Wilson, Sons

Annual Report 2008

Wilson Sons Limited

Business Philosophy

Mission

To contribute to the development of Brazil's foreign trade while securing operational efficiency, safety and the modernisation of systems and processes, and thereby increasing the country's competitiveness.

Purpose

Wilson, Sons provides services to participants in domestic and international trade, related to activities in port terminals, shipping, logistics, as well as in shipping agency and the oil & gas industry.

Principles

- To stimulate the career development of our employees by creating opportunities for advancement, while recognising their contribution, enthusiasm, and commitment to Wilson, Sons.
- To guarantee customer satisfaction by delivering services with quality, reliability, efficiency, availability, and safety.
- To assure our shareholders adequate returns on their invested capital, while stimulating continuous reinvestment in the Company's businesses, for long-term growth.
- To continuously encourage freedom of expression and provide incentives for creativity and the development of technology.
- To act according to accepted ethical standards of behaviour, with respect to human life, the environment, culture, and the rule of law.

1837
Foundation of Wilson, Sons & Company in the city of Salvador (Bahia), with activities focused on providing **shipping agency** services and international trading in coal.

1869
Participates in the most ambitious works of the period, such as the Great Western Railway, currently part of Brazil's Federal Railway System.

1870
A sound company; trading in coal, cotton, wool, linen, and silk.

1911
Merger agreement signed by Rio de Janeiro Lighterage Company Limited (John Mackenzie - trustee) and Wilson, Sons & Company Limited,

1928
Opens the largest indoor warehouse facility in Latin America (in São Cristóvão, Rio de Janeiro). Its docks handle primary goods in general, such as salt and timber.

1936
Activities in the **towage** business begin with the acquisition of Rio de Janeiro Lighterage Company.

1973
Acquisition of Guarujá **shipyard**.

1997
Activities in privatised **port terminals** begin on winning the contract bid for the Container Terminal at the Port of Rio Grande – Tecon Rio Grande.

1999
Brasco is set up, providing logistics support services and solutions to the oil & gas industry, in which Wilson, Sons owns a 75% interest.

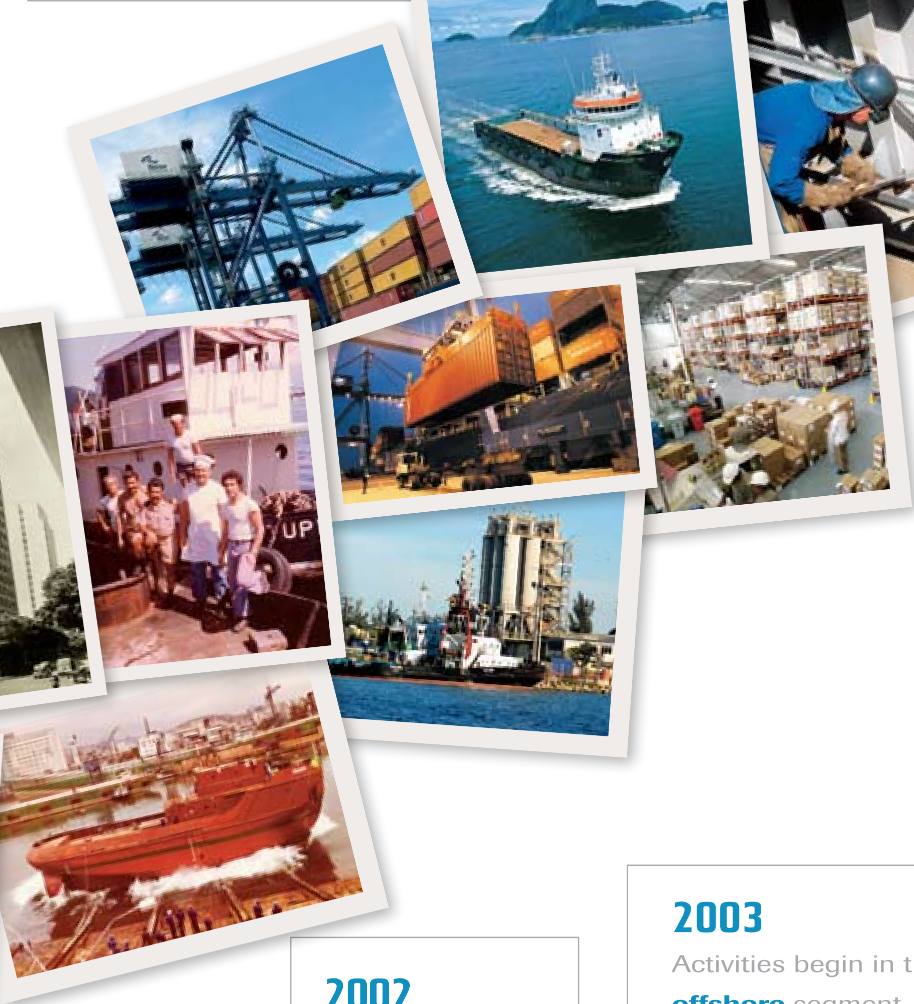
2000
Activities begin in the **logistics** segment with Wilson, Sons Logística. Acquisition of Salvador Container Terminal at auction.

1964

Rio de Janeiro Lighterage Company (a subsidiary of Wilson,Sons Co. Ltd.) becomes Companhia de Saveiros do Rio de Janeiro.

1966

Acquires Camuyrano Serviços Marítimos, which doubles the size and importance of the fleet. Saveiros and Camuyrano begin to operate as associate companies.



Timeline covers the milestones and key events at the early stages in the history of Wilson, Sons´ business segments.

2002

Launch of the first PSV (Platform Supply Vessel) – the Saveiros Albatroz – built at the Wilson, Sons' shipyard.

2003

Activities begin in the **offshore** segment.

2007

Wilson, Sons becomes a publicly-traded company, with shares listed on the BM&F Bovespa Exchange, trading in the form of BDRs.

2008

Ends the year with net revenues of US$ 498.3 million, operating in the following areas: port terminals, towage, logistics, shipping agency, support to offshore operations, and shipbuilding activities.

Company Profile

Wilson, Sons (the "Company") is one of Brazil's largest providers of integrated port and maritime logistics and supply chain solutions. The Company provides a comprehensive set of services related to domestic and international trade, as well as to the oil and gas industry. Its principal operating activities are the following: (i) Port Terminals, (ii) Towage, (iii) Logistics, (iv) Shipping Agency, (v) Offshore, and (vi) Shipbuilding.

With its headquarters located in Bermuda, Wilson, Sons is a publicly-traded company and has its shares listed on the Luxembourg Stock Exchange. Through its subsidiaries, the Company operates in Brazil, which is also the leading market for its securities, traded on the BM&F Bovespa Stock Exchange in the form of Brazilian Depositary Receipts (BDRs). With over 170 years experience in the sector, Wilson, Sons has been controlled, since the early part of the twentieth century, by Ocean Wilsons Holdings Ltd., a company which has been listed on the London Stock Exchange for more than one hundred years.

To operate on a nationwide scale, in different areas of business, Wilson, Sons has over 4,000 employees, 16 branches, 23 logistics operations, and 2 container terminals located throughout Brazil.

Throughout Brazil's leading ports, the Company offers a mix of complete services and integrated solutions to over 7,000 clients, thus serving different types of customers, such as shipowners, importers, exporters, and companies in the oil and gas industry.

