers	(5,033)	11,913	5,033	(11,913)	-
Exchange differences	(16,663)	-	(14,104)	-	(30,767)
Disposals	(2,006)	(11,809)	(16,282)	-	(30,097)
At 31 December 2013	<u>299,497</u>	<u>321,162</u>	<u>251,619</u>	<u>23,054</u>	<u>895,332</u>
Additions	22,066	8,156	6,789	21,207	58,218
Transfers	1,257	17,834	(1,257)	(17,834)	-
Exchange differences	9,239	-	8,670	-	17,909
Disposals	(2)	(1,445)	(9,353)	-	(10,800)
At 30 June 2014	<u>332,057</u>	<u>345,707</u>	<u>256,468</u>	<u>26,427</u>	<u>960,659</u>
Accumulated depreciation					
At 1 January 2013	45,932	115,758	88,990	-	250,680
Charge for the year	18,114	11,523	24,753	-	54,390
Elimination on construction contracts	-	3,744	-	-	3,744
Exchange differences	(3,188)	-	(6,012)	-	(9,200)
Disposals	(649)	(11,355)	(9,190)	-	(21,194)
At 31 December 2013	<u>60,195</u>	<u>119,684</u>	<u>98,541</u>	<u>-</u>	<u>278,420</u>
Charge for the period	9,853	6,110	12,211	-	28,174
Elimination on construction contracts	-	912	-	-	912
Exchange differences	535	-	2,576	-	3,111
Disposals	(2)	(1,364)	(4,437)	-	(5,803)
At 30 June 2014	<u>70,581</u>	<u>125,342</u>	<u>108,891</u>	<u>-</u>	<u>304,814</u>
Carrying amount					
30 June 2014	<u>261,476</u>	<u>220,365</u>	<u>147,577</u>	<u>26,427</u>	<u>655,845</u>
31 December 2013	<u>239,302</u>	<u>201,478</u>	<u>153,078</u>	<u>23,054</u>	<u>616,912</u>

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	Land and buildings R\$	Vessels R\$	Vehicles, plant and equipment R\$	Assets under construction R\$	Total R\$
Cost or valuation					
At 1 January 2013	556,566	641,375	497,484	32,442	1,727,867
Additions	117,599	15,784	67,713	45,223	246,319
Transfers	(17,354)	24,436	17,354	(24,436)	-
Disposals	(4,849)	(30,482)	(30,289)	-	(65,620)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	49,639	101,241	37,181	777	188,838
At 31 December, 2013	701,601	752,354	589,443	54,006	2,097,404
Additions	50,593	18,342	15,514	47,515	131,964
Transfers	2,995	42,893	(2,995)	(42,893)	-
Disposals	(6)	(3,628)	(17,379)	-	(21,013)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	(23,827)	(48,541)	(19,712)	(423)	(92,503)
At 30 June 2014	731,356	761,420	564,871	58,205	2,115,852
Accumulated depreciation					
At 1 January 2013	93,833	236,580	181,851	-	512,264
Additions	35,883	20,221	48,261	-	104,365
Elimination on construction contracts	-	8,770	-	-	8,770
Disposals	(1,799)	(29,709)	(17,269)	-	(48,777)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	13,095	44,510	17,998	-	75,603
At 31 December, 2013	141,012	280,372	230,841	-	652,225
Additions	19,658	11,857	24,004	-	55,519
Elimination on construction contracts	-	2,007	-	-	2,007
Disposals	(6)	(3,441)	(8,390)	-	(11,837)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	(5,209)	(14,729)	(6,623)	-	(26,561)
At 30 June 2014	155,455	276,066	239,832	-	671,353
Carrying amount					
30 June 2014	<u>575,901</u>	<u>485,354</u>	<u>325,039</u>	<u>58,205</u>	<u>1,444,499</u>
31 December 2013	<u>560,589</u>	<u>471,982</u>	<u>358,602</u>	<u>54,006</u>	<u>1,445,179</u>

The cost balance of the Group's vehicles, plant and equipment includes an amount of US\$22.5 million (R\$49.6 million) (2013: US\$22.3 million (R\$52.2 million)) in respect of assets held under finance leases.

Land and buildings with a net carrying amount of US\$0.2 million (R\$0.4 million) (2013: US\$0.2 million (R\$0.5 million)) and tugboats with a net carrying amount of US\$1.9 million (R\$4.2 million) (2013: US\$2.0 million (R\$4.7 million)) have been pledged as guarantee of various lawsuits (tax cases).

The Group has pledged assets with a carrying amount of approximately US\$223.0 million (R\$491.2 million) (2013: US\$234.1 million (R\$548.3 million)) to secure loans granted to the Group (please refer to note 15).

The amount of borrowing costs capitalized in 2014 is US\$0.6 million (R\$1.0 million) (2013: US\$1.5 million (R\$4.0 million)), at an average interest rate of 2.90% (2013: 3.05%).

On 30 June 2014, the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US\$3.6 million (R\$8.0 million) (2013: US\$5.5 million (R\$12.8 million)). The amount mainly refers to the expansion of Tecon Salvador and Tecon Rio Grande.

12 Inventories

	30 June 2014 US\$	31 December 2013 US\$
Operating materials	18,136	13,433
Raw materials for construction contracts (external customers)	18,233	15,657
Total	<u>36,369</u>	<u>29,090</u>
	30 June 2014 R\$	31 December 2013 R\$
Operating materials	39,944	31,467
Raw materials for construction contracts (external customers)	40,158	36,678
Total	<u>80,102</u>	<u>68,145</u>

13 Trade and other receivables

	30 June 2014 US\$	31 December 2013 US\$
Receivables for services rendered	59,485	65,541
Allowance for doubtful debts	(2,500)	(1,718)
Income tax and social contribution recoverable	13,529	14,956
Recoverable taxes and levies	33,916	32,755
Prepayment	9,321	7,089
Intergroup Loans	30,832	42,200
Other	8,309	13,862
Total	<u>152,892</u>	<u>174,685</u>
Total current	<u>98,877</u>	<u>108,487</u>
Total non-current	<u>54,015</u>	<u>66,198</u>

Wilson Sons Limited
Condensed consolidated interim
financial information at 30 June 2014

	30 June 2014 R\$	31 December 2013 R\$
Receivables for services rendered	131,016	153,536
Allowance for doubtful debts	(5,506)	(4,025)
Income tax and social contribution recoverable	29,798	35,036
Recoverable taxes and levies	74,700	76,732
Prepayment	20,530	16,607
Intergroup Loans	67,907	98,857
Other	18,300	32,476
	<u>336,745</u>	<u>409,219</u>
Total	<u>336,745</u>	<u>409,219</u>
Total current	<u>217,777</u>	<u>254,143</u>
Total non-current	<u>118,968</u>	<u>155,076</u>

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

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

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

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

	30 June 2014 US\$	31 December 2013 US\$
Current	42,752	50,991
Overdue but not impaired:		
01 to 30 days	9,175	9,046
31 to 90 days	2,346	3,015
91 to 180 days	2,712	771
Impaired:		
More than 180 days	2,500	1,718
Total	<u>59,485</u>	<u>65,541</u>

	30 June 2014 R\$	31 December 2013 R\$
Current	<u>94,162</u>	<u>119,452</u>
Overdue but not impaired:		
01 to 30 days	20,208	21,190
31 to 90 days	5,167	7,063
91 to 180 days	5,973	1,806
Impaired:		
More than 180 days	<u>5,506</u>	<u>4,025</u>
Total	<u><u>131,016</u></u>	<u><u>153,536</u></u>

Generally, interest of one percent per month plus a two-percent penalty is charged on overdue balances. The Group has recognized an allowance for doubtful debts of 100% against all receivables over 180 days because historical experience shows that receivables that are past due beyond 180 days are not recoverable. Allowances for doubtful debts are recognized as a reduction of receivables, and are recognized whenever a loss is identified, based on estimated unrecoverable amounts determined by reference to past default experience of the counterparty and based on an analysis of the counterparty's current financial position.

