Wilson Sons Limited

Consolidated Financial Statements Years Ended 31 December 2014 and 2013 with Independent Auditors' Report

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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, 2014, 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, 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis
Without qualifying our report further, we draw attention to the fact mentioned in Note 2 that states that the Company presents its consolidated financial statements in two presentation currencies, being the United States dollar (US$) and also the Brazilian Real (R$) in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

Rio de Janeiro, Brazil, March 23, 2015

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

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

Wilson Sons Limited

Consolidated statement of profit or loss and other comprehensive income

Years ended 31 December 2014 and 2013

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

	Notes	2014 US$	2013 US$	2014 R$	2013 R$
Revenue	4	633,520	660,106	1,486,109	1,412,819
Raw materials and consumables used		(100,588)	(90,824)	(234,246)	(181,363)
Employee benefits expense	5	(194,865)	(208,512)	(458,289)	(449,195)
Depreciation and amortization expenses		(65,119)	(58,672)	(128,088)	(111,468)
Other operating expenses	6	(178,295)	(187,946)	(422,878)	(407,005)
Profit on disposal of property, plant and equipment		326	9,966	1,709	24,317
Results from operating activities		94,979	124,118	244,317	288,105
Share of result of joint ventures	23.2	7,090	2,392	23,198	10,560
Finance income	7	10,317	11,039	24,559	23,723
Finance costs	7	(23,607)	(21,108)	(57,902)	(47,288)
Exchange loss on translation	7	(16,720)	(30,171)	(33,133)	(78,078)
Profit before tax		72,059	86,270	201,039	197,022
Income tax expense	8	(41,928)	(42,259)	(101,475)	(92,808)
Profit for the year		30,131	44,011	99,564	104,214
Profit for the year attributable to:					
Owners of the Company		28,604	40,363	95,756	95,968
Non controlling interests		1,527	3,648	3,808	8,246
		30,131	44,011	99,564	104,214
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Exchange differences on translating		(7,114)	(4,085)	111,778	133,117
Post-employment benefits		711	(2,251)	1,889	(5,274)
Effective portion of changes in fair value of cash flow hedges		(988)	(1,269)	(2,374)	(2,813)
Total comprehensive income for the year		22,740	36,406	210,857	229,244
Total comprehensive income for the year attributable to:					
Owners of the Company		21,608	33,474	207,227	221,205
Non controlling interests		1,132	2,932	3,630	8,039
		22,740	36,406	210,857	229,244
Earnings per share from continuing operations					
Basic (cents per share)	21	40.21c	56.73c	134.59c	134.89c
Diluted (cents per share)	21	38.67c	56.73c	129.46c	134.89c

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

Wilson Sons Limited

Consolidated statement of financial position

Years ended 31 December 2014 and 2013

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

	Notes	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Assets					
Non-current assets					
Goodwill	9	35,024	37,622	93,031	88,134
Other intangible assets	10	38,565	46,650	102,436	109,280
Property, plant and equipment	11	639,470	616,912	1,698,560	1,445,179
Deferred tax assets	16	31,665	30,099	84,109	70,510
Investment in joint ventures	23	11,500	2,577	30,546	6,036
Other receivables	13	51,535	66,198	136,887	155,076
Other non-current assets		11,838	10,209	31,443	23,915
Total non-current assets		819,597	810,267	2,177,012	1,898,130
Current assets					
Inventories	12	32,460	29,090	86,220	68,145
Operational trade receivables	13	49,178	63,823	130,627	149,513
Other receivables	13	46,619	44,664	123,829	104,630
Short-term investments	14	24,000	33,000	63,749	77,306
Cash and cash equivalents	14	85,533	97,946	227,193	229,448
Total current assets		237,790	268,523	631,618	629,042
Total assets		1,057,387	1,078,790	2,808,630	2,527,172
Equity and liabilities					
Capital and reserves					
Share capital	21	9,905	9,905	26,815	26,815
Capital reserves		94,324	94,324	208,550	208,550
Profit reserve and derivatives		(593)	807	(2,652)	737
Share Options		3,066	-	7,453	-
Retained earnings		411,595	409,315	874,651	837,083
Translation reserve		(7,845)	(1,052)	241,044	129,265
Equity attributable to owners of the Company		510,452	513,299	1,355,861	1,202,450
Non-controlling interests		2,880	3,699	7,650	8,670
Total equity		513,332	516,998	1,363,511	1,211,120
Non-current liabilities					
Bank loans	15	343,990	334,394	913,706	783,351
Deferred tax liabilities	16	45,197	33,761	120,052	79,088
Derivatives	25	1,843	1,130	4,895	2,648
Post-employment benefits	20.3	1,570	2,251	4,171	5,273
Provisions for tax, labour and civil risks	17	15,702	10,262	41,708	24,039
Obligations under finance leases	18	3,253	4,812	8,641	11,273
Total non-current liabilities		411,555	386,610	1,093,173	905,672
Current liabilities					
Operational trade payables	19	51,573	102,242	136,988	239,513
Other payables	19	26,138	33,075	69,428	77,482
Derivatives	25	156	110	414	257
Current tax liabilities		1,994	211	5,296	492
Obligations under finance leases	18	1,444	1,547	3,836	3,623
Bank loans	15	51,195	37,997	135,984	89,013
Total current liabilities		132,500	175,182	351,946	410,380
Total liabilities		544,055	561,792	1,445,119	1,316,052
Total equity and liabilities		1,057,387	1,078,790	2,808,630	2,527,172

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

Wilson Sons Limited

Consolidated statement of changes in equity

Years ended 31 December 2014 and 2013

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

			Capital reserves											
	Notes	Share capital US$	Share premium US$	Others US$	Additional paid- in capital US$	Derivatives US$	Profit reserve US$	Contributed surplus US$	Share Options US$	Retained earnings US$	Translation Reserve US$	Attributable to owners of the Company US$	Non-controlling interests US$	Total US$
Balance at 1 January 2013	21	9,905	67,951	28,383	(2,010)	223	1,981	9,379	-	379,894	2,412	498,118	3,734	501,852
Profit for the year		-	-	-	-	-	-	-	-	40,363	-	40,363	3,648	44,011
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)
Other comprehensive income		-	-	-	-	-	-	-	-	-	(3,464)	(3,464)	(621)	(4,085)
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 31 December 2013	21	9,905	67,951	28,383	(2,010)	(1,174)	1,981	-	-	409,315	(1,052)	513,299	3,699	516,998
Profit for the year		-	-	-	-	-	-	-	-	28,604	-	28,604	1,527	30,131
Post-employment benefits		-	-	-	-	-	-	-	-	711	-	711	-	711
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(914)	-	-	-	-	-	(914)	(74)	(988)
Other comprehensive income		-	-	-	-	-	-	-	-	-	(6,793)	(6,793)	(321)	(7,114)
Total comprehensive income for the year		-	-	-	-	(914)	-	-	-	29,315	(6,793)	21,608	1,132	22,740
Share Options		-	-	-	-	-	-	-	3,066	-	-	3,066	-	3,066
Derivatives		-	-	-	-	(486)	-	-	-	-	-	(486)	-	(486)
Dividends		-	-	-	-	-	-	-	-	(27,035)	-	(27,035)	(1,951)	(28,986)
Balance at 31 December 2014	21	9,905	67,951	28,383	(2,010)	(2,574)	1,981	-	3,066	411,595	(7,845)	510,452	2,880	513,332

(continues)

Wilson Sons Limited

Consolidated statement of changes in equity

Years ended 31 December 2014 and 2013

(Amounts expressed in thousands of Brazilian Reais, unless otherwise noted)

			Capital reserves											
	Notes	Share capital R$	Share premium R$	Others R$	Additional paid- in capital R$	Derivatives R$	Profit reserve R$	Contributed surplus R$	Share Options R$	Retained earnings R$	Translation Reserve R$	Attributable to owners of the Company R$	Non-controlling interests R$	Total R$
Balance at 1 January 2013	21	26,815	136,396	76,018	(3,864)	463	3,342	19,913	-	762,670	(3,851)	1,017,902	7,631	1,025,533
Profit for the year		-	-	-	-	-	-	-	-	95,968	-	95,968	8,246	104,214
Post-employment benefits		-	-	-	-	-	-	-	-	(5,274)	-	(5,274)	-	(5,274)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(2,606)	-	-	-	-	-	(2,606)	(207)	(2,813)
Other comprehensive income		-	-	-	-	-	-	-	-	-	133,117	133,117	-	133,117
Total comprehensive income for the year		-	-	-	-	(2,606)	-	-	-	90,694	133,117	221,205	8,039	229,244
Derivatives		-	-	-	-	(463)	-	-	-	-	-	(463)	-	(463)
Transfer to retained earnings		-	-	-	-	-	-	(19,913)	-	19,913	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	(36,194)	-	(36,194)	(7,000)	(43,194)
Balance at 31 December 2013	21	26,815	136,396	76,018	(3,864)	(2,606)	3,342	-	-	837,083	129,266	1,202,450	8,670	1,211,120
Profit for the year		-	-	-	-	-	-	-	-	95,756	-	95,756	3,808	99,564
Post-employment benefits		-	-	-	-	-	-	-	-	1,889	-	1,889	-	1,889
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(2,196)	-	-	-	-	-	(2,196)	(178)	(2,374)
Other comprehensive income		-	-	-	-	-	-	-	-	-	111,778	111,778	-	111,778
Total comprehensive income for the year		-	-	-	-	(2,196)	-	-	-	97,645	111,778	207,227	3,630	210,857
Share Options		-	-	-	-	-	-	-	7,453	-	-	7,453	-	7,453
Derivatives		-	-	-	-	(1,192)	-	-	-	-	-	(1,192)	-	(1,192)
Dividends		-	-	-	-	-	-	-	-	(60,077)	-	(60,077)	(4,650)	(64,727)
Balance at 31 December 2014	21	26,815	136,396	76,018	(3,864)	(5,994)	3,342	-	7,453	874,651	241,044	1,355,861	7,650	1,363,511

