Wilson Sons Limited

Consolidated Financial Statements Years Ended December 31, 2013 and 2012 and January 1st, 2012 with Independent Auditors' Report

KPDS 78632

Contents

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Independent auditors' report

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

We have audited the accompanying consolidated financial statements of Wilson Sons Limited and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at December 31, 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphases

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

Convenience translation
Without qualifying our opinion further, we draw your attention the fact that the convenience translation of the functional currency amounts (United States Dollar) into Brazilian Real amounts has been made in conformity with the basis described in Note 2. The translation of the consolidated financial statements amounts into Brazilian Reais has been made solely for the convenience of readers in Brazil and does not purport to represent amounts in accordance with International Financial Reporting Standards.

Other issue

Audit of the figures corresponding to the previous year audited by another audit firm
Figures corresponding to the balance sheet as at January 1st, 2012 , presented for comparison purposes, and restated, due to the adoption of new accounting standards, as mentioned in Note 2, were examined by other independent auditors, who issued an unqualified report dated May 13, 2013.

Rio de Janeiro, Brazil, March 27, 2014

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

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

Wilson Sons Limited

Consolidated statements of profit or loss and other comprehensive income

Years ended December 31, 2013 and 2012

(Amounts expressed in thousand of U.S. Dollars, unless otherwise stated - Brazilian Real amounts are the result of a convenience translation)

				Convenience translation (*)	
		2013	**2012**	**2013**	**2012**
	Notes	**US$**	**US$**	**R$**	**R$**
			(Restated)		**(Restated)**
Revenue	4	660,106	610,354	1,546,364	1,247,260
Raw materials and consumables used		(94,330)	(72,207)	(220,976)	(147,554)
Employee benefits expenses	5	(208,512)	(221,273)	(488,460)	(452,171)
Depreciation and amortization expenses		(58,672)	(55,896)	(137,445)	(114,223)
Other operating expenses	6	(184,440)	(170,024)	(432,069)	(347,444)
Profit on disposal of property, plant and equipment		9,966	(534)	23,346	(1,092)
Results from operating activities		124,118	90,420	290,760	184,776
Share of result of subsidiary	23.2	2,392	689	5,603	1,409
Finance income	7	11,039	17,842	25,860	36,459
Finance expenses	7	(21,108)	(9,432)	(49,448)	(19,275)
Foreign exchange gains (losses) on monetary items	7	(30,171)	(14,712)	(70,679)	(30,064)
Profit before tax		86,270	84,807	202,096	173,305
Income tax expense	8	(42,259)	(33,597)	(98,996)	(68,656)
Profit for the year		44,011	51,210	103,100	104,649
Profit for the year attributable to:					
Owners of the Company		40,363	47,348	94,554	96,756
Non-controlling interests		3,648	3,862	8,546	7,893
		44,011	51,210	103,100	104,649
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation		(4,085)	(7,136)	(9,567)	(14,582)
Post-employment benefits		(2,251)	-	(5,273)	-
Effective portion of changes in fair value of cash flow hedges		(1,269)	-	(2,973)	-
Total comprehensive income for the year		36,406	44,074	85,287	90,067
Total comprehensive income for the year attributable to:					
Owners of the Company		33,474	40,617	78,414	83,001
Non-controlling interests		2,932	3,457	6,873	7,066
		36,406	44,074	85,287	90,067
Earnings per share from continuing operations - Basic and diluted (cents per share)	21	56.73c	66.55c	132.91c	136.00c

(*) Exchange rates used for convenience translation
12/31/13 – R$2.3426/ US$1.00
12/31/12 – R$2.0435/ US$1.00
01/01/12 - R$1.8758/ US$1.00

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

Wilson Sons Limited

Consolidated statements of financial position

Years ended December 31, 2013 and 2012 and January 1st, 2012

(Amounts expressed in thousand of U.S. Dollars, unless otherwise stated - Brazilian Real amounts are the result of a convenience translation)

					Convenience translation		
	Notes	December 31, 2013 US$	December 31, 2012 US$ (Restated)	January 1st, 2012 US$ (Restated)	December 31, 2013 R$	December 31, 2012 R$ (Restated)	January 1st, 2012 R$ (Restated)
ASSETS							
NON-CURRENT ASSETS							
Goodwill	9	37,622	15,612	15,612	88,134	31,903	29,285
Other intangible assets	10	46,650	29,345	28,463	109,280	59,967	53,391
Property, plant and equipment	11	616,912	594,863	538,672	1,445,179	1,215,603	1,010,441
Deferred tax assets	16	30,099	29,647	29,507	70,510	60,584	55,349
Investment in joint ventures	23	2,577	27	7,661	6,036	56	14,371
Trade and other receivables	13	23,998	18,047	27,965	56,219	36,878	52,457
Other non-current assets		10,209	9,211	8,431	23,915	18,821	15,814
Total non-current assets		768,067	696,752	656,311	1,799,273	1,423,812	1,231,108
CURRENT ASSETS							
Inventories	12	29,090	37,453	25,371	68,145	76,536	47,590
Trade and other receivables	13	150,687	198,213	160,496	353,000	405,049	301,059
Short-term investments	14	33,000	20,000	24,500	77,306	40,870	45,957
Cash and cash equivalents	14	97,946	116,018	106,708	229,448	237,083	200,163
Total current assets		310,723	371,684	317,075	727,899	759,538	594,769
TOTAL ASSETS		1,078,790	1,068,436	973,386	2,527,172	2,183,350	1,825,877
EQUITY AND LIABILITIES							
CAPITAL AND RESERVES							
Share capital	21	9,905	9,905	9,905	23,204	20,241	18,580
Capital reserves		94,324	94,324	94,324	220,964	192,749	176,934
Profit reserve		807	2,204	1,981	1,890	4,504	3,716
Contributed surplus		-	9,379	9,379	-	19,166	17,593
Retained earnings		409,315	379,894	350,616	958,862	776,314	657,681
Translation reserve		(1,052)	2,412	9,143	(2,470)	4,928	17,151
Equity attributable to owners of the Company		513,299	498,118	475,348	1,202,450	1,017,902	891,655
Non-controlling interests		3, 699	3,734	3,596	8,670	7,631	6,749
Total equity		516,998	501,852	478,944	1,211,120	1,025,533	898,404
NON-CURRENT LIABILITIES							
Trade and other payables	19	-	1,135	2,471	-	2,320	4,635
Bank loans	15	334,394	324,138	304,586	783,351	662,375	571,342
Derivatives	25	1,130	-	-	2,648	-	-
Post-employment benefits	20	2,251	-	-	5,273	-	-
Deferred tax liabilities	16	33,761	15,043	17,260	79,088	30,741	32,376
Provisions for tax, labor and civil risks	17	10,262	10,966	13,378	24,039	22,409	25,094
Obligations under finance leases	18	4,812	2,809	3,293	11,273	5,740	6,178
Total non-current liabilities		386,610	354,091	340,988	905,672	723,585	639,625
CURRENT LIABILITIES							
Trade and other payables	19	135,317	172,572	120,920	316,995	352,651	226,821
Derivatives	25	110	-	-	257	-	-
Current tax liabilities		211	3,190	3,545	492	6,521	6,649
Obligations under finance leases	18	1,547	1,234	3,804	3,623	2,522	7,135
Bank overdrafts and loans	15	37,997	35,497	25,185	89,013	72,538	47,243
Total current liabilities		175,182	212,493	153,454	410,380	434,232	287,848
Total liabilities		561,792	566,584	494,442	1,316,052	1,157,817	927,473
TOTAL EQUITY AND LIABILITIES		1,078,790	1,068,436	973,386	2,527,172	2,183,350	1,825,877

Exchange rates used for convenience translation

12/31/13 – R$2.3426/ US$1.00

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

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

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

Wilson Sons Limited

Consolidated statements of change in equity

Years ended December 31, 2013 and 2012 and January 1st, 2012

(Amounts expressed in thousand of U.S. Dollars, unless otherwise stated - Brazilian Real amounts are the result of a convenience translation)

			Capital reserves										
	Notes	Share capital US$	Share premium US$	Others US$	Additional paid- in capital US$	Derivatives US$	Profit reserve US$	Contributed surplus US$	Retained earnings US$	Translation Reserve US$	Attributable to owners of the Company US$	Non-controlling interests US$	Total US$
BALANCE AT JANUARY 1st, 2012 – Restated		9,905	67,951	28,383	(2,010)	-	1,981	9,379	350,616	9,143	475,348	3,596	478,944
Profit for the year		-	-	-	-	-	-	-	47,348	-	47,348	3,862	51,210
Other comprehensive income		-	-	-	-	-	-	-	-	(6,731)	(6,731)	(405)	(7,136)
Total comprehensive income for the year		-	-	-	-	-	-	-	47,348	(6,731)	40,617	3,457	44,074
Derivatives		-	-	-	-	223	-	-	-	-	223	-	223
Dividends		-	-	-	-	-	-	-	(18,070)	-	(18,070)	(3,319)	(21,389)
BALANCE AT DECEMBER 31, 2012 – Restated	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 year		-	-	-	-	-	-	-	40,363	-	40,363	3,648	44,011
Other comprehensive income		-	-	-	-	-	-	-	-	(3,464)	(3,464)	(621)	(4,085)
Post-employment benefits		-	-	-	-	-	-	-	(2,251)	-	(2,251)	-	(2,251)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(1,174)	-				(1,174)	(95)	(1,269)
Total comprehensive income for the year		-	-	-	-	(1,174)	-	-	38,112	(3,464)	33,474	2,932	36,406
Derivatives						(223)					(223)		(223)
Transfer to retained earnings		-	-	-	-	-	-	(9,379)	9,379	-	-	-	-
Dividends		-	-	-	-	-	-	-	(18,070)	-	(18,070)	(2,967)	(21,037)
BALANCE AT DECEMBER 31, 2013	21	9,905	67,951	28,383	(2,010)	(1,174)	1,981	-	409,315	(1,052)	513,299	3,699	516,998

Wilson Sons Limited

Consolidated statements of change in equity

Years ended December 31, 2013 and 2012 and January 1st, 2012

(Amounts expressed in thousand of Dollars, unless otherwise stated - Brazilian Real amounts are the result of a convenience translation)

	Notes	Share capital R$	Capital reserves: Share premium R$	Capital reserves: Others R$	Capital reserves: Additional paid- in capital R$	Derivatives R$	Profit reserve R$	Contributed surplus R$	Retained earnings R$	Translation Reserve R$	Attributable to owners of the Company R$	Non-controlling interests R$	Total R$
BALANCE AT JANUARY 1st, 2012 – Restated		18,580	127,462	53,242	(3,770)	-	3,716	17,593	657,681	17,151	891,655	6,749	898,404
Profit for the year		-	-	-	-	-	-	-	96,756	-	96,756	7,893	104,649
Other comprehensive income		-	-	-	-	-	-	-	-	(13,755)	(13,755)	(827)	(14,582)
Total comprehensive income for the year		-	-	-	-	-	-	-	96,756	(13,755)	83,001	7,066	90,067
Derivatives		-	-	-	-	456	-	-	-	-	456	-	456
Dividends		-	-	-	-	-	-	-	(36,925)	-	(36,925)	(6,782)	(43,707)
Translation adjustment to Real		1,661	11,396	4,756	(337)	-	332	1,573	58,802	1,532	79,715	598	80,313
BALANCE AT DECEMBER 31, 2012 – Restated	21	20,241	138,858	57,998	(4,107)	456	4,048	19,166	776,314	4,928	1,017,902	7,631	1,025,533
Profit for the year		-	-	-	-	-	-	-	94,554	-	94,554	8,546	103,100
Other comprehensive income		-	-	-	-	-	-	-	-	(8,117)	(8,117)	(1,450)	(9,567)
Post-employment benefits		-	-	-	-	-	-	-	(5,273)	-	(5,273)	-	(5,273)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(2,750)	-	-	-	-	(2,750)	(223)	(2,973)
Total comprehensive income for the year		-	-	-	-	(2,750)	-	-	89,281	(8,117)	78,414	6,873	85,287
Derivatives		-	-	-	-	(522)	-	-	-	-	(522)	-	(522)
Transfer to retained earnings		-	-	-	-		-	(21,971)	21,971	-	-	-	-
Dividends		-	-	-	-	-	-	-	(42,331)	-	(42,331)	(6,950)	(49,281)
Translation adjustment to Real		2,963	20,325	8,492	(602)	65	593	2,805	113,627	719	148,987	1,116	150,103
BALANCE AT DECEMBER 31, 2013	21	23,204	159,183	66,490	(4,709)	(2,751)	4,641	-	958,862	(2,470)	1,202,450	8,670	1,211,120

Exchange rates used for convenience translation

12/31/13 – R$2.3426/ US$1.00

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

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

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

Wilson Sons Limited

Consolidated statements of cash flows

For the year ended December 31, 2013 and 2012

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

				Convenience translation	
	Note	2013 US$	2012 Restated US$	2013 R$	2012 Restated R$
NET CASH GENERATED BY OPERATING ACTIVITIES	27	113,533	115,830	265,963	236,698
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of Briclog less net cash included in the acquisition		(10,153)	-	(23,784)	-
Interest received		9,935	9,562	23,274	19,540
Proceeds on disposal of property, plant and equipment		17,912	1,659	41,961	3,390
Purchases of property, plant and equipment		(106,148)	(103,155)	(248,662)	(210,797)
Other intangible assets		(2,960)	(7,209)	(6,934)	(14,732)
Investment - short term and long term investment		(13,000)	4,500	(30,454)	9,196
Investment in joint ventures		(4,000)	-	(9,370)	-
Net cash used in investing activities		(108,414)	(94,643)	(253,969)	(193,403)
CASH FLOW FROM FINANCING ACTIVITIES					
Dividends paid		(18,070)	(18,070)	(42,331)	(36,926)
Dividends paid - non controlling interest		(2,967)	(3,319)	(6,950)	(6,782)
Repayments of borrowings		(36,772)	(26,436)	(86,142)	(54,021)
Repayments of obligation under finance leases		(1,540)	(3,331)	(3,608)	(6,807)
Derivative paid		(39)	-	(91)	-
New bank loans raised		50,752	48,925	118,892	99,978
Net cash used in financing activities		(8,636)	(2,231)	(20,230)	(4,558)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,517)	18,956	(8,236)	38,737
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		116,018	106,708	237,083	200,163
Effect of foreign exchange rate changes		(14,555)	(9,646)	(34,100)	(19,712)
Translation adjustment to Real		-	-	34,701	17,895
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		97,946	116,018	229,448	237,083

(*) Exchange rates used for convenience translation

12/31/13 – R$2.3426/ US$1.00

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

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

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

Notes to the consolidated financial statements

(Amounts expressed in thousand of Dollars, unless otherwise stated - Brazilian Real amounts are the result of a convenience translation)

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 developed a nationwide network and also have provided a variety of services related to international trade, particularly in the port and maritime sectors. The Company's principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping agency, support to offshore oil and natural gas platforms and shipyards.