Changes in allowance for doubtful debts are as follows:

	US\$	R\$
At 1 January 2013	2,506	5,122
Decrease in allowance	(650)	(1,097)
Exchange difference	<u>(138)</u>	<u>-</u>
At 31 December 2013	<u><u>1,718</u></u>	<u><u>4,025</u></u>
Increase in allowance	687	1,481
Exchange difference	<u>95</u>	<u>-</u>
At 30 June 2014	<u><u>2,500</u></u>	<u><u>5,506</u></u>

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

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

Short-term investments

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

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

	30 June 2014 US\$	31 December 2013 US\$
Denominated in US dollar:		
Cash and cash equivalents	11,719	13,943
Short-term investments	18,000	33,000
Total	<u>29,719</u>	<u>46,943</u>
Denominated in Brazilian Real:		
Cash and cash equivalents	65,444	84,003
Total	<u>95,163</u>	<u>130,946</u>
Total cash and cash equivalents	<u>77,163</u>	<u>97,946</u>
Total short-term investments	<u>18,000</u>	<u>33,000</u>
	30 June 2014 R\$	31 December 2013 R\$
Denominated in US dollar:		
Cash and cash equivalents	25,811	32,663
Short-term investments	39,645	77,306
Total	<u>65,456</u>	<u>109,969</u>
Denominated in Brazilian Real:		
Cash and cash equivalents	144,141	196,785
Total	<u>209,597</u>	<u>306,754</u>
Total cash and cash equivalents	<u>169,952</u>	<u>229,448</u>
Total short-term investments	<u>39,645</u>	<u>77,306</u>

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 interim financial information. This private investment fund comprises deposit certificates, financial notes and debentures, with final maturities ranging from June 2014 to January 2019. The Private Investment Fund portfolio is 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 loans

	Interest rate - %p.a.	30 June 2014 US\$	31 December 2013 US\$
Secured borrowings			
BNDES - FMM linked to US Dollar ¹	2.07% - 6.00%	208,070	214,826
BNDES - Real ²	6.76% - 6.89%	10,925	9,849
BNDES - linked to US Dollar ²	5.07% - 5.36%	10,509	11,591
BNDES - FINAME Real ³	3.50% - 12.00%	6,723	10,366
BNDES - FMM Real ⁴	5.90% - 9.71%	3,378	3,247
Total BNDES		239,605	249,879
IFC - US Dollar ⁵	3.08%	71,436	75,296
BB - FMM linked to US Dollar ⁶	2.00% - 3.00%	42,218	24,387
Itaú - Real linked to US Dollar ⁷	11.88%	13,900	-
Eximbank - US Dollar ⁸	2.10%	10,511	11,563
Finimp - US Dollar ⁹	1.96% - 4.29%	7,904	9,528
IFC - Real ⁵	14.09%	1,540	1,738
Total others		147,509	122,512
Total		387,114	372,391
	Interest rate p.a - %	30 June 2014 R\$	31 December 2013 R\$
Secured borrowings			
BNDES - FMM linked to US Dollar ¹	2.07% - 6.00%	458,275	503,251
BNDES - Real ²	6.76% - 6.89%	24,062	23,072
BNDES - linked to US Dollar ²	5.07% - 5.36%	23,146	27,153
BNDES - FINAME Real ³	3.50% - 12.00%	14,807	24,283
BNDES - FMM Real ⁴	5.90% - 9.71%	7,440	7,606
Total BNDES		527,730	585,365
IFC - US Dollar ⁵	3.08%	157,338	176,388
BB - FMM linked to US Dollar ⁶	2.00% - 3.00%	92,985	57,133
Itaú - Real linked to US Dollar ⁷	11.88%	30,615	-
Eximbank - US Dollar ⁸	2.10%	23,150	27,087
Finimp - US Dollar ⁹	1.96% - 4.29%	17,409	22,320
IFC - Real ⁵	14.09%	3,392	4,071
Total others		324,889	286,999
Total		852,619	872,364

1. As an agent of Fundo da Marinha Mercante's (FMM), BNDES finances the construction of tugboats and shipyard facilities.
2. Through FINEM credit line, BNDES is also financing improvements in Tecon Rio Grande, modernization of support bases of Brasco in Niterói and Guaxindiba, Logistics equipment, implementation of Wilport's yard and enlargement of the container storehouse in Salvador Depot.
3. FINAME credit line, through a variety of financial agents, finances Logistics and Port Operation equipment.
4. As an agent of Fundo da Marinha Mercante's (FMM), BNDES finances the construction of tugboats.
5. International Finance Corporation (IFC) finances projects in container terminal - Tecon Salvador. The amortisation and interest payment are semi-annual.
6. Banco do Brasil ("BB") as a Fundo da Marinha Mercante's (FMM) agent, finances the construction of tugboats, with monthly amortisation and interest payment.
7. Itaú bridge 4131 - Loan acquired with Itaú to finance part (third installment) of the Briclog Acquisition. The amortisation and interest payment are bullet.
8. The Export-Import Bank of China (Eximbank) finances Tecon Rio Grande's equipment acquisition, with semi-annual amortisation and interest payment.
9. Banco Itaú BBA S.A finances Tecon Rio Grande's equipment acquisition through an Import Finance Facility ("FINIMP"), with semi-annual amortisation and interest payment.

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

	30 June 2014 US\$	31 December 2013 US\$
Within one year	52,591	37,997
In the second year	37,354	37,370
In the third to fifth years (including)	112,937	110,115
After five years	184,232	186,909
Total	<u>387,114</u>	<u>372,391</u>
 Total current	 <u>52,591</u>	 <u>37,997</u>
Total non-current	<u>334,523</u>	<u>334,394</u>
	 30 June 2014 R\$	 31 December 2013 R\$
Within one year	115,832	89,013
In the second year	82,272	87,543
In the third to fifth years (including)	248,744	257,955
After five years	405,771	437,853
Total	<u>852,619</u>	<u>872,364</u>
 Total current	 <u>115,832</u>	 <u>89,013</u>
Total non-current	<u>736,787</u>	<u>783,351</u>

The analysis of borrowings by currency is as follows:

	Real linked to US Dollars US\$	US Dollars US\$	Total US\$	Real linked to US Dollars R\$	US Dollars R\$	Total R\$
30 June 2014						
Bank loans	22,566	274,697	89,851	49,701	605,021	197,897
Total	<u>22,566</u>	<u>274,697</u>	<u>89,851</u>	<u>49,701</u>	<u>605,021</u>	<u>197,897</u>
31 December 2013						
Bank loans	25,200	250,804	96,387	59,032	587,537	225,795
Total	<u>25,200</u>	<u>250,804</u>	<u>96,387</u>	<u>59,032</u>	<u>587,537</u>	<u>225,795</u>

Guarantees

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

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

The loans that Tecon Salvador holds with IFC are guaranteed by shares of the company, projects' cash flows, equipment and buildings.

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

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

Undrawn credit facilities

At 30 June 2014, the Group had available US\$128.2 million (R\$282.3 million) of undrawn borrowing facilities. For each disbursement, there is a set of precedent conditions that must be satisfied.

The loan agreement for the Rio Grande Shipyard was terminated in June. This agreement was about US\$106.2 million (R\$234 million) and this value has been excluded from undrawn borrowing facilities.

Fair value

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

	30 June 2014	31 December 2013
	US\$	US\$
Bank loans		
BNDES	239,605	249,879
IFC	72,976	77,034
BB	42,218	24,387
Itaú	13,900	-
Eximbank	10,511	11,563
Finimp	7,904	9,528
	<u>387,114</u>	<u>372,391</u>
Total	<u>387,114</u>	<u>372,391</u>
	30 June 2014	31 December 2013
	R\$	R\$
Bank loans		
BNDES	527,730	585,365
IFC	160,730	180,459
BB	92,985	57,133
Itaú	30,615	-
Eximbank	23,150	27,087
Finimp	17,409	22,320
	<u>852,619</u>	<u>872,364</u>
Total	<u>852,619</u>	<u>872,364</u>

Covenants

According to BNDES loans, the holding Wilson, Sons de Administração e Comércio Ltda. (“WSAC”) has to comply with specific financial covenants.

According to IFC loans, the subsidiary Tecon Salvador has specific restrictive clauses. These covenants are mainly related to the maintenance of specific liquidity ratios.

According to the BNDES loan, the subsidiary Tecon Rio Grande has specific restrictive clauses. These covenants are mainly related to the maintenance of specific liquidity ratios.