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

Wilson Sons Limited

Consolidated statement of cash flows

For the year ended 31 December 2014 and 2013

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

	Note	2014 US$	2013 US$	2014 R$	2013 R$
Net cash generated by operating activities	27	117,960	113,533	249,273	216,033
Cash flow from investing activities					
Acquisition of Briclog less net cash included in the acquisition		(26,677)	(10,153)	(59,557)	(22,500)
Interest received		9,060	9,935	21,158	21,498
Proceeds on disposal of property, plant and equipment		6,490	17,912	13,275	39,125
Purchases of property, plant and equipment		(107,475)	(106,148)	(254,898)	(236,312)
Other intangible assets		(2,136)	(2,960)	(5,130)	(6,867)
Short-term investment		9,000	(13,000)	13,557	(36,436)
Investment in joint ventures		-	(4,000)	-	(9,161)
Net cash used in investing activities		(111,738)	(108,414)	(271,595)	(250,653)
Cash flow from financing activities					
Dividends paid		(27,035)	(18,070)	(60,077)	(36,194)
Dividends paid-non controlling interest		(1,951)	(2,967)	(4,650)	(7,000)
Payment for the year (phantom)		(7,118)	-	(16,881)	-
Repayments of borrowings		(38,076)	(36,772)	(88,825)	(78,994)
Repayments of obligation under finance leases		(1,879)	(1,540)	(4,390)	(3,301)
Derivative paid		(154)	(39)	(364)	(88)
New bank loans raised		64,086	50,752	153,536	114,373
Net cash used in financing activities		(12,127)	(8,636)	(21,651)	(11,204)
Net decrease in cash and cash equivalents		(5,905)	(3,517)	(43,973)	(45,824)
Cash and cash equivalents at beginning of the year		97,946	116,018	229,448	237,083
Effect of foreign exchange rate changes		(6,508)	(14,555)	41,718	38,189
Cash and cash equivalents at the end of the year		85,533	97,946	227,193	229,448

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

Notes to the consolidated financial statements

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

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 177 years in the Brazilian market, the Company has developed a nation-wide network and provides a variety of services related to international trade and the oil and gas industry, 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, 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 statements caption presented in US Dollars have been rounded to the nearest thousands, except when otherwise indicated.

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

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

- Assets and liabilities for each statement of financial position presented have been translated at the closing, exchange rate at the date of that statement of financial position;

- Income and expenses for each statement of comprehensive income or separate income statement presented have been translated at historical exchange rates for the period, and

- All resulting exchange differences have been recognized as foreign currency translation in other comprehensive income.

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.

Stock option plan
For equity-settled share-based payment transactions, the Group shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received.

Subsequent to initial recognition and measurement the estimate of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied is revised during the vesting period. The cumulative amount recognized is based on the number of equity instruments for which the service and non-marketing conditions are expected to be satisfied. No adjustments are made in respect of market conditions.

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, any minimum funding requirements applicable are taken into account.

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 applicable, excluding interest), are immediately recognized in OCI. The Group determines the net interest on the net amount of defined benefit liabilities (assets) for the period by multiplying them by the discount rate used to measure the defined health benefit obligation. Defined benefit liabilities (assets) for the period take into account the balance at the beginning of the period covered by the financial statements and any changes in the defined health benefit net liability (asset) 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 represent 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 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;

- Default or delinquency in interest or principal payments;

- 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 payable 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 at the end of every 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.

Cash settled share-based payment
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.

Shipyard revenue
Revenue related to 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.

Port terminals revenue
Revenue from providing containerised and associated services is recognised on the date in which the services have been performed.

Towage revenue
Revenue from providing towage services is recognised on the date in which the services have been performed

Ship agency and logistics revenues
Revenue from providing agency and logistics services is recognised when the services have been agreed and the transaction has occurred.

Interest income
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.

Dividends income
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.
- 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 recognised through profit or loss and 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$35.0 million (R$93.0 million) (31 December 2013: US$37.5 million (R$88.1 million)). Details are disclosed in Note 9. There is not 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.

At the end of the reporting period there were no longer any outstanding options or liabilities for cash settled share-based payments.

g. Stock option plan

The fair value of equity-settled share-based payment is determined using a binomial model, as the awards are equity-settled the fair value is assessed at the date of grant. The assumptions used in determining this fair value include, amongst others, the life of the options, share price volatility, dividend yield, employee turnover and the risk free rate. Expected volatility is determined by calculating the volatility of the Group's share price over a historical period.

Expected dividend yield is based on the Groups dividend policy. The employee turnover is consistent with recent turnover and is an appropriate assumption for the employees in the plan. 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.

h. 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.

2.3 Standards issued but not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2014; however, the Group has not applied the following new or amended standards in preparing these consolidated financial statements.

IFRS 9 Financial instruments
IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted, but still under discussion in Brazil.

3 Segment information

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

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

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

Segment information relating to these businesses is presented below:

	2014								
	Towage US$	**Port terminals US$**	**Ship agency US$**	**Offshore US$**	**Logistics US$**	**Shipyard US$**	**Non segmented activities US$**	**Elimination US$**	**Consolidated US$**
Revenue	210,999	228,634	17,088	-	73,359	149,024	-	(45,584)	633,520
Operating profit	67,722	50,281	78	-	(2,783)	10,341	(32,720)	2,060	94,979
Finance costs	(6,147)	(16,521)	(2,125)	-	(1,562)	(1,225)	3,803	170	(23,607)
Operating profit adjusted by finance cost	61,575	33,760	(2,047)	-	(4,345)	9,116	(28,917)	2,230	71,372
Share of result of joint ventures	-	-	-	7,090	-	-	-	-	7,090
Finance income	-	-	-	-	-	-	-	-	10,317
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(16,720)
Profit before tax	-	-	-	-	-	-	-	-	72,059
Other information:									
Capital expenditures	(48,809)	(53,210)	(209)	-	(6,001)	(1,499)	(1,458)	-	(111,186)
Depreciation and amortisation	(18,128)	(35,431)	(734)	-	(5,599)	(918)	(4,309)	-	(65,119)
Balance sheet									
Segment assets	301,104	355,896	3,649	11,500	30,089	122,869	232,280	-	1,057,387
Segment liabilities	(256,406)	(171,844)	(7,360)	-	(30,242)	(71,281)	(6,922)	-	(544,055)

	2013								
	Towage US$	**Port terminals US$**	**Ship agency US$**	**Offshore US$**	**Logistics US$**	**Shipyard US$**	**Non segmented activities US$**	**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 result of joint ventures	-	-	-	2,392	-	-	-	-	2,392
Finance income	-	-	-	-	-	-	-	-	11,039
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(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 amortisation	(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)

	2014								
	Towage R$	**Port terminals R$**	**Ship agency R$**	**Offshore R$**	**Logistics R$**	**Shipyard R$**	**Non segmented activities R$**	**Elimination R$**	**Consolidated R$**
Revenue	499,047	538,149	40,085	-	173,070	341,439	-	(105,681)	1,486,109
Operating profit	167,198	129,245	217	-	(2,981)	19,405	(73,647)	4,880	244,317
Finance costs	(14,479)	(41,153)	(4,824)	-	(3,761)	(2,858)	8,793	380	(57,902)
Operating profit adjusted by finance cost	152,719	88,092	(4,607)	-	(6,742)	16,547	(64,854)	5,260	186,415
Share of result of joint ventures	-	-	-	23,198	-	-	-	-	23,198
Finance income	-	-	-	-	-	-	-	-	24,559
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(33,133)
Profit before tax	-	-	-	-	-	-	-	-	201,039
Other information:									
Capital expenditures	(117,686)	(125,432)	(492)	-	(13,885)	(2,530)	(3,634)	-	(263,659)
Depreciation and amortisation	(36,781)	(71,059)	(1,621)	-	(10,741)	(1,354)	(6,532)	-	(128,088)
Balance sheet									
Segment assets	799,792	945,331	9,692	30,546	79,922	326,365	616,982	-	2,808,630
Segment liabilities	(681,065)	(456,452)	(19,550)	-	(80,329)	(189,337)	(18,386)	-	(1,445,119)

	2013								
	Towage R$	**Port terminals R$**	**Ship agency R$**	**Offshore R$**	**Logistics R$**	**Shipyard R$**	**Non segmented activities R$**	**Elimination R$**	**Consolidated R$**
Revenue	427,231	525,731	53,018	-	210,098	362,636	-	(165,895)	1,412,819
Operating profit	139,431	124,671	7,537	-	29,179	48,430	(54,579)	(6,564)	288,105
Finance costs	(13,823)	(37,812)	(51)	-	(3,009)	(1,562)	8,897	72	(47,288)
Operating profit adjusted by finance cost	125,608	86,859	7,486	-	26,170	46,868	(45,682)	(6,492)	240,817
Share of result of joint ventures	-	-	-	10,560	-	-	-	-	10,560
Finance income	-	-	-	-	-	-	-	-	23,723
Exchange gain / loss on translation	-	-	-	-	-	-	-	-	(78,078)
Profit before tax	-	-	-	-	-	-	-	-	197,022
Other information:									
Capital expenditures	(64,946)	(206,599)	(275)	-	(7,051)	(15,325)	(10,690)	-	(304,886)
Depreciation and amortisation	(25,130)	(62,700)	(1,399)	-	(12,756)	(2,412)	(7,071)	-	(111,468)
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)

Geographical information

The Group's operations are mainly located in Brazil. The Group earns income on cash and cash equivalents and short-term investments in Bermuda and in Brazil and incurs expenses on its activities in the latter country. The Group, through its participation in an Offshore Vessel Joint Venture in Panama, earns income in that country and in Uruguay.