2 Significant accounting policies and critical accounting judgements

2.1 Significant accounting policies

Statement of compliance

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

Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for derivatives and the share-based payments liability that are measured at fair values, as explained in the accounting policies below.

Convenience translation

The consolidated financial statements were originally prepared in US Dollars. A convenience translation to the Real, the Brazilian currency, was carried out solely for the convenience of readers in Brazil and does not purport to represent amounts in accordance with International Financial Reporting Standards, and should not be construed as implying that the amounts in US Dollars represent, or could have been or could be converted into, Brazilian Real, at such rates or at any other rate. The exchange rates used for the purposes of this convenience translation were the PTAX (Reference rate for the dollar) exchange rates prevailing at the end of the reporting period, as published by the *Banco Central do Brasil*. On December 31, 2013, December 31, 2012 and January 1st, 2012 the applicable exchange rates were R$2.3426, R$2.0435 and R$1.8758, respectively. The difference between the applicable exchanges rates, on each of the closing dates, generates impacts of translation of the consolidated financial statements opening balances in Brazilian Real and the changes therein disclosed in the financial statements for the subsequent period. The effect of this difference is disclosed in the Brazilian Real Consolidated Statement of Changes in Equity and respective notes as "Translation adjustment to Real".

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Interests in investments

Interests in joint ventures

Joint venture is a contractual agreement where the Group has rights to the net assets of the contractual arrangement, and not entitled to specific assets and liabilities arising from the agreement.

Investments in joint venture entities are accounted for using the equity method. After initial recognition, the financial statements include the Group's share in the profit or loss for the year and other comprehensive income of the investee until the date that significant influence or joint control ceases.

Interests in joint operations
Joint operation is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The joint operations assets and any liabilities incurred jointly with other ventures are recognized in the financial statements of the relevant entity and classified according to their nature. The Group's share of the assets, liabilities, income and expenses of joint operation entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

The consolidated financial statements include the accounts of joint ventures and joint operations which are listed in Note 23.

Business combinations
Business combinations are accounted using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated considering the sum of the acquisition-date fair values of assets, liabilities and the equity interests transferred to the Group when the control of the acquisition is transferred. Acquisition-related costs are recognised in profit or loss as incurred. Any goodwill that arises is tested annually for impairment.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments is recognised in profit or loss.

Foreign currency
The functional currency for each Group entity is determined as the currency of the primary economic environment in which it operates. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, income and expense items of entities with a functional currency other than US Dollars are translated into US Dollars, the Group's presentational currency, at average rates of exchange for the period. Balance sheet items are translated into US Dollars at year end exchange rates. Exchange differences arising on consolidation of entities with functional currencies other than US Dollars are classified as other comprehensive income.

Employee Benefits

Short-term employee benefits
Obligations of short-term employee benefits are recognized as personnel expenses as the corresponding service is provided. The liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-Based payment transactions
The fair value at grant date of share-based payments granted to employees is recognized as a personnel expense with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the equity instruments.

The fair value of the amount payable to employees regarding the rights on the valuation of the shares, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities during the period that the employees are unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date based on the fair value of the rights on valuation. Any changes in the fair value of the liability are recognized in income as personnel expenses.

Defined health benefit plans
The Group's net obligation regarding defined health benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees receive in return for their service in the current period and prior periods. That health benefit is discounted to determine its present value. Any costs of unrecognized past service and the fair value of any plan assets are deducted.

The calculation of the liability of the defined health benefit plan is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group , the asset to be recognized is limited to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan . To calculate the present value of economic benefits, are taken into account any minimum funding requirements apply.

Remeasurements of the net defined health benefit obligation, which include: actuarial gains and losses, return on plan assets (excluding interest) and the effect of the asset ceiling (if there is, excluding interest), are immediately recognized in OCI. The Group determines the net interest on the net amount of liabilities (assets) for the period defined benefit multiplying the net liability (asset) for defined health benefit discount rate used to measure the defined health benefit obligation, both as determined at the beginning of the period covered by the financial statements, taking into account any changes in the net liability (asset) for defined health benefit during the period due to the payment of contributions and benefits. Net interest and other expenses related to defined health benefit plans are recognized in income.

When the benefits of a plan are increased, the portion of the increased benefit relating to past services rendered by employees is recognized immediately in income. The Group recognizes gains and losses on the settlement of a defined health benefit plan when settlement occurs.

Other long-term employee benefits
The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees receive in return for the service rendered in the current year and previous years. That benefit is discounted to determine its present value. Remeasurements are recognized in the income statement.

Benefits of termination of employment relationship
The benefits of termination of employment relationship are recognized as an expense when the Group can no longer withdraw the offer of such benefits and when the Group recognizes the costs of restructuring. If payments are settled after 12 months from the balance sheet date, then they are discounted to their present values.

Taxation
Income tax and social contribution expense represents the sum of current tax and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax expense calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on temporary differences and tax losses (i.e. differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and tax losses to the extent that it is probable that taxable profits will be available against which those assets can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets current tax assets against current tax liabilities when these items are in the same entity and relate to income taxes levied by the same taxation authority and the taxation authority permits the company to make or receive a single net payment. In the consolidated financial statements, a deferred tax asset of one entity in the Group cannot be offset against a deferred tax liability of another entity in the Group as there is no legally enforceable right to offset tax assets and liabilities between Group companies.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items charged or credited directly to equity, in which case the tax is also taken directly to equity.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method as follows.

Buildings:	25 years
Leasehold improvements:	(*)
Vessels:	25 to 35 years
Vehicles:	5 years
Plant and Equipment:	5 to 20 years

(*) lower of the rental period or useful life of underlying asset

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets in the course of construction are carried at cost, less any recognized impairment loss. Costs include professional fees for qualifying assets. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, except when there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term in which the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Docking costs are capitalized and depreciated over the period in which the economic benefits are received.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds, if applicable, and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. There is no indefinite life intangible asset.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Construction contracts in progress

Construction contracts in progress represent the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contracts in progress is presented as part of trade and other receivables in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings and recognised losses. If progress billings and recognised losses exceed costs incurred plus recognised profits, then the difference is presented as deferred income/ revenue in the statement of financial position. Customer advances are presented as deferred income/revenue in the statement of financial position.

Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle and comprise direct materials and, where applicable, directly attributable labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and liabilities are recognized in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

a. Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Investments are recognized and derecognized on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

All recognized financial assets, except for FVTPL are subsequently measured in their entirety at either amortised cost.

Income is recognized on an effective interest, rate method basis for debt instruments other than those financial assets designated as at FVTPL.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The financial assets of the Company have been classified as loan and receivables.

Loans and receivables

The following instruments have been classified as loans and receivables and are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- Cash and Cash Equivalents / Investments: Cash and cash equivalents comprise cash in hand and other short-term highly liquid with maturities of less than 90 days and which are subject to an insignificant risk of changes in value; and Investments comprise cash in hand and other investments with more than 90 days of maturity.

- Trade Receivables: Trade receivables and other amounts receivable are stated at the present value of the amounts due, reduced by the impairment loss.

Impairment of financial assets

Financial assets that are measured at amortized cost are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or

- Default or delinquency in interest or principal payments; or

- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

- The disappearance of an active market for that financial asset of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received

b. Financial liabilities

Financial liabilities are classified as either financial liabilities "as FVTPL" or "other financial liabilities".

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Other financial liabilities are initially measured at fair value, net of transaction cost.

Other financial liabilities are subsequently measured at amortization cost, using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

There are no financial liabilities classified at FVTPL.

Other financial liabilities

- Bank overdrafts and loans: Interest-bearing bank loans, overdrafts and obligations under finance leases are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

- Trade Payables: Trade payables and other amounts payables are measured at fair value, net of transaction cost.

Derivatives
One of the Group's subsidiaries holds derivatives to hedge foreign currency exposure arising from capital expenditure denominated in Real. These derivatives are marked to market every end of month.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value, with gains or losses reported in the income statement. The Group does not have embedded derivatives for the periods presented.

Hedge Accounting (Cash flow hedge)
The Group seeks to apply hedge accounting (cash flow hedge) in order to manage volatility in profit or loss. When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, plant and equipment purchases) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial carrying amount of the asset or liability. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Derecognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow of economic benefits will be required to settle that obligation a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments
In accordance with IFRS 2 Share-based Payments, the liabilities for cash settled share-based payments, are recognized at fair value.

At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Fair value is measured by use of a binomial model. The fair value calculated by the model has been adjusted, based on management's best estimate, for the effects of behavioural considerations.

Revenue

Revenue is measured at fair value of the consideration received or receivable for goods and services provided in the normal course of business net of trade discounts and other sales related taxes.

Revenue related to of services is recognized when the work in proportion to the stage of completion of transaction contracted has been performed in accordance with contracted terms.

Revenue from construction contracts is recognized by reference to the stage of completion of the contract, in accordance with the Group's aforementioned accounting policy on construction contracts.

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholders rights to receive payment have been established.

Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, has been agreed with the customer and consequently is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent it is probable contract costs incurred will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee:

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Operating leases payments are recognized as an expense on a straight-line basis over the lease term.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Finance income and finance costs

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. The date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, fair value losses on financial assets at fair value through profit or loss and contingent consideration, losses on hedging instruments that are recognised in profit or loss.

Segment reporting

Segment results that are reported for the Group include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

2.2 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, which are described above, management has made the following judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements as mentioned below.

a. Provision for tax, labour and civil risks

In the normal course of business in Brazil, the Group is exposed to local legal cases. Provisions for legal cases are made when the Group's management, together with their legal advisors, considers the probable outcome is a financial settlement against the Group. Provisions are measured at the Management's best estimate of the expected expenditure required to settle the obligation based upon legal advice received. For labour claims the provision is based on prior experience and managements' best knowledge of the relevant facts and circumstances.

b. Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the value and timing of future taxable results. Given the long-term nature and the complexity of existing contracts, differences between the actual results and the assumptions adopted or future changes in such assumptions could require future adjustments to the tax income and expense already recorded. The Group forms provisions, based on applicable estimates, for possible consequences of auditing by tax authorities of the respective jurisdictions where it operates. The amount of such provisions is based on several factors, such as prior experiences with fiscal audits and different interpretations of the tax regulations by the taxable entity and by the tax authority in question. Such differences in interpretation may arise for the most diverse matters, depending on the conditions in force in the respective domicile of the Group's entity.

c. Deferred and recoverable income tax and social contribution

The Group records assets related to deferred taxes resulting from temporary differences and tax losses between the book value of assets and liabilities and their tax bases. Deferred tax assets are recognized to the extent that the Group expects to generate sufficient taxable profit based on projections and forecasts prepared by Management. Such projections and forecasts include several assumptions regarding the Group's performance, foreign exchange rates, volume of services, other rates and factors that may differ from present estimates.

Under the current Brazilian tax legislation, tax losses do not expire for utilization. However, cumulative tax losses can only be offset by up to 30% of the annual taxable profit.

d. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The recoverable amount calculation requires the entity's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the end of the reporting period was US$37.6 million (R$88.1 million) (Dec 31, 2012: US$15.6 million (R$31.9 million)) (Jan 1st 2012: US$15.6 million (R$29.3 million)). Details of the impairment loss calculation are provided in Note 9. There is not any impairment losses recognized for the periods presented.

e. Fair value of derivatives

As described in Note 25, the Company may use derivatives contracts to manage risk. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments.

f. Cash settled share-based payment schemes

The fair value of cash settled share-based payments is determined using a binomial model. The assumptions used in determining this fair value include, amongst others, the life of the options, share price volatility, dividend yield and the risk free rate. Expected volatility is determined by calculating the volatility of the Group's share price over a historical period. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of behavioural considerations. Expected dividend yield are based on the Groups dividend policy. In determining the risk free rate the Group utilizes the yield on a zero coupon government bond in the currency in which the exercise price is expressed. Forfeiture rates are applied and historical distributions to fair valuations in computing the share based payment charge. The Group uses forfeiture rates in line with management's best estimate of the percentage of awards which will be forfeited, based on the proportion of award holders expected to leave the Group.

Any changes in these assumptions will impact the carrying amount of cash settled share-based payments liabilities.

g. Useful lives of property, plant and equipment and intangible assets with finite useful lives

Depreciation and amortization are charged so as to write off the cost or valuation of assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method. Estimated useful lives are determined based on prior experience and management's best knowledge, and are reviewed annually.

Reclassification

In order to improve the quality of the financial statements, Company´s management has decided to reclassify gain/losses on translation recognized in statement of operations (resulting from the application of IAS 21), which was previously allocated to revenue, costs, and financial results, to a single line in the statement of operations, denominated "gain/loss on translation".

Previous financial figures and those reclassified are as follows:

	As presented Dec 31, 2012 US$	**Reclassified Dec 31, 2012 US$**
Revenues	(3,089)	-
Costs	(3,531)	-
Financial results	(8,092)	(14,712)
Total Gain/Loss on translation	(14,712)	(14,712)

2.3 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1st, 2014, and have not been applied in preparing these consolidated financial statements. That which may be relevant to the Group is set out below. The Group does not plan to adopt new standards in advance.

IFRS 9 Financial Instruments (2010) and IFRS 9 Financial Instruments (2009)
The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. The approach in IFRS 9 (2009) is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The IFRS 9 (2010) incorporates new requirements on accounting for financial liabilities. The IASB intends to expand IFRS 9 to add new requirements for impairment of financial assets measured at amortised cost and include limited amendments to the classification and measurement requirements.

The IFRS 9 (2010 and 2009) is effective for annual periods beginning on or after January 1st, 2015.