16 Deferred taxes

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

	Accelerated depreciation US\$	Exchange Differences on loans US\$	Timing differences US\$	Non- monetary items US\$	Total US\$
At 1 January 2013	(17,873)	5,405	34,145	(7,073)	14,604
(Charge)/credit to income	(1,320)	11,768	(416)	(18,740)	(8,708)
Deferred tax booked in acquired investment	-	-	(7,793)	-	(7,793)
Exchange differences	-	(166)	(1,599)	-	(1,765)
At 31 December 2013	(19,193)	17,007	24,337	(25,813)	(3,662)
(Charge)/credit to income	(2,941)	(4,942)	174	10,837	3,128
Exchange differences	-	250	253	-	503
At 30 June 2014	(22,134)	12,315	24,764	(14,976)	(31)

	Accelerated depreciation R\$	Exchange Differences on loans R\$	Timing differences R\$	Non- monetary items R\$	Total R\$
At 1 January 2013	(36,523)	11,046	69,774	(14,454)	29,843
(Charge)/credit to income	(2,576)	27,112	(1,282)	(43,297)	(20,043)
Deferred tax booked in acquired investment	-	-	(17,377)	-	(17,377)
Translation adjustment to real	(5,862)	1,684	5,896	(2,719)	(1,001)
At 31 December 2013	(44,961)	39,842	57,011	(60,470)	(8,578)
(Charge)/credit to income	(6,574)	(10,916)	423	23,954	6,887
Translation adjustment to real	2,784	(1,802)	(2,891)	3,532	1,623
At 30 June 2014	(48,751)	27,124	54,543	(32,984)	(68)

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

	30 June 2014 US\$	31 December 2013 US\$
Deferred tax liabilities	(29,925)	(33,761)
Deferred tax assets	29,894	30,099
Total	(31)	(3,662)

	30 June 2014	31 December 2013
	R\$	R\$
Deferred tax liabilities	(65,910)	(79,088)
Deferred tax assets	65,842	70,510
Total	<u>(68)</u>	<u>(8,578)</u>

At the end of the reporting period, the Group has unutilized tax loss carry forwards of US\$49.3 million (R\$108.6 million) (2013: US\$42.0 million (R\$98.4 million)) available for offset against future taxable income.

Also a deferred tax asset in the amount of US\$5.2 million (R\$11.5 million) (2013: US\$7.2 million (R\$16.9 million)) has not been recognized due to the unpredictability of this portion of future flows of related taxable income. Part of this amount, US\$0.2 million (R\$0.5 million) (2013: US\$0.7 million (R\$1.7 million)), refers to unutilized tax loss carry forwards generated by the holding entities of the group, the remaining amount of US\$5.0 million (R\$10.9 million) (2013: US\$6.5 million (R\$15.2 million)) refers to operational 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 taxes are calculated on the difference between the historical US Dollar balances recorded in the Group's accounts and the Real balances used in the Group's Brazilian tax calculations.

Deferred tax liabilities arise from exchange gains on the Group's US dollar-denominated borrowings and the real-denominated loans pegged to the US dollar that are taxable when settled and not in the period in which the gains arise.

Due to a timing difference arisen from the amortisation of the intangible asset from the Brasco Cajú acquisition (Notes 10 and 22), the Group recognized a deferred tax liability in the amount of US\$7.9 million (R\$17.4 million), in accordance to IFRS 3.

17 Provisions for tax, labour and civil risks

	US\$	R\$
At 1 January 2013	10,966	22,409
Addition to provision	3,992	9,352
Reversal of provision	(3,297)	(7,722)
Exchange difference	<u>(1,399)</u>	<u>-</u>
At 31 December 2013	10,262	24,039
Addition to provision	5,117	11,269
Reversal of provision	(4,169)	(9,182)
Exchange difference	<u>652</u>	<u>-</u>
At 30 June 2014	<u>11,862</u>	<u>26,126</u>

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

	30 June 2014	31 December 2013
	US\$	US\$
Civil cases	2,790	2,078
Tax cases	2,372	1,822
Labour claims	<u>6,700</u>	<u>6,362</u>
Total	<u>11,862</u>	<u>10,262</u>
	30 June 2014	31 December 2013
	R\$	R\$
Civil cases	6,145	4,868
Tax cases	5,224	4,268
Labour claims	<u>14,757</u>	<u>14,903</u>
Total	<u>26,126</u>	<u>24,039</u>

In the normal course of business in Brazil, the Group remains exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal counsels.

In addition to the cases for which the Group booked the provision there are other tax, civil and labour disputes amounting to US\$178.3 million (R\$392.6 million) (2013: US\$133.4 million (R\$312.5 million)) with probability of loss was estimated by the legal counsels as possible.

The breakdown of possible claims is described as follows:

	30 June 2014	31 December 2013
	US\$	US\$
Civil cases	11,299	10,174
Tax cases	90,297	56,799
Labour claims	<u>76,675</u>	<u>66,416</u>
Total	<u>178,271</u>	<u>133,389</u>
	30 June 2014	31 December 2013
	R\$	R\$
Civil cases	24,887	23,833
Tax cases	198,880	133,057
Labour claims	<u>168,876</u>	<u>155,586</u>
Total	<u>392,643</u>	<u>312,476</u>

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

Civil and environmental cases - Indemnification claims involving material damages, environmental and shipping claims and other contractual disputes.

Labour claims - Most claims involve payment of health risks additional, overtime and other allowances.

Tax cases - The Group litigates against governments in respect of assessments considered inappropriate.

Procedure for classification of legal liabilities as probable, possible or remote loss by the external lawyers:

Upon receipt of the notification of a new judicial lawsuit, the external lawyer, in general, classify it as a possible claim, recording the total amount involved, not the amount at risk which is not known at this stage. Exceptionally, if there is sufficient knowledge from the beginning that there is very high or very low risk of loss, the lawyer may classify the claim as probable loss or remote loss.

During the course of the lawsuit and considering, for instance, its first judicial decision, legal precedents, arguments of the claimant, thesis under discussion, applicable laws, documentation for the defence and other variables, the lawyer may re-classify the claim as probable loss or remote loss.

When classifying the claim as probable loss, the lawyer estimates the amount at risk for such claim.

The Group considers as relevant causes involving amounts, assets or rights over US\$2.3 million (R\$5 million).

18 Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 US\$	31 December 2013 US\$
Amounts payable under finance leases:				
Within one year	2,098	2,018	1,630	1,547
From second to fifth years (including)	5,857	6,463	4,283	4,812
	7,955	8,481	5,913	6,359
Less future finance charges	(2,042)	(2,122)	-	-
Present value of lease obligations	5,913	6,359	-	-
Total current	1,630	1,547	-	-
Total non-current	4,283	4,812	-	-

	Minimum lease payments		Present value of minimum lease payments	
	30 June 2014 R\$	31 December 2013 R\$	30 June 2014 R\$	31 December 2013 R\$
Amounts payable under finance leases:				
Within one year	4,621	4,727	3,590	3,623
From second to fifth years (including)	12,900	15,140	9,433	11,273
	17,521	19,867	13,023	14,896
Less future finance charges	(4,498)	(4,971)	-	-
Present value of lease obligations	13,023	14,896	-	-
Total current	3,590	3,623	-	-
Total non-current	9,433	11,273	-	-

It is the Group's policy to lease certain of its vehicles and equipment under finance leases. The average lease term is 58 months, of which, at the end of June 2014, only 28 months on average remained.

For the period ended 30 June 2014, the average effective leasing interest rate was 14.17% (2013: 13.61%). Interest rates are set at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 13.14% a.a. to 17.69% a.a.. Leases are denominated in Reais.