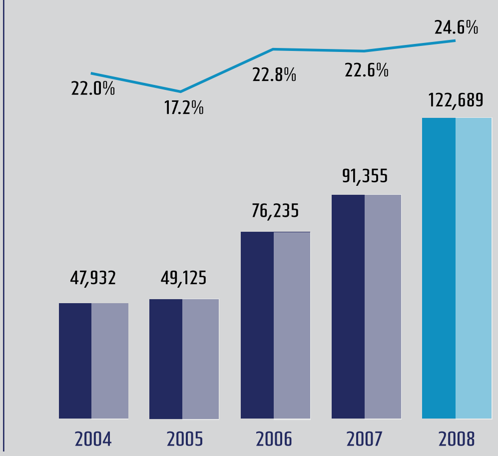
Business Structure

Performance Highlights

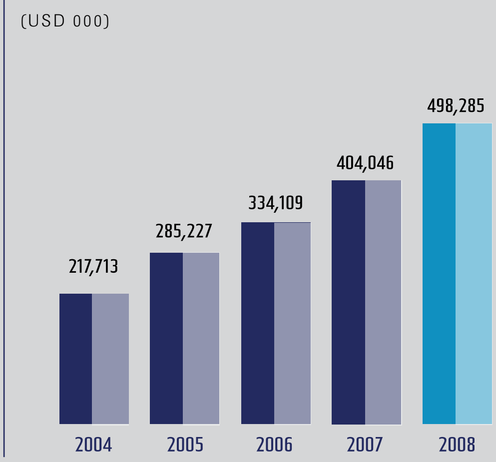
Consolidated Results (USD 000)	2004	2005	2006	2007	2008	Δ% 2008 X 2007
Net Revenues	217,713	285,227	334,109	404,046	498,285	23.3%
Personnel Expenses	(56,480)	(71,688)	(83,077)	(116,180)	(136,316)	17.3%
Depreciation & Amortisation Expenses	(11,523)	(13,959)	(15,100)	(19,066)	(26,256)	37.7%
Other Operating Expenses	(86,447)	(114,581)	(122,888)	(160,866)	(153,480)	-4.6%
Operating Profit	37,871	35,166	63,957	72,289	96,433	33.4%
EBITDA	47,932	49,125	76,235	91,355	122,689	34.3%
Net Income	24,533	26,367	43,477	57,797	46,897	-18.9%
Margins (%)	**2004**	**2005**	**2006**	**2007**	**2008**	**Δ% 2008 X 2007**
Operating Margin	17.4%	12.3%	19.1%	17.9%	19.4%	1.5 p.p.
EBITDA Margin	22.0%	17.2%	22.8%	22.6%	24.6%	2.0 p.p.
Net Margin	11.3%	9.2%	13.0%	14.3%	9.4%	-4.9 p.p.
Financial Indicators (USD 000)	**2004**	**2005**	**2006**	**2007**	**2008**	**Δ% 2008 X 2007**
Total Assets	256,748	279,024	326,885	575,402	609,563	5.9%
Equity	91,606	105,553	145,000	321,553	332,183	3.3%
Working Capital	113,530	98,014	114,470	277,822	268,175	-3.5%
Net Debt	32,838	61,794	55,564	(48,224)	5,195	N/A
Return on Equity	26.8%	25.0%	30.0%	18.0%	14.1%	-3.9 p.p.
Investments – CAPEX (USD million)	20.2	36.2	42.2	99.2	93.5	-5.7%
Market Indicators	**2004**	**2005**	**2006**	**2007**	**2008**	**Δ% 2008 X 2007**
Share Price Variation - WSON11 (%)	-	-	-	9.2%	-57.9%	-67.1 p.p.
Dividends (USD 000)	7,989	8,802	7,577	8,000	16,007	100.1%
Earnings per Share (USD)	436.4c	494.7c	851.4c	94.4c	65.9c	-30.2%
Number of Shares Outstanding (000)	5,012	5,012	5,012	71,144	71,144	0%
Market Value (USD million)	-	-	-	1,042.28	333.34	-68.0%
Operating Indicators	**2004**	**2005**	**2006**	**2007**	**2008**	**Δ% 2008 X 2007**
Port Terminals – # of TEUs	850,502	905,701	883,838	899,483	865,114	-3.8%
Towage – # of manoeuvres	51,657	57,636	57,359	58,245	55,655	-4.4%
Logistics – # of trips	40,496	55,502	63,183	68,721	70,669	2.8%
Shipping Agency – # of vessel calls	5,878	5,876	6,630	5,538	5,824	5.2%
Offshore – # of PSVs	2	2	2	3	5	66.7%

Main Indicators

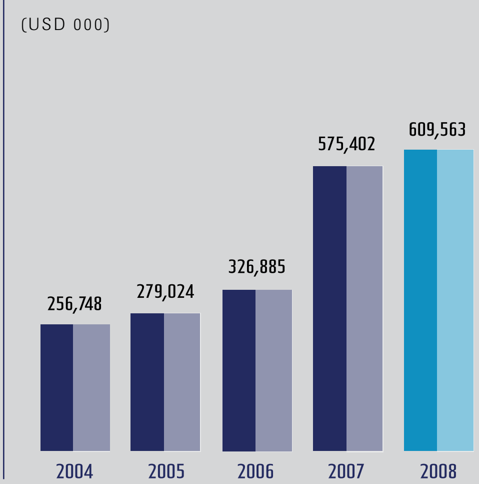
EBITDA (USD 000) and EBITDA Margin (%)

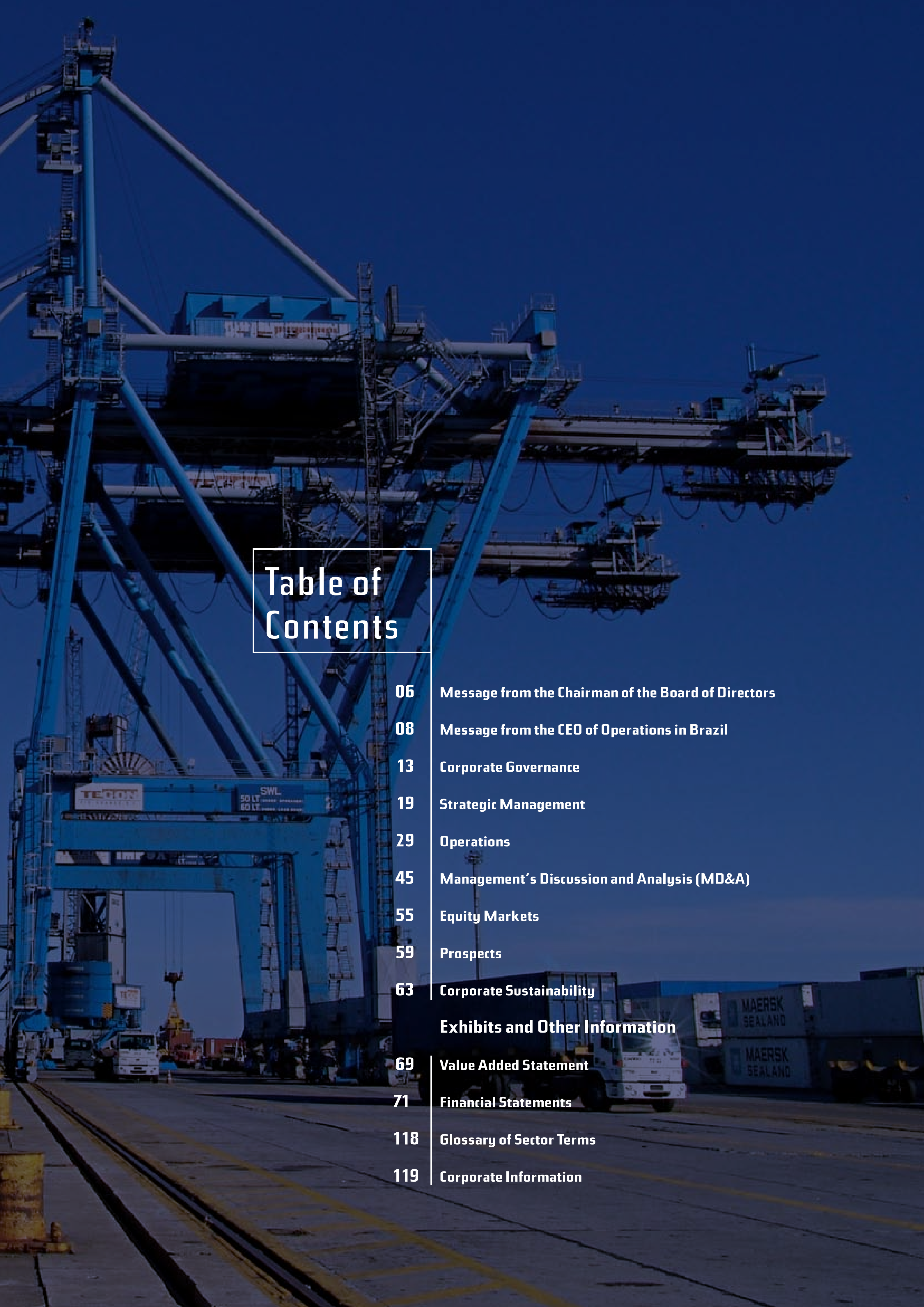


Net Revenues



Total Assets





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Solidity built up over 170 years of experience

We closed the year 2008 content in the knowledge that the commitments to our investors at the time of our Public Share Offer continue to be fulfilled. We have achieved sound results, in line with our business plan and superior in relation to the previous year. We continue to follow our business strategy, which envisions permanent and sustainable long-term growth.