The adoption of IFRS 9 (2010) might have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities.

The International Accounting Standards Board (IASB) has not yet issued accounting pronouncement or amendments of this standard in existing pronouncements.

2.4 Standards and interpretations adopted

New standards issued by the IASB were effective for annual periods beginning on or after January 1st 2013 as set out in Note 2 (New standards and interpretations) of our consolidated financial statements for the year ended December 31, 2012.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single framework for measuring and disclosure about fair value when such measurements are required or permitted by other IFRSs It unifies the definition of fair value as the price that would be received to sell an asset or would be paid for the transfer a liability in an orderly transaction between market participants at the measurement date. It

replaces and expands the disclosure requirements included in other IFRSs, including the IFRS 7. As a result, the Group has included additional disclosures in this regard (see note 25).

IAS 1 Presentation of Items in Other Comprehensive Income
As a result of the revision of CPC 26 (R2) / IAS 1, the Group has changed the presentation of items in its statement of other comprehensive income to present items that are reclassified to the statement of those who will never separately. There was no information from the previous year that should not restated for comparison purposes.

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

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

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

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

- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

The new standard applied by the Company includes the effect of recognising the profit / loss of Wilson Sons Ultratug Offshore and Atlantic Offshore S.A. on a single line in the Income Statement and Statement of Financial Position to reflect Company's 50% participation rather than the previous treatment with proportional consolidation line by line. Additionally, Allink, the Company's 50% Non-Vessel Operating Common Carrier ("NVOCC"), which previously included only 50% share in both the Income Statement and Statement of Financial Position, are now 100% consolidated in the financial statements, with a 50% non controlling interest. For further details of these entities, please refer to note 22 and 23.

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

	Consolidated statements of comprehensive income December 31, 2012					
	As previously presented (*) US$	**Impact of New Standards and G&L reclassification US$**	**Restated US$**	**As previously presented (*) R$**	**Impact of New Standards and G&L reclassification R$**	**Restated R$**
Revenue	645,327	(34,973)	610,354	1,318,724	(71,464)	1,247,260
Raw materials and consumables used	(77,719)	5,512	(72,207)	(158,819)	11,265	(147,554)
Employee benefits expense	(238,669)	17,396	(221,273)	(487,720)	35,549	(452,171)
Depreciation and amortization expenses	(66,618)	10,722	(55,896)	(136,132)	21,909	(114,223)
Other operating expenses	(176,850)	6,826	(170,024)	(361,394)	13,950	(347,444)
Profit on disposal of property, plant and equipment	(546)	12	(534)	(1,117)	25	(1,092)
Results from operating activities	84,925	5,495	90,420	173,542	11,234	184,776
Share of result of joint ventures	-	689	689	-	1,409	1,409
Investment income	3,791	14,051	17,842	7,747	28,712	36,459
Finance costs	(15,236)	5,804	(9,432)	(31,135)	11,860	(19,275)
Foreign exchange gains (losses) on monetary items (**)	-	(14,712)	(14,712)	-	(30,064)	(30,064)
Profit before tax	73,480	11,327	84,807	150,154	23,151	173,305
Income tax expense	(25,466)	(8,131)	(33,597)	(52,036)	(16,620)	(68,656)
Profit for the year	48,014	3,196	51,210	98,118	6,531	104,649
Profit for the year attributable to:						
Owners of the Company	47,348	2	47,350	96,756	5	96,761
Non controlling interest	666	3,194	3,860	1,362	6,526	7,888
	48,014	3,196	51,210	98,118	6,531	104,649

(*) As presented as of December 31, 2012

(**) From second quarter 2013 onwards, the Company is ceasing the allocation of foreign exchange gains and losses to Revenues and Costs, and maintaining them in a specific line for Gain/Loss on Translation (see note 7).

Consolidated statement of financial position
December 31, 2012

	As previously presented (*) US$	Impact of New Standards US$	Restated US$	As previously presented (*) R$	Impact of New Standards R$	Restated R$
Property, plant and equipment	828,750	(233,887)	594,863	1,693,550	(477,947)	1,215,603
Investment in joint ventures	-	27	27	-	56	56
Trade and other receivables	16,892	1,155	18,047	34,518	2,360	36,878
Other non-current assets	85,606	(1,791)	83,815	174,937	(3,662)	171,275
Total non-current assets	931,248	(234,496)	696,752	1,903,005	(479,193)	1,423,812
Inventories	27,697	9,756	37,453	56,599	19,937	76,536
Trade and Other Receivables	168,751	29,462	198,213	344,842	60,207	405,049
Cash and Cash equivalents	120,675	(4,657)	116,018	246,596	(9,513)	237,083
Other current assets	20,490	(490)	20,000	41,872	(1,002)	40,870
Total current assets	337,613	34,071	371,684	689,909	69,629	759,538
Total Assets	1,268,861	(200,425)	1,068,436	2,592,914	(409,564)	2,183,350
Equity attributable to owners of the Company	498,118	-	498,118	1,017,902	-	1,017,902
Non-controlling interests	2,630	1,104	3,734	5,374	2,257	7,631
Total equity	500,748	1,104	501,852	1,023,276	2,257	1,025,533
Bank loans	524,908	(200,770)	324,138	1,072,650	(410,275)	662,375
Other non-current assets	32,608	(2,655)	29,953	66,632	(5,422)	61,210
Total non-current assets	557,516	(203,425)	354,091	1,139,282	(415,697)	723,585
Trade and Other payables	163,116	9,456	172,572	333,327	19,324	352,651
Bank overdrafts and loans	43,179	(7,682)	35,497	88,236	(15,698)	72,538
Other current liabilities	4,302	122	4,424	8,793	250	9,043
Total current liabilities	210,597	1,896	212,493	430,356	3,876	434,232
Total equity and liabilities	1,268,861	(200,425)	1,068,436	2,592,914	(409,564)	2,183,350

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

Consolidated statement of financial position
January 1st, 2012

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

(*) As presented as of January 1st, 2012.

Consolidated statements of cash flows
December, 2012

	As previously presented (*) US$	Impact New Statements US$	Restated US$	As previously presented (*) R$	Impact New Statements R$	Restated R$
Net cash generated by operating activities	124,937	(9,107)	115,830	255,309	(18,611)	236,698
Interest received	9,318	244	9,562	19,041	499	19,540
Proceeds on disposal of property, plant and equipment	2,238	(579)	1,659	4,573	(1,183)	3,390
Purchases of property, plant and equipment	(162,481)	59,326	(103,155)	(332,029)	121,232	(210,797)
Other intangible assets	(7,761)	552	(7,209)	(15,861)	1,129	(14,732)
Investment - short term and long term investment	4,500	-	4,500	9,196	-	9,196
Net cash used in investing activities	(154,186)	59,543	(94,643)	(315,080)	121,677	(193,403)
Cash flow from financing activities						
Dividends paid	(18,070)	-	(18,070)	(36,926)	-	(36,926)
Dividends paid – non controlling	-	(3,319)	(3,319)	-	(6,782)	(6,782)
Repayments of borrowings	(33,826)	7,390	(26,436)	(69,123)	15,102	(54,021)
Repayments of obligation under finance leases	(3,331)	-	(3,331)	(6,807)	-	(6,807)
New bank loans raised	108,121	(59,196)	48,925	220,945	(120,967)	99,978
Derivatives paid	(139)	139	-	(284)	284	-
Net cash generated by financing activities	52,755	(54,986)	(2,231)	107,805	(112,363)	(4,558)
Net increase (decrease) in cash and cash equivalents	19,773	(817)	18,956	40,405	(1,668)	38,737
Cash and cash equivalents at beginning of the period	112,388	(5,680)	106,708	210,817	(10,654)	200,163
Effect of foreign exchange rate changes	(11,488)	1,842	(9,646)	(23,476)	3,764	(19,712)
Translation adjustment to Real	-	-	-	18,849	(954)	17,895
Cash and cash equivalents at end of the period	120,673	(4,655)	116,018	246,595	(9,512)	237,083

(*) As presented as of December 31, 2012

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 constructions of fixed assets in that segment.

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

Segment information relating to these businesses is presented below:

	2013								
	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Shipyard US$	Non segment activities US$	Elimination US$	Consolidated US$
Revenue	196,597	241,859	24,524	-	96,846	171,096	-	(70,816)	660,106
Operating profit	61,181	54,507	3,439	-	11,384	22,940	(26,531)	(2,802)	124,118
Finance costs	(6,392)	(16,715)	(24)	-	(1,410)	(708)	4,110	31	(21,108)
Operating profit adjusted by finance cost	54,789	37,792	3,415	-	9,974	22,232	(22,421)	(2,771)	103,010
Share of results of Joint Ventures	-	-	-	2,392	-	-	-	-	2,392
Finance income	-	-	-	-	-	-	-	-	11,039
Foreign exchange gains (losses) on monetary items	-	-	-	-	-	-	-	-	(30,171)
Profit before tax	-	-	-	-	-	-	-	-	86,270
Other information									
Capital expenditures	(27,257)	(93,474)	(123)	-	(3,260)	(7,025)	(5,808)	-	(136,947)
Depreciation and amortization	(13,452)	(31,693)	(669)	-	(6,803)	(1,680)	(4,375)	-	(58,672)
Balance sheet									
Segment assets	306,995	412,001	1,570	2,577	37,668	96,474	221,505	-	1,078,790
Segment liabilities	(207,888)	(194,857)	(6,855)	-	(20,831)	(114,266)	(17,095)	-	(561,792)

	2012								
	Towage US$	**Port terminals US$**	**Ship agency US$**	**Offshore US$**	**Logistics US$**	**Shipyard US$**	**Non segment activities US$**	**Elimination US$**	**Consolidated US$**
Revenue	179,051	227,439	24,568	-	117,050	146,903	-	(84,657)	610,354
Operating profit	44,626	59,675	4,240	-	7,033	21,259	(39,213)	(7,200)	90,420
Finance costs	(5,936)	(4,273)	(41)	-	(2,710)	(69)	3,533	64	(9,432)
Operating profit adjusted by finance cost	38,690	55,402	4,199	-	4,323	21,190	(35,680)	(7,136)	80,988
Share of results of Joint Ventures	-	-	-	689	-	-	-	-	689
Finance income	-	-	-	-	-	-	-	-	17,842
Foreign exchange gains (losses) on monetary items	-	-	-	-	-	-	-	-	(14,712)
Profit before tax	-	-	-	-	-	-	-	-	84,807
Other information:									
Capital expenditures	(32,379)	(56,017)	(72)	-	(3,570)	(30,238)	(6,640)	-	(128,916)
Depreciation and amortization	(17,812)	(24,982)	(632)	-	(10,324)	(993)	(1,153)	-	(55,896)
Balance sheet									
Segment assets	342,177	355,906	3,725	27	66,304	89,145	211,152	-	1,068,436
Segment liabilities	(213,994)	(182,677)	(7,008)	-	(53,408)	(84,306)	(25,191)	-	(566,584)

	2013								
	Towage R$	**Port terminals R$**	**Ship agency R$**	**Offshore R$**	**Logistics R$**	**Shipyard R$**	**Non segment activities R$**	**Elimination R$**	**Consolidated R$**
Revenue	460,548	566,579	57,450	-	226,871	400,810		(165,894)	1,546,364
Operating profit	143,323	127,688	8,056	-	26,668	53,741	(62,152)	(6,564)	290,760
Finance costs	(14,974)	(39,157)	(56)	-	(3,303)	(1,659)	9,628	73	(49,448)
Operating profit adjusted by finance cost	128,349	88,531	8,000	-	23,365	52,082	(52,524)	(6,491)	241,312
Share of results of Joint Ventures	-	-	-	5,603	-	-	-	-	5,603
Finance income	-	-	-	-	-	-	-	-	25,860
Foreign exchange gains (losses) on monetary items	-	-	-	-	-	-	-	-	(70,679)
Profit before tax	-	-	-	-	-	-	-	-	202,096
Other information									
Capital expenditures	(63,852)	(218,972)	(288)	-	(7,637)	(16,457)	(13,606)	-	(320,812)
Depreciation and amortization	(31,513)	(74,244)	(1,567)	-	(15,937)	(3,936)	(10,248)	-	(137,445)
Balance sheet									
Segment assets	719,166	965,154	3,678	6,036	88,241	226,000	518,897	-	2,527,172
Segment liabilities	(486,998)	(456,472)	(16,059)	-	(48,799)	(267,680)	(40,044)	-	(1,316,052)

	2012								
	Towage	**Port terminals**	**Ship agency**	**Offshore**	**Logistics**	**Shipyard**	**Non segment activities**	**Elimination**	**Consolidated**
	R$	**R$**	**R$**	**R$**	**R$**	**R$**	**R$**	**R$**	**R$**
Revenue	365,891	464,773	50,205	-	239,192	300,196	-	(172,997)	1,247,260
Operating profit	91,193	121,946	8,664	-	14,372	43,443	(80,129)	(14,713)	184,776
Finance costs	(12,130)	(8,732)	(84)	-	(5,537)	(141)	7,218	131	(19,275)
Operating profit adjusted by finance cost	79,063	113,214	8,580	-	8,835	43,302	(72,911)	(14,582)	165,501
Share of results of Joint Ventures	-	-	-	1,409	-	-	-	-	1,409
Finance income	-	-	-	-	-	-	-	-	36,459
Foreign exchange gains (losses) on monetary items	-	-	-	-	-	-	-	-	(30,064)
Profit before tax	-	-	-	-	-	-	-	-	173,305
Other information									
Capital expenditures	(66,166)	(114,471)	(147)	-	(7,295)	(61,791)	(13,569)	-	(263,439)
Depreciation and amortization	(36,399)	(51,051)	(1,294)	-	(21,097)	(2,028)	(2,354)	-	(114,223)
Balance sheet									
Segment assets	699,238	727,296	7,612	56	135,492	182,168	431,488	-	2,183,350
Segment liabilities	(437,297)	(373,300)	(14,321)	-	(109,139)	(172,279)	(51,481)	-	(1,157,817)

Geographical information

The Group's operations are mainly located in Brazil. The Group earns income on cash and cash equivalents and investments in Bermuda and in Brazil and incurs revenues and expenses on its activities in the latter country.

Information about major customers

Petrobras and its subsidiaries contributed between to 12% - 13% to the Group´s revenue for both 2013 and 2012.