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

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

19 Trade and other payables

	30 June 2014 US\$	31 December 2013 US\$
Trade payables	75,976	102,242
Taxes	9,701	12,437
Share - based payment (provision)	-	10,898
Accruals and other payables	11,841	9,740
	<hr/>	<hr/>
Total	97,518	135,317
	<hr/>	<hr/>
	30 June 2014 R\$	31 December 2013 R\$
Trade payables	167,337	239,513
Taxes	21,366	29,135
Share - based payment (provision)	-	25,530
Accruals and other payables	26,080	22,817
	<hr/>	<hr/>
Total	214,783	316,995
	<hr/>	<hr/>

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:

	30 June 2014 US\$	31 December 2013 US\$
Contract costs incurred plus recognized revenues less recognized losses to date	78,681	81,995
Less unbilled services	(111,767)	(110,540)
	<hr/>	<hr/>
Net liability included in suppliers	(33,086)	(28,545)
	<hr/>	<hr/>

	30 June 2014 R\$	31 December 2013 R\$
Contract costs incurred plus recognized revenues less recognized losses to date	173,295	192,081
Less unbilled services	<u>(246,167)</u>	<u>(258,952)</u>
Net liability included in suppliers	<u>(72,872)</u>	<u>(66,871)</u>

20 Cash-settled share-based payments, stock option plan and post - employment benefits

20.1 Cash-settled share-based payments

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

	US\$	R\$
Liability at 1 January 2013	<u>12,328</u>	<u>25,192</u>
Charge for the year	(1,430)	(3,350)
Foreign currency gains in respect of translation into Brazilian Real	<u>-</u>	<u>3,688</u>
Liability at 31 December 2013	<u>10,898</u>	<u>25,530</u>
Charge/Reversal for the period	(3,780)	(8,836)
Payment for the period	(7,118)	(16,881)
Foreign currency loss in respect of translation into Brazilian Real	<u>-</u>	<u>187</u>
Liability at 30 June 2014	<u>-</u>	<u>-</u>

On the 10 January 2014 eligible participants exercised a total of 2,338,750 options generating a payment liability of R\$14.6 million (US\$6.6 million).

On the 30 May 2014 the last 114,760 options were exercised generating a payment liability of R\$1.0 million (US\$0.5 million).

20.2 Stock option plan

On 13 November 2013, the board of Wilson Sons Limited approved a Share Option Plan, which allowed for the grant of options to eligible participants to be selected by the board. The shareholders in special general meeting approved such plan on the 8 January 2014 including increase in the authorized capital of the Company through the creation of up to 4,410,927 new shares. The options provide participants with the right to acquire shares via Brazilian Depositary Receipts ("BDR") in Wilson Sons Limited at a predetermined fixed price not less than the three day average mid price for the days preceding the date of option issuance.

On 10 January 2014 options for the acquisition 2,914,100 were granted under the Share Option Plan with an exercise price of R\$31.23 as detailed below:

Options series	Number	Grant date	Vesting date	Expiry date	Exercise price (R\$)
07 ESO - 3 Year	961,653	10/1/2014	10/1/2017	10/1/2022	31.23
07 ESO - 4 Year	961,653	10/1/2014	10/1/2018	10/1/2023	31.23
07 ESO - 5 Year	990,794	10/1/2014	10/1/2019	10/1/2024	31.23

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

The following Fair Value expense of the grant, to be recorded liability in the respective accounting periods, was determined using the Binomial model based on the assumptions detailed below:

Period	Projected IFRS2 Fair Value expense R\$	Projected IFRS2 Fair Value expense US\$ (*)
2014	7,507	3,408
2015	7,506	3,408
2016	7,506	3,408
2017	4,408	2,001
2018	2,011	913
Total	28,938	13,138

(*) Amounts in Dollars converted at R\$2.2025/US\$1.00

10 Janeiro 2014

Closing share price (in Real)	R\$30.05
Expected volatility	28%
Expected life	10 years
Risk free rate	10.8%
Expected dividend yield	1.7%

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 behavioural considerations.

20.3 Post-employment benefits

The Brazilian Group operates a private medical insurance scheme for its employees which requires eligible employees to pay fixed monthly contributions. In accordance with regulation of the Brazilian law, eligible employees with greater than ten years service acquire the right to remain in the plan following retirement or termination of employment, generating a post-employment commitment for the Group. Ex-employees remaining in the plan will be liable for paying the full cost of their continued scheme membership. The future actuarial liability for the Group relates to the potential increase in plan costs resulting from additional claims as a result of the expanded membership of the scheme:

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	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 R\$	31 December 2013 R\$
Present value of actuarial liabilities	2,572	2,251	5,665	5,273
Total	2,572	2,251	5,665	5,273

The calculation of the benefit expense for the period:

	Three-month period ended		Six-month period ended	
	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 US\$	30 June 2013 US\$
Post-employment benefit expense	89	-	176	-
Total	89	-	176	-

	Three-month period ended		Six-month period ended	
	30 June 2014 R\$	30 June 2013 R\$	30 June 2014 R\$	30 June 2013 R\$
Post-employment benefit expense	196	-	388	-
Total	196	-	388	-

Actuarial assumptions

The calculation of the liability generated by the post-employment commitment involves actuarial assumptions. The following are the principal actuarial assumptions at the reporting date:

Economic and Financial Assumptions

30 June 2014

Annual interest rate	12.38%
Estimated inflation rate in the long-term	5.50%
Aging Factor	2.50% a.a
Medical cost trend rate	2.50% a.a

Biometric and Demographic Assumptions

30 June 2014

Employee turnover	22%
Mortality table	AT-2000
Mortality table for disabled	IAPB-1957
Disability table	Álvaro Vindas
Retirement Age	100% at 62
Employees who opt to keep the health plan after retirement and termination	23%
Family composition before retirement	
Probability of marriage	90% of the participants
Age difference for active participants	Man 4 years older than the woman
Family composition after retirement	Composition of the family group

Sensitivity analysis

The present value of future liabilities may change depending on market conditions and actuarial assumptions. Changes on a relevant actuarial assumption, keeping the other assumptions constant, would have affected the defined benefit obligation as shown below:

	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 R\$	31 December 2013 R\$
CiPBO(*) – discount rate + 0,5%	(273)	(273)	(601)	(640)
CiPBO(*) – discount rate - 0,5%	325	325	716	763
CiPBO(*) – Health Care Cost Trend Rate + 1,0%(*)	732	732	1,612	1,714
CiPBO(*) – Health Care Cost Trend Rate - 1,0%	(520)	(520)	(1,145)	(1,219)

(*) CiPBO means Change in projected benefit obligation

21 Equity

Share capital

	30 June 2014 US\$	31 December 2013 US\$
71,144,000 common shares issued and fully paid	9,905	9,905

	30 June 2014 R\$	31 December 2013 R\$
71,144,000 common shares issued and fully paid	26,815	26,815

Dividends

At the meeting on the 14 and 15 August 2014 the Board of Directors approved a new dividend policy of an amount of approximately 50% of the Company's net profit, provided that:

- The dividend policy will be reevaluated annually so as to not compromise the policy for growth of the Company whether it be, through acquisition of other companies, or by reason of development of new business; and
- The Board of Directors considers that the payment of such dividend would be in the interests of the Company and in compliance with the laws to which the Company is subject.

At the Annual General Meeting of the Company held on 30 April 2014 the shareholders of the Company resolved to set aside US\$27.0million (2013: US\$18.0 million) to be distributed to shareholders at the discretion of the Board of Directors in accordance with the Bye-laws. The dividends represent US\$ 0.38 per share (2013: US\$0.254 cents per share) and were paid on 2 May 2014 to Shareholders of record as at 30 April 2014.

Earnings per share

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

	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 R\$	30 June 2013 R\$
Profit for the period attributable to owners of the Company	<u>37,512</u>	<u>11,430</u>	<u>98,127</u>	<u>27,053</u>
Weighted average number of common shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic earnings per share (cents per share)	52,73	16,07	137,93	38,03
Weighted average number of common shares	74,058,100	71,144,000	74,058,100	71,144,000
Diluted earnings per share (cents per share)	50,65	16,07	132,50	38,03

Capital reserves

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

Profit reserve

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

Additional paid in capital

The additional paid in capital arise from purchase of non-controlling interests in Brasco and sales of shares to non-controlling interests of Tecon Salvador.

Translation reserve

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

22 Subsidiaries

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

	Place of incorporation and operation	Proportion of ownership interest	
		30 June 2014	31 December 2013
Holding company			
Wilson, Sons de Administração e Comércio Ltda.	Brazil	100%	100%
Vis Limited	Guernsey	100%	100%
WS Participações S.A.	Brazil	100%	100%
WS Participaciones S.A.	Uruguay	100%	100%
Towage			
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	100%
Sobre-Servemar Ltda.	Brazil	100%	100%
Wilson, Sons Operações Marítimas Especiais Ltda.	Brazil	100%	100%
Shipyard			
Wilson, Sons 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%
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%
Allink Transportes Internacionais Ltda (*)	Brazil	50%	50%
Consórcio EADI Santo André.	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%	92.5%
Wilport Operadores Portuários Ltda.	Brazil	100%	100%
Wilson, Sons Operadores Portuários Ltda.	Brazil	100%	100%
Brazilian Intermodal Complex S.A	Brazil	100%	100%
Non-Segmented Activities			
Wilson, Sons Administração de Bens Ltda	Brazil	100%	100%

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

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

Acquisition of subsidiaries and non-controlling interests

Business combinations

Brasco Logística Offshore Ltda ("Brasco") completed the acquisition of all the shares representing the capital of Brazilian Intermodal Complex S/A ("Briclog" or "Brasco Cajú"), concluding the acquisition on 1 July 2013.