Whilst remaining focused on our core businesses, we are constantly alert to new opportunities.

We have a corporate governance model in line with the most modern international practices, understanding as we do that such principles lead to excellence in management. Moreover, ethics in the running of our business, transparency, respect and concern for the interests of our various stakeholders form the basis of the business culture at Wilson, Sons. These are principles deeply embedded and spread throughout our Company, underpinned by our controlling shareholder's track record of over 100 years listed on the London Stock Exchange.

These have been the factors that have enabled Wilson, Sons to develop its activities throughout its 170-year history. Both Brazil and the Company have experienced diverse economic scenarios, in which the adjustments and challenges faced have not been few. Overcoming each of them has played an important role in Wilson, Sons history.

The operational and financial strength of Wilson, Sons has allowed us to withstand periods of instability in the last quarter of 2008. Consequently, we are better equipped to face an even more challenging economic environment in the months and years to come.

We stand firm by the precepts of combining structured, solid planning with our proven business model. We continue to strive for financial soundness, carefully reviewing investment decisions and maintaining cash reserves to provide stability to our operations. New opportunities will be carefully assessed, in line with the Company's business portfolio. Moreover, securing appropriate levels of liquidity has become of the utmost importance, especially given the current turmoil in global markets. That, in turn, we believe may present unique opportunities, especially for companies like Wilson, Sons, which are well structured both operationally and financially.

In 2009, the Company intends to strengthen the business segments in which it operates. Our target remains to position ourselves one step ahead of the market, thus anticipating business trends, while also modernising our operations and always with a view to creating value to shareholders. Conditions imposed by the prevailing economic scenario will be taken into account in the management and planning of our business, focusing, however, on the long term outlook. Sustainable growth and solidity are fundamental objectives, confirmed by the strategic strengthening of our portfolio of services. Tailor-made solutions to meet customer needs are a unique competitive advantage we enjoy and, therefore, continue to be a strategic business focus at Wilson, Sons.

Our performance achieved in the year 2008 was one of which we can be proud. In all, we wish to thank our employees and shareholders for their contribution and confidence, while also reaffirming our commitment to the same ethical principles that have successfully guided the Company over 170 years of operations.

Francisco Gros

Chairman of the Board of Directors

Aerial view of Brasco's terminal, in Niterói (RJ)

A commitment to the long term

It is with great satisfaction that we present Wilson, Sons' achievements in the year 2008. As a result of a sustainable and diversified business model, we have been able to execute the plans outlined for the period. These included the construction of new vessels, the expansion of port facilities and the consolidation of our businesses. These initiatives, besides creating value for the Company, strengthen our commitment to the long term-growth of Wilson, Sons.

Positive results in 2008 stemmed from those achievements. With the expansion of our activities, operating profit reached USD 96.4 million, while EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) totalled USD 122.7 million, an increase of 33.4% and 34.3%, respectively, in relation to the previous year.

Among the year's outstanding feats, we may highlight the conclusion of the USD 50 million investment in the expansion project at Tecon Rio Grande, located in Brazil's southern region. Terminal capacity was boosted by 60% as a result of this investment.

We have increased profitability from the offshore business, by putting into operation two new PSVs (Platform Supply Vessels): the "Saveiros Pelicano" and "Saveiros Atobá". Moreover, we took an important step in the shipyard business in obtaining, in 2008, the area to expand our Guarujá facility, located on the north coast of São Paulo. That will allow for expansion of construction capacity for mid-sized vessels. This is a strategically important activity for the Company in serving Wilson, Sons Rebocadores (Towage) and Wilson, Sons Offshore, in both the building and maintenance of vessels. In addition to these two new PSVs, both totally built at our shipyard, we delivered another two new tugboats.

2008 saw significant growth in special operations as well, such as in support to offloading activities i.e. transferring oil between platforms and relief vessels. These operations represented 9.1% of the year's towage revenues, an expansion of 1.5 percentage points in relation to 2007. This performance confirms our strategy was right, as there is a sizeable market in Brazil for these types of services.

Saveiros Fragata, one of the Wilson, Sons' PSVs

> "The key factors that have led to our financial soundness are operational excellence and a consolidated position in the market, built up over 170 years of activity in Brazil."

This process of consolidation pertains also to the logistics business. We won important contracts in 2008. That, in turn, gave Wilson, Sons a competitive edge, thus strengthening its presence in new business segments, such as providing logistics solutions in the steelmaking industry.

With respect to our financial standings, we united cash flow preservation with structured financing. We have a positive track record of financing activities with the Merchant Marine Fund (FMM, in Portuguese), and for 11 years have enjoyed the participation of the International Finance Corporation (IFC), a branch of the World Bank, as a business partner in our projects.

We reached the end of 2008 with a significant portion of the proceeds raised through our Public Share Offer still in hand, as thorough analysis revealed no real lucrative investment opportunities. Our painstaking process of assessment proved to be sound, especially given the liquidity crisis plaguing the worldwide economy in late 2008. This model will be maintained and we shall continue to evaluate possibilities consistent with our growth strategy.

The key factors that have led to our financial soundness are operational excellence and a consolidated position in the market, built up over 170 years of activity in Brazil. These factors, added to our diversified business model, enable Wilson, Sons to honour the commitments taken on in 2008, thus reaffirming its competence and expertise. We stand by our built-in natural hedge policy, given that we generate part of our revenues in U.S. Dollars to service a portion of our debt, with no exposure to risky financial transactions, such as foreign exchange rate derivative contracts.

Strategic projects originally outlined for 2009 are also being maintained. The delivery of six tugboats and two PSVs for third parties are among the investments which will provide support to the expansion of our businesses. We reiterate our commitment to creating value for Wilson, Sons, while striving for sustainable growth. Based on this principle, we are committed to the constant reassessment of our decisions, investments and results, while always alert to opportunities.

As part of these challenges, capacity expansion at our port terminal in Salvador is paramount. Although this is one of our priorities, the decision does not depend entirely on Wilson, Sons. Nevertheless, we continue to pursue the necessary support from public authorities, convinced as we are that such an expansion will be beneficial to the Brazilian economy, and particularly to the State of Bahia.

One of the main features of Wilson, Sons is the nationwide reach of its activities. While committed to establishing synergies and enhancing processes, we are always attentive to the local needs of our operations. Immense importance is placed on human capital. Staff well-being is essential to the quality of services rendered. Consequently, in 2008 we established a management department to deal specifically with issues of health, safety and the environment (HSE). Given its strategic importance for Wilson, Sons, HSE reports directly to senior management.