4 Revenue

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

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Sales of services	559,825	548,575	1,311,446	1,121,016
Revenue from construction contracts	100,281	61,779	234,918	126,244
Total	660,106	610,354	1,546,364	1,247,260

5 Employee charges and benefits expenses

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Salaries and benefits	175,451	173,594	411,012	354,738
Payroll taxes	33,010	44,569	77,329	91,077
Pension costs	1,481	1,420	3,469	2,902
Long-term incentive plan (Note 20)	(1,430)	1,690	(3,350)	3,454
Total	208,512	221,273	488,460	452,171

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

6 Other operating expenses

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Service cost	55,545	51,800	130,120	105,853
Rents of tugs	28,790	22,386	67,443	45,746
Freight	11,359	9,491	26,610	19,395
Other rentals	26,474	24,284	62,018	49,624
Energy, water and communication	23,829	23,853	55,822	48,744
Container handling	13,512	12,676	31,653	25,903
Insurance	5,320	6,525	12,463	13,334
Other taxes	9,823	11,148	23,011	22,781
Other expenses	9,788	7,861	22,929	16,064
Total	184,440	170,024	432,069	347,444

7 Finance income and finance costs

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Interest on investments	8,512	9,004	19,940	18,398
Exchange gain (loss) on investments	(847)	3,077	(1,984)	6,288
Other interest income	3,374	5,761	7,904	11,773
Total investment income	11,039	17,842	25,860	36,459
Interest on bank loans and overdrafts	(11,571)	(9,907)	(27,106)	(20,245)
Exchange gain (loss) on loans	(9,576)	707	(22,433)	1,445
Interest on obligations under finance leases	(715)	(864)	(1,675)	(1,766)
Total borrowing costs	(21,862)	(10,064)	(51,214)	(20,566)
Other interest	754	632	1,766	1,291
Total finance costs	(21,108)	(9,432)	(49,448)	(19,275)
Foreign exchange gains (losses) on monetary items	(30,171)	(14,712)	(70,679)	(30,064)

8 Income tax expense

Income tax recognized in profit or loss:

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Current				
Brazilian taxation				
Income tax	23,642	26,360	55,384	53,867
Social contribution	9,909	10,213	23,213	20,870
Total Brazilian current tax	33,551	36,573	78,597	74,737
Deferred tax				
Total deferred tax	8,708	(2,976)	20,399	(6,081)
Total income tax expense	42,259	33,597	98,996	68,656

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 year can be reconciled to the accounting profit as follows:

	2013 US$	2012 US$ (Restated)	2013 R$	2012 R$ (Restated)
Profit before tax	86,270	84,807	202,096	173,303
Tax at statutory Brazilian tax rate (34%)	29,331	28,832	68,711	58,919
Effect of exchange differences arising on non-translation _	18,740		43,900	
IAS 21		9,370		19,148
Exchange differences on US Dollar loans	307	(157)	719	(321)
Effect of different tax rates in other jurisdictions	952	2,674	2,230	5,464
Other	(7,071)	(7,122)	(16,564)	(14,554)
Income tax expense	42,259	33,597	98,996	68,656
Effective rate for the year	49%	40%	49%	40%

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

New tax legislation to be applied as from January 1st, 2015
Management performed an initial evaluation of the provisions contained in Provisional Measure (MP) 627 of November 11, 2013 and Normative Instruction 1397, published on September 16, 2013, amended by the Normative Instruction 1422, of December 19, 2013 ("IN 1397") .

Although the MP 627 comes in force from January 1, 2015, there is the possibility of an option (irreversibly) for its implementation from January 1, 2014. The Administration has not yet concluded whether it will make the option for early adoption.

Additionally, the Federal Revenue of Brazil will further regulate several issues listed in MP 627, including the way in which companies formalize their option for its early adoption, and there is already a large number of proposed amendments to the regulations. Accordingly, management believes that there might be no significant impacts on the financial statements on December, 31 2013.

9 Goodwill

	Dec 31, 2013 US$	Dec 31, 2012 US$ (Restated)	Jan 1st, 2012 US$ (Restated)
Cost and carrying amount attributed to:			
Tecon Rio Grande	13,132	13,132	13,132
Tecon Salvador	2,480	2,480	2,480
Brazilian Intermodal Complex (Briclog)	22,010	-	-
Total	37,622	15,612	15,612

	Dec 31, 2013 R$	Dec 31, 2012 R$ (Restated)	Jan 1st, 2012 R$ (Restated)
Cost and carrying amount attributed to:			
Tecon Rio Grande	30,763	26,835	24,633
Tecon Salvador	5,810	5,068	4,652
Brazilian Intermodal Complex (Briclog)	51,561	-	-
Total	88,134	31,903	29,285

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% (Dec 31, 2012: 10,07% and (Jan 1st, 2012: 12%) 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.

Briclog'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$ 23,272 (R$ 51,561), with negative foreign exchange impact of US$ 1,263 due to the translation effect, on December 31, 2013. 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 January1, 2012 - Restated	39,041	73,232
Additions	7,209	14,731
Disposals	(684)	(1,398)
Exchange differences	(1,510)	(3,086)
Foreign currency gain in respect of translation into Brazilian Real	-	6,551
At December 31, 2012 - Restated	44,056	90,030
Additions	26,028	60,973
Additions Briclog	266	623
Disposals	(30)	(70)
Exchange differences	(3,469)	(8,126)
Foreign currency gain in respect of translation into Brazilian Real	-	13,175
At December 31, 2013	66,851	156,605
Accumulated amortization		
At January1,2012 - Restated	10,578	19,841
Additions	5,258	10,745
Disposals	(627)	(1,282)
Exchange differences	(498)	(1,017)
Foreign currency gain in respect of translation into Brazilian Real	-	1,776
At December 31, 2012 - Restated	14,711	30,063
Additions	6,302	14,763
Additions Briclog	206	483
Disposals	(23)	(54)
Exchange differences	(995)	(2,331)
Foreign currency gain in respect of translation into Brazilian Real	-	4,401
At December 31, 2013	20,201	47,325
Carrying amount		
December 31, 2013	46,650	109,280
December 31, 2012 - Restated	29,345	59,967
January 1st, 2012 - Restated	28,463	53,391

The additions in Intangible asset for the period is attributable mainly to the 30-year lease right to operate, arisen from the Briclog acquisition as mentioned in the Note 22.

Intangible fixed assets arose from (i) the acquisition of a 30-year lease right to operate a sheltered area at Guanabara Bay, Rio de Janeiro carrying an amount of US$21.5 million (R$50.3 million), (ii) the acquisition of concession rights for the container and heavy cargo terminal in Salvador in 2000 and the Ponta Norte expansion (Tecon Salvador) in 2010 carrying an amount of US$ 9.3million (R$21.7 million) (Dec 31, 2012 US$11.5 million (R$23.5 million), (iii) and the implementation of integrated management software (SAP) carrying an amount of US$7.6 million (R$17.8 million) (Dec 31, 2012 US$9.7 million (R$19.9 million)), and (iv) other systems and applications carrying an amount of US$8.3 million (R$19.5 million) (Dec 31, 2012 US$8.1 million (R$16.6 million)).

11 Property, plant and equipment

	Land and buildings US$	Vessels US$	Vehicles, plant and equipment US$	Assets under construction US$	Total US$
Cost					
At January 1, 2012 - Restated	213,951	296,644	232,582	2,667	745,844
Additions	68,049	3,474	23,232	26,952	121,707
Transfers	15	13,743	(15)	(13,743)	-
Exchange differences	(8,482)	-	(7,037)	-	(15,519)
Disposals	(1,174)	-	(5,315)	-	(6,489)
At December 31, 2012 - Restated	272,359	313,861	243,447	15,876	845,543
Additions	38,153	7,197	30,234	19,091	94,675
Additions - Briclog	12,687	-	3,291	-	15,978
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 December 31, 2013	299,497	321,162	251,619	23,054	895,332
Accumulated depreciation					
At January 1, 2012 - Restated	34,972	98,783	73,414	-	207,169
Charge for the year	12,759	14,350	23,529	-	50,638
Elimination on construction contracts	-	2,628	-	-	2,628
Exchange differences	(1,254)	-	(4,148)	-	(5,402)
Disposals	(545)	(3)	(3,805)	-	(4,353)
At December 31, 2012 - Restated	45,932	115,758	88,990	-	250,680
Additions	17,584	11,523	23,264	-	52,371
Additions - Briclog	530	-	1,489	-	2,019
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 December 31, 2013	60,195	119,684	98,541	-	278,420
Carrying amount					
December 31, 2013	239,302	201,478	153,078	23,054	616,912
December 31, 2012 - Restated	226,427	198,103	154,457	15,876	594,863
January 1st, 2012 - Restated	178,979	197,861	159,165	2,667	538,672

	Land and buildings R$	Vessels R$	Vehicles, plant and equipment R$	Assets under construction R$	Total R$
Cost or valuation					
At January 1, 2012 - Restated	401,329	556,445	436,277	5,003	1,399,054
Additions	139,058	7,099	47,475	55,076	248,708
Transfers	31	28,084	(31)	(28,084)	-
Exchange differences	(17,333)	-	(14,380)	-	(31,713)
Disposals	(2,399)	-	(10,861)	-	(13,260)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	35,880	49,747	39,004	447	125,078
At December 31, 2012 - Restated	556,566	641,375	497,484	32,442	1,727,867
Additions	89,377	16,860	70,826	44,723	221,786
Additions - Briclog	29,721	-	7,709	-	37,430
Transfers	(11,790)	27,907	11,790	(27,907)	-
Exchange differences	(39,035)	-	(33,040)	-	(72,075)
Disposals	(4,699)	(27,664)	(38,142)	-	(70,505)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	81,462	93,876	72,816	4,748	252,902
At December 31, 2013	701,602	752,354	589,443	54,006	2,097,405
Accumulated depreciation					
At January 1, 2012 - Restated	65,600	185,297	137,710	-	388,607
Charge for the year	26,073	29,324	48,082		103,479
Elimination on construction contracts	-	5,370	-	-	5,370
Exchange differences	(2,591)	29	(8,476)	-	(11,038)
Disposals	(1,114)	(6)	(7,776)	-	(8,896)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	5,865	16,566	12,311	-	34,742
At December 31, 2012 - Restated	93,833	236,580	181,851	-	512,264
Charge for the year	41,192	26,994	54,498	-	122,684
Additions - Briclog	1,242	-	3,488	-	4,730
Elimination on construction contracts	-	8,771	-	-	8,771
Exchange differences	(7,468)	-	(14,084)	-	(21,552)
Disposals	(1,520)	(26,600)	(21,528)	-	(49,648)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	13,733	34,627	26,617	-	74,977
At December 31, 2013	141,012	280,372	230,842	-	652,226
Carrying amount					
December 31, 2013	560,590	471,982	358,601	54,006	1,445,179
December 31, 2012 - Restated	462,733	404,795	315,633	32,442	1,215,603
January 1st, 2012 – Restated	335,729	371,148	298,561	5,003	1,010,441

The cost balance of the Group's vehicles, plant and equipment includes an amount of US$22.3 million (R$52.2 million) (Dec 31, 2012: US$20.5 million (R$41.9 million)) (Jan 1st, 2012: US$21.0 million (R$39.4 million)) in respect of assets held under finance leases.

Land and buildings with a net carrying amount of US$0.2 million (R$0.5 million) (Dec 31, 2012: US$0.2 million (R$0.5 million)) (Jan 1st, 2012: US$0.3 million (R$0.5 million)) and tugboats with a net carrying amount of US$2.0 million (R$4.7 million) (Dec 31, 2012: US$2.2 million (R$4.5 million)) (Jan 1st, 2012: US$2.4 million (R$4.5 million)) have been pledged as guarantee of various lawsuits (tax cases).

The Group has pledged assets with a carrying amount of approximately US$234.1 million (R$548.3 million) (Dec 31, 2012: US$588.6 million (R$1,202.8 million)) (Jan 1st, 2012: US$380.5 million (R$713.7 million)) to secure loans granted to the Group (please refer to note 15).

The amount of borrowing costs capitalized in 2013 is US$1.5 million (R$4.0 million) (Dec 31, 2012: US$4.3 million (R$8.9 million) (Jan 1st, 2012: US$4.6 million (R$8.7 million)), at an average interest rate of 3.05% (Dec 31, 2012: 3.18%) (Jan 1st, 2012: 3.94%).

On December 31, 2013, the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$5.5 million (R$12.8 million) (Dec 31, 2012: US$15.8 million (R$32.4 million)) (Jan 1st, 2012: US$26.50 million (R$49.7 million)). The amount mainly refers to the expansion of Tecon Salvador and Tecon Rio Grande.

12 Inventories

	Dec 31, 2013 US$	Dec 31, 2012 Restated US$	Jan 1st, 2012 Restated US$
Operating materials	13,433	12,902	11,533
Raw materials for construction contracts (external customers)	15,657	24,551	13,838
Total	29,090	37,453	25,371

	Dec 31, 2013 R$	Dec 31, 2012 Restated R$	Jan 1st, 2012 Restated R$
Operating materials	31,467	26,366	21,632
Raw materials for construction contracts (external customers)	36,678	50,170	25,958
Total	68,145	76,536	47,590

The cost of inventories recognised as an expense during the year in respect of continuing operations was US$ 70.8 million (R$ 165.9 million) (Dec 31, 2012: US$60.7 million (R$124.1 million) (Jan 1st, 2012: US$65.8 million (R$123.5 million)).
Inventories are expected to be recovered in less than one year and there were no obsolete items.

13 Trade and other receivables

	Dec 31, 2013 US$	Dec 31, 2012 Restated US$	Jan 1st, 2012 Restated US$
Receivables for services rendered	65,541	66,025	67,807
Allowance for doubtful debts	(1,718)	(2,506)	(927)
Income tax recoverable (IT and SC)	14,956	11,096	9,261
Recoverable taxes and levies	32,755	44,814	41,278
Prepayment	7,089	43,211	16,319
Other	56,062	53,620	54,723
Total	174,685	216,260	188,461
Total current	150,687	198,213	160,496
Total non-current	23,998	18,047	27,965

	Dec 31, 2013 R$	Dec 31, 2012 Restated R$	Jan 1st, 2012 Restated R$
Receivables for services rendered	153,536	134,922	127,192
Allowance for doubtful debts	(4,025)	(5,122)	(1,740)
Income tax recoverable (IT and SC)	35,036	22,674	17,372
Recoverable taxes and levies	76,732	91,576	77,430
Prepayment	16,607	88,301	30,611
Other	131,333	109,576	102,651
Total	409,219	441,927	353,516
Total current	353,000	405,049	301,059
Total non-current	56,219	36,878	52,457

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 (Note 22). 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 Administration is developing a plan to use their 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 of Brasil.