Business combination breakdown (*)	US\$(**)	R\$
Closing Price	40,5	89,8
Monetary adjustment	1,4	3,3
Advance on June 2011	(4,5)	(10,0)
Payment on closing	(10,2)	(22,5)
Payment on 2014	(26,8)	(59,6)
Outstanding Debt on June 2014	0,4	1,0

(*) Amounts in millions

(**) Amounts converted at transaction rate

The major asset of the acquisition relates to a 30-year lease right to operate a sheltered area at Guanabara Bay, Rio de Janeiro, Brazil with privileged location to attend Campos and Santos oil producing basins.

Goodwill and other intangible assets

Goodwill and other intangible assets recognized as a result of the acquisition are as follows:

	<u>30 June 2013</u>	
	R\$	US\$
Lease intangible asset	51,744	23,353
Goodwill for expected future profitability	51,561	23,272
Deferred tax	(17,377)	(7,843)
	<u>85,928</u>	<u>38,782</u>

Identifiable assets acquired and liabilities assumed

	<u>30 June 2013</u>			<u>30 June 2013</u>	
	R\$	US\$		R\$	US\$
Assets			Liabilities		
Cash and cash equivalents	41	19	Trade and other payables	13,639	6,156
Trade and other receivables	962	434	Advances	3,956	1,785
Recoverable taxes	791	357	Tax payable	7,931	3,580
Other assets	608	274	Provisions for contingencies	2,296	1,036
Property, plant and equipment	30,997	13,990	Other payables	<u>1,875</u>	<u>846</u>
Intangible	<u>133</u>	<u>60</u>	Total liabilities	<u>29,697</u>	<u>13,403</u>
Total assets	<u>33,532</u>	<u>15,134</u>	Total net identifiable assets	<u>3,835</u>	<u>1,731</u>

Exchange rate: 30 June 2013 – R\$2.2156 / US\$1.00

Other information

- There is no contingent consideration involved in the purchase agreement;
- All the fair values involved in the combination were determined on a provisional basis; and
- There are no material acquisition costs incurred by the Group including legal fees and due diligence costs.

23 Joint arrangements

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

	Place of incorporation and operation	Proportion of ownership interest	
		30 June 2014	31 December 2013
Towage			
Consórcio de Rebocadores Barra de Coqueiros (***)	Brazil	50%	50%
Consórcio de Rebocadores Baía de São Marcos (***)	Brazil	50%	50%
Logistics			
Porto Campinas, Logística e Intermodal Ltda (***)	Brazil	50%	50%
Offshore			
Wilson, Sons Ultratug Participações S.A. (*)	Brazil	50%	50%
Atlantic Offshore S.A. (**)	Panamá	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.

(**) Atlantic Offshore S.A. controls South Patagonia S.A. This company is indirect joint venture of Wilson Sons Limited.

(***) Joint Operations.

23.1 Joint operations

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

	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 R\$	31 December 2013 R\$
Inventories	437	413	964	968
Trade and Other Receivables	3,019	2,808	6,649	6,579
Cash and Cash equivalents	924	898	2,034	2,103
Other intangible Assets	1	2	3	4
Property, Plant & Equipment	2,093	2,018	4,610	4,726
Total assets	6,474	6,139	14,260	14,380
Trade and Other payables	(6,381)	(6,035)	(14,056)	(14,136)
Deferred tax liabilities	(93)	(104)	(204)	(244)
Total liabilities	(6,474)	(6,139)	(14,260)	(14,380)

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	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Income	3,451	2,686	6,638	5,753
Expenses	(3,451)	(2,686)	(6,638)	(5,753)

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Income	7,674	5,703	15,121	11,817
Expenses	(7,674)	(5,703)	(15,121)	(11,817)

23.2 Joint ventures

The following amounts are not consolidated in the Group's financial information as they are considered as joint ventures. The Group's interests on joint ventures are equity accounted.

	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	US\$	US\$	US\$	US\$
Revenue	39,516	25,701	71,248	49,556
Raw materials and consumable used	(1,148)	(2,132)	(2,639)	(3,691)
Employee benefits expense	(12,936)	(10,493)	(24,051)	(20,803)
Depreciation and amortisation expenses	(8,691)	(6,171)	(16,983)	(12,043)
Other operating expenses	(4,790)	(2,829)	(9,249)	(6,066)
Results from operating activities	11,951	4,076	18,326	6,953
Investment income	57	634	(183)	992
Finance costs	(4,621)	(3,567)	(9,241)	(7,601)
Exchange gain (loss) on translation	1,334	(4,120)	3,660	3,799
Profit before tax	8,721	(2,977)	12,562	4,143
Income tax expense	(3,865)	486	(9,338)	(4,233)
Profit for the period	4,856	(2,491)	3,224	(90)
Participation	50%	50%	50%	50%
Equity result	2,428	(1,246)	1,612	(45)

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	Three-month period ended		Six-month period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	R\$	R\$	R\$	R\$
Revenue	87,301	54,637	162,484	101,928
Raw materials and consumable used	(2,508)	(4,660)	(5,921)	(7,867)
Employee benefits expense	(28,689)	(21,774)	(54,930)	(42,267)
Depreciation and amortisation expenses	(17,254)	(11,366)	(33,620)	(22,137)
Other operating expenses	(10,597)	(6,097)	(21,096)	(12,258)
Results from operating activities	28,253	10,740	46,917	17,399
Investment income	126	1,530	(384)	2,245
Finance costs	(10,344)	(7,631)	(21,019)	(15,445)
Exchange gain (loss) on translation	2,943	(7,893)	8,078	7,985
Profit before tax	20,978	(3,254)	33,592	12,184
Income tax expense	(7,778)	756	(20,664)	(8,726)
Profit for the period	13,200	(2,498)	12,928	3,458
Participation	50%	50%	50%	50%
Equity result	6,600	(1,249)	6,464	1,729
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	US\$	US\$	R\$	R\$
Other non-current Assets	1,242	465	2,736	1,090
Property, plant and equipment	595,859	603,137	1,312,379	1,412,909
Long-term investment	2,136	2,131	4,705	4,992
Other current assets	1,234	864	2,718	2,024
Trade and other receivables	36,102	33,607	79,515	78,728
Cash and cash equivalents	13,659	23,401	30,084	54,819
Total assets	650,232	663,605	1,432,137	1,554,562
Bank overdrafts and loans	499,291	501,713	1,099,688	1,175,313
Other non-current liabilities	17,153	8,878	37,781	20,798
Trade and other payables	80,332	102,782	176,931	240,778
Equity	53,456	50,232	117,737	117,673
Total liabilities	650,232	663,605	1,432,137	1,554,562

Guarantees

Loans with BNDES are guaranteed by a pledge over the financed supply vessels and corporate guarantee from Wilson Sons Administração e Comércio and/or Remolcadores Ultratug Ltda.

Loans with Banco do Brasil are guaranteed by a pledge over the financed supply vessels, "Standby Letter of Credit", fiduciary assignment of Petrobras long-term contracts and corporate guarantee from Remolcadores Ultratug Ltda. The Magallanes Navegação Brasileira S.A. subsidiary, in accordance to this Financing Agreement with Banco do Brasil, constituted a restricted cash account, accounted for under Long term investments, in the amount of US\$2.1 million (R\$4.7 million). This reserve will be retained until financing settlement, with minimum

remuneration as savings account or by other financial instrument with similar risk, at the financial institution's discretion, and operated exclusively by the financial institution.

Covenants

The joint venture Magallanes Navegação Brasileira S.A. has to comply with specific financial covenants.

Provisions for tax, labour and civil risks

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

	30 June 2014	31 December 2013
	US\$	US\$
Labour claims	3	5
Total	<u>3</u>	<u>5</u>
	30 June 2014	31 December 2013
	R\$	R\$
Labour claims	6	12
Total	<u>6</u>	<u>12</u>

In the normal course of business in Brazil, the Group remains exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal counsel.