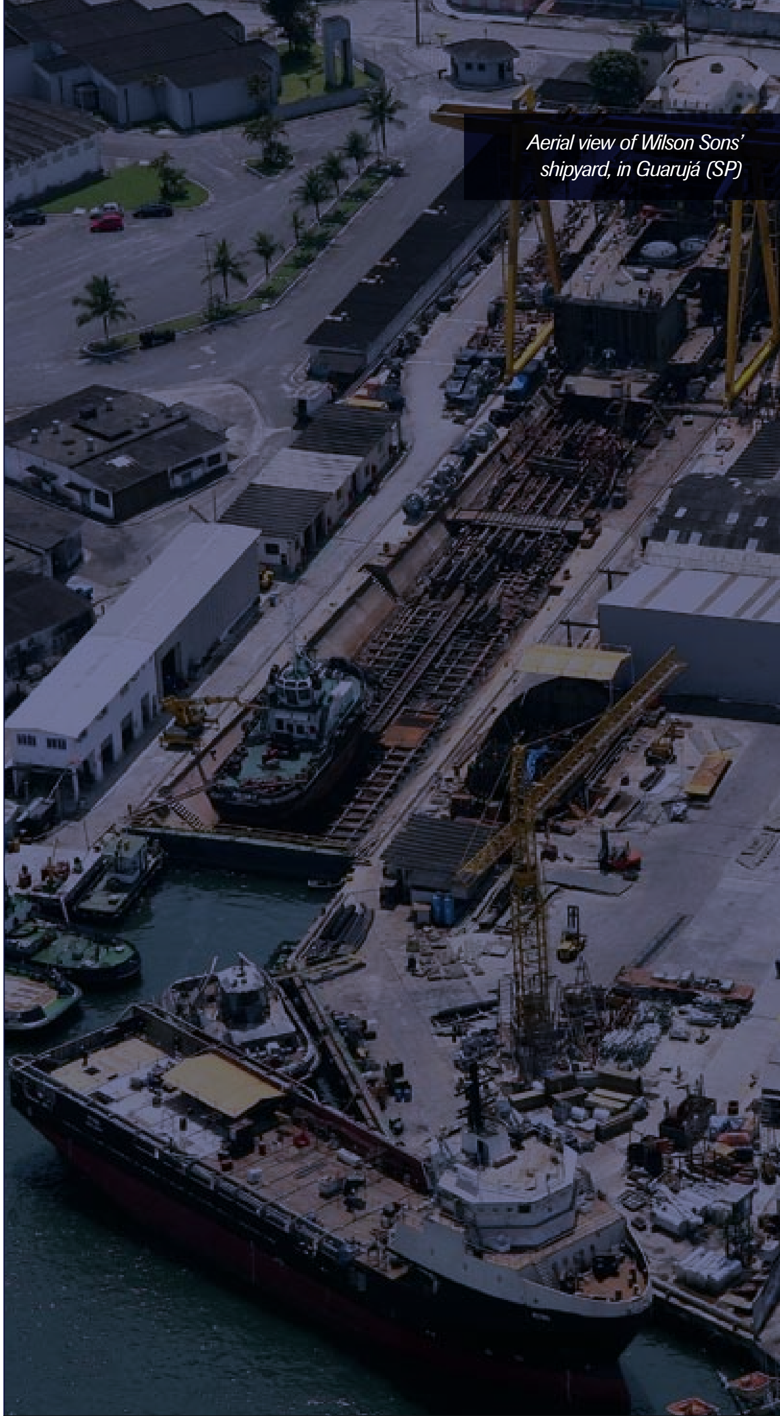
The expansion of our volunteer work programme “Creating Links” is a source of company pride. Initially started at the Rio de Janeiro office, it was extended to the Company’s operations in Salvador, Rio Grande, Paranaguá and Santo André in 2008.

The recent global instability failed to inhibit company performance. Our experience and know-how, combined with the quality of our professionals, lead us to believe that the Company is well positioned to take advantage of future economic buoyancy. In times of crisis, solid, committed companies distinguish themselves from the rest.

Results presented in this Annual Report are the outcome of joint efforts by our shareholders, customers, employees and collaborators. To everyone, our sincere thanks.

Cezar Baião

CEO of Operations in Brazil



Aerial view of Wilson Sons' shipyard, in Guarujá (SP)

Christening ceremony for Saveiros Pelicano

Corporate Governance

Best practices of corporate governance have been part of the Company´s business model.

The Company's business model is supported by standards of ethical conduct, based on respect for life, human beings, the environment, culture and law, which strengthen the commitment by Wilson, Sons to all its stakeholders, in pursuit of longevity of its businesses, by providing services with quality, reliability, efficiency, and safety.

Corporate Governance

With shares traded in the form of BDRs, Wilson, Sons is unable to adhere to the "Novo Mercado" or to Levels 1 and 2 of Corporate Governance at the BM&F Bovespa Exchange. However, the Company willingly complies with standards required by these listing segments.

Wilson, Sons is a publicly-traded company, based in Bermuda and listed on the Luxembourg Stock Exchange. Its shares are traded on the BM&F Bovespa Exchange, by means of Brazilian Depositary Receipts (BDRs), since April 2007.

For many years now best practices of corporate governance have been part of the Company's business model. Ethical management and transparency with employees, investors, clients and suppliers are firm commitments at Wilson, Sons.

The culture of a publicly-traded company, geared towards transparency, is a defining feature at Wilson, Sons, resulting from being controlled by Ocean Wilson Holdings Limited, a company listed on the London Stock Exchange for over 100 years. As such, Wilson, Sons was historically subject to both regulatory requirements of that exchange and the London Court of International Arbitration.

Evidence of this is to be found in the commitments undertaken by Wilson, Sons when the Company went public in 2007. With shares traded in the form of BDRs, Wilson, Sons is unable to adhere to the "Novo Mercado" or to Levels 1 and 2 of Corporate Governance at the BM&F Bovespa Exchange. However, the Company willingly complies with standards required by these listing segments. This reinforces its concern with respect to the rights and interests of our stakeholders.

One of the practices stated in the Company's bye-laws, for example, is the 100% tag-along rights offered to minority shareholders. The same rules of disclosure practiced by publicly-listed Brazilian companies are also observed - both those of mandatory nature, such as a periodically-published calendar of corporate events, and those optional in nature, including initiatives to tighten the Company´s relationship with the investor community. These activities are developed by the area of Investor Relations. Wilson, Sons also adopts a Policy of Disclosure of Information, required by Brazilian legislation, as well as a Securities Trading Policy, adoption of which is optional.

Board of Directors

The Board of Directors is composed of professionals with a high level of expertise in various areas of activity.

As stated in the Company's bye-laws, the body must have at least five members. At present, the Board of Directors of Wilson, Sons has seven active members, each with a mandate of up to three years and eligible for re-election. One of these members is independent.

Mr. Francisco Gros (Chairman) – Mr. Gros graduated in Economics (B.A.) at the University of Princeton, U.S.A. in 1964. He has been with the Company since 2003 and currently holds executive positions in several other companies as well. He serves as vice-chairman of the board of directors at OGX Petróleo e Gás and Globex S.A. (Ponto Frio), and acts as member of the board to several other companies, including Lojas Renner S.A., Fosfertil S.A., EDP - Energias do Brasil, AGCO (U.S.A.) and Wellstream (U.K.). He also served as a member of the board at Petrobras from 2000 to 2002 and as its chief executive officer in 2002. He was a member of the Energy Crisis Management Committee ("GCE") and president of the Committee for Restructuring the Electricity Sector in 2001. From March 2000 to December 2001, he served as president of the National Economic and Social Development Bank (BNDES). Between November 1993 and February 2000, he served as managing director (M.D.) at Morgan Stanley's investment banking division. He has presided over the Central Bank on two occasions – in 1987 and from 1991 to 1992. He was president of Aracruz Celulose S/A from 1987 to 1989. From July 1985 to February 1987, he served as director of BNDES and vice-president of BNDESPAR. From 1981 to 1985, he was executive director of Unibanco, responsible for its capital markets division. From 1977 to 1981, he also served as general-superintendent and director of CVM (the Brazilian S.E.C.).