4 Revenue

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

	2014 US$	**2013 US$**	**2014 R$**	**2013 R$**
Sales of services	530,080	559,825	1.250.351	1.216.078
Revenue from construction contracts	103,440	100,281	235.758	196.741
Total	633,520	660,106	1.486.109	1.412.819

5 Employee charges and benefits expenses

	2014 US$	**2013 US$**	**2014 R$**	**2013 R$**
Salaries and benefits	170,156	175,451	399,876	376,710
Payroll taxes	24,479	33,010	57,668	71,492
Pension costs	943	1,481	2,236	3,200
Long-term incentive plan	(713)	(1,430)	(1,491)	(2,207)
Total	194,865	208,512	458,289	449,195

6 Other operating expenses

	2014 US$	**2013 US$**	**2014 R$**	**2013 R$**
Service cost	55,087	59,051	129,380	127,380
Rents of tugs	28,296	28,790	67,102	62,450
Other rentals	22,877	26,474	54,211	57,397
Energy, water and communication	21,027	23,829	49,587	51,381
Container handling	13,415	13,512	31,831	29,489
Freight	8,904	11,359	20,890	24,786
Insurance	5,465	5,320	12,245	11,111
Other taxes	8,090	9,823	18,814	21,273
Other expenses	15,134	9,788	38,818	21,738
Total	178,295	187,946	422,878	407,005

7 Finance income and finance costs

	2014 US$	2013 US$	2014 R$	2013 R$
Interest on investments	6,775	8,512	15,965	18,477
Exchange gain (loss) on investments	(870)	(847)	(2,017)	(2,172)
Other interest income	4,412	3,374	10,611	7,418
Total finance income	10,317	11,039	24,559	23,723
Interest on bank loans	(12,547)	(11,571)	(29,604)	(25,018)
Exchange gain (loss) on loans	(8,014)	(9,576)	(21,109)	(22,362)
Interest on obligations under finance leases	(872)	(715)	(2,040)	(1,575)
Total borrowing costs	(21,433)	(21,862)	(52,753)	(48,955)
Other interest	(2,174)	754	(5,149)	1,667
Total finance costs	(23,607)	(21,108)	(57,902)	(47,288)
Exchange gains (loss) on translation	(16,720)	(30,171)	(33,133)	(78,078)

8 Income tax expense

Income tax recognized in profit or loss:

	2014 US$	2013 US$	2014 R$	2013 R$
Current				
Brazilian taxation				
Income tax	22,835	23,642	54,267	51,095
Social contribution	10,037	9,909	23,834	21,670
Total Brazilian current tax	32,872	33,551	78,101	72,765
Deferred tax				
Total deferred tax	9,056	8,708	23,374	20,043
Total income tax expense	41,928	42,259	101,475	92,808

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:

	2014 US$	2013 US$	2014 R$	2013 R$
Profit before tax	72,059	86,270	201,039	197,021
Tax at statutory Brazilian tax rate (34%)	24,500	29,331	68,353	66,987
Effect of exchange differences arising on translation - IAS 21	15,872	18,740	42,785	43,297
Long-term incentive plan	(242)	(486)	(507)	(750)
Effect of tax losses unrecognized in deferred tax assets	509	(943)	1,352	(2,209)
Equity in subsidiaries	(2,411)	(813)	(7,887)	(3,590)
Effect of calculating tax on presumed profit	(81)	(2,891)	(189)	(6,497)
Others	3,781	(679)	(2,432)	(4,430)
Income tax expense	41,928	42,259	101,475	92,808
Effective rate for the year	58%	49%	50%	47%

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

9 Goodwill

	31 December 2014 US$	31 December 2013 US$
Cost and carrying amount attributed to:		
Tecon Rio Grande	13,132	13,132
Tecon Salvador	2,480	2,480
Brazilian Intermodal Complex (Brasco Caju)	19,412	22,010
Total	35,024	37,622

	31 December 2014 R$	31 December 2013 R$
Cost and carrying amount attributed to:		
Tecon Rio Grande	34,882	30,763
Tecon Salvador	6,588	5,810
Brazilian Intermodal Complex (Brasco Caju)	51,561	51,561
Total	93,031	88,134

The goodwill associated with each cash-generating unit (Brasco Caju, Tecon Salvador and Tecon Rio Grande) is attributed to the Terminals segment.

As part of the annual impairment test review the carrying value of goodwill has been assessed with reference to its value in use reflecting the projected discounted cash flows of each cash-generating unit to which goodwill has been allocated. The cash-flows are based on the remaining life of the concession. Future cash flows are derived from the most recent financial budget and for the period of concession remaining.

The key assumptions used in determining value in use relate to growth rate, discount rate, inflation and interest rate. Further projections include sales and operating margins, which are based on past experience, taking into account the effect of known or likely changes in market or operating conditions.

Each cash-generating unit is assessed for impairment annually and whenever there is an indication of impairment

An estimated average growth rate used does not exceed the historical average for Tecon Rio Grande and Tecon Salvador. Growth rate of 7% has been estimated for Brasco Caju, and a discount rate of 8.2% for all business units has been used. These growth rates reflect the products, industries and countries in which the operating segments operate. These medium- to long-term growth rates have been reviewed by management during 2014 and are considered to be appropriate.

The Directors have considered the following individual sensitivities and are confident that no impairment would arise in any of the cash-generating units in any of the following two circumstances:

- If the discount rate was increased by 30%; or

- If the cash flow projections of all businesses were reduced by 25%.

After testing goodwill as mentioned above, no impairment losses were recognised for the periods presented.

Brasco Caju'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$19.4 million (R$51.6 million), with negative foreign exchange impact of US$3.7 million (2013: US$1.3 million) due to the translation effect.

10 Other intangible assets

	US$	R$
Cost		
At 1 January 2013	44,056	90,030
Additions	26,294	58,567
Disposals	(30)	(58)
Exchange differences	(3,469)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	8,066
At 31 December 2013	66,851	156,605
Additions	2,136	5,130
Disposals	(90)	(173)
Exchange differences	(4,549)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	9,359
At 31 December 2014	64,348	170,921
Accumulated amortization		
At 1 January 2013	14,711	30,063
Charge for the year	6,508	12,034
Disposals	(23)	(46)
Exchange differences	(995)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	5,274
At 31 December 2013	20,201	47,325
Charge for the year	6,941	13,096
Disposals	(89)	(170)
Exchange differences	(1,270)	-
Foreign currency gain/(loss) in respect of translation into Brazilian Real	-	8,234
At 31 December 2014	25,783	68,485
Carrying amount		
31 December 2014	38,565	102,436
31 December 2013	46,650	109,280

The breakdown of intangibles by type is as follows:

	31 December 2014 US$	31 December 2013 US$
Lease right – Brasco Caju	18,280	21,454
Lease right - Tecon Salvador	7,483	9,263
Computer software - SAP	5,630	7,613
Other	7,172	8,320
Total	38,565	46,650

	31 December 2014 R$	31 December 2013 R$
Lease right – Brasco Caju	48,555	50,258
Lease right - Tecon Salvador	19,876	21,698
Computer software - SAP	14,954	17,835
Other	19,051	19,489
Total	102,436	109,280

11 Property, plant and equipment

	Land and buildings US$	Vessels US$	Vehicles, plant and equipment US$	Assets under construction US$	Total US$
Cost or valuation					
At 1 January 2013	272,359	313,861	243,447	15,876	845,543
Additions	50,840	7,197	33,525	19,091	110,653
Transfers	(5,033)	11,913	5,033	(11,913)	-
Exchange differences	(16,663)	-	(14,104)	-	(30,767)
Disposals	(2,006)	(11,809)	(16,282)	-	(30,097)
At 31 December 2013	299,497	321,162	251,619	23,054	895,332
Additions	46,907	14,085	13,843	34,215	109,050
Transfers	1,032	45,799	(1,032)	(45,799)	-
Exchange differences	(20,353)	-	(10,451)	-	(30,804)
Disposals	(420)	(11,459)	(12,018)	-	(23,897)
At 31 December 2014	326,663	369,587	241,961	11,470	949,681
Accumulated depreciation					
At 1 January 2013	45,932	115,758	88,990	-	250,680
Charge for the year	18,114	11,523	24,753	-	54,390
Elimination on construction contracts	-	3,744	-	-	3,744
Exchange differences	(3,188)	-	(6,012)	-	(9,200)
Disposals	(649)	(11,355)	(9,190)	-	(21,194)
At 31 December 2013	60,195	119,684	98,541	-	278,420
Charge for the year	19,897	13,908	24,373	-	58,178
Transfers	(65)	-	65	-	-
Elimination on construction contracts	-	1,977	-	-	1,977
Exchange differences	(4,394)	-	(6,318)	-	(10,712)
Disposals	(289)	(11,070)	(6,293)	-	(17,652)
At 31 December 2014	75,344	124,499	110,368	-	310,211
Carrying amount					
31 December 2014	251,319	245,088	131,593	11,470	639,470
31 December 2013	239,302	201,478	153,078	23,054	616,912

	Land and buildings R$	Vessels R$	Vehicles, plant and equipment R$	Assets under construction R$	Total R$
Cost or valuation					
At 1 January 2013	556,566	641,375	497,484	32,442	1,727,867
Additions	117,599	15,784	67,713	45,223	246,319
Transfers	(17,354)	24,436	17,354	(24,436)	-
Disposals	(4,849)	(30,482)	(30,289)	-	(65,620)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	49,639	101,241	37,181	777	188,838
At 31 December 2013	701,601	752,354	589,443	54,006	2,097,404
Additions	110,769	32,493	32,722	82,545	258,529
Transfers	1,215	107,569	(1,215)	(107,569)	-
Disposals	(778)	(28,886)	(22,322)	-	(51,986)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	54,876	118,167	44,069	1,485	218,597
At 31 December 2014	867,683	981,697	642,697	30,467	2,522,544
Accumulated depreciation					
At 1 January 2013	93,833	236,580	181,851	-	512,264
Charge for the year	35,883	20,221	48,261	-	104,365
Elimination on construction contracts	-	8,770	-	-	8,770
Disposals	(1,799)	(29,709)	(17,269)	-	(48,777)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	13,095	44,510	17,998	-	75,603
At 31 December 2013	141,012	280,372	230,841	-	652,225
Charge for the year	39,694	27,182	48,116	-	114,992
Transfers	(118)	-	118	-	-
Elimination on construction contracts	-	4,688	-	-	4,688
Disposals	(531)	(27,877)	(11,828)	-	(40,236)
Foreign currency gain/(loss) in respect of translation into Brazilian Real	20,073	46,329	25,913	-	92,315
At 31 December 2014	200,130	330,694	293,160	-	823,984
Carrying amount					
31 December 2014	667,553	651,003	349,537	30,467	1,698,560
31 December 2013	560,589	471,982	358,602	54,006	1,445,179

The cost balance of the Group's vehicles, plant and equipment includes an amount of US$19.7 million (R$52.3 million) (2013: US$22.3 million (R$52.2 million)) in respect of assets held under finance leases.

Land and buildings with a net carrying amount of US$0.2 million (R$0.5 million) (2013: US$0.2 million (R$0.5 million)) and tugboats with a net carrying amount of US$1.8 million (R$4.8 million) (2013: US$2.0 million (R$4.7 million) have been pledged as guarantee of various lawsuits (tax cases).

The Group has pledged assets with a carrying amount of approximately US$214.7 million (R$570.3 million) (2013: US$234.1 million (R$548.3 million)) to secure loans granted to the Group (please refer to note 15).

The amount of borrowing costs capitalized in 2014 is US$1.0 million (R$3.0 million) (2013: US$1.5 million (R$4.0 million)), at an average interest rate of 2.97% (2013: 3.05%).

On 31 December 2014, the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$13.5 million (R$35.9 million) (2013: US$5.5 million (R$12.8 million)). The amount mainly refers to the expansion of Brasco Caju, Tecon Salvador and Tecon Rio Grande and construction of vessels in the Shipyard.

12 Inventories

	31 December 2014 US$	**31 December 2013 US$**
Operating materials	11,498	13,433
Raw materials for construction contracts (external customers)	20,962	15,657
Total	32,460	29,090

	31 December 2014 R$	**31 December 2013 R$**
Operating materials	30,541	31,467
Raw materials for construction contracts (external customers)	55,679	36,678
Total	86,220	68,145

13 Trade and other receivables

	31 December 2014 US$	**31 December 2013 US$**
Operational trade receivables		
Receivable for services rendered	50,332	65,541
Allowance for doubtful debts	(1,154)	(1,718)
Total operational trade and other receivables	49,178	63,823
Other receivables		
Income tax recoverable	9,240	14,956
Recoverable taxes and levies	34,000	32,755
Intergroup loans	31,314	42,200
Prepayment	12,426	7,089
Other receivables	11,174	13,862
Total other receivables	98,154	110,862
Total	147,332	174,685
Total Operational trade receivables current	49,178	63,823
Total Other receivables current	46,619	44,664
Total Other receivables non-current	51,535	66,198

	31 December 2014 R$	31 December 2013 R$
Operational trade receivables		
Receivable for services rendered	133,692	153,536
Allowance for doubtful debts	(3,065)	(4,025)
Total operational other receivables	130,627	149,511
Other receivables		
Income tax recoverable	24,543	35,036
Recoverable taxes and levies	90,311	76,732
Intergroup loans	83,176	98,857
Prepayment	33,006	16,607
Other receivables	29,680	32,476
Total other receivables	260,716	259,708
Total	391,343	409,219
Total Operational trade receivables current	130,627	149,513
Total Other receivables current	123,829	104,630
Total Other receivables non-current	136,887	155,076

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; (ii) receivables from Intermarítima; and (iii) Intergroup loans. There is no impairment evidence related to these receivables.

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

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

	31 December 2014 US$	31 December 2013 US$
Current	40,359	50,991
Overdue but not impaired:		
01 to 30 days	6,942	9,046
31 to 90 days	1,086	3,015
91 to 180 days	791	771
Impaired:		
More than 180 days	1,154	1,718
Total	50,332	65,541

	31 December 2014 R$	31 December 2013 R$
Current	107,200	119,452
Overdue but not impaired:		
01 to 30 days	18,440	21,190
31 to 90 days	2,886	7,063
91 to 180 days	2,101	1,806
Impaired:		
More than 180 days	3,065	4,025
Total	133,692	153,536

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

Changes in allowance for doubtful debts are as follows:

	US$	R$
At 1 January 2013	2,506	5,122
Decrease in allowance	(650)	(1,097)
Exchange difference	(138)	-
At 31 December 2013	1,718	4,025
Decrease in allowance	(363)	(960)
Exchange difference	(201)	-
At 31 December 2014	1,154	3,065

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

14 Cash and cash equivalents and short-term investments

Cash and cash equivalents

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

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

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

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

	31 December 2014 US$	31 December 2013 US$
Denominated in US dollar:		
Cash and cash equivalents	15,206	13,943
Short-term investments	24,000	33,000
Total	39,206	46,943
Denominated in Brazilian Real:		
Cash and cash equivalents	70,327	84,003
Total	109,533	130,946
Total cash and cash equivalents	85,533	97,946
Total short-term investments	24,000	33,000

	31 December 2014 R$	31 December 2013 R$
Denominated in US dollar:		
Cash and cash equivalents	40,390	32,663
Short-term investments	63,749	77,306
Total	104,139	109,969
Denominated in Brazilian Real:		
Cash and cash equivalents	186,803	196,785
Total	290,942	306,754
Total cash and cash equivalents	227,193	229,448
Total short-term investments	63,749	77,306

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

Hydrus fund comprehend a highly liquid investment that is readily convertible to known amounts of cash and which is subjected to as insignificant risk of changes in value.

15 Bank loans

	Interest rate - % p.a.	31 December 2014 US$	31 December 2013 US$
Secured borrowings			
BNDES - FMM linked to US Dollar[1]	2.07% - 6.00%	200,022	214,826
BNDES - Real	6.76% - 7.16%	26,796	9,849
BNDES - linked to US Dollar	5.07% -5.36%	9,410	11,591
BNDES - FINAME Real	3.50% - 12.00%	4,461	10,366
BNDES - FMM Real[1]	5.90% - 8.71%	2,692	3,247
Total BNDES		243,381	249,879
IFC - US Dollar	3.08%	67,815	75,296
BB - FMM linked to US Dollar[1]	2.00% - 3.00%	54,985	24,387
Itaú - US Dollar linked to Real	11.89%	12,233	-
Eximbank - US Dollar	2.03%	9,462	11,563
Finimp - US Dollar	1.96% - 4.13%	6,287	9,528
IFC – Real	14.09%	1,022	1,738
Total others		151,804	122,512
Total		395,185	372,391

	Interest rate - % p.a.	31 December 2014 R$	31 December 2013 R$
Secured borrowings			
BNDES - FMM linked to US Dollar[1]	2.07% - 6.00%	531,298	503,251
BNDES - Real	6.76% - 7.16%	71,176	23,072
BNDES - linked to US Dollar	5.07% -5.36%	24,995	27,153
BNDES - FINAME Real	3.50% - 12.00%	11,849	24,283
BNDES - FMM Real[1]	5.90% - 8.71%	7,150	7,606
Total BNDES		646,468	585,365
IFC - US Dollar	3.08%	180,130	176,388
BB - FMM linked to US Dollar[1]	2.00% - 3.00%	146,051	57,133
Itaú - US Dollar linked to Real	11.89%	32,493	-
Eximbank - US Dollar	2.03%	25,133	27,087
Finimp - US Dollar	1.96% - 4.13%	16,700	22,320
IFC – Real	14.09%	2,715	4,071
Total others		403,222	286,999
Total		1,049,690	872,364

1. As agents of Fundo da Marinha Mercante (FMM), BNDES and BB finance the construction of tugboats and shipyard facilities.

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

	31 December 2014 US$	**31 December 2013 US$**
Within one year	51,195	37,997
In the second year	39,926	37,370
In the third to fifth years (including)	120,389	110,115
After five years	183,675	186,909
Total	395,185	372,391
Total current	51,195	37,997
Total non-current	343,990	334,394

	31 December 2014 R$	**31 December 2013 R$**
Within one year	135,984	89,013
In the second year	106,051	87,543
In the third to fifth years (including)	319,777	257,955
After five years	487,878	437,853
Total	1,049,690	872,364
Total current	135,984	89,013
Total non-current	913,706	783,351

The analysis of borrowings by currency is as follows:

	Real US$	**US Dollar linked to Real US$**	**Real linked to US Dollars US$**	**US Dollars US$**	**Total US$**
31 December 2014					
Bank loans	34,971	12,233	264,417	83,564	395,185
Total	34,971	12,233	264,417	83,564	395,185
31 December 2013					
Bank loans	25,200	-	250,804	96,387	372,391
Total	25,200	-	250,804	96,387	372,391

	Real R$	**US Dollar linked to Real R$**	**Real linked to US Dollars R$**	**US Dollars R$**	**Total R$**
31 December 2014					
Bank loans	92,890	32,493	702,344	221,963	1,049,690
Total	92,890	32,493	702,344	221,963	1,049,690
31 December 2013					
Bank loans	59,032	-	587,537	225,795	872,364
Total	59,032	-	587,537	225,795	872,364

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

Loans with Banco do Brasil 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 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 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 31 December 2014, the Group had available US$89.7 million (R$ 238.3 million) of undrawn borrowing facilities. For each disbursement, there is a set of conditions precedent that must be satisfied.

In June 2014, the Group signed a termination of Rio Grande Shipyard's loan agreement with BNDES, reducing the amount of undrawn borrowing facilities by US$ 106.2 million (R$ 234 million).

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

	31 December 2014 US$	**31 December 2013 US$**
Bank loans		
BNDES	243,381	249,879
IFC	68,837	77,034
BB	54,985	24,387
Itaú	12,233	-
Eximbank	9,462	11,563
Finimp	6,287	9,528
Total	395,185	372,391

	31 December 2014 R$	**31 December 2013 R$**
Bank loans		
BNDES	646,468	585,365
IFC	182,845	180,459
BB	146,051	57,133
Itaú	32,493	-
Eximbank	25,133	27,087
Finimp	16,700	22,320
Total	1,049,690	872,364

Covenants

The Wilson, Sons de Administração e Comércio Ltda. ("WSAC") holding company, as corporate guarantor, has to comply with financial covenants in both Wilson Sons Estaleiros and Brasco Logística Offshore loan agreements signed with BNDES.

The subsidiary Tecon Salvador has to observe affirmative and negative covenants stated in its loan agreement with the Internantional Finance Corporation - IFC, including the maintenance of specific liquidity ratios and a capital structure.

The subsidiary Tecon Rio Grande has to comply with financial covenants in its loan agreement with BNDES, such as a minimum liquidity ratio and capital structure.

16 Deferred taxes

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

	Accelerated depreciation US$	**Exchange Differences on loans US$**	**Timing differences US$**	**Non-monetary items US$**	**Total US$**
At 1 January 2013	(17,873)	5,405	34,145	(7,073)	14,604
(Charge)/credit to income	(1,320)	11,768	(416)	(18,740)	(8,708)
Deferred tax booked in acquired investment	-	-	(7,793)	-	(7,793)
Exchange differences	-	(166)	(1,599)	-	(1,765)
At 31 December 2013	(19,193)	17,007	24,337	(25,813)	(3,662)
(Charge)/credit to income	(717)	7,959	(426)	(15,872)	(9,056)
Exchange differences	-	(366)	(448)	-	(814)
At 31 December 2014	(19,910)	24,600	23,463	(41,685)	(13,532)

	Accelerated depreciation R$	**Exchange Differences on loans R$**	**Timing differences R$**	**Non-monetary items R$**	**Total R$**
At 1 January 2013	(36,523)	11,046	69,774	(14,454)	29,843
(Charge)/credit to income	(2,576)	27,112	(1,282)	(43,297)	(20,043)
Deferred tax booked in acquired investment	-	-	(17,377)	-	(17,377)
Translation adjustment to real	(5,862)	1,684	5,896	(2,719)	(1,001)
At 31 December 2013	(44,961)	39,842	57,011	(60,470)	(8,578)
(Charge)/credit to income	(987)	21,302	(904)	(42,785)	(23,374)
Translation adjustment to real	(6,937)	4,198	6,217	(7,469)	(3,991)
At 31 December 2014	(52,885)	65,342	62,324	(110,724)	(35,943)

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:

	31 December 2014 US$	**31 December 2013 US$**
Deferred tax liabilities	(45,197)	(33,761)
Deferred tax assets	31,665	30,099
Total	(13,532)	(3,662)

	31 December 2014 R$	**31 December 2013 R$**
Deferred tax liabilities	(120,052)	(79,088)
Deferred tax assets	84,109	70,510
Total	(35,943)	(8,578)

At the end of the reporting period, the Group has unutilized tax loss carry forwards of US$25.3 million (R$67.2 million) (2013: US$24.4 million (R$57.2 million)) available for offset against future taxable income.

Also a deferred tax asset in the amount of US$7.1 million (R$19.0 million) (2013: US$7.2 million (R$16.9 million)) has not been recognized due to the unpredictability of this portion of future flows of related taxable income. The amount of US$7.1 million (R$19.0 million) (2013: US$6.5 million (R$15.2 million)), refers to unutilized tax loss carry forwards generated by the operational entities of the group. In 2013, the amount of US$0.7 million (R$1.7 million) referred to unutilized tax loss carry forwards generated by the holding entities of the group.

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

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

Due to a timing difference arisen from the amortisation of the intangible asset from the Brasco Caju acquisition (Notes 10 and 22), the Group recognized a deferred tax liability in the amount of US$7.0 million (R$17.4 million), in accordance to IFRS 3.

17 Provisions for tax, labour and civil risks

	US$	**R$**
At 1 January 2013	10,966	22,409
Addition to provision	695	1,630
Exchange difference	(1,399)	-
At 31 December 2013	10,262	24,039
Addition to provision	5,435	17,669
Exchange difference	5	-
At 31 December 2014	15,702	41,708

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

	31 December 2014 US$	**31 December 2013 US$**
Civil cases	3,119	2,078
Tax cases	3,818	1,822
Labour claims	8,765	6,362
Total	15,702	10,262

	31 December 2014 R$	**31 December 2013 R$**
Civil cases	8,285	4,868
Tax cases	10,141	4,268
Labour claims	23,282	14,903
Total	41,708	24,039

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

In addition to the cases for which the Group booked the provision there are other tax, civil and labour disputes amounting to US$112,3 million (R$298,3 million) (2013: US$133.4 million (R$312.5 million)) with probability of loss was estimated by the legal counsels as possible.
The breakdown of possible claims is described as follows:

	31 December 2014 US$	**31 December 2013 US$**
Civil cases	4,292	10,174
Tax cases	82,416	56,799
Labour claims	25,582	66,416
Total	112,290	133,389

	31 December 2014 R$	**31 December 2013 R$**
Civil cases	11,400	23,833
Tax cases	218,913	133,057
Labour claims	67,950	155,586
Total	298,263	312,476

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

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

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

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

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

Upon receipt of the notification of a new judicial lawsuit, the external lawyer generally classifies it as a possible claim, recorded the total amount involved. From 2014, Wilson Sons has been using as a criterion of analysis the estimated value in risk and not the total order value involved in each process.

Exceptionally, if there is sufficient knowledge from the beginning that there is very high or very low risk of loss, the lawyer may classify the claim as probable loss or remote loss.

During the course of the lawsuit and considering, for instance, its first judicial decision, legal precedents, arguments of the claimant, thesis under discussion, applicable laws, documentation for the 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**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
	US$	**US$**	**US$**	**US$**
Amounts payable under finance leases:				
Within one year	1,859	2,018	1,444	1,547
From second to fifth years (including)	4,604	6,463	3,253	4,812
	6,463	8,481	4,697	6,359
Less future finance charges	(1,766)	(2,122)	-	-
Present value of lease obligations	4,697	6,359	-	-
Total current	1,444	1,547	-	-
Total non-current	3,253	4,812	-	-

	Minimum lease payments		**Present value of minimum lease payments**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
	R$	**R$**	**R$**	**R$**
Amounts payable under finance leases:				
Within one year	4,938	4,727	3,836	3,623
From second to fifth years (including)	12,231	15,140	8,641	11,273
	17,169	19,867	12,477	14,896
Less future finance charges	(4,692)	(4,971)	-	-
Present value of lease obligations	12,477	14,896	-	-
Total current	3,836	3,623	-	-
Total non-current	8,641	11,273	-	-

It is the Group's policy to lease certain of its vehicles and equipment under finance leases. The average lease term is 59 months, of which an average of 28 months remained outstanding at the end of December 2014.

For the period ended 31 December 2014, the average effective leasing interest rate was 13.94% (2013: 13.61%). Interest rates are set at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 13.04% p.a. to 17.78% p.a. Leases are denominated in Reais.

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

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

19 Trade and other payables

	31 December 2014 US$	31 December 2013 US$
Operational trade payables		
Trade payables	45,235	73,697
Advance from customers for construction contracts	6,338	28,545
Total operational trade payables	51,573	102,242
Other payables		
Taxes	11,064	12,437
Share-based payment (provision)	-	10,898
Other advances from customers	6,166	1,550
Accruals and other payables	8,908	8,190
Total other payables	26,138	33,075
Total	77,711	135,317

	31 December 2014 R$	31 December 2013 R$
Operational trade payables		
Trade payables	120,153	172,642
Advance from customers for construction contracts	16,835	66,871
Total operational trade payables	136,988	239,513
Other payables		
Taxes	29,388	29,135
Share-based payment (provision)	-	25,530
Other advances from customers	16,379	3,631
Accruals and other payables	23,661	19,186
Total other payables	69,428	77,482
Total	206,416	316,995

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:

	31 December 2014 US$	**31 December 2013 US$**
Contract costs incurred plus recognized revenues less recognized losses to date	123,483	81,995
Less unbilled services	(129,821)	(110,540)
Net liability included in suppliers	(6,338)	(28,545)

	31 December 2014 R$	**31 December 2013 R$**
Contract costs incurred plus recognized revenues less recognized losses to date	327,996	192,081
Less unbilled services	(344,831)	(258,952)
Net liability included in suppliers	(16,835)	(66,871)

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

20.1. Cash-settled share-based payments

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

	US$	**R$**
Liability at 1 January 2013	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 31 December 2013	10,898	25,530
Charge/Reversal for the year	(3,780)	(8,836)
Payment for the year	(7,118)	(16,881)
Foreign currency loss in respect of translation into Brazilian Real	-	187
Liability at 31 December 2014	-	-

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

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

20.2. Stock option plan

On November 13, 2013, 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 10 January, 2014 options for the acquistion of 2,914,100 BDR´s were granted under the Stock Option Plan with an exercise price of R$ 31.23 and on 13 November, 2014 options for the acquistion of 139,000 BDR´s were granted under the Stock Option Plan with respective exercise prices of R$ 31.23 and R$ 33,98 as detailed below:

Options series	Number	Grant date	Vesting date	Expiry date	Exercise price (R$)
07 ESO - 3 Year	931,920	10/1/2014	10/1/2017	10/1/2024	31.23
07 ESO - 4 Year	931,920	10/1/2014	10/1/2018	10/1/2024	31.23
07 ESO - 5 Year	960,160	10/1/2014	10/1/2019	10/1/2024	31.23
07 ESO - 3 Year	45,870	13/11/2014	13/11/2017	13/11/2024	33.98
07 ESO - 4 Year	45,870	13/11/2014	13/11/2018	13/11/2024	33.98
07 ESO - 5 Year	47,260	13/11/2014	13/11/2019	13/11/2024	33.98

The options terminate on the expiry date or immediately on the resignation of the director or senior employee, whichever is earlier. Options lapse if not exercised within 6 months of the date that the participant ceases to be employed or hold office within the Group by reason of, amongst others: injury, disability or retirement; or dismissal without just cause. In the period between granting and 31 December 2014 a total of 90,100 options lapsed.