In addition to the cases for which the Group booked the provision, there are other tax, civil and labour disputes amounting to US\$14.6 million (R\$32.2 million) (2013: US\$1.9 million (R\$4.4 million)), whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described as follows:

	30 June 2014	31 December 2013
	US\$	US\$
Civil cases	9	9
Tax cases	10,384	639
Labour claims	4,234	1,231
Total	<u>14,627</u>	<u>1,879</u>
	30 June 2014	31 December 2013
	R\$	R\$
Civil cases	20	20
Tax cases	22,870	1,498
Labour claims	9,324	2,884
Total	<u>32,214</u>	<u>4,402</u>

23.3 Investments in joint ventures

The investments valued by using the equity accounting method are shown as follows:

30 June 2014									
	Currency	Number of shares	Ownership interest - %	Share capital	Investee's adjusted shareholders' equity	Elimination of profit on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	US\$	45,816,550	50.00	25,131	46,143	(41,034)	2,100	1,050	2,555
Atlantic Offshore S.A.	US\$	10,000	50.00	8,010	7,313	-	1,124	562	3,657
Total					53,456	(41,034)	3,224	1,612	6,212
Wilson, Sons Ultratug Participações S.A.	R\$	45,816,550	50.00	45,817	101,630	(90,373)	10,393	5,197	5,629
Atlantic Offshore S.A.	R\$	10,000	50.00	17,862	16,107	-	2,534	1,267	8,053
Total					117,737	(90,373)	12,927	6,464	13,682
31 December 2013									
	Currency	Number of shares	Ownership interest - %	Share capital	Investee's adjusted shareholders' equity	Elimination of profit on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	US\$	45,816,550	50.00	25,131	44,043	(45,080)	6,605	3,302	(518)
Atlantic Offshore S.A.	US\$	10,000	50.00	8,010	6,189	-	(1,821)	(910)	3,095
Total					50,232	(45,080)	4,784	2,392	2,577
Wilson, Sons Ultratug Participações S.A.	R\$	45,816,550	50.00	45,817	103,175	(105,605)	25,358	12,679	(1,214)
Atlantic Offshore S.A.	R\$	10,000	50.00	17,862	14,498	-	(4,239)	(2,120)	7,250
Total					117,673	(105,605)	21,119	10,559	6,036

The reconciliation of the investment in joint ventures balance, including the impact of profit recognized by Wilson, Sons Ultratug Participações S.A:

	Investment	
	US\$	R\$
At 1 January 2013	27	56
Share of result of joint ventures	2,392	10,559
Capital Increase through material agreement - Atlantic Offshore	4,000	8,920
Elimination of profit on Construction Contracts	(3,619)	(14,148)
Derivatives	(223)	(463)
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	1,112
At 31 December 2013	2,577	6,036
Share of result of subsidiary	1,612	6,464
Elimination on Construction Contracts	2,023	7,616
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	(6,434)
At 30 June 2014	6,212	13,682

24 Operating lease arrangements and other obligations

The Group as lessee

	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 R\$	31 December 2013 R\$
Minimum lease payments under operating leases recognized in income for the year	10,504	13,966	23,135	32,693

On 30 June 2014, the minimum amount due by the Group for future lease payments under cancellable operating leases was US\$13.3 million (R\$29.2 million) (2013: US\$12.5 million (R\$29.4 million)).

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

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

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

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

	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 R\$	31 December 2013 R\$
Within one year	27,821	25,223	61,335	59,087
In the second to fifth year inclusive	97,383	90,634	214,691	212,319
Greater than five years	108,430	108,516	239,046	254,210
Total	<u>233,634</u>	<u>224,373</u>	<u>515,072</u>	<u>525,616</u>

25 Financial instruments and risk assessment

a. Capital risk management

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

b. Categories of financial instruments

	Fair value		Book value	
	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 US\$	31 December 2013 US\$
Financial instruments classified as loans and receivables				
Cash and cash equivalents	77,163	97,946	77,163	97,946
Short Term Investments	18,000	33,000	18,000	33,000
Trade and other receivables	152,892	174,685	152,892	174,685
	<u>248,055</u>	<u>305,631</u>	<u>248,055</u>	<u>305,631</u>
Financial instruments classified as amortized cost				
Bank loans	387,114	372,391	387,114	372,391
Trade and other payables	97,518	135,317	97,518	135,317
Total Financial instruments - amortized cost	484,632	507,708	484,632	507,708
Financial instruments classified as cash flow hedge				
Derivatives	1,846	1,240	1,846	1,240
	<u>486,478</u>	<u>508,948</u>	<u>486,478</u>	<u>508,948</u>

	Fair value		Book value	
	30 June 2014 R\$	31 December 2013 R\$	30 June 2014 R\$	31 December 2013 R\$
Financial instruments classified as loans and receivables				
Cash and cash equivalents	169,952	229,448	169,952	229,448
Short Term investments	39,645	77,306	39,645	77,306
Trade and other receivables	336,745	409,219	336,745	409,219
	<u>546,342</u>	<u>715,973</u>	<u>546,342</u>	<u>715,973</u>
Financial instruments classified as amortized cost				
Bank loans and overdrafts	852,619	872,364	852,619	872,364
Trade and other payables	214,783	316,995	214,783	316,995
Total Financial instruments - amortized cost	1,067,402	1,189,359	1,067,402	1,189,359
Financial instruments classified as cash flow hedge				
Derivatives	4,065	2,905	4,065	2,905
	<u>1,071,467</u>	<u>1,192,264</u>	<u>1,071,467</u>	<u>1,192,264</u>

c. Financial risk management objectives

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

d. Foreign currency risk management

The operating cash flows are exposed to currency fluctuations because they are denominated part in Brazilian Real and part in US Dollars. These proportions vary according to the characteristics of each business.

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

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

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.

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

	Assets		Liabilities	
	30 June 2014 US\$	31 December 2013 US\$	30 June 2014 US\$	31 December 2013 US\$
Amounts denominated in dollar	237,550	259,404	145,928	172,404

	Assets		Liabilities	
	30 June 2014 R\$	31 December 2013 R\$	30 June 2014 R\$	31 December 2013 R\$
Amounts denominated in Real	523,204	607,680	321,406	403,874

Foreign currency sensitivity analysis

The sensitivity analysis presented in the following sections, which refer to the position on 30 June 2014, seeks to simulate how a stress on the risk variability may impact the Group. The first step was to identify the main factors that have potential to generate losses in the results, which in the case of the Group, summed up the exchange rate. The analysis commenced with a baseline scenario, represented by the carrying value of the operations, considering the PTAX ruling at 30 June 2014. Additionally, three scenarios were drawn: the likely scenario (Probable) and two possible scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate. The Group uses Focus report published by the Brazilian Central Bank (BACEN) to parameterize the probable scenario.

30 June 2014

Exchange rates (i)						
Probable scenario R\$2.400 / US\$1.00			Possible scenario (25%) R\$3.000 / US\$1.00		Remote scenario (50%) R\$3.600 / US\$1.00	
Operation	Risk	Amount US\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	R\$	237,550	Exchange Effects	(19,548)	(63,149)	(92,216)
Total liabilities	R\$	145,928	Exchange Effects	12,009	38,792	56,648
Net Effect				<u>(7,539)</u>	<u>(24,357)</u>	<u>(35,568)</u>

Operation	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	R\$	523,204	Exchange Effects	(43,055)	(139,085)	(203,105)
Total liabilities	R\$	321,406	Exchange Effects	26,449	85,440	124,768
Net Effect				<u>(16,606)</u>	<u>(53,645)</u>	<u>(78,337)</u>

(i) Information source: Focus BACEN, report from 4 July 2014

31 December 2013

Exchange rates (i)

Probable scenario R\$2.450 / US\$1.00			Possible scenario (25%) R\$3.062 / US\$1.00		Remote scenario (50%) R\$3.675/ US\$1.00	
Operation	Risk	Amount US\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	R\$	259,404	Exchange Effects	(11,371)	(60,978)	(94,049)
Total liabilities	R\$	172,404	Exchange Effects	7,558	40,527	62,506
Net Effect				(3,813)	(20,451)	(31,543)

Operation	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	R\$	607,680	Exchange Effects	(26,639)	(142,847)	(220,319)
Total liabilities	R\$	403,874	Exchange Effects	17,705	94,938	146,428
Net Effect				(8,934)	(47,909)	(73,891)

(i) Information source: Focus BACEN, report from 24 January 2014

e. Interest rate risk management

The Group holds most of its debts linked to fixed rates. Most of the Group's fixed rates loans are with the FMM.