Mr. William Henry Salomon – Mr. Salomon received an undergraduate and postgraduate degree in Law at Magdalene College, Cambridge. Mr. Salomon trained as a merchant banker with Brown Shipley & Co Ltd and at Rea Brothers Limited. In 1987, Mr. Salomon joined Finsbury Asset Management, which was merged in1995 into Rea Brothers Group, of which Mr. Salomon became Chairman. Subsequently, Close Brothers Group acquired Rea Brothers Group, where Mr Salomon became Deputy Chairman of the investment division. In 1999 Mr. Salomon established Hansa Capital, of which he is the Senior Partner. He has been a Director of a variety of UK and international listed companies and is currently Chairman of the New India Investment Trust, as well as a Director of Hansa Trust. In addition, Mr. Salomon is Deputy Chairman of Ocean Wilsons Holdings, and a Director of Hanseatic Asset Management LBG.

Containership departing Tecon Rio Grande

Mr. José Francisco Gouvêa Vieira – Mr. Gouvêa Vieira received a Law degree from the Catholic University of Rio de Janeiro, in 1972, and completed his Master's degree at the same institution, in 1973. He holds a Master's degree in Law from Columbia University, New York, awarded in 1978. He has been managing partner at the law firm Gouvêa Vieira Advogados since 1971 and has been with the Company since 1991. He has served as chairman of the board of directors (1997) at Wilson, Sons de Administração e Comércio (1992), at Ocean Wilsons Holdings Limited (1997) and at Ocean Wilsons (Investments) Limited (1997). He also serves as member of the board of directors to a number of companies, such as Lafarge Brasil S.A., PSA Peugeot, Citroen do Brasil Automóveis Ltda., ARNO S.A., among others.

Mr. Augusto Cezar Tavares Baião – Mr. Cezar Baião graduated in Economics from the Catholic University of Rio de Janeiro (PUC/RJ), in 1982. Having joined Wilson, Sons in 1994, he currently acts as the CEO of operations in Brazil. From 1982 to 1989, he served as Money Market Desk Manager at JP Morgan and also as Finance Director of Grupo Lachmann Agência Marítima, between 1989 and 1994. He holds one of the vice presidency positions at the National Union of Shipping Companies (SYNDARMA*) and acts as adviser to the board of directors at the Brazilian Association of Public-Use Container Terminals (ABRATEC*).

Mr. Felipe Gutterres – Mr. Gutterres graduated in Economics from the Federal University of Rio de Janeiro and holds a postgraduate degree in Business (Executive MBA from COPPEAD). From 1994 to 1998, Mr. Gutterres held executive positions at Shell Brasil S.A. He joined the Company in 1998 and currently serves as the CFO of operations in Brazil, member of the board of directors, and investor relations.

Mr. Claudio Marote. – Mr. Marote received a law degree from Faculdade de Direito de Curitiba. He also holds diplomas from the following institutions: International Maritime Law from Lloyds of London, England; Executive Development Programme of the Kellogg Institute from Northwestern University, Evanston, Illinois, U.S.A.; Structures and Economic Systems - FDC, Paraná; and in Brazilian Policies and Strategies from the Association of Graduates of the Higher War College, in Santos, São Paulo. He joined the Company in 1964 and has held various executive positions, from branch manager to regional director, to superintendent-director. He began his professional career in 1956 at Agência Marítima Intermares Ltda., a subsidiary of the Bunge Born Group. At present, he is a partner of CMMR - Intermediação Comercial Ltda.

Mr. Paulo Fernando Fleury – (an independent member, appointed on May 08, 2008, to replace Mr. Pedro Parente). He is a director of ILOS (Institute of Logistics and Supply Chain) and holds the chair of Professor of Operations Strategy (Ipiranga). A graduate in Mechanical Engineering from the Federal University of Rio de Janeiro, he holds an M. Sc. in Production Engineering, from COPPE/UFRJ, and a Ph. D. in Industrial Administration from the Loughborough University of Technology, England. He has been an officer and superintendent-general of the Economic Development Agency of the State of Rio de Janeiro, AD-Rio. A visiting scholar at Harvard Business School, in 1983, and a lecturer at the Sloan School of Management, at M.I.T., in 1986, Mr. Fleury is a member of the Council of Logistics Management and the European Operations Management Association.

* Information available in 'Glossary of sector terms'

Executive Board

The activities of Wilson, Sons are handled by a team of highly-qualified executives, with deep sector expertise and thorough knowledge of Wilson, Sons. On average, these officers have served 15 years with the Company.

At corporate level, the Company has a CEO, a CFO, and three corporate officers (Port Terminals, Towage, Logistics, Shipping Agency, Offshore, and Shipyard Activities). At the executive level there are the Human and Organisational Development and New Businesses areas. Information Technology, Internal Auditing and HSE are run by managers who report directly to the Company's CEO.

In addition, each Company subsidiary has a specific management director in charge, who reports to respective corporate officers.

Code of Ethics

Standards of ethical conduct, which are followed by all Company employees, are contained in a specific code. Compliance with these practices is formalized by means of a document signed by all employees upon hiring. Based on the respect for life, human beings, the environment, culture and law, the principles established in this Code of Ethics strengthen the commitment by Wilson, Sons to all its stakeholders, in pursuit of longevity of its businesses, by providing services with quality, reliability, efficiency, and safety. The full version of this document is available at the Company's Web site. (www.wilsonsons.com)

Guarujá Shipyard

Berthing manoeuvre under way at Port of Pecém (Ceará)

Strategic Management

To expand activities and raise profitability are twin goals which drive strategic actions at Wilson, Sons, while focusing on the Company´s areas of expertise.

Wilson, Sons' business strategy is focused on providing integrated port and maritime logistics solutions, aimed at creating value to its shareholders.

Strategic Management

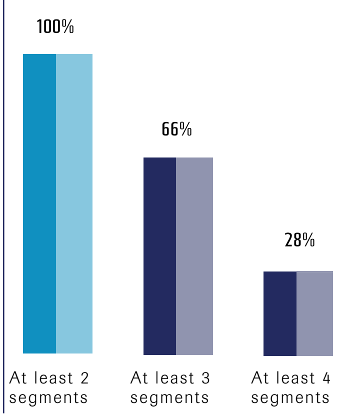
The businesses of Wilson, Sons are integrated, providing its clients with a wide range of services and solutions in port and maritime logistics.

Strategy

To expand activities and raise profitability are twin goals which drive strategic actions at Wilson, Sons, while guaranteeing expertise in providing solutions in port and maritime logistics. Excellence of service provision is fundamental to the business model, based on a thorough understanding of customer needs, which leads to the constant search for innovation to stay ahead of the market.

Each one of the Company's businesses - port terminals, towage, logistics, shipping agency, offshore, and shipbuilding activities (which include a shipyard for construction and maintenance of vessels) - focuses on human resources, technology and management excellence. All this is possible given the experience and know-how of Wilson, Sons, built up over 170 years of operations in Brazil. The portfolio of services offered enables the development of ideal solutions and provision of high-quality services, thus adding value for customers.

Services rendered to the 100 largest clients



The Company's infrastructure and geographical coverage caters for shipping routes along the entire Brazilian coast. In-depth sector focus and diversification of activities enhance the Company's capacity to identify new opportunities in related businesses.

Our client base is likewise diversified. At present, there are more than 7,000 active clients in our portfolio, many of whom make use of services from more than one business segment, thus confirming the synergy and complementary nature of the Company's operations. The top 100 largest clients, for example, are served by at least two business segments. Of these, 66 are served by three segments, and 28 of them by four service areas.

Wilson, Sons' highly competitive business model is underpinned by structured planning and financial and operational soundness.