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	2,826
2015	7,506	2,826
2016	7,506	2,826
2017	4,408	1,660
2018	2,011	757
Total	28,938	10,895

(*) Amounts in Dollars converted at R$2.6562/US$1.00

	10 Janeiro 2014
Closing share price (in Real)	R$30.05
Expected volatility	28%
Expected life	10 years
Risk free rate	10.8%
Expected dividend yield	1.7%

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

20.3. Post-employment benefits

The Group operates a private medical insurance scheme for its employees which require the eligible employees to pay fixed monthly contributions. In accordance with regulation of the Brazilian law, eligible employees with greater than ten years serviceacquire 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:

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Present value of actuarial liabilities	1,570	2,251	4,171	5,273
Total	1,570	2,251	4,171	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

	31 December 2014	31 December 2013
Annual interest rate	12.78%	12.38%
Estimated inflation rate in the long-term	6.00%	5.50%
Aging Factor	2.50% p.a.	2.50% p.a.
Medical cost trend rate	2.50% p.a.	2.50% p.a.

Biometric and Demographic Assumptions

	31 December 2014	31 December 2013
Employee turnover	22.7%	22%
Mortality table	AT-2000	AT-2000
Mortality table for disabled	IAPB-1957	IAPB-1957
Disability table	Álvaro Vindas	Álvaro Vindas
Retirement Age	100% at 62	100% at 62
Employees who opt to keep the health plan after retirement and termination	23%	23%
Family composition before retirement		
Probability of marriage	90% of the participants	90% of the participants
Age difference for active participants	Men 4 years older than the woman	Men 4 years older than the woman
Family composition after retirement	Composition of the family group	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:

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
CiPBO(*) – discount rate + 0.5%	(90)	(273)	(238)	(640)
CiPBO(*) – discount rate – 0.5%	99	325	263	763
CiPBO(*) – Health Care Cost Trend Rate + 1.0%(*)	213	732	567	1,714
CiPBO(*) – Health Care Cost Trend Rate – 1.0%	(176)	(520)	(468)	(1,219)

(*) CiPBO means Change in projected benefit obligation

21 Equity

Share Capital

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

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

Dividends
At the meeting held on 27 and 28 March 2014 the Board of Directors approved a new dividend policy of an amount of approximately 50% of the Company's net profit, provided that:

- The dividend policy will be reevaluated annually so as to not compromise the policy for growth of the Company whether it be, through acquisition of other companies, or by reason of development of new business.

- The Board of Directors considers that the payment of such dividend would be in the interests of the Company and in compliance with the laws to which the Company is subject.

	31 December 2014 US$	31 December 2013 US$
Amounts recognized as distributions to equity holders in the period:		
Final dividend paid for the year ended 31 December 2013 of US$0.38 (2012: US$0.254) per share	27,035	18,070
Total	27,035	18,070
Proposed final dividend for the year ended 31 December 2014 of US$0.408 (2013: US$0.38) per share	29,027	27,035

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

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Profit for the period attributable to owners of the Company	28,604	40,363	95,756	95,968
Weighted average number of common shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic earnings per share (cents per share)	40.21	56.73	134.59	134.89
Weighted average number of common shares	73,968,000	71,144,000	73,968,000	71,144,000
Diluted earnings per share (cents per share)	38.67	56.73	129.46	134.89

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	**31 December 2014**	**31 December 2013**
Holding company			
Wilson, Sons de Administração e Comércio Ltda.	Brazil	100%	100%
Vis Limited	Guernsey	100%	100%
WS Participações S.A.	Brazil	100%	100%
WS Participaciones S.A.	Uruguay	100%	100%
Towage			
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	100%
Sobrare-Servemar Ltda.	Brazil	100%	100%
Wilson, Sons Operações Marítimas Especiais Ltda.	Brazil	100%	100%
Shipyard			
Wilson, Sons Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	100%
Wilson, Sons Estaleiro Ltda.	Brazil	100%	100%
Ship Agency			
Wilson, Sons Agência Marítima Ltda.	Brazil	100%	100%
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	100%
Logistics			
Wilson, Sons Logística Ltda.	Brazil	100%	100%
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	100%
Allink Transportes Internacionais Ltda (*)	Brazil	50%	50%
Consórcio EADI Santo André.	Brazil	100%	100%
Port terminal			
Brasco Logística Offshore Ltda.	Brazil	100%	100%
Tecon Rio Grande S.A.	Brazil	100%	100%
Tecon Salvador S.A.	Brazil	92.5%	92.5%
Wilport Operadores Portuários Ltda.	Brazil	100%	100%
Wilson, Sons Operadores Portuários Ltda.	Brazil	100%	100%
Brazilian Intermodal Complex S.A	Brazil	100%	100%
Non- Segmented Activities			
Wilson, Sons Administração de Bens Ltda	Brazil	100%	100%

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

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

Acquisition of subsidiaries and non-controlling interests

Business combinations

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

	Amounts in millions	
Business combination breakdown	**US$(*)**	**R$**
Closing Price	40.5	89.8
Monetary adjustment	1.4	3.3
Advance on June 2011	(4.5)	(10.0)
Payment on closing	(10.2)	(22.5)
Payment on 2014	(26.8)	(59.6)
Outstanding Debt on December 2014	0.4	1.0

(*)Amounts converted at transaction rate

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

Goodwill and other intangible assets

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

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

Identifiable assets acquired and liabilities assumed

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

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

Other information

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

23 Joint ventures and Joint Operations

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

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

(*) Wilson, Sons Ultratug Participações S.A. controls Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A. These latter two companies are indirect joint ventures of the Company.
(**) Atlantic Offshore S.A. controls South Patagonia S.A. This company is indirect joint venture of Wilson Sons Limited.
(***) Joint Operations.

23.1 Joint operations

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

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Inventories	458	413	1,215	967
Trade and Other Receivables	2,644	2,808	7,023	6,578
Cash and Cash equivalents	939	898	2,494	2,104
Other intangible Assets	1	2	3	5
Property, Plant & Equipment	2,399	2,018	6,373	4,727
Total assets	6,441	6,139	17,108	14,381
Trade and Other payables	(6,243)	(6,035)	(16,583)	(14,137)
Deferred tax liabilities	(198)	(104)	(525)	(244)
Total liabilities	(6,441)	(6,139)	(17,108)	(14,381)

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Income	14,273	13,734	33,741	30,215
Expense	(14,273)	(13,734)	(33,741)	(30,215)

23.2 Joint ventures

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

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Revenue	153,760	108,837	366,949	239,178
Raw materials and consumable used	(6,098)	(5,190)	(14,346)	(11,364)
Employee benefits expense	(47,959)	(42,192)	(113,127)	(91,142)
Depreciation and amortization expenses	(35,273)	(26,249)	(70,489)	(49,224)
Other operating expenses	(21,268)	(15,240)	(50,409)	(33,067)
Profit on disposals of property, Plant & Equipment	-	(72)	-	(172)
Results from operating activities	43,162	19,894	118,578	54,209
Finance income	1,354	1,292	3,516	4,569
Finance costs	(18,316)	(15,391)	(43,247)	(35,146)
Exchange gain (loss) on translation	(4,807)	1,890	(13,049)	3,199
Profit/Loss before tax	21,393	7,685	65,798	26,831
Income tax expense	(7,213)	(2,900)	(19,402)	(5,711)
Profit for the period	14,180	4,785	46,396	21,120
Participation	50%	50%	50%	50%
Equity result	7,090	2,392	23,198	10,560

	31 December 2014 US$	31 December 2013 US$	31 December 2014 R$	31 December 2013 R$
Other non-current Assets	1,566	465	4,160	1,090
Property, plant and equipment	598,497	603,137	1,589,728	1,412,909
Long-term investment	2,140	2,131	5,684	4,992
Other current assets	1,367	864	3,631	2,024
Trade and other receivables	35,782	33,607	95,045	78,728
Derivatives	79	-	210	-
Cash and cash equivalents	37,061	23,401	98,441	54,819
Total assets	676,492	663,605	1,796,899	1,554,562
Bank overdrafts and loans	514,861	501,713	1,367,574	1,175,313
Other non-current liabilities	16,596	8,878	44,082	20,798
Trade and other payables	81,596	102,782	216,736	240,778
Equity	63,439	50,232	168,507	117,673
Total liabilities & Equity	676,492	663,605	1,796,899	1,554,562

Guarantees

Wilson Sons Offshore's loan agreements with BNDES are guaranteed by a lien on the financed supply vessels, and in the majority of the contracts, a corporate guarantee from both Wilson Sons Adminisração e Comércio and Remolcadores Ultratug Ltda, each guarantteeing 50% of its subsidiary's debt balance with BNDES.

Magallanes Navegação Brasileira's loan agreement with Banco do Brasil is guaranteed by a lien on the financed supply vessels. The security package also includes a standby letter of credit issued by Banco de Crédito e Inversiones - Chile for part of the debt balance, assignment of Petrobras' long-term contracts and a corporate guarantee issued by Inversiones Magallanes Ltda - Chile. A cash reserve account, accounted for under long term investments, funded with US$2.1 million (R$5.7 million) should be maintained until full repayment of the loan agreement.

Covenants

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

Provisions for tax, labour and civil risks

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

	31 December 2014 US$	31 December 2013 US$
Labour claims	-	5
Total	-	5

	31 December 2014 R$	31 December 2013 R$
Labour claims	-	12
Total	-	12

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

In addition to the cases for which the Group booked the provision, there are other tax, civil and labour disputes amounting to US$12.6 million(R$33.4 million) (2013: US$1.9 million (R$4.4 million)), whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described as follows:

	31 December 2014 US$	**31 December 2013 R$**
Civil cases	2	9
Tax cases	9,189	639
Labour claims	3,387	1,231
Total	12,578	1,879

	31 December 2014 R$	**31 December 2013 R$**
Civil cases	5	20
Tax cases	24,407	1,498
Labour claims	8,998	2,884
Total	33,410	4,402

Insurance coverage

The main insurance coverage in 31 December 2014 that the Group contracted:

Risks	**Subject**	**Coverage US$**	**Coverage R$**
Maritime Hull	Platform Supply Vessels	758,363	2,014,364

23.3 Investment in joint ventures

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

31 December 2014

	Currency	Number of shares	Ownership interest - %	Share capital	Investee's adjusted shareholders' equity	Elimination of profit on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	US$	45,816,550	50.00	25,131	54,063	(40,441)	10,991	5,496	6,811
Atlantic Offshore S.A.	US$	10,000	50.00	8,010	9,376	-	3,187	1,594	4,689
Total					63,439	(40,441)	14,178	7,090	11,500
Wilson, Sons Ultratug Participações S.A.	R$	45,816,550	50.00	45,817	143,602	(107,419)	38,709	19,356	18,093
Atlantic Offshore S.A.	R$	10,000	50.00	18,345	24,905	-	7,684	3,842	12,453
Total					168,507	(107,419)	46,393	23,198	30,546

31 December 2013

	Currency	Number of shares	Ownership interest - %	Share capital	Investee's adjusted shareholders' equity	Elimination of profit on Construction Contracts	Investee's adjusted profit or loss	Equity in subsidiaries	Book value of investment
Wilson, Sons Ultratug Participações S.A.	US$	45,816,550	50.00	25,131	44,043	(45,080)	6,605	3,302	(518)
Atlantic Offshore S.A.	US$	10,000	50.00	8,010	6,189	-	(1,821)	(910)	3,095
Total					50,232	(45,080)	4,784	2,392	2,577
Wilson, Sons Ultratug Participações S.A.	R$	45,816,550	50.00	45,817	103,175	(105,605)	25,358	12,680	(1,214)
Atlantic Offshore S.A.	R$	10,000	50.00	18,345	14,498	-	(4,239)	(2,120)	7,250
Total					117,673	(105,605)	21,119	10,560	6,036

The reconciliation of the investment in joint ventures balance, including the impact of profit recognized by joint ventures:

	Investment	
	US$	**R$**
At 1 January 2013	27	56
Share of result of joint ventures	2,392	10,560
Capital Increase through material agreement - Atlantic Offshore	4,000	9,161
Elimination of profit on Construction Contracts	(3,619)	(14,148)
Derivatives	(223)	(463)
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	870
At 31 December 2013	2,577	6,036
Share of result of joint ventures	7,090	23,198
Elimination on Construction Contracts	2,319	(907)
Derivatives	(486)	(1,192)
Foreign currency gains/(loss) in respect of translation into Brazilian Reais	-	3,411
At 31 December 2014	11,500	30,546

24 Operating lease arrangements and other obligations

The Group as lessee

	2014 US$	**2013 US$**	**2014 R$**	**2013 R$**
Minimum lease payments under operating leases recognized in income for the year	8,917	13,966	23,686	32,693

On 31 December 2014, the minimum amount due by the Group for future lease payments under cancellable operating leases was US$12.0 million (R$31.8 million) (2013: US$12.5 million (R$29.4 million)).

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

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

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

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

	2014 US$	2013 US$	2014 R$	2013 R$
Within one year	23,268	25,223	61,804	59,087
In the second to seventh year inclusive	78,072	90,634	207,375	212,319
Greater than five years	82,614	108,516	219,439	254,210
Total	183,954	224,373	488,618	525,616

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	
	31 December 2014 US$	31 December 2013 US$	31 December 2014 US$	31 December 2013 US$
Financial instruments classified as loans and receivables				
Cash and cash equivalents	85,533	97,946	85,533	97,946
Short-term Investments	24,000	33,000	24,000	33,000
Trade and other receivables	147,332	174,685	147,332	174,685
	256,865	305,631	256,865	305,631
Financial instruments classified as amortized cost				
Bank loans and overdrafts	395,185	372,391	395,185	372,391
Trade and other payables	77,711	135,317	77,711	135,317
Total Financial instruments - amortized cost	472,896	507,708	472,896	507,708
Financial instruments classified as cashflow hedge				
Derivatives	1,999	1,240	1,999	1,240
	474,895	508,948	474,895	508,948

	Fair value		Book value	
	31 December 2014 R$	**31 December 2013 R$**	**31 December 2014 R$**	**31 December 2013 R$**
Financial instruments classified as loans and receivables				
Cash and cash equivalents	227,193	229,448	227,193	229,448
Short-term investments	63,749	77,306	63,749	77,306
Trade and other receivables	391,343	409,219	391,343	409,219
	682,285	715,973	682,285	715,973
Financial instruments classified as amortized cost				
Bank loans and overdrafts	1,049,690	872,364	1,049,690	872,364
Trade and other payables	206,416	316,995	206,416	316,995
Total Financial instruments - amortized cost	1,256,106	1,189,359	1,256,106	1,189,359
Financial instruments classified as cashflow hedge				
Derivatives	5,309	2,905	5,309	2,905
	1,261,415	1,192,264	1,261,415	1,192,264

c. Financial risk management objectives

The Group's Structured Finance Department monitors and manages financial risks related to the operations. A financial risk committee has been established and meets periodically to assess financial risks and decide on hedging structures based on guidelines stated in the group's financial risk policy.

These risks include market risk, credit risk and liquidity risk. The primary objective is to keep a minimum exposure to those risks by using financial instruments and by assessing and controlling the credit and liquidity risks. The Group may use derivatives and other financial instruments for hedging purposes only.

d. Foreign currency risk management

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

Cash flows from investments in fixed assets are denominated partly in Brazilian. These investments are subject to currency fluctuations between the moment when the prices of those 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 partly Brazilian Real-denominated debt, and the cash and cash equivalents balances are also 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**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
	US$	**US$**	**US$**	**US$**
Amounts denominated in dollar	239,578	259,404	140,120	172,404

	Assets		**Liabilities**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
	R$	**R$**	**R$**	**R$**
Amounts denominated in Real	636,367	607,680	372,187	403,874

Foreign currency sensitivity analysis

The sensitivity analysis presented in the following sections, which refer to the position on 31 December 2014, estimates the impacts of the Brazilian Real devaluation against the US Dollar. A baseline scenario is determined based both on the carrying value of the operations, and the "PTAX" rate as of 31 December 2014. Then, three additional, exchange rate scenarios are contemplated: the likely scenario (Probable) and two possible scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate. The Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

31 December 2014

Exchange rates (i)

Probable scenario	**Possible scenario (25%)**	**Remote scenario (50%)**
R$2.80 / US$1.00	R$3.50 / US$1.00	R$4.20 / US$1.00

Operation	**Risk**	**Amount US$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Total assets	R$	239,578	Exchange Effects	(12,304)	(57,758)	(88,062)
Total liabilities	R$	140,120	Exchange Effects	7,196	33,781	51,504
				(5,108)	(23,977)	(36,558)

Operation	**Risk**	**Amount R$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Total assets	R$	636,367	Exchange Effects	(32,682)	(153,420)	(233,912)
Total liabilities	R$	372,187	Exchange Effects	19,115	89,728	136,807
				(13,567)	(63,692)	(97,105)

(i) Information source: Focus BACEN, report from 23 January 2015

31 December 2013

Exchange rates (i)

Probable scenario	**Possible scenario (25%)**	**Remote scenario (50%)**
R$2.45 / US$1.00	R$3.06 / US$1.00	R$3.68/ US$1.00

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

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

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

e. Interest rate risk management

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

Other loans exposed to floating rates are as follows:

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

- DI (Brazilian Interbank Interest Rate) for Brazilian Real-denominated funding in Logistics operations, and

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

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

Interest rate sensitivity analysis

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

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

			31 December 2014
			Libor(i) and CDI(ii)
Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Loans - Libor	0.62%	0.78%	0.93%
Loans – CDI	12.40%	15.50%	18.60%
Loans - TJLP	5.50%	6.88%	8.25%
Investments - Libor	0.62%	0.78%	0.93%
Investments - CDI	12.40%	15.50%	18.60%

Transaction	**Risk**	**Amount US$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Loans – Libor	Libor	83,564	Interest	(177)	(272)	(366)
Loans – CDI	CDI	12,233	Interest	(58)	(170)	(280)
Loans - TJLP	TJLP	30,858	Interest	-	(278)	(553)
Loans - Fixed	None	268,530	None	-	-	-
Total Loans		395,185		(235)	(720)	(1,199)
Investments	Libor	39,206	Income	44	106	168
Investments	CDI	65,777	Income	829	2,823	4,816
Total Investments		104,983		873	2,929	4,984
			Net Income	638	2,209	3,785

Transaction	**Risk**	**Amount R$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Loans – Libor	Libor	221,963	Interest	(471)	(722)	(973)
Loans – CDI	CDI	32,493	Interest	(154)	(451)	(743)
Loans - TJLP	TJLP	81,965	Interest	-	(739)	(1,469)
Loans - Fixed	None	713,269	None	-	-	-
Total Loans		1,049,690		(625)	(1,912)	(3,185)
Investments	Libor	104,139	Income	116	281	447
Investments	CDI	174,717	Income	2,203	7,498	12,792
Total Investments		278,856		2,319	7,779	13,239
			Net Income	1,694	5,867	10,054

(i) Information source: Bloomberg

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

The net effect was obtained by assuming a 12 month period starting 31 December 2014 in which interest rates vary and all other variables are held constant. The scenarios express the difference between the scenario rate and actual rate.

The interest rate risk mix is 37.34% of Libor and 62.66% of CDI.

31 December 2013

Libor(i) and CDI(ii)

Transaction	**Probable scenario**	**Possible scenario 25%**	**Remote scenario 50%**
Loans - Libor	0.57%	0.72%	0.86%
Loans – CDI	10.95%	13.69%	16.43%
Loans - TJLP	5.00%	6.25%	7.50%
Investments - Libor	0.57%	0.72%	0%
Investments - CDI	10.95%	13.69%	16.43%

Transaction	**Risk**	**Amount US$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Loans – Libor	Libor	95,120	Interest	182	131	81
Loans – CDI	CDI	-	Interest	-	-	-
Loans - TJLP	TJLP	14,191	Interest	-	(113)	(225)
Loans - Fixed	None	261,813	None	-	-	-
Total Loans		371,124		182	18	(144)
Investments	Libor	46,944	Income	(105)	(45)	14
Investments	CDI	79,125	Income	2,590	5,178	7,766
Total Investments		126,069		2,485	5,133	7,780
			Net Income	2,667	5,151	7,636

Transaction	**Risk**	**Amount R$**	**Result**	**Probable scenario**	**Possible scenario (25%)**	**Remote scenario (50%)**
Loans – Libor	Libor	222,828	Interest	425	308	190
Loans – CDI	CDI	-	Interest	-	-	-
Loans - TJLP	TJLP	33,245	Interest	-	(265)	(527)
Loans - Fixed	None	613,324	None	-	-	-
Total Loans		869,397		425	43	(337)
Investments	Libor	109,969	Income	(246)	(106)	33
Investments	CDI	185,357	Income	6,067	12,129	18,194
Total Investments		295,326		5,821	12,023	18,227
			Net Income	6,246	12,066	17,890

(i) Information source: Bloomberg

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

The net effect was obtained by assuming a 12 month period starting 31 December 2013 in which interest rates vary and all other variables are held constant. The scenarios express the difference between the scenario rate and actual rate.

The interest rate risk mix is 37.24% of Libor and 62.76% of 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 31 December 2014, according to Standard& Poor's Brazilian local rating scale.

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

	Outflows	Net effect
Within one year	(156)	(156)
In the second year	(763)	(763)
In the third to fifth years (including)	(1,039)	(1,039)
After five years	(41)	(41)
	(1,999)	(1,999)
Fair value		(1,999)

The fair value of the swap was estimated based on the yield curve as of 31 December 2014, and represents its carrying value. As of 31 December 2014, the interest rate swap balance in other non-current liabilities was US$2.0 million; and the balance in accumulated other comprehensive income on the consolidated balance sheets was US$2.0 million. The net change in fair value of the interest rate swap recorded as other comprehensive income for the year ended 31 December 2014 was an after-tax loss of US$2.0 million.

31 December 2014	Notional Amount US$	Maturity	US$ Fair Value	R$ Fair Value
Financial Assets				
Interest Rates Swap	74,400	Mar/2020	(1,999)	(5,309)
Total			(1,999)	(5,309)

Derivative Sensitivity Analysis

This analysis is based on 6-month Libor interest 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 foreign exchange 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 reduction of 25% (Possible) and 50% (Remote) in the interest rate. Even if the Group has to pay adjustments in future fixings, the swap contract fixes the total interest amount that the Group will pay is equal as the rate agreed. In this case in both scenarios the risk associated on 31 December 2014 is US$2.0 million (R$5.3 million).

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

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

On the initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged transaction, including the risk management objective and strategy on the implementation of the hedge and the hedged risk, together with the methods that will be used to evaluate the effectiveness of the hedging relationship. The Group is utilizing the dollar offset method to assess the effectiveness of the swap, 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 31 December 2014. There was no hedge ineffectiveness recognized in profit or loss for the year ended 31 December 2014.

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

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling obligations associated with its financial liabilities that are settled with cash payments or other financial asset. The Group's approach in managing liquidity is to ensure that the Group always has sufficient liquidity to 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 the 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.

31 December 2014	**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	2.93%	28,592	79,200	18,863	126,655
Fixed interest rate instruments	2.98%	22,603	81,114	164,813	268,530
		51,195	160,314	183,676	395,185

31 December 2014	**Weighted average effective interest rate %**	**Less than 12 months R$**	**1-5 years R$**	**More than 5 years R$**	**Total R$**
Variable interest rate instruments	2.93%	75,946	210,371	50,104	336,421
Fixed interest rate instruments	2.98%	60,038	215,455	437,776	713,269
		135,984	425,826	487,880	1,049,690

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

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

g. Credit risk

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

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

The Group invests temporary cash surpluses in government and private bonds, according to regulations approved by management, which follow the Group policy on credit risk concentration.

Credit risk on investments in non-government backed bonds is mitigated by investing only in assets issued by leading financial institutions.
The Group's sales policy follows the criteria for credit sales set by management, which seeks to mitigate any loss due to customer default.

			US$		**R$**
	Note	**31 December 2014**	**31 December 2013**	**31 December 2014**	**31 December 2013**
Cash and cash equivalents	14	85,533	97,946	227,193	229,448
Short-term investments	14	24,000	33,000	63,749	77,306
Trade and other receivables	13	147,268	174,686	391,173	409,219
Exposed to credit risk		256,801	305,632	682,115	715,973

h. Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at 31 December 2014 and 31 December 2013 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 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 31 December 2014 and 31 December 2013. The table below analyses financial instruments carried at fair value.

	Financial instruments hierarchy	
	Level 2	**Level 2**
	US$	**R$**
31 December 2014		
Short-term investments	24,000	63,749
Cash and cash equivalents	85,533	97,946
Derivatives	(1,999)	(5,309)
Post-employment benefits	(1,570)	(4,171)
Bank Loans	(395,185)	(1,049,690)
	(289,221)	(768,228)
31 December 2013		
Short-term investments	33,000	77,306
Cash and cash equivalents	227,193	229,448
Derivatives	(1,240)	(2,905)
Post-employment benefits	(2,251)	(5,273)
Bank Loans	(372,391)	(872,364)
	(342,882)	(803,236)

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

Cash and cash equivalents
The market values of the bank current account balances are consistent with book balances.

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

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

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

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

26 Related-party transactions

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

	Current assets (liabilities) US$	**Revenues US$**	**Expenses US$**
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	4	31	-
2. Consórcio de Rebocadores Barra de Coqueiros	118	321	-
3. Consórcio de Rebocadores Baía de São Marcos	2,285	96	26
4. Wilson Sons Ultratug and subsidiaries	23,135	5,745	-
5. Atlantic Offshore S.A.	5,997	-	-
Other:			
6. Gouvêa Vieira Advogados	-	-	121
7. CMMR Intermediação Comercial Ltda.	-	-	238
At 31 December 2014	31,539	6,193	385
At 31 December 2013	25,743	56,043	1,613

	Current assets (liabilities) R$	**Revenues R$**	**Expenses R$**
Joint ventures:			
1. Allink Transportes Internacionais Ltda.	11	72	-
2. Consórcio de Rebocadores Barra de Coqueiros	313	755	-
3. Consórcio de Rebocadores Baía de São Marcos	6,069	224	62
4. Wilson Sons Ultratug and subsidiaries	61,451	14,366	-
5. Atlantic Offshore S.A.	15,928	-	-
Other:			
6. Gouvêa Vieira Advogados	-	-	285
7. CMMR Intermediação Comercial Ltda.	-	-	559
At 31 December 2014	83,772	15,417	906
At 31 December 2013	60,306	131,286	3,779

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

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

27 Notes to the consolidated statement of cash flows

	2014 US$	2013 US$	2014 R$	2013 R$
Profit before tax	72,059	86,270	201,039	197,022
Less: Finance Income	(10,317)	(11,039)	(24,559)	(23,723)
Add: Exchange gain/loss on translation	16,720	30,171	33,133	78,078
Less: Share of result of joint ventures	(7,090)	(2,392)	(23,198)	(10,560)
Add: Finance costs	23,607	21,108	57,902	47,288
Operating profit from operations	94,979	124,118	244,317	288,105
Adjustments for:				
Depreciation and amortization expenses	65,119	58,672	128,088	111,468
(Gain) Loss on disposal of property, plant and equipment	(326)	(9,966)	(1,709)	(24,317)
Reversal for cash-settled share-based payment	(713)	(1,430)	(1,491)	(2,207)
Post-employment benefits	330	-	785	-
Increase (decrease) in provisions	5,713	(2,528)	18,933	(1,763)
Operating cash flows before movements in working capital	165,102	168,866	388,923	371,286
(Increase) decrease in inventories	(3,370)	(3,085)	(18,075)	(16,988)
(Increase) decrease in trade and other receivables	21,453	62,327	7,228	73,011
(Decrease) in trade and other payables	(18,670)	(73,327)	(22,289)	(116,852)
(Decrease) in other non-current assets	(1,629)	(998)	(7,528)	(5,093)
Cash generated by operations	162,886	153,783	348,259	305,364
Income taxes paid	(29,518)	(27,306)	(62,939)	(61,558)
Interest paid - borrowings	(11,924)	(12,006)	(27,971)	(25,766)
Interest paid - leasing	(470)	(465)	(1,104)	(1,010)
Interest paid - others	(3,014)	(473)	(6,972)	(997)
Net cash from operating activities	117,960	113,533	249,273	216,033

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:

	2014 US$	2013 US$	2014 R$	2013 R$
Additions to fixed assets				
Equipment acquisition through finance leases	529	4,244	1,198	9,477
Tecon Rio Grande equipment through loans	226	951	600	1,946
Write Off of inventories through claims	-	11,448	-	25,377
Write Off of property, plant and equipment through claims	-	1,252	-	2,773
Capitalized interest	1,046	1,513	2,433	3,303
Briclog acquisition				
Briclog's net impact	-	25,867	-	57,311
Taxes settlement				
Income tax compensation	(2,550)	4,763	(6,004)	12,012

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:

	2014 US$	2013 US$	2014 R$	2013 R$
Short-term employee benefits	11,739	8,945	31,181	16,991
Post-employment benefits and social charges	1,503	1,807	3,992	2,836
Stock Option	3,066		7,453	-
Share-based payment	7,118	-	16,881	-
Share-based provision	(3,780)	(1,430)	(8,836)	(2,206)
Total	19,646	9,322	50,671	17,621

29 Insurance coverage

The main insurance coverage in 31 December 2014 that the Group contracted:

Risks	Subject	Coverage US$	Coverage R$
Managers and directors	Managers' Civil Responsibility	18,824	50,000
Maritime Hull	Tugs	297,731	790,833
Maritime CR	CR - Protection and civil responsibility (*shipowners*)*	7,600,000	20,187,120
Port Operator CR	Port Operator Civil Responsibility (including chattels and real estates), Terminals (including chattels and real estates), logistics operations	80,000	212,496
Builder Risk	Shipbuilding	56,472	150,000
Property (Multiline)	Buildings, machines, furniture and fixtures, goods and raw materials	116,021	308,174
Ship repair CR	Civil Responsibility for repair on third-party vessels	35,765	95,000
Total		8,204,813	21,793,623

** 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 23 March 2015.

Directors Declaration

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