Other loans exposed to floating rates are as follows:

- TJLP (Brazilian Long Term Interest Rate) for Brazilian Real-denominated funding through FINAME credit line to Port Operations and Logistics operations;
- DI (Brazilian Interbank Interest Rate) for Brazilian Real-denominated funding in Logistics operations; and
- 6-month Libor (London Interbank Offered Rate) for US Dollar-denominated funding for Port Operations (Eximbank).

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

Interest rate sensitivity analysis

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

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

30 June 2014

					Libor(i) and CDI(ii)		
					Probable scenario	Possible scenario 25%	Remote scenario 50%
Transaction							
Loans - Libor					0.55%	0.69%	0.83%
Investments - Libor					0.33%	0.41%	0.49%
Investments - CDI					10.89%	13,61%	16,34%

Transaction	Risk	Amount US\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Loans – Libor	Libor	89,845	Interest	(139)	(231)	(323)
Investments	Libor	29,719	Income	(5)	20	45
Investments	CDI	59,364	Income	571	2,124	3,678
Net Income				427	1,913	3,400

Transaction	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Loans – Libor	Libor	197,883	Interest	(306)	(509)	(711)
Investments	Libor	65,456	Income	(11)	44	99
Investments	CDI	130,749	Income	1,258	4,678	8,101
Net Income				941	4,213	7,489

(i) Information source: Bloomberg

(ii) Information source: BM&F (Bolsa de Mercadorias e Futuros)

The net effect was obtained by assuming a 12 month period starting 30 June 2014 in which interest rates vary and all other variables are held constant.

Other loans have fixed rates and represent a total of 69.04%.

The investment rate risk mix is 33.36% Libor, 66.64% CDI.

31 December 2013

Libor(i) and CDI(ii)						
				Probable scenario	Possible scenario 25%	Remote scenario 50%
Transaction						
Loans – Libor				0.57%	0.72%	0.86%
Investments - Libor				0.33%	0.42%	0.50%
Investments - CDI				10.95%	13.69%	16.43%

Transaction	Risk	Amount US\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Loans – Libor	Libor	95,120	Interest	182	131	81
Investments	Libor	46,944	Income	(105)	(45)	14
Investments	CDI	79,125	Income	2,590	5,178	7,766
Net Income				2,667	5,264	7,861

Transaction	Risk	Amount R\$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Loans – Libor	Libor	222,828	Interest	426	307	190
Investments	Libor	109,971	Income	(246)	(105)	33
Investments	CDI	185,357	Income	6,067	12,129	18,194
Net Income				6,247	12,331	18,417

(i) Information source: Bloomberg

(ii) Information source: BM&F (Bolsa de Mercadorias e Futuros)

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

Other loans have fixed interest rates and represent a total of 81.50%.

The investment rate risk mix is 37.24% Libor, 62.76%CDI.

Derivative financial instruments

The Group may enter into derivatives contracts to manage risks arising from interest rate fluctuations. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

The Group uses cash flow hedges to limit its exposure that may result from the variability of floating interest rates. On 16 September 2013, its subsidiary, Tecon Salvador, entered into an interest rate swap agreement with a notional amount of \$70.8 million to hedge a portion of its outstanding floating-rate debt with IFC. This swap converts floating interest rate based on the London Interbank Offered Rate, or LIBOR, into fixed-rate interest and expires in March 2020. The derivatives were entered into with Santander Brasil as counterparty, whose credit rating was AAA, as of 30 June 2014, according to Standard& Poor's Brazilian local rating scale.

Tecon Salvador is required to pay the counterparty a stream of fixed interest payments at rates fixed from 0.553% to 4.250%, according to the schedule agreement, and in turn, receives variable interest payments based on 6-month LIBOR. The net receipts or payments from the swap are recorded as financial expense.

	Outflows	Inflows	Net effect
Within one year	(198)	-	(198)
In the second year	(478)	-	(478)
In the third to fifth years (including)	(1,145)	-	(1,145)
After five years	(25)	-	(25)
	<u>(1,846)</u>	<u>-</u>	<u>(1,846)</u>
Fair value			(1,846)

The fair value of the swap was estimated based on the yield curve as of 30 June 2014, and represents its carrying value. As of 30 June 2014, the interest rate swap balance in other non-current liabilities was US\$1.8 million; and the balance in accumulated other comprehensive income on the consolidated balance sheets was \$1.8 million. The net change in fair value of the interest rate swap recorded as other comprehensive income for the year ended 30 June 2014 was an after-tax loss of US\$1.8 million.

30 June 2014	Notional Amount US\$	Maturity	US\$ Fair Value	R\$ Fair Value
Financial Assets				
Interest Rate Swap	74,400	Mar/2020	<u>(1,846)</u>	<u>(4,065)</u>
Total			<u><u>(1,846)</u></u>	<u><u>(4,065)</u></u>

Derivative Sensitivity Analysis

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Three scenarios were simulated: the likely scenario (Probable) and two scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate, the risk in buying an options contract is that the Group pays a premium whether or not the option is exercised. In this case in both scenarios the risk associated on 30 June 2014 is US\$1.8 million (R\$4.1 million).

Cash Flow Hedge

The Group applies hedge accounting for transactions in order to manage the volatility in earnings. The swap is designated and qualifies as a cash flow hedge. As such, the swap is accounted for as an asset or a liability in the accompanying consolidated balance sheets at fair value. The effective portion of changes in fair value of the derivative is recognized in other comprehensive income and presented as an asset revaluation reserve in equity. Any ineffective portion of changes in fair value of the derivative is recognized immediately in the profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting operations, expires or is sold, terminated or exercised, or the designation is revoked, the model accounting hedges (hedge accounting) is discontinued prospectively when there is no more expectation for the forecasted transaction, and then the amount stated in the equity is reclassified to the profit or loss.

On the initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged transaction, including the risk management objective and strategy on the implementation of the hedge and the hedged risk, together with the methods that will be used to evaluate the effectiveness of the hedging relationship. The Group is utilizing the dollar offset method to assess the effectiveness of the swap, analysing whether the hedging instruments are highly effective in offsetting changes in fair values or cash flows of the respective hedged items attributable to the hedged risk, and if the actual results for each coverage are within the range from 80 - 125 percent.

Under this methodology, the swap was deemed to be highly effective for the period ended 30 June 2014. There was no hedge ineffectiveness recognized in profit or loss for the period ended 30 June 2014.

f. Liquidity risk management

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

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

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

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

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

	Weighted average effective interest rate %	Less than 12 months US\$	1-5 years US\$	More than 5 years US\$	Total US\$
30 June 2014					
Variable interest rate instruments	2.28%	30,733	69,162	17,279	117,174
Fixed interest rate instruments	3.00%	21,858	81,127	166,955	269,940
		<u>52,591</u>	<u>150,289</u>	<u>184,234</u>	<u>387,114</u>

30 June 2014	Weighted average effective interest rate %	Less than 12 months R\$	1-5 years R\$	More than 5 years R\$	Total R\$
Variable interest rate instruments	2.28%	67,689	152,329	38,057	258,075
Fixed interest rate instruments	3.00%	48,143	178,687	367,714	594,544
		<u>115,832</u>	<u>331,016</u>	<u>405,771</u>	<u>852,619</u>

31 December 2013	Weighted average effective interest rate %	Less than 12 months US\$	1-5 years US\$	More than 5 years US\$	Total US\$
Variable interest rate instruments	3.02%	16,354	68,708	25,518	110,580
Fixed interest rate instruments	3.06%	21,646	78,775	161,391	261,813
		<u>38,000</u>	<u>147,483</u>	<u>186,909</u>	<u>372,393</u>

31 December 2013	Weighted average effective interest rate %	Less than 12 months R\$	1-5 years R\$	More than 5 years R\$	Total R\$
Variable interest rate instruments	3.02%	38,311	160,955	59,778	259,044
Fixed interest rate instruments	3.06%	50,708	184,538	378,075	613,321
		<u>89,019</u>	<u>345,493</u>	<u>437,853</u>	<u>872,365</u>

g. Credit risk

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

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

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

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

		US\$		R\$	
Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
Cash and cash equivalents	14	77,163	97,946	169,952	229,448
Short term investments	14	18,000	33,000	39,645	77,306
Trade and other receivables	13	<u>152,892</u>	<u>174,686</u>	<u>336,745</u>	<u>409,219</u>
Exposed to credit risk		<u>248,055</u>	<u>305,632</u>	<u>546,342</u>	<u>715,973</u>

h. Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at 30 June 2014 and 31 December 2013 at amounts similar to the fair value at those dates. These instruments are managed through operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of ongoing monitoring of rates agreed versus those in force in the market, and confirmation of whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no amounts related to levels 1 and 3 at 30 June 2014 and 31 December 2013. The table below analyses financial instruments carried at fair value.