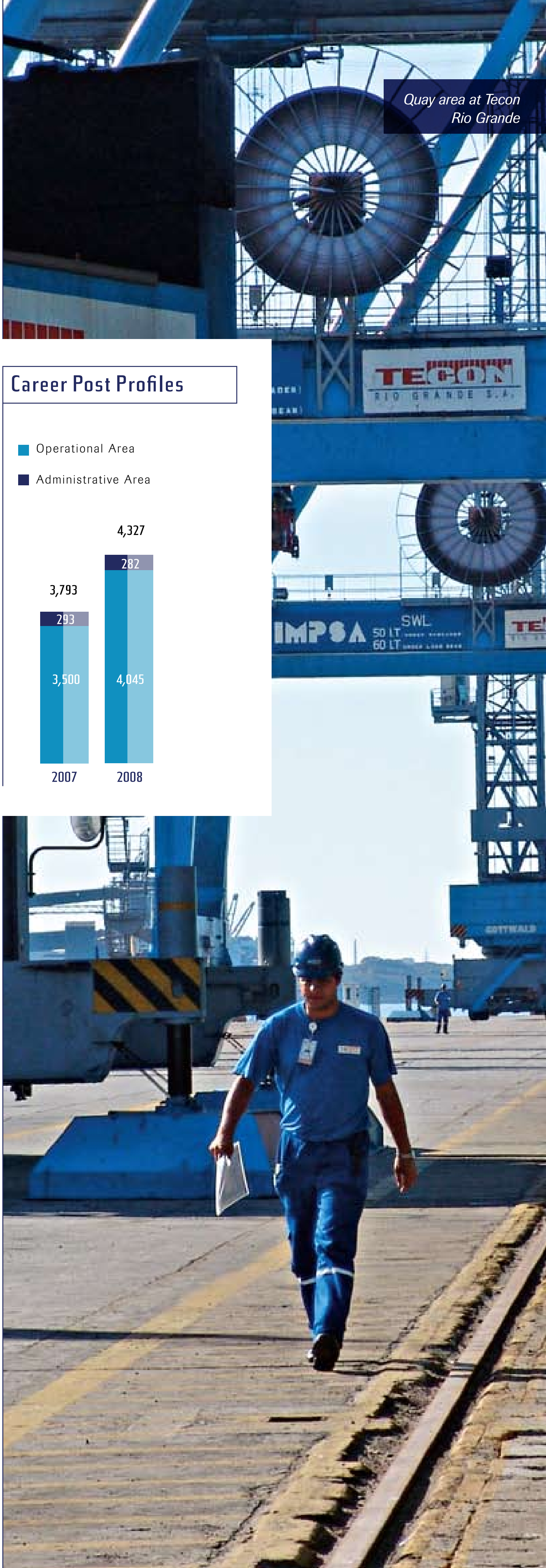
The Team

Human capital plays a key role in the Company's strategies. At the close of 2008 there were 4,327 employees distributed between the corporate office and various business segments located throughout Brazil.

Fully aware that our people represent a competitive strength at Wilson, Sons, the Human and Organisational Development ("DHO", in Portuguese) works to integrate and disseminate the Company's culture, while actively meeting business challenges and taking on the role of custodian of Wilson, Sons' knowledge.

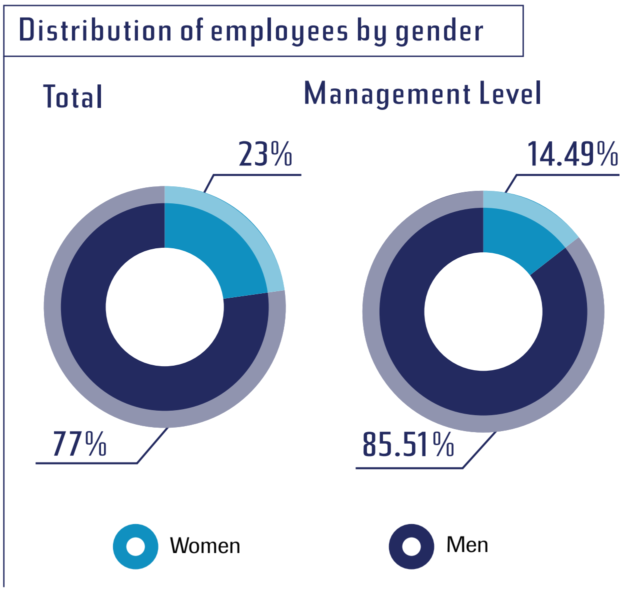
People Management Model

The planning of DHO, implemented company-wide, is managed in a collaborative manner, geared towards each business' specific needs. To this end, it is paramount to listen to and understand such needs. In 2008, a workshop was held to set forth the guidelines for DHO activities in the coming years, attended by all senior-level managers from each business segment.



Quay area at Tecon Rio Grande

Career Post Profiles



After a successful experience at Tecon Salvador during 2007, the internal consultancy format was adopted at Tecon Rio Grande, at Brasco and at the Guarujá Shipyard as well. In 2009, this process will be extended to other business segments, such as Offshore and Logistics.

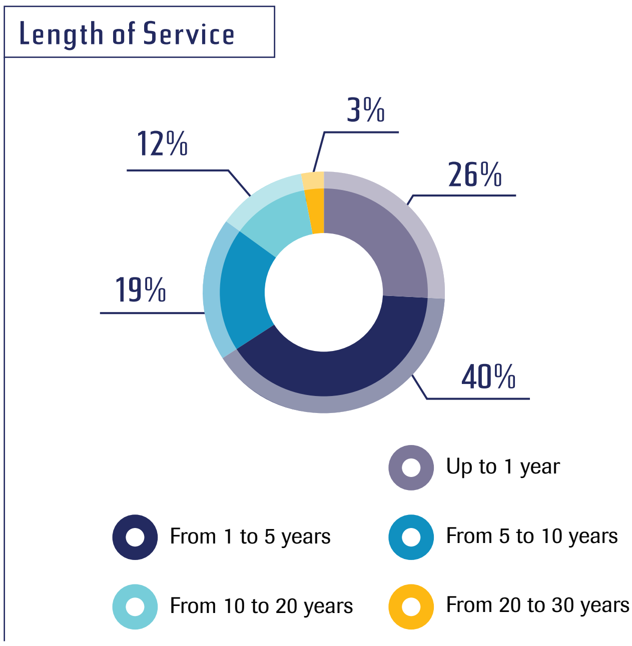
One of the main features of the people management programme is career development, through the mapping out of key administrative positions and succession planning. At Wilson, Sons, tailor-made policies to retain talent are designed to secure high-level performance and committed individuals.

Since 2007, the Company has put in place a model of internal DHO consultancy, called "DHO for businesses". It was designed to meet the strategic needs of each business, by introducing DHO solutions vital to business sustainability, innovation, and competitiveness. Moreover, the model takes into account the singularities and regional needs of each business segment, by generating specific solutions tailor-made to human and organisational development, consistent with corporate guidelines and Wilson, Sons culture. Appointed exclusively for matters relating to human and organisational development, managers focus on the individual features of each region and culture, thus acquiring greater capacity to recognise and reward talent.

Benefits Policy

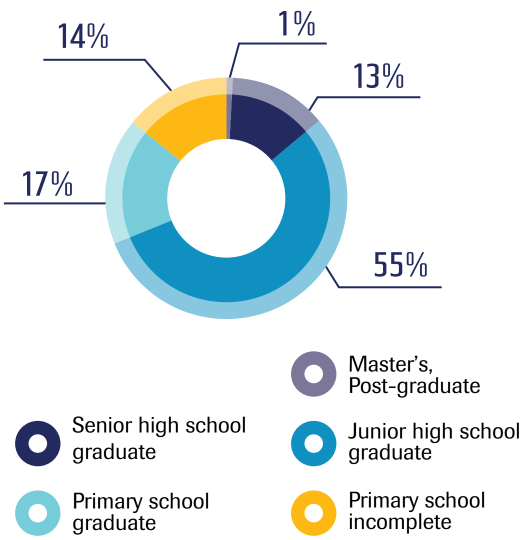
Wilson, Sons offers, amongst other benefits, partial financing for higher-education courses, post-graduate and language studies, in line with its focus on enhancing core competencies.