The fire which occurred in the Guarujá II shipyard warehouse impacted negatively property, plant and equipment (US$ 1.5 million (R$ 2.8 million)) and inventories (US$ 13.9 million (R$ 25.4 million)). The Company holds insurance policies covering the damage to the warehouse and materials inventory used in the shipbuilding process.

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

	Dec 31, 2013	Dec 31, 2012	Jan 1st, 2012
		Restated	Restated
	US$	US$	US$
Current	50,991	47,257	51,542
Overdue but not impaired:			
01 to 30 days	9,046	8,670	13,720
31 to 90 days	3,015	4,043	996
91 to 180 days	771	3,549	622
Impaired:			
More than 180 days	1,718	2,506	927
Total	65,541	66,025	67,807

	Dec 31, 2013	Dec 31,2012	Jan 1st, 2012
		Restated	Restated
	R$	R$	R$
Current	119,452	96,570	96,682
Overdue but not impaired:			
01 to 30 days	21,190	17,718	25,736
31 to 90 days	7,063	8,261	1,868
91 to 180 days	1,806	7,251	1,166
Impaired:			
More than 180 days	4,025	5,122	1,740
Total	153,536	134,922	127,192

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 have low possibilities of recovery. 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 January 1st, 2012 - Restated	927	1,740
Increase in allowance	1,705	3,485
Exchange difference	(126)	(258)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	-	155
At December 31, 2012 - Restated	2,506	5,122
Decrease in allowance	(650)	(1,523)
Exchange difference	(138)	(326)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	-	752
At December 31, 2013	1,718	4,025

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

14 Cash and cash equivalents and 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:

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st 2012 Restated
	US$	US$	US$
Denominated in US dollar:			
Cash and cash equivalents	13,943	5,512	572
Short-term investments	33,000	20,000	24,500
Total	46,943	25,512	25,072
Denominated in Brazilian Real:			
Cash and cash equivalents	84,003	110,506	106,136
Total	84,003	110,506	106,136
Total cash and cash equivalents	97,946	116,018	106,708
Total short-term investments	33,000	20,000	24,500

	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st 2012 Restated**
	R$	**R$**	**R$**
Denominated in US dollar:			
Cash and cash equivalents	32,663	11,264	1,073
Short-term investments	77,306	40,870	45,957
Total	109,969	52,124	47,030
Denominated in Brazilian Real:			
Cash and cash equivalents	196,785	225,819	199,090
Total	196,785	225,819	199,090
Total cash and cash equivalents	229,448	237,083	200,163
Total short-term investments	77,306	40,870	45,957

Private investment fund

The Group has investments in a private investment fund called Hydrus Fixed Income Private Credit Investment Fund that are consolidated in these financial statements. This private investment fund comprises deposit certificates, financial notes and debentures, with final maturities ranging from January 2014 to January 2019. About 67.62% of the securities included in the portfolio of the Private Investment Fund have daily liquidity and are marked to fair value on a daily basis against current earnings. This private investment fund does not have significant financial obligations. Any financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses.

15 Bank overdrafts and loans

	Interest rate - %	Dec 31, 2013 US$	Dec 31, 2012 Restated US$	Jan 1st, 2012 Restated US$
Unsecured borrowings				
Bank overdrafts - Real	0.00% p.a.	-	-	132
Total unsecured borrowings		-	-	132
Secured borrowings				
BNDES - FINAME Real [1]	3.0% to 12.00% p.a.	10,366	19,401	30,591
BNDES - FMM linked to US Dollar [2]	2.07% to 6% p.a.	214,826	213,999	198,827
BNDES - FMM Real [2]	9.71% p.a.	3,247	3,994	4,540
BNDES – Real [3]	6.76% - 6.89% p.a.	9,849	3,604	-
BNDES - linked to US Dollar [3]	5.07% to 5.36% p.a.	11,591	13,821	15,447
Total BNDES		249,879	254,819	249,405
BB - FMM linked to US Dollar [4]	2.00% to 3.00% p.a.	24,387	-	-
IFC – US Dollar [5]	3.14% p.a.	75,296	77,606	57,208
IFC – Real [5]	14.09% p.a.	1,738	2,655	3,618
Eximbank - US Dollar[6]	2.10% p.a.	11,563	13,686	15,769
Finimp - US Dollar[7]	2.02% to 4.29% p.a.	9,528	10,605	3,152
Caterpillar - Real	0.00% p.a.	-	264	487
Total others		122,512	104,816	80,234
Total secured borrowings		372,391	359,635	329,639
Total		372,391	359,635	329,771

	Interest rate - %	Dec 30, 2013 R$	Dec 31, 2012 Restated R$	Jan 1st, 2012 Restated R$
Unsecured borrowings				
Bank overdrafts - Real	0.00% p.a.	-	-	248
Total unsecured borrowings		-	-	248
Secured borrowings				
BNDES - FINAME Real [1]	3.0% to 12.00% p.a.	24,283	39,646	57,383
BNDES - FMM linked to US Dollar [2]	2.07% to 6% p.a.	503,251	437,307	372,959
BNDES - FMM Real [2]	9.71% p.a.	7,606	8,162	8,516
BNDES – Real [3]	6.76% - 6.89% p.a.	23,072	7,365	-
BNDES - linked to US Dollar [3]	5.07% to 5.36% p.a.	27,153	28,244	28,975
Total BNDES		585,365	520,724	467,833
BB - FMM linked to US Dollar [4]	2.00% to 3.00% p.a.	57,133	-	-
IFC – US Dollar [5]	3.14% p.a.	176,388	158,587	107,310
IFC – Real [5]	14.09% p.a.	4,071	5,426	6,787
Eximbank - US Dollar[6]	2.10% p.a.	27,087	27,967	29,579
Finimp - US Dollar[7]	2.02% to 4.29% p.a.	22,320	21,671	5,913
Caterpillar - Real	0.00% p.a.		538	914
Total others		286,999	214,189	150,504
Total secured borrowings		872,364	734,913	618,337
Total		872,364	734,913	618,585

1. FINAME credit line, through a variety of financial agents, finances Logistics and Port Operation equipment.
2. As an agent of Fundo da Marinha Mercante's (FMM), BNDES finances the construction of tugboats and shipyard facilities
3. 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. The debt amount is repayable over different periods up to 18 years.
4. Banco do Brasil ("BB") as a Fundo da Marinha Mercante's (FMM) agent, finances the construction of tugboats. The contract shall be repaid over 18 years starting in March, 2015, with monthly amortization and interest payment.
5. International Finance Corporation (IFC) finances projects in container terminal -Tecon Salvador. The amortization and interest payment are semiannual.
6. The Export-Import Bank of China (Eximbank) finances Tecon Rio Grande's equipment acquisition. As per the loan agreement principal shall be repaid in 9 years (5.1 years on December 31, 2013), with semiannual amortization and interest payment. There is a 2.0 % p.a. guarantee fee paid to Banco Itaú BBA.

7. Banco Itaú BBA S.A finances Tecon Rio Grande's equipment acquisition through an Import Finance Facility ("FINIMP"). As per loan agreement principal shall be repaid in 5.5 years (1.1 years on December 31, 2013) with semiannual amortization and interest payment. The other loan was signed on January 06, 2012. As per the loan agreement principal shall be repaid in 5 years (3.0 years on December 31, 2013) with semiannual amortization and interest payment.

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

	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	US$	**US$**	**US$**
Within one year	37,997	35,497	25,185
In the second year	37,370	38,358	33,927
In the third to fifth years (including)	110,115	102,608	98,092
After five years	186,909	183,172	172,567
Total	372,391	359,635	329,771
Total current	37,997	35,497	25,185
Total non-current	334,394	324,138	304,586

	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	R$	**R$**	**R$**
Within one year	89,013	72,538	47,243
In the second year	87,543	78,385	63,639
In the third to fifth years (including)	257,955	209,679	184,000
After five years	437,853	374,311	323,703
Total	872,364	734,913	618,585
Total current	89,013	72,538	47,243
Total non-current	783,351	662,375	571,342

The analysis of borrowings by currency is as follows:

	Real US$	Real linked to US Dollars US$	US Dollars US$	Total US$	Real R$	Real linked to US Dollars R$	US Dollars R$	Total R$
December 31, 2013								
Bank loans	25,200	250,804	96,387	372,391	59,032	587,537	225,795	872,364
Total	25,200	250,804	96,387	372,391	59,032	587,537	225,795	872,364
December 31, 2012								
Restated								
Bank loans	29,919	227,820	101,896	359,635	61,137	465,551	208,225	734,913
Total	29,919	227,820	101,896	359,635	61,137	465,551	208,225	734,913
January 1st, 2012								
Restated								
Bank overdrafts	132	-	-	132	248	-	-	248
Bank loans	39,236	214,274	76,129	329,639	73,601	401,934	142,802	618,337
Total	39,368	214,274	76,129	329,771	73,849	401,934	142,802	618,585

Guarantees

Loans with BNDES rely on a corporate guarantee from Wilson Sons de Administração e Comércio Ltda. For some contracts, the corporate guarantee is additional to: (i) pledge of the respective financed tug boat or platform supply vessel, (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 December 31, 2013, the Group had available US$218.5 million (R$ 512.0 million) of undrawn borrowing facilities. For each disbursement, there is a set of precedent conditions that must be satisfied.

Fair value

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

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	US$	US$	US$
Bank overdrafts	-	-	132
Bank loans			
BNDES	249,879	254,819	249,405
BB	24,387	-	-
IFC	77,034	80,352	60,934
Eximbank	11,563	13,686	15,769
Finimp	9,528	10,605	3,152
Caterpillar	-	264	487
Total bank loans	372,391	359,726	329,747
Total	372,391	359,726	329,879

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	R$	R$	R$
Bank overdrafts	-	-	248
Bank loans			
BNDES	585,365	520,724	467,833
BB	57,133	-	-
IFC	180,459	164,198	114,300
Eximbank	27,087	27,967	29,579
Finimp	22,320	21,671	5,913
Caterpillar		538	914
Total bank loans	872,364	735,098	618,539
Total	872,364	735,098	618,787

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 January 1st, 2012 - Restated	(16,203)	508	24,790	3,152	12,247
(Charge) credit to income	(1,670)	4,958	9,913	(10,225)	2,976
Exchange differences	-	(61)	(558)	-	(619)
At December 31, 2012 - Restated	(17,873)	5,405	34,145	(7,073)	14,604
(Charge)/credit to income	(1,320)	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 December 31, 2013	(19,193)	17,007	24,337	(25,813)	(3,662)

	Accelerated depreciation R$	**Exchange Differences on loans R$**	**Timing differences R$**	**Non-monetary items R$**	**Total R$**
At January 1st, 2012 - Restated	(30,393)	954	46,499	5,913	22,973
(Charge) credit to income	(3,413)	10,132	20,257	(20,895)	6,081
Exchange differences	-	(125)	(1,138)	-	(1,263)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	(2,717)	85	4,156	528	2,052
At December 31, 2012 - Restated	(36,523)	11,046	69,774	(14,454)	29,843
(Charge)/credit to income	(3,092)	27,568	(975)	(43,900)	(20,399)
Deferred tax booked in acquired investment	-	-	(18,257)	-	(18,257)
Exchange differences	-	(389)	(3,751)	-	(4,140)
Foreign currency gains/(loss) in respect of translation into Brazilian Real	(5,346)	1,617	10,220	(2,116)	4,375
At December 31, 2013	(44,961)	39,842	57,011	(60,470)	(8,578)

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:

	Dec,31 2013 US$	**Dec 31, 2012 Restated US$**	**Jan 1st, 2012 Restated US$**
Deferred tax liabilities	(33,761)	(15,043)	(17,260)
Deferred tax assets	30,099	29,647	29,507
Total	(3,662)	14,604	12,247

	Dec,31 2013 R$	**Dec 31, 2012 Restated R$**	**Jan 1st, 2012 Restated R$**
Deferred tax liabilities	(79,088)	(30,741)	(32,376)
Deferred tax assets	70,510	60,584	55,349
Total	(8,578)	29,843	22,973

At the end of the reporting period, the Group has unutilized tax loss carry forwards of US$42,013 (R$98,420) (December 31, 2012: US$66,522 (R$135,939)) (January 1st, 2012: US$35,232 (R$66,089)) available for offset against future taxable income.

Also a deferred tax asset amounting to US$7,218 (R$16,909) (December 31, 2012: US$6,874 (R$14,047)) (January 1st, 2012: US$10,830 (R$20,314)) has not been recognized due to the unpredictability of this portion of future flows of related taxable income. Part of this amount, US$724 (R$1,696) (December 31, 2012: US$1,250 (R$2,554)) (January 1st, 2012: US$1,932 (R$3,623)), refers to unutilized tax loss carry forwards generated by the holding entities of the group, the remaining amount of US$6,494 (R$15,213) (December 31, 2012: US$5,624 (R$11,493)) (January 1st, 2012: US$8,898 (R$16,691)) 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 amortization of the intangible asset from the Briclog acquisition (Notes 10 and 22), the Group recognized a deferred tax liability in the amount of US$7,418 (R$ 17,377), in accordance to IFRS 3.

17 Provisions for tax, labour and civil risks

	US$	**R$**
At January 1st, 2012 - Restated	13,378	25,094
Addition to provision	1,658	3,388
Reversal of provision	(3,452)	(7,054)
Exchange difference	(618)	(1,263)
Foreign currency gains in respect of translation into Brazilian Real	-	2,244
At December 31, 2012 - Restated	10,966	22,409
Addition to provision	3,968	9,295
Reversal of provision	(1,342)	(3,144)
Exchange difference	(3,330)	(7,801)
Foreign currency gains in respect of translation into Brazilian Real	-	3,280
At December 31, 2013	10,262	24,039

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

	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	US$	**US$**	**US$**
Civil cases	2,078	1,747	1,910
Tax cases	1,822	1,764	169
Labor claims	6,362	7,455	11,299
Total	10,262	10,966	13,378

	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	R$	**R$**	**R$**
Civil cases	4,868	3,570	3,583
Tax cases	4,268	3,606	317
Labor claims	14,903	15,233	21,194
Total	24,039	22,409	25,094

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

In addition to the cases for which the Group booked the provision, there are other tax, civil and labor disputes amounting to US$133,389 (R$312,476) (Dec 31, 2012: US$91,580 (R$187,141) (Jan 1st, 2012: US$68,662 (R$128,795)), whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described below as follows:

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	US$	US$	US$
Civil cases	10,174	7,140	6,261
Tax cases	56,799	40,479	25,036
Labor claims	66,416	43,961	37,365
Total	133,389	91,580	68,662

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	R$	R$	R$
Civil cases	23,833	14,591	11,744
Tax cases	133,057	82,715	46,962
Labor claims	155,586	89,835	70,089
Total	312,476	187,141	128,795

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.

- **Labor claims-** Main 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 are 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 defense 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$2.1 million (R$5 million).

18 Obligations under finance leases

	Minimum lease payments			Present value of minimum lease payments		
	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Amounts payable under finance leases:						
Within one year	2,018	1,666	4,568	1,547	1,234	3,804
From second to fifth years (including)	6,463	3,564	4,305	4,812	2,809	3,293
	8,481	5,230	8,873	6,359	4,043	7,097
Less future finance charges	(2,122)	(1,187)	(1,776)	-	-	-
Present value of lease obligations	6,359	4,043	7,097	-	-	-
Total current	1,547	1,234	3,804	-	-	-
Total non-current	4,812	2,809	3,293	-	-	-

	Minimum lease payments			Present value of minimum lease payments		
	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	R$	**R$**	**R$**	**R$**	**R$**	**R$**
Amounts payable under finance leases:						
Within one year	4,727	3,405	8,569	3,623	2,522	7,135
From second to fifth years (including)	15,140	7,283	8,075	11,273	5,740	6,178
	19,867	10,688	16,664	14,896	8,262	13,313
Less future finance charges	(4,971)	(2,426)	(3,331)	-	-	-
Present value of lease obligations	14,896	8,262	13,313	-	-	-
Total current	3,623	2,522	7,135	-	-	-
Total non-current	11,273	5,740	6,178	-	-	-

It is the Group's policy to lease certain of its vehicles and equipment under finance leases. The average lease term is 56 months, of which, at the end of December 2013, only 44 months on average remained.

For the period ended December 31, 2013, the average effective leasing interest rate was 13.61 percent per annum (Dec 31, 2012: 14.94 percent) (Jan 1st, 2012: 16.65 percent), Interest rates are set at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 12.11 to 17.32 percent per annum.

Leases are denominated in Reais.

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

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

19 Trade and other payables

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	US$	US$	US$
Trade payables	102,242	133,840	81,241
Taxes	12,437	15,199	16,709
Share - based payment (provision)	10,898	12,328	14,371
Accruals and other payables	9,740	12,340	11,070
	135,317	173,707	123,391
Total current	135,317	172,572	120,920
Total non-current	-	1,135	2,471

	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
	R$	R$	R$
Trade payables	239,513	273,503	152,387
Taxes	29,135	31,059	31,346
Share - based payment (provision)	25,530	25,193	26,957
Accruals and other payables	22,817	25,216	20,766
	316,995	354,971	231,456
Total current	316,995	352,651	226,821
Total non-current	-	2,320	4,635

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:

	Dec 31, 2013 US$	Dec 31, 2012 Restated US$	Jan 1st, 2012 Restated US$
Contract costs incurred plus recognized revenues less recognized losses to date	81,995	77,029	63,425
Less unbilled services	(110,540)	(152,366)	(87,232)
Net liability included in suppliers	(28,545)	(75,337)	(23,807)

	Dec 31, 2013 R$	Dec 31, 2012 Restated R$	Jan 1st, 2012 Restated R$
Contract costs incurred plus recognized revenues less recognized losses to date	192,081	157,409	118,972
Less unbilled services	(258,952)	(311,361)	(163,630)
Net liability included in suppliers	(66,871)	(153,952)	(44,658)

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

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

20.1. Cash-settled share-based payments

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

	US$	R$
Liability at January 1st, 2012	14,371	26,958
Charge for the year	1,690	3,454
Payment for the year	(3,733)	(7,628)
Foreign currency gains in respect of translation into Brazilian Real	-	2,408
Liability at December 31, 2012	12,328	25,192
Charge for the year	(1,430)	(3,350)
Foreign currency gains in respect of translation into Brazilian Real	-	3,688
Liability at December 31, 2013	10,898	25,530

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

	Number of Share options
Outstanding at January 1st, 2012	3,826,260
Exercised during the year	(1,232,000)
Forfeited during the year	(53,000)
Outstanding at December 31, 2012	2,541,260
Outstanding at December 31, 2013	2,541,260

The fair value of the recorded liability in the amount of US$10,898 (R$25,530) (Dec 31, 2012: US$12,328 (R$25,192) (Jan 1st, 2012: US$14,371 (R$26,957)) was determined using the Binomial model based on the assumptions mentioned below:

	Dec 31, 2013	**Dec 31, 2012**	**Jan 1st, 2012**
Closing share price (in Real)	R$ 30.92	R$31.99	R$25.40
Expected volatility	26-29%	26-30%	30-33%
Expected life	10 years	10 years	10 years
Risk free rate	10.40%	3.90%	7.10%
Expected dividend yield	1.6%	1.5%	1.61%

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

Options series	**Number**	**Grant date**	**Vesting date**	**Expiry date**	**Exercise price (R$)**
07 ESO – 2 Year	563,690	05/05/2007	05/05/2009	05/05/2017	23.77
07 ESO – 3 Year	563,690	05/05/2007	05/05/2010	05/05/2017	23.77
07 ESO – 4 Year	572,440	05/05/2007	05/05/2011	05/05/2017	23.77
07 ESO – 5 Year	601,940	05/05/2007	05/05/2012	05/05/2017	23.77
08 ESO – 2 Year	21,250	15/08/2008	17/08/2010	17/08/2018	18.70
08 ESO – 3 Year	33,750	15/08/2008	17/08/2011	17/08/2018	18.70
08 ESO – 4 Year	33,750	15/08/2008	17/08/2012	17/08/2018	18.70
08 ESO – 5 Year	33,750	15/08/2008	17/08/2013	17/08/2018	18.70
11 ESO – 2 year	29,250	10/11/2011	10/11/2013	09/11/2021	24.58
11 ESO – 3 year	29,250	10/11/2011	10/11/2014	09/11/2021	24.58
11 ESO – 4 year	29,250	10/11/2011	10/11/2015	09/11/2021	24.58
11 ESO – 5 year	29,250	10/11/2011	10/11/2016	09/11/2021	24.58

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

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

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

	Actual	(+10%)	(-10%)
Share price at December 31, 2013 - R$	30,92	34,01	27,83
	US$	US$	US$
Balance sheet liability at December 31, 2013	10,898	13,062	9,017
	R$	R$	R$
Balance sheet liability at December 31, 2013	25,530	30,598	21,123

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

On the January 10, 2014 eligible participants exercised a total of 2,338,750 options at a price of R$ 30.23 generating a payment liability of R$15.7 million (US$ 6.6 million).

20.2. Stock option plan

On November 13, 20013, the board of Wilson Sons Limited approved a Stock 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 January 8, 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 January 10, 2014 options for the acquistion 2,914,100 were granted under the Stock 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	3,205
2015	7,506	3,204
2016	7,506	3,204
2017	4,408	1,882
2018	2,011	858
Total	28,938	12,353

(*) Amounts in Dollars converted at R$2.3426/US$ 1.00

	Jan 10, 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 behavioral 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 RN 279, the 2012 specific regulation of the Brazilian law 9.656/98, articles 30 and 31, eligible employees 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:

	Dec 31, 2013 US$	**Dec 31, 2012 Restated US$**	**Jan 1st, 2012 Restated US$**
Present value of actuarial liabilities	2,251	-	-
Total	2,251	-	-

	Dec 31, 2013 R$	**Dec 31, 2012 Restated R$**	**Jan 1st, 2012 Restated R$**
Present value of actuarial liabilities	5,273	-	-
Total	5,273	-	-

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

	Dec 31, 2013
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

	Dec 31, 2013
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:

	Dec 31, 2013 US$	**Dec 31, 2012 Restated US$**	**Jan 1st, 2012 Restated US$**
Change in projected benefit obligation – discount rate + 0.5%	(273)	-	-
Change in projected benefit obligation – discount rate - 0.5%	325	-	-
Change in projected benefit obligation – Health Care Cost Trend Rate + 1.0%	732	-	-
Change in projected benefit obligation – Health Care Cost Trend Rate - 1.0%	(520)	-	-

	Dec 31, 2013 R$	**Dec 31, 2012 Restated R$**	**Jan 1st, 2012 Restated R$**
Change in projected benefit obligation – discount rate + 0.5%	(640)	-	-
Change in projected benefit obligation – discount rate - 0.5%	763	-	-
Change in projected benefit obligation – Health Care Cost Trend Rate + 1.0%	1,714	-	-
Change in projected benefit obligation – Health Care Cost Trend Rate - 1.0%	(1,219)	-	-

21 Equity

Share Capital

	Dec 31, 2013 US$	Dec 31, 2012 US$	Jan 1st, 2012 US$
71,144,000 common shares issued and fully paid	9,905	9,905	9,905

	Dec 31, 2013 R$	Dec 31, 2012 R$	Jan 1st, 2012 R$
71,144,000 common shares issued and fully paid	23,204	20,241	18,580

Dividends

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

At the Annual General Meeting of the Company held on April 26, 2013 the shareholders of the Company resolved to set aside US$18,070 to be distributed to shareholders at the discretion of the Board of Directors in accordance with the By-laws.

At the Board Meeting held on April 26, 2013, the Board of Directors declared the payment of a dividend of US$0.254 cents per share (Dec 31, 2012: US$0.254 cents per share), totalling US$18,070 (Dec 31, 2012: US$18,070) to shareholders, recognized on April 26, 2013, and the payment of such dividend on May 8, 2013.

Earnings per share

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

	Dec 31, 2013 US$	Dec 31, 2012 US$	Dec 31, 2013 R$	Dec 31, 2012 R$
Profit for the period attributable to owners of the Company	40,363	47,348	94,554	96,756
Weighted average number of common shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic and diluted earnings per share (cents per share)	56.73	66.55	132.91	136.00

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:

		Proportion of ownership interest		
	Place of incorporation and operation	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
Holding company				
Wilson, Sons de Administração e Comércio Ltda.	Brazil	100%	100%	100%
Vis Limited	Guernsey	100%	100%	100%
WS Participações S.A.	Brazil	100%	100%	100%
WS Participaciones S.A.	Uruguay	100%	-	-
Towage				
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	100%	100%
Sobrare-ServemarLtda.	Brazil	100%	100%	100%
Wilson, Sons Operações Marítimas Especiais Ltda.	Brazil	100%	100%	100%
Shipyard				
Wilson, Sons Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	100%	100%
Wilson, Sons Estaleiro Ltda.	Brazil	100%	100%	100%
Ship Agency				
Wilson, Sons Agência Marítima Ltda.	Brazil	100%	100%	100%
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	100%	100%

	Place of incorporation and operation	Proportion of ownership interest Dec 31, 2013	Dec 31, 2012	Jan 1st, 2012
Logistics				
Wilson, Sons Logística Ltda.	Brazil	100%	100%	100%
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	100%	100%
Allink Transportes Internacionais Ltda (*)	Brazil	50%	50%	50%
Consórcio EADI Santo André.	Brazil	100%	100%	100%
Port terminal				
Brasco Logística Offshore Ltda.	Brazil	100%	100%	100%
Tecon Rio Grande S.A.	Brazil	100%	100%	100%
Tecon Salvador S.A.	Brazil	92.5%	92.5%	92.5%
Wilport Operadores Portuários Ltda.	Brazil	100%	100%	100%
Wilson, Sons Operadores Portuários Ltda.	Brazil	100%	100%	100%
Brazilian Intermodal Complex S.A	Brazil	100%	-	-
Non- Segmented Activities				
Wilson, Sons Administração de Bens Ltda (**)	Brazil	100%	100%	100%

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

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

(**) The Company social denomination has changed from Wilson, Sons Terminais de Cargas Ltda to Wilson, Sons Administração de Bens Ltda.

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"), concluding the acquisition on July 1, 2013. The closing price of the acquisition of shares was R$ 89.8 million (equivalent to US$ 40.5 million at the transaction date) with debt of R$ 32.1 million (equivalent to US$ 14.5 million at transaction date) assumed on acquisition these values were subsequently adjusted to R$ 89.2 million regarding the acquisition of shares (equivalent to US$ 40.2 million at the transaction date) with debt of R$ 32.7 million (equivalent to US$ 14.8 million at transaction date) due to an update of the commercial agreement.

The acquisition of shares is payable in three amounts, including R$ 10 million (equivalent to US$ 4.5 million at transaction date) paid in June, 2011, R$ 22.5 million (US$ 10.2 million at transaction date) paid on the closing and R$ 57.3 million (equivalent to US$ 25.9 million at transaction date) that will be paid 300 days from the closing adjusted for movement in the Brazilian index of consumer prices (IPCA) from the date of closing.

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.

In the 6 month-period ended December 31, 2013, Briclog accrued revenues of R$ 9,063 (US$ 3,869) and profit of R$ 1,851 (US$ 790). If the acquisition had occurred on January 1, 2013, management estimates that revenue contribution would amount to R$ 23,488 (US$ 10,963) and the loss for the year would have been R$5,945 (US$ 3,024). In determining these amounts, management considered that the provisional fair value adjustments, that arose on the acquisition date, would have been the same if the acquisition had occurred on 1 January 2013.

Accounts payable relating to this acquisition as of December 31, 2013 amounts to R$ 59,789 (US$ 25,523).

Contingent consideration

There is no contingent consideration involved in the purchase agreement.

Identifiable assets acquired and liabilities assumed

	Jun 30, 2013	
Assets	**R$**	**US$**
Cash and cash equivalents	41	19
Trade and other receivables	962	434
Recoverable taxes	791	357
Other assets	608	274
Property, plant and equipment	30,997	13,990
Intangible	133	60
Total assets	33,532	15,134
Liabilities		
Trade and other payables	13,639	6,156
Advances	3,956	1,785
Tax payable	7,931	3,580
Provisions for tax, labor and civil risks	2,296	1,036
Other payables	1,875	846
Total liabilities	29,697	13,403
Total net identifiable assets	3,835	1,733

Exchange rate: 06/30/2013 – R$2.2156 / US$1.00

The following fair values were determined on a provisional basis:

- Lease operations were recognized at fair value on the acquisition date

- Management understands that no post acquisition adjustments related to the acquisition will be necessary. If any new information is obtained within one year from the date of purchase regarding facts and circumstances that existed at the acquisition date which indicate adjustments to the amounts described above or any additional provision that existed at the acquisition date, the accounting for the acquisition will be reviewed

- The accounts receivable is comprised of the gross contractual amount of R$ 962 and there is no impairment indication at the acquisition date.

Goodwill and other intangible assets

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

	Jun 30, 2013		
	R$	**US$**	
Lease intangible asset	51,744	23,353	(i)
Goodwill for expected future profitability	51,561	23,272	(ii)
Deferred tax	(17,377)	(7,843)	(ii)
	85,928	38,782	

(i) Intangible asset is attributable mainly to the 30-year lease right to operate in a sheltered area of Guanabara Bay, Rio de Janeiro, Brazil with privileged location to attend the Campos and Santos oil producing basins and is supported by an independent evaluation And to the fair value of costumer portfolio is supported by an independent evaluation.

(ii) All Group's goodwill for expected future profitability, including the above mentioned, is disclosed in the consolidated balance sheet and assessed for impairment (see note 9).

Acquisition costs

There are no material acquisition costs incurred by the Group including legal fees and due diligence costs.

23 Joint ventures and Joint Operations

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

		Proportion of ownership interest		
	Place of incorporation and operation	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
Towage				
Consórcio de Rebocadores Barra de Coqueiros	Brazil	50%	50%	50%
Consórcio de Rebocadores Baia de São Marcos	Brazil	50%	50%	50%
Logistics				
Porto Campinas, Logística e Intermodal Ltda	Brazil	50%	50%	50%
Offshore				
Wilson, Sons Ultratug Participações S.A.*	Brazil	50%	50%	50%
Atlantic Offshore S.A. **	Panamá	50%	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 the company.

23.1 Joint operations

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

	Dec 31, 2013 US$	Dec, 2012 US$	Jan, 2012 US$	Dec 31, 2013 R$	Dec, 2012 R$	Jan, 2012 R$
Inventories	413	403	316	967	824	593
Trade and Other Receivables	2,808	4,005	3,443	6,578	8,184	6,458
Cash and Cash equivalents	898	419	703	2,104	856	1,319
Deferred tax assets	-	-	13	-	-	24
Other intangible Assets	2	1	2	5	2	4
Property, Plant & Equipment	2,018	2,113	904	4,727	4,319	1,696
Total assets	6,139	6,941	5,381	14,381	14,185	10,094
Trade and Other payables	(6,035)	(6,913)	(5,381)	(14,137)	(14,127)	(10,094)
Deferred tax liabilities	(104)	(28)	-	(244)	(58)	-
Total liabilities	(6,139)	(6,941)	(5,381)	(14,381)	(14,185)	(10,094)

	Dec 31, 2013 US$	Dec 31, 2012 US$	Dec 31, 2013 R$	Dec 31, 2012 R$
Income	13,734	15,011	32,173	30,675
Expense	(13,734)	(15,011)	(32,173)	(30,675)

23.2 Joint ventures

Due to the new standards and interpretations adopted (see note 2), the following amounts are not consolidated in the Group's financial statements from 2013 onwards as they are considered as joint ventures. The Group´s interests on joint ventures are equity accounted.

	Dec 31, 2013 US$	**Dec 31, 2012 US$**	**Dec 31, 2013 R$**	**Dec 31, 2012 R$**
Revenue	108,837	93,900	254,962	191,885
Raw materials and consumable used	(5,190)	(3,983)	(12,158)	(8,139)
Employee benefits expense	(42,192)	(41,180)	(98,839)	(84,151)
Depreciation and amortization expenses	(26,249)	(21,540)	(61,491)	(44,017)
Other operating expenses	(15,240)	(16,682)	(35,701)	(34,090)
Profit on disposals of property, Plant & Equipment	(72)	-	(169)	-
Results from operating activities	19,894	10,515	46,604	21,488
Finance income	1,292	1,243	3,027	2,540
Finance costs	(15,391)	(11,609)	(36,055)	(23,723)
Foreign exchange gains (losses) on monetary items	1,890	(12,874)	4,428	(26,308)
Profit before tax	7,685	(12,725)	18,004	(26,003)
Income tax expense	(2,900)	14,104	(6,796)	28,824
Profit for the period	4,785	1,379	11,208	2,821
Participation	50%	50%	50%	50%
Equity result	2,392	689	5,603	1,409

	Dec 31, 2013 US$	**Dec, 2012 US$**	**Jan, 2012 US$**	**Dec 31, 2013 R$**	**Dec, 2012 R$**	**Jan, 2012 R$**
Other non-current Assets	465	876	554	1,090	1,793	1,039
Property, plant and equipment	603,137	510,316	410,986	1,412,909	1,042,829	770,928
Long-term investment	2,131	2,144	2,145	4,992	4,382	4,023
Other current assets	864	380	21	2,024	777	40
Trade and other receivables	33,607	24,906	22,464	78,728	50,895	42,138
Derivatives	-	985	-	-	2,013	-
Cash and cash equivalents	23,401	10,488	12,641	54,819	21,414	23,712
Total assets	663,605	550,095	448,811	1,554,562	1,124,123	841,880
Bank overdrafts and loans	501,713	416,905	308,562	1,175,313	851,946	578,800
Other non-current liabilities	8,878	5,537	19,629	20,798	11,318	36,823
Trade and other payables	102,782	89,764	84,561	240,778	183,433	158,617
Equity	50,232	37,879	36,059	117,673	77,406	67,640
Total liabilities	663,605	550,095	448,811	1,554,562	1,124,123	841,880

Guarantees

Loans with BNDES are guaranteed by a pledge over the financed supply vessels and corporate guarantee from Wilson Sons Adminisração 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$4.8 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, labor and civil risks

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

	Dec 31, 2013 US$	Dec 31, 2012 US$	Jan 1st, 2012 US$
Labor claims	5	21	-
Total	5	21	-

	Dec 31, 2013 R$	Dec 31, 2012 R$	Jan 1st, 2012 R$
Labor claims	12	43	-
Total	12	43	-

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

In addition to the cases for which the Group booked the provision, there are other tax, civil and labor disputes amounting to US$1,879 (R$4,402) (Dec 31, 2012: US$1,945 (R$3,976))(Jan 1st, 2012: US$756 (R$1,418)), whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described as follows:

	Dec 31, 2013 US$	Dec 31, 2012 US$	Jan 1st, 2012 US$
Civil cases	9	10	-
Tax cases	639	712	739
Labor claims	1,231	1,223	17
Total	1,879	1,945	756

	Dec 31, 2013 R$	Dec 31, 2012 R$	Jan 1st, 2012 R$
Civil cases	20	20	-
Tax cases	1,498	1,456	1,386
Labor claims	2,884	2,500	32
Total	4,402	3,976	1,418

Insurance coverage

The main insurance coverage in December 31, 2013 that the Group contracted:

Risks	**Subject**	**Coverage US$**	**Coverage R$**
Maritime Hull	Platform Supply Vessels	712,832	1,669,880

23.3 Investment in joint ventures

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

December 31, 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.	USD	45,816,550	50.00	25,131	44,043	(45,080)	6,605	3,302	(518)
Atlantic Offshore S.A.	USD	10,000	50.00	8,010	6,189	-	(1,821)	(910)	3,095
Total						(45,080)	4,784	2,392	2,577
Wilson, Sons Ultratug Participações S.A.	BRL	45,816,550	50.00	58,872	103,175	(105,605)	15,473	7,735	(1,214)
Atlantic Offshore S.A.	BRL	10,000	50.00	18,764	14,498	-	(4,266)	(2,132)	7,250
Total						(105,605)	11,207	5,603	6,036

December, 31 2012

	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	Share of result of joint ventures	Book value of investment
Wilson, Sons Ultratug Participações S.A,.	USD	45,816,550	50.00	25,131	37,879	(37,832)	1,379	690	22
Atlantic Offshore S.A.	USD	10,000	50.00	10	10	-	-	-	5
Total						(37,832)	1,379	690	27
Wilson, Sons Ultratug Participações S.A.	BRL	45,816,550	50.00	51,355	77,406	(77,310)	2,818	1,410	46
Atlantic Offshore S.A.	BRL	10,000	50.00	20	20	-	-	-	10
Total						(77,310)	2,818	1,410	56

January 1st, 2012

	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	Share of result of joint ventures	Book value of investment
Wilson, Sons Ultratug Participações S.A.	USD	45,816,550	50.00	25,131	36,059	(20,738)	(6,636)	(3,318)	7,661
Wilson, Sons Ultratug Participações S.A.	BRL	45,816,550	50.00	47,141	67,639	(38,900)	(12,448)	(6,224)	14,371

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

	Investment in joint ventures	
	US$	**R$**
At January 1st, 2012	7,661	14,371
Share of result of joint ventures	695	1,420
Elimination of profit on Construction Contracts	(8,552)	(17,476)
Derivatives	223	456
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	1,285
At December 31, 2012	27	56
Share of result of joint ventures	2,392	5,603
Capital Increase through material agreement - Atlantic Offshore	4,000	9,370
Elimination of profit on Construction Contracts	(3,619)	(8,478)
Derivatives	(223)	(522)
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	7
At December 31, 2013	2,577	6,036

24 Operating lease arrangements and other obligations

The Group as lessee

	2013 US$	**2012 US$**	**2013 R$**	**2012 R$**
Minimum lease payments under operating leases recognized in income for the year	13,966	14,128	32,693	28,871

On December 31, 2013, the minimum amount due by the Group for future lease payments under cancellable operating leases was US$12,546 (R$29,391) (Dec 31, 2012: US$13,441 (R$27,467)) (Jan 1st, 2012: US$12,549 (R$23,539)).

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 of concession extends to 2022 and the Tecon Salvador minimum period of concession 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:

	2013 US$	**2012 US$**	**2013 R$**	**2012 R$**
Within one year	25,223	26,698	59,087	54,557
In the second to seventh year inclusive	90,634	95,380	212,319	194,909
Greater than five years	108,516	98,055	254,210	200,375
Total	224,373	220,133	525,616	449,841

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

In November, 2008 the Group's renewed the concession to operate EADI Santo Andre (a bonded warehouse) for a further ten years. With this, the Group's management renewed the rental agreement contract of the bonded warehouse used by EADI Santo Andre for the same period. The unexpired lease period at December 31, 2013 is 4 years and 11 months. These rental payments are updated by a Brazilian general inflation index (IGPM - General Market Price Index).

Other obligations

The Group entered into an agreement on August 15, 2011 with the City of Guarujá and State of São Paulo's Prosecutor, revoking the subpoena that ordered the suspension of construction of the Guaruja II shipyard. The agreement states that the Company will make investments in social and environmental projects for the city of Guaruja, from 2011 through 2014. During this period, up to US$2.1 million (equivalent to R$5.0 million at the transaction date) will be invested in these projects as an additional cost necessary for the completion of the shipyard construction. All projects are located within the area of influence of the shipyard in the city of Guaruja.

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**		
	Dec 31, 2013 US$	**Dec 31, 2012 Restated US$**	**Jan 1st, 2012 Restated US$**	**Dec 31, 2013 US$**	**Dec 31, 2012 Restated US$**	**Jan 1st, 2012 Restated US$**
Financial instruments classified as loans and receivables						
Cash and cash equivalents	97,946	116,018	106,708	97,946	116,018	106,708
Short Term Investments	33,000	20,000	24,500	33,000	20,000	24,500
Trade and other receivables	174,685	216,260	172,688	174,685	216,260	172,688
	305,631	352,278	303,896	305,631	352,278	303,896
Financial instruments classified as amortized cost						
Bank loans and overdrafts	372,391	359,726	329,879	372,391	359,635	329,771
Trade and other payables	135,317	173,707	123,391	135,317	173,707	123,391
Total Financial instruments - amortized cost	507,708	533,433	453,270	507,708	533,342	453,162
Financial instruments classified as cashflow hedge						
Derivatives	1,240	-	-	1,240	-	-
	508,948	533,433	453,270	508,948	533,342	453,162

	Fair value			Book value		
	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	R$	**R$**	**R$**	**R$**	**R$**	**R$**
Financial instruments classified as loans and receivables						
Cash and cash equivalents	229,448	237,083	200,163	229,448	237,083	200,163
Short Term investments	77,306	40,870	45,957	77,306	40,870	45,957
Trade and other receivables	409,219	441,927	323,927	409,219	441,927	353,927
	715,973	719,880	570,047	715,973	719,880	570,047
Financial instruments classified as amortized cost						
Bank loans and overdrafts	872,364	735,098	618,787	872,364	734,913	618,585
Trade and other payables	316,995	354,971	231,456	316,995	354,971	231,456
Total Financial instruments - amortized cost	1,189,359	1,090,068	850,244	1,189,359	1,089,884	850,041
Financial instruments classified as cashflow hedge						
Derivatives	2,905	-	-	2,905	-	-
	1,192,264	1,090,068	850,244	1,192,264	1,089,884	850,041

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 and coordinate access to the national and international financial markets. 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 according to the rules and procedures established by management. 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		
	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Amounts denominated in dollar	259,404	365,269	303,828	172,404	236,867	168,323

	Assets			Liabilities		
	Dec 31, 2013	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**	**Dec 31, 2013**	**Dec 31, 2012 Restated**	**Jan 1st, 2012 Restated**
	R$	**R$**	**R$**	**R$**	**R$**	**R$**
Amounts denominated in Real	607,680	746,428	569,920	403,874	484,038	315,740

Foreign currency sensitivity analysis

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

December 31, 2013

Exchange rates (i)

Probable scenario	**Possible scenario (25%)**	**Remote scenario (50%)**
R$2.450 / US$1.00	R$3.062 / US$1.00	R$3.675/ US$1.00

Operation	**Risk**	**Amount US Dollars**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Total Assets	BRL	259,404	Exchange Effects	(11,371)	(60,978)	(94,049)
Total Liabilites	BRL	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	BRL	607,680	Exchange Effects	(26,639)	(142,847)	(220,319)
Total Liabilites	BRL	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 January 24, 2014

December 31, 2012 - Restated

Exchange rates (i)

Probable scenario	**Possible scenario (25%)**	**Remote scenario (50%)**
R$2.070/US$1.00	R$2.588/US$1.00	R$3.105/US$1.00

Operation	**Risk**	**Amount US Dollars**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Total assets	BRL	365,269	Exchange effects	(4,676)	(76,795)	(124,874)
Total liabilities	BRL	236,867	Exchange effects	3,032	49,799	80,977
			Net effect	(1,644)	(26,996)	(43,897)

Operation	**Risk**	**Amount R$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Total assets	BRL	746,428	Exchange effects	(9,556)	(156,930)	(255,180)
Total liabilities	BRL	484,038	Exchange effects	6,197	101,765	165,477
			Net effect	(3,359)	(55,165)	(89,703)

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

January 1st, 2012 - Restated

Exchange rates (i)

Probable scenario	Possible scenario (25%)	Remote scenario (50%)
R$1.800/US$1.00	R$2.250/US$1.00	R$2.700/US$1.00

Operation	Risk	Amount US Dollars	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	303,828	Exchange effects	12,795	(50,530)	(92,746)
Total liabilities	BRL	168,323	Exchange effects	(7,088)	27,994	51,382
			Net effect	5,707	(22,536)	(41,364)

Operation	Risk	Amount R$	Result	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Total assets	BRL	569,920	Exchange effects	24,000	(94,784)	(173,974)
Total liabilities	BRL	315,740	Exchange effects	(13,296)	52,511	96,383
			Net effect	10,704	(42,273)	(77,591)

(i) Information source: Focus BACEN, report from January 27, 2012

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.

- 6-month Libor (London Interbank Offered Rate) for US Dollar-denominated funding for Port Operations.

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

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.

December 31,2013

Libor(i)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Loans	0.57%	0.72%	0.86%
Investments	0.33%	0.42%	0.50%

Transaction	**Risk**	**Amount US Dollars**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
IFC loan	Libor	73,658	Interest	146	107	69
Eximbank loan	Libor	11,663	Interest	13	6	(1)
Finimp loan	Libor	9,799	Interest	23	18	13
Investments	Libor	46,944	Income	(105)	(45)	14
			Net Income	77	86	95

Transaction	**Risk**	**Amount R$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
IFCloanr	Libor	172,551	Interest	342	251	162
Eximbank loan	Libor	27,322	Interest	30	14	(2)
Finimp loan	Libor	22,955	Interest	54	42	30
Investmentsr	Libor	109,971	Income	(246)	(105)	33
			Net Income	180	202	223

December 31,2013

CDI (ii)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	10.95%	13.69%	16.43%

Transaction	**Risk**	**Principal US Dollars**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments CDI	CDI	79,125	Income	2,590	5,178	7,766

Transaction	**Risk**	**Principal R$**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments CDI	CDI	185,357	Income	6,067	12,129	18,194

(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 December 31, 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.

December 31,2012 - Restated

Libor(i)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Loans	0.81%	1.01%	1.21%
Investments	0.48%	0.60%	0.72%

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

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

December 31,2012 - Restated

CDI (ii)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	7,09%	8,86%	10,64%

Transaction	**Risk**	**Principal US Dollars**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	CDI	108,428	Income	30	1,832	3,633

Transaction	**Risk**	**Principal R$**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	CDI	221,574	Income	61	3,744	7,423

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

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

January 1st, 2012 - Restated

Libor(i)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Loans	1.11%	1.39%	1.66%
Investments	0.79%	0.99%	1.19%

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

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

January 1st, 2012 - Restated

CDI (ii)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	9,66%	12,08%	14,49%

Transaction	**Risk**	**Principal US Dollars**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	CDI	103,447	Income	(791)	2,060	4,911

Transaction	**Risk**	**Principal R$**	**Result**	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Investments	CDI	194,046	Income	(1,484)	3,865	9,213

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

The net effect was obtained by assuming a 12 month period starting January 1st, 2012 in which interest rates vary and all other variables are held constant.

The investment rate risk mix is 18.2% Libor, 81.8% 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 September 16, 2013, its subsidiary, Tecon Salvador, entered into an interest rate swap agreement with a notional amount of $74.4 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 Santader Brasil as counterparty, whose credit rating was AAA, as of December 31, 2013, 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	(110)	-	(110)
In the second year	(58)	58	-
In the third to fifth years (including)	(1,118)	34	(1,084)
After five years	(46)	0	(46)
	(1,332)	92	(1,240)
Fair Value			(1,240)

The fair value of the swap was estimated based on the yield curve as of December 31, 2013, and represents its carrying value. As of December 31, 2013, the interest rate swap balance in other non-current liabilities was US$1.2 million; and the balance in accumulated other comprehensive income on the consolidated balance sheets was $1.2 million. The net change in fair value of the interest rate swap recorded as other comprehensive income for the year ended December 31, 2013 was an after-tax loss of US$1.2 million.

December 31, 2013	**Notional Amount US$**	**Maturity**	**US$ Fair Value**	**R$ Fair Value**
Financial Assets				
Interest Rates Swap	74,400	Mar/2020	(1,240)	(2,905)
Total			(1,240)	(2,905)

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 possible scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate, the risk in buying an options contracts is that the Group pays a premium whether or not the option is exercised. In this case in both scenarios the risk associated on December 31, 2013 is US$ 1,240 (R$2,905).

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, analyzing 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 December 31, 2013. There was no hedge ineffectiveness recognized in profit or loss for the year ended December 31, 2013.

f. Liquidity risk management

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

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

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

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

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

December 31, 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
		38,000	147,483	186,909	372,393

December 31, 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
		89,019	345,493	437,853	872,365

December 31, 2012 Restated	**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	3.18%	13,511	64,102	35,408	113,021
Fixed interest rate instruments	3.16%	21,986	76,864	147,764	246,614
		35,497	140,966	183,172	359,635

December 31, 2012 Restated	**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	3.18%	27,610	130,993	72,355	230,958
Fixed interest rate instruments	3.16%	44,928	157,071	301,956	503,955
		72,538	288,064	374,311	734,913

January 1st, 2012 Restated	**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	2.98%	6,268	52,184	27,723	86,175
Fixed interest rate instruments	3.31%	18,917	76,835	144,844	243,596
		25,185	132,018	172,567	329,771

January 1st, 2012 Restated	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	2.98%	11,758	97,885	52,004	161,647
Fixed interest rate instruments	3.31%	35,485	149,755	271,698	456,937
		47,242	247,640	323,702	618,584

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.

		Carrying value					
		US$			R$		
	Note	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated	Dec 31, 2013	Dec 31, 2012 Restated	Jan 1st, 2012 Restated
Cash and cash equivalents	14	64,946	116,020	106,708	152,142	237,083	200,163
Short term investments	14	33,000	20,000	24,500	77,306	40,870	45,957
Trade and other receivables	13	174,686	216,260	188,461	409,219	441,927	353,514
Exposed to credit risk		272,632	352,280	319,669	638,667	719,880	599,634

h. Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at December 31, 2013 and December 31, 2012 at amounts similar to the fair value at those dates. These instruments are managed though operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of ongoing monitoring of rates agreed versus those in force in the market, and confirmation of whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

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

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 December 31, 2013, December 31, 2012 and January 1st, 2012. The table below analyses financial instruments carried at fair value.

Financial instruments hierarchy

	Level 2 US$	**Total US$**	**Level 2 R$**	**Total R$**
December 31, 2013				
Short term investments	33,000	33,000	77,306	77,306
Derivatives	1,240	1,240	2,905	2,905
Post-employment benefits	2,251	2,251	5,273	5,273
Bank Loans	372,391	372,391	872,364	872,364
	408,882	408,882	975,848	975,848
December 31, 2012				
Short term investments	20,000	20,000	40,870	40,870
Derivatives	-	-	-	-
Post-employment benefits	-	-	-	-
Bank Loans	359,727	359,727	735,100	735,100
	379,727	379,727	775,970	775,970
January 1st, 2012				
Short term investments	24,500	24,500	45,957	45,957
Derivatives	-	-	-	-
Post-employment benefits	-	-	-	-
Bank Loans	329,879	329,879	618,787	618,787
	354,379	354,379	664,744	664,744

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 and long-term investments approximate their fair value.

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

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

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

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

26 Related-party transactions

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

	Current liabilities US$	**Revenues US$**	**Expenses US$**
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	-	31	-
2. Consórcio de Rebocadores Barra de Coqueiros	134	313	-
3. Consórcio de Rebocadores Baía de São Marcos	2,165	12	1,124
4. Wilson Sons Ultratug and subsidiaries	20,350	55,687	-
Other:			
5. Gouvêa Vieira Advogados	-	-	245
6. CMMR Intermediação Comercial Ltda.	-	-	244
At December 31, 2013	22,649	56,043	1,613
At December 31, 2012 - Restated	5,633	63,369	1,169
At January 1st, 2012 - Restated	11,480	56,135	1,585

	Current liabilities R$	Revenues R$	Expenses R$
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	-	73	-
2. Consórcio de Rebocadores Barra de Coqueiros	314	733	-
3. Consórcio de Rebocadores Baía de São Marcos	5,072	28	2,633
4. Wilson Sons Ultratug and subsidiaries	47,672	130,452	-
Other:			
5. Gouvêa Vieira Advogados	-	-	574
6. CMMR Intermediação Comercial Ltda.	-	-	572
At December 31, 2013	53,058	131,286	3,779
At December 31, 2012 - Restated	11,512	129,495	2,389
At Jan 1st, 2012 - Restated	21,553	105,298	2,973

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

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

4. Intergroup loans with Wilson, Sons Ultratug (interest – 0.3% per month; with undefined 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. Mr. J.F. Gouvea Vieira is a managing partner with the law firm Gouvea Vieira Advogados, fees were paid to Gouvea Vieira Advogados for legal services.

6. Mr. C.M. Marote is a shareholder and director of CMMR Intermediação Comercial Ltda. Fees were paid to CMMR Intermediação Comercial Ltda. for consultancy services to the Wilson, Sons towage segment.

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

27 Notes to the consolidated statement of cash flows

	2013 US$	2012 US$	2013 R$	2012 R$
Profit before tax	86,270	84,807	202,096	173,305
Less: Finance income	(11,039)	(17,842)	(25,860)	(36,460)
Add: Foreign exchange gains (losses) on monetary items	30,171	14,712	70,679	30,062
Less: Share of result of joint venture	(2,392)	(689)	(5,603)	(1,408)
Add: Finance costs	21,108	9,432	49,448	19,274
Operating profit from operations	124,118	90,420	290,760	184,773
Adjustments for:				
Depreciation and amortization expenses	58,672	55,896	137,445	114,224
Settlement of share-based payments	-	(3,733)	-	(7,628)
Gain (loss) on disposal of property, plant and equipment and investments	(9,966)	534	(23,346)	1,091
Provision (reversal) for cash-settled share-based payment	(1,430)	1,690	(3,350)	3,454
Reversal of provisions	(2,528)	(833)	(5,924)	(1,703)
	168,866	143,974	395,585	294,211
Increase in inventories	(3,085)	(12,082)	(7,227)	(24,690)
Decrease (increase) in trade and other receivables	62,327	(22,820)	146,007	(46,633)
Increase in trade and other payables	(73,327)	52,359	(171,776)	106,996
Increase in other non-current assets	(998)	(781)	(2,338)	(1,596)
Cash generated by operations	153,783	160,650	360,251	328,288
Income taxes paid	(27,306)	(31,921)	(63,966)	(65,230)
Interest paid - borrowings	(12,006)	(11,532)	(28,125)	(23,566)
Interest paid - leasing	(465)	(854)	(1,089)	(1,746)
Interest paid - others	(473)	(513)	(1,108)	(1,048)
Net cash from operating activities	113,533	115,830	265,963	236,698

Non-cash transactions:

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

	2013	2012 Restated	2013	2012 Restated
	US$	US$	R$	R$
Additions to fixed assets				
Equipment acquisition through finance leases	4,244	742	9,942	1,516
Tecon Rio Grande equipment through loans	951	8,268	2,228	16,896
Write Off of inventories through claims	11,448	-	26,818	-
Write Off of property, plant and equipment through claims	1,252	-	2,933	-
Capitalized interest	1,513	4,438	3,544	9,069
Briclog acquisition				
Briclog's net impact	25,867	-	60,596	-
Taxes settlement				
Income tax compensation	4,763	788	11,158	1,610

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:

	2013	2012	2013	2012
	US$	US$	R$	R$
Short-term employee benefits	8,945	9,013	20,954	18,418
Post-employment benefitss and social charges	1,807	2,316	4,234	4,733
Share-based payment	-	3,733	-	7,629
Share-based provision	(1,430)	1,690	(3,350)	3,454
Total	9,322	16,752	21,838	34,234

29 Insurance coverage

The main insurance coverage in December 31, 2013 that the Group contracted:

Risks	Subject	Coverage US$	Coverage R$
Managers and directors	Managers' Civil Responsibility	21,344	50,000
Maritime Hull	Tugs	280,755	657,696
Maritime CR	CR - Protection and civil responsibility (*shipowners*)*	7,600,000	17,803,760
Port Operator CR			
	Port Operator Civil Responsibility (including chattels and real estates), Terminals (including chattels and real estates), logistics operations	80,000	187,408
Builder Risk	Shipbuilding	175,497	411,120
Property (Multiline)	Buildings, machines, furniture and fixtures, goods and raw materials	25,613	60,000
Total		8,183,209	19,169,984

* *Available limit to all P&I Club members*

30 Approval of the consolidated financial statements

The consolidated financial statements were approved by the board of directors and authorized for issue on March 27, 2014.

Directors Declaration

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