	Financial instruments hierarchy	
	Level 2	Level 2
	US\$	R\$
30 June 2014		
Short term investments	18,000	39,645
Derivatives	1,846	4,065
Post-employment benefits	2,572	5,665
Bank Loans	387,114	852,619
	<u>409,532</u>	<u>901,994</u>
31 December 2013		
Short term investments	33,000	77,306
Derivatives	1,240	2,905
Post-employment benefits	2,251	5,273
Bank Loans	372,391	872,364
	<u>408,882</u>	<u>957,848</u>

i. Criteria, assumptions and limitations used when computing market values

Cash and cash equivalents

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

Investments

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

Trade and other receivables/payables

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

Bank and loans

Fair value of loan arrangements were calculated at their present value determined by future cash flows and at interest rates applicable to instruments of similar nature, terms and risks or at market quotations of these securities. Fair value measurements recognized in the consolidated interim financial information are grouped into levels based on the degree to which the fair value is observable.

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

26 Related-party transactions

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

	Current assets (liabilities) US\$	Revenues US\$	Expenses US\$
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	2	14	-
2. Consórcio de Rebocadores Barra de Coqueiros	206	168	-
3. Consórcio de Rebocadores Baía de São Marcos	2,207	91	26
4. Wilson Sons Ultratug and subsidiaries	24,656	912	1,734
5. Atlantic Offshore S.A.	5,997	-	-
Other:			
6. Gouvêa Vieira Advogados	-	-	46
7. CMMR Intermediação Comercial Ltda.	-	-	119
Six-month period ended 30 June 2014	<u>33,068</u>	<u>1,185</u>	<u>1,925</u>
Three-month period ended 30 June 2014	<u>-</u>	<u>710</u>	<u>905</u>
At 31 December 2013	<u>25,743</u>	<u>56,043</u>	<u>1,613</u>
Six-month period ended 30 June 2013	<u>6,879</u>	<u>34,375</u>	<u>1,454</u>
Three-month period ended 30 June 2013	<u>-</u>	<u>16,941</u>	<u>580</u>

Wilson Sons Limited
Condensed consolidated interim
financial information at 30 June 2014

	Current assets (liabilities) R\$	Revenues R\$	Expenses R\$
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	5	33	-
2. Consórcio de Rebocadores Barra de Coqueiros	454	384	-
3. Consórcio de Rebocadores Baía de São Marcos	4,860	213	62
4. Wilson Sons Ultratug and subsidiaries	54,306	2,114	3,819
5. Atlantic Offshore S.A.	13,208		
Other:			
6. Gouvêa Vieira Advogados	-	-	107
7. CMMR Intermediação Comercial Ltda.	-	-	274
Six-month period ended 30 June 2014	<u>72,833</u>	<u>2,744</u>	<u>4,262</u>
Three-month period ended 30 June 2014	<u>-</u>	<u>2,958</u>	<u>1,327</u>
At 31 December 2013	<u>60,306</u>	<u>131,286</u>	<u>3,779</u>
Six-month period ended 30 June 2013	<u>15,241</u>	<u>76,162</u>	<u>3,221</u>
Three-month period ended 30 June 2013	<u>-</u>	<u>41,054</u>	<u>1,461</u>

1. Allink Transportes Internacionais Ltda, is 50% owned by the Group and rents office space and terminal warehousing from the Group.
- 2-3. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation.
4. Intergroup loan with Wilson Sons Ultratug (interest - 0.3% per month with no maturity) and trade payables from Wilson, Sons Offshore and Magallanes to Wilson Sons shipyards relate to proportionate amounts of vessel construction not eliminated on consolidation.
5. Intergroup loan with Atlantic Offshore S.A.
6. Mr. J.F. Gouvea Vieira is a partner with the law firm Gouvea Vieira Advogados. Fees were paid to Gouvea Vieira Advogados for legal services.
7. 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.

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

27 Notes to the consolidated statement of cash flows

	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 R\$	30 June 2013 R\$
Profit before tax	50,420	33,810	128,143	73,793
Less: Investment revenues	(3,960)	(5,074)	(10,793)	(11,273)
Add: Exchange gain/loss on translation	(9,931)	12,761	(21,501)	37,128
Less: Share of result of joint ventures	(1,612)	45	(6,464)	(1,729)
Add: Finance costs	1,695	11,315	4,265	24,252
Operating profit from operations	<u>36,612</u>	<u>52,857</u>	<u>93,650</u>	<u>122,171</u>
Adjustments for:				
Depreciation and amortisation expenses	31,675	27,813	62,115	52,534
Cash-settled share-based payment	(7,118)	-	(16,881)	-
Gain on disposal of property, plant and equipment	242	(9,812)	45	(22,631)
Provision (reversal) for cash-settled share-based payment	(2,302)	(5,002)	(5,443)	(10,296)
Increase in provisions	<u>2,382</u>	<u>(1,295)</u>	<u>3,568</u>	<u>(551)</u>
Operating cash flows before movements in working capital	<u>61,491</u>	<u>64,561</u>	<u>137,054</u>	<u>141,227</u>
Decrease in inventories	(7,279)	(14,603)	(11,958)	(38,800)
Increase in trade and other receivables	25,102	34,900	77,108	44,002
Increase in trade and other payables	(33,890)	(10,930)	(93,562)	3,557
Increase in other non-current assets	<u>(1,676)</u>	<u>(665)</u>	<u>(2,259)</u>	<u>(3,069)</u>
Cash generated by operations	<u>43,748</u>	<u>73,263</u>	<u>106,383</u>	<u>146,917</u>
Income taxes paid	(8,325)	(16,431)	(19,168)	(35,291)
Interest paid – borrowings	(5,976)	(6,003)	(13,821)	(12,070)
Interest paid – leasing	(260)	(225)	(592)	(458)
Interest paid – others	<u>(199)</u>	<u>(216)</u>	<u>(457)</u>	<u>(414)</u>
Net cash from operating activities	<u>28,988</u>	<u>50,388</u>	<u>72,345</u>	<u>98,684</u>

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:

	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 R\$	30 June 2013 R\$
Additions to fixed assets				
Equipment acquisition through finance leases	22	3,009	49	6,656
Write Off of inventories through claims	-	11,454	-	25,377
Write Off of property, plant and equipment through claims	-	1,252	-	2,774
Capitalized interest	605	844	1,370	1,769
Tax settlement				
Income tax compensation	6,430	697	14,708	1,544

28 Compensation of key management personnel

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

	Three-month period ended		Six-month period ended	
	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 US\$	30 June 2013 US\$
Short-term employee benefits	7,690	4,313	9,515	5,979
Post-employment benefits and social charges	569	406	947	807
Stock Option	779	-	1,477	-
Share-based payment	469	-	7,118	-
Share-based payment provision	115	(3,227)	(3,780)	(5,002)
Total	9,622	1,492	15,277	1,784

	Three-month period ended		Six-month period ended	
	30 June 2014 R\$	30 June 2013 R\$	30 June 2014 R\$	30 June 2013 R\$
Short-term employee benefits	16,825	9,893	20,956	13,248
Post-employment benefits and social charges	1,230	980	2,085	1,788
Stock Option	1,813	-	3,393	-
Share-based payment	1,042	-	16,881	-
Share-based payment provision	180	(6,801)	(8,836)	(10,296)
Total	21,090	4,072	34,479	4,740

29 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information were approved by the board of directors and authorized for issue on 14 August 2014.

Directors Declaration

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