A profit-sharing programme ("PLR", in Portuguese) recognises and rewards collaboration by Wilson, Sons employees. Furthermore, the Company offers private pension plans.



* Information available in 'Glossary of sector terms'

Educational Level



The project began in the Logistics segment. New regulations governing this sector have created a growing external demand for compliance - hence, the need for the standardisation of risk management practices and rules.

Internal audit monitored the entire pilot project, ensuring that processes established were in line with Company needs. Priority was given to the creation of a risk management culture to be made part of the Company's activities. Internal processes were overhauled and indicators improved.

Designed company-wide, the objective is two-fold: to address a particular issue and broaden the scope of risk management practice. The project currently under development allows Wilson, Sons to reassess controls and extend them to address other types of risks, such as contract and image risks.

Knowledge management

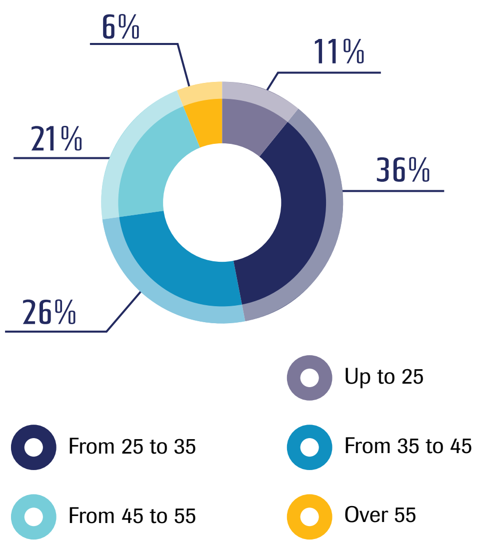
In line with DHO's agenda for knowledge management, a pioneer programme was set up in 2008 for the shipping agency segment, in the form of an e-learning platform specifically designed for ship clerks. A further development, the "Logistics MBA" was designed as an ongoing educational programme, structured in different modules to qualify professionals in managerial skills.

Risk Management

Risk management at Wilson, Sons has always been addressed through management procedures covering both operational and financial activities. The internal audit area is responsible for coordinating this process, which involves the identification, appraisal and classification of the various types of risks specific to business activities. The Company employs Enterprise Risk Management ("ERM") methodology, adopted by the Committee of Sponsoring Organizations (COSO), an international entity establishing best practices in business conduct.

In 2008 the Company's integrated effort to create a set of practices related to risk management was adopted by each of the business areas. The aim of this initiative is to tighten controls and tie them in with policies and guidelines at Wilson, Sons to meet market requirements.

Age Group



Segment diversity is united by the common use of a corporate software programme, developed for risk management of all types. Purchased in 2008, this will allow streamlined communication within and across the Company's business segments.

Risk management processes at Wilson, Sons cover the following:

Operational Risks

Risks of operational accidents are a day-to-day reality, which are mitigated via strict safety procedures and personnel training.

Fleet maintenance is generally done at the Company's shipyard, which is an added security guarantee, as regards the risk of operational accidents. Such an arrangement ensures quality control and effective management of resources.

RISK MANAGEMENT PRACTICES HAVE ALWAYS BEEN IN PLACE AT WILSON, SONS. THESE PROCEDURES COVER **OPERATIONAL** AND FINANCIAL ACTIVITIES WITHIN THE COMPANY.

Customer risk is minimized by having an extensive portfolio of over 7,000 clients. This diversified customer base means that no single customer, alone, accounts for more than 10% of total revenues.

Environmental Risks

Shipping activities involve the risk of sea pollution. As an environmentally conscious company, in 2008 Wilson, Sons put in place contingency planning by hiring specialised services related to leak prevention and clean up. Teams are kept on stand-by coast-wide, in nine different locations, positioned to service the Company's towage, offshore, and shipping agency segments, as well as at its shipyard and Brasco. This initiative has been extended to port terminals.

In addition, the Company is committed to the reduction of negative environmental impact in its various spheres of activity. Use of technologically efficient, diesel-electric engines in some of the offshore vessels reduces the emission of pollutant gases that cause the greenhouse effect, offering as it does lower fuel consumption.

In 2008, Brasco set up a Waste Collection Centre for oil and gas platform residues, responsible for processing, waste disposal and, when possible, recycling.

Health and Safety-Related Risks

Employee well-being is a fundamental concern at Wilson, Sons. To this end, the Company maintains strict risk management policies. The following are representative:

» At the Rio Grande and Salvador port terminals, risk management committees have been set up, with a specific focus on health and safety issues.

» At Brasco, a safety procedure called "Stop Car" allows all Company and outsourced employees passing through the yard to identify a safety risk and immediately activate the appropriate mechanism, which brings to a standstill all movement.

» In Towage, a permanent programme of health and safety training is in place, aimed at accident prevention and reduction.

» In Offshore activities, permanent monitoring of crew health is carried out prior to their departure and after arrival. It should be borne in mind that such crews are subject to prolonged periods at sea.

Health, Safety and the Environment – HSE

Health, safety and the environment is one of management's top priorities at Wilson, Sons. Traditionally dealt with independently by each one of the Company's segments, these areas, as from 2008, were centralised and standardised.

As the newly created HSE is of strategic importance, it is directly accountable to Senior Management. HSE builds on the work hitherto handled by a seven-member multi-functional committee, which acts as a consultation body in support to HSE management.

Initially, HSE was in charge of reviewing and analysing existing procedures, as well as results. The goal is to standardise practice in each business segment, in line with corporate principles. Thus, in these first months of activity, management re-appraised the existing status and risk scenarios.

With technical support from HSE management, internally appointed, experienced personnel teamed up to centralise information and lead initiatives in support of management policies. A single, unified HSE policy came into effect as of March 2009. Compliance to its practices will be monitored on a regular basis, through operational and quality indicators.

Intangible Assets

Wilson, Sons has acquired significant sector know-how. Over the years, the Company's credibility has been strengthened by a positive image supported by long-term business relationships established with stakeholders and the communities where the Company is active. A large customer base and reliable service track record are intangible assets that create value to shareholders and represent an important competitive edge.

Other intangible assets relate to the Company's strategy and management, as measured by the ability to stay ahead of competitors through innovative products and solutions developed to add value to customers' operations. This is a key element that raises efficiency levels at each client operation.

Saveiros Gaivota crew at work

Saveiros Pelicano at Brasco's terminal

Concern with the environment is an integral part of the Company's strategy and the sustainable development of its businesses. Today, use of diesel-electric engines in offshore vessels reduces the emission of pollutant gases and offers lower fuel consumption and higher efficiency. The Company was also the first to bring to Brazil azimuth thrusters capable of moving in all directions, in a 360-degree span, which allows for safer manoeuvres at sea.

A pioneering attitude is also a unique feature of Wilson, Sons' business initiatives. As the first company in Brazil to operate a privatised container terminal, to develop Project Finance in the port terminals sector, and to be granted quality certification in the shipbuilding business, Wilson, Sons is able to innovate and to anticipate underlying industry trends.

Through such initiatives, Wilson, Sons has become one of Brazil's largest providers of integrated port and maritime logistics and supply chain solutions.

Certifications

All of Wilson, Sons businesses have been ISO 9001-certified. Moreover, each of them has obtained industry-specific certifications in recognition for their operational standards.

At Wilson, Sons Logística, for instance, five of its units are certified under the Sassmaq System (System of Appraisal for Health, Safety and the Environment), a requirement for rendering logistics services to the chemical industry, including three units in São Paulo (Santo André, São José dos Campos and Santos), one in Bahia (Salvador) and another in Rio Grande do Sul (Rio Grande).

Brasco, a Port Terminals subsidiary that provides logistics support services to the oil and gas industry, obtained environmental standards certification ISO 14001, while the Offshore business is ISM Code-certified (as required by legislation issued by the IMO, "International Maritime Organisation").

In 2008, two of the Company's business segments obtained ISO 9001 certifications: the Rio de Janeiro branch of Wilson, Sons Agenciamento Marítimo and headquarters of Wilson, Sons Logística.

Operations

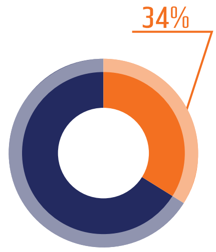
Wilson, Sons is one of Brazil´s largest providers of integrated port and maritime logistics and supply chain solutions.

- First company in Brazil to obtain a concession to build and operate a privatised container **terminal**.
- Leadership position in the **towage** business.
- Brazil's largest **logistics** operator in the steel industry.
- A proven track record in Brazil's **shipping agency** business, since 1837.
- In **offshore** activities, five PSVs provide support services to the oil and gas industry, built at the Company's own shipyard.
- Wilson, Sons' **shipyard** contributes to raising productivity through the operation of assembly lines set up for shipbuilding and construction.

Port Terminals

Net Revenues (USD million): 170.5

Number of TEUs: 865,114



Net Revenues by activity

Wilson, Sons Terminais

Responsible for the management of port terminal activities. Provides services of loading and unloading of deep-sea and cabotage vessels, as well as warehousing for import and export cargo. Operates Tecon Rio Grande and Tecon Salvador, under a 25-year renewable concession. Through its subsidiary, Brasco, the Company operates a terminal to provide support services to the oil and gas industry, located in the city of Niterói, Rio de Janeiro.

Wilson, Sons' inherent aptitude for pioneering business opportunities is also found in the container port terminal business. Prior to enactment of the "Ports Modernisation Law", in 1993, the Company already operated in public terminals. Know-how acquired from these activities enabled the Company to obtain, in 1997, the first concession to operate a privatised container terminal in the country.

In 2008 Wilson, Sons Terminais posted net revenues of USD170.5 million, 14.4% higher when compared to the previous year, mainly as a result of a better mix and greater value-added services rendered in the period.

TECON RIO GRANDE

Located 420 km from the city of Porto Alegre, in Rio Grande do Sul, Tecon Rio Grande is responsible for 96% of the containerised cargo passing through the port, where export products such as tobacco and chicken, as well as rice shipped domestically, represent some

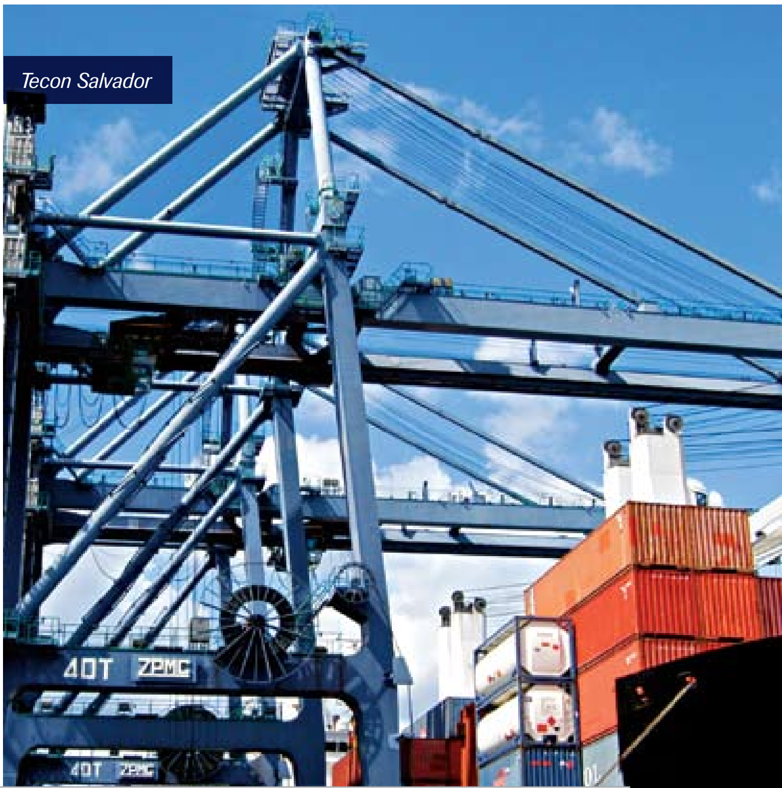
* Information available in 'Glossary of sector terms'

60% of the total volume. In October 2008 operating capacity at Tecon Rio Grande increased, as a result of the construction of its third berth, in line with the expansion project agreed upon by Wilson, Sons in 1997, at the time the Company began its operations in the facility. The expansion project, estimated to be completed in 2012, was delivered four years ahead of schedule, given that volumes at the terminal exceeded originally-estimated targets for container handling activities.

With investments at Tecon Rio Grande completed, annual capacity increased to 1.13 million TEUs (a unit of measurement equivalent to one 20-foot container). In 1997, the terminal's first year in operation, only 91,000 TEUs were handled. In 2008, however, the total amounted to 626,408 TEUs.

The expansion brought about a 60% increase in the Tecon's total capacity, adding 250 meters to its quay; - currently at 850 meters. With a draught of 12.5 meters, more and larger ships can berth simultaneously at the Terminal, contributing to increased activity at the port, and, consequently, to job creation. Wilson, Sons successfully anticipated increasing demand and created conditions for the operation of larger ships in Brazil. At present, the largest vessels are able to carry up to 6,100 TEUs and make calls at Tecon Rio Grande, one of the few Brazilian ports capable of serving them.

Since taking on operations at the terminal, Wilson, Sons has already invested over USD100 million in the development and modernisation of Tecon Rio Grande. Of this amount, around USD50 million were destined to the latest expansion of its berth and the equipping of the quay and the yard.



Tecon Salvador

TECON RIO GRANDE PROVIDES SERVICES TO A MONTHLY AVERAGE OF 70 SHIPS CALLING AT THE TERMINAL, WHICH ADDS UP TO 31,000 CONTAINERS HANDLED (52,000 TEUS).

Tecon Rio Grande

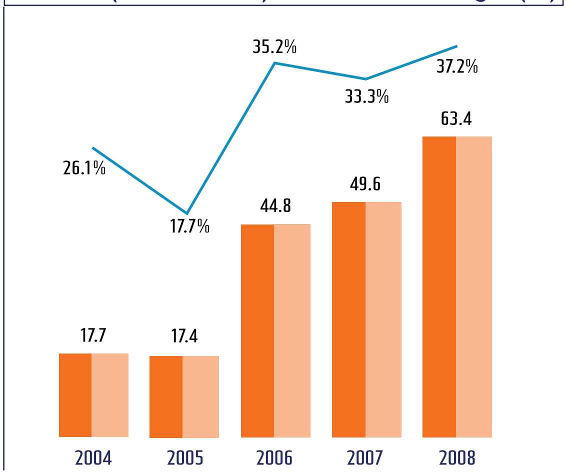
TECON SALVADOR

The Salvador Container Terminal is located within the city's urban perimeter and handles ships from leading international trade routes, such as Europe, the United States and the Far East. The types of cargo most common at this Terminal include chemical and petrochemical products, fruits, metals and juice.

The terminal has a total of 74,000 m^2 of yard and a quay area, with two berths of 214 and 240 meters, respectively. Operating since 2000, it also has an additional area of 100,000 m^2 outside the port, for empty container storage.

The volume handled at Tecon Salvador in 2008 was 235,811 TEUs, a 7% decline in comparison to the previous year. This performance reflects the adverse impact of the global crisis on volumes in the last quarter of 2008, as well as limited capacity at the terminal's berths to operate large-sized ships from international routes calling at Brazil's ports. For this reason, in 2008 the management concentrated on taking the necessary steps to allow for capacity expansion at the terminal, via the support from public institutions and regulators. Additionally, investments were made in new equipment for the yard, to boost efficiency and productivity levels.

EBITDA (USD million) and EBITