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Report on the audit of the consolidated financial statements

To the Board of Directors and Shareholders' of
Wilson Sons Limited

1. Opinion

We have audited the consolidated financial statements of Wilson Sons Limited ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2016, 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 significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as of December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

2. Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Services revenue recognition (notes 2.1 and 4)
The Company recognises revenue when services in its port terminals, towage operations, logistics, offshore businesses and agency services have been provided. The recognition of this revenue could be susceptible to timing errors in determining when services or obligations have been provided, particularly given the Company´s large volume and geographical spread of transactions in progress at year end. This could result in revenue being recognised in the incorrect period.

Our audit approach
In evaluating the timing of the recognition of services revenue, we have been present to a number of sites, including the Company's operational port terminals (Tecon Salvador and Tecon Rio Grande) and one of the Company's towage operation site, assessing the Company's revenue recognition policies against the relevant accounting standards. Our procedures included testing key controls in all relevant segments, testing the appropriateness of a sample of revenue accrued and deferred at year end based on the specific contract terms and performing substantive analytical procedures at each of the segments. We also considered the adequacy of the Company's accounting policy disclosures in respect of revenue recognition.

Determining the percentage of completion on shipbuilding contracts (notes 2.1 and 4)
The Company recognises shipbuilding revenue based on the stage of completion of contracts, which is determined by the proportion of contract costs incurred for the work performed to the balance sheet date relative to the estimated total contract costs to completion. The recognition of revenue therefore relies on estimates in relation to the final out-turn of costs on each contract, which are inherently judgmental and could be susceptible to a material misstatement.

Our audit approach
In evaluating shipbuilding revenue, our audit procedures included testing controls, and reviewing all relevant contracts assessing the most significant and complex contract estimates, all of which are incorporated within forecast contract out-turn costs. We obtained the detailed project´s budget forecast from the Company to support the estimates made, and inquired senior operational, commercial and financial management personnel on the judgments applied. We evaluated the financial performance of contracts against budget and historical trends to assess historical forecasting accuracy.

We also undertook site visits to physically inspect the stage of completion of individual projects through observation and discussion with site personnel. In addition, we analyzed the Company's judgments in respect of forecast contract outturn costs with reference to our own assessments, historical outcomes and industry norms. We also inspected the selected contracts for key clauses and assessed whether these key clauses have been appropriately reflected in the amounts recognized in the financial statements. We also considered the adequacy of the Company's disclosures in respect of revenue recognition on shipbuilding contracts.

Impairment risk to goodwill and intangible assets relating to business combinations (note 9)
The Company's investments in Tecon Rio Grande, Tecon Salvador and Brasco Caju (Briclog) all gave rise to intangible assets and goodwill on acquisition. There is a risk of recoverability of the Company's significant goodwill and intangible balances due to possible weakening demand or the variability of the cost base in this industry. Due to the inherent risk and uncertainty involved in forecasting and discounting future cash flows in this industry, which are the basis of the assessment of recoverability, this is one of the key judgemental areas that our audit concentrated on.

Our audit approach
Our audit procedures included testing the Company's forecasting by considering the historical accuracy of previous forecasts. We compared actual results and projections in the current year to forecasts prepared in previous periods and substantiated significant variances. We also compared the Company's port terminal cash-flow assumptions against underlying contracts to agree revenue streams and contract end dates. In addition, we used our own experience and discussions with a range of operational personnel to assess the probability of the estimated handling, which is included as future cash flows in the forecasts. We used our own corporate finance valuation specialists to assist us in evaluating the Directors' assumptions and judgments relating to projected economic growth, inflation, exchange rates, cost base, terminal values and discount rates used to derive recoverable amounts.

We compared the Company's assumptions to externally derived data, industry norms and our expectations based on our knowledge of the client and experience of the industry in which it operates. As part of this procedure, sensitivities over each of the assumptions and judgments disclosed in note 9 were evaluated.

We also assessed whether the Company's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill and intangible assets relating to business combinations.

Provisions (note 17)
The Company receives a high volume of legal claims from general civil proceedings, labour claims and tax legislation. These resultant contingent liabilities are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed, is inherently subjective. In making these decisions, the Directors use their judgment and where appropriate receive external advice, in order to make their best estimate of provisions to be recorded or disclosures to be made in the financial statements. This is one of the key areas that our audit concentrated on as a result of the impact that a material claim could have on the Company's financial position and result for the year.

Our audit approach
Our audit procedures included obtaining an understanding from the Directors and in-house legal counsel of the basis for their best estimates, questioning the basis used with reference to the latest available corroborative information, and an assessment of correspondence with the Company's external counsel on all significant legal cases and discussions with them when further clarity was deemed necessary. In addition, we obtained direct formal confirmations from the Company's external counsel for all litigation. With regard to open tax cases, in addition to the above we used our own tax specialists to assess the Company's relevant tax positions and its correspondence with the relevant tax authorities. We also considered the adequacy of the Company's disclosures about the provisions.

4. Other Information
Management is responsible for the other information in the annual report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the (consolidated) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Brazil, Rio de Janeiro, March 23, 2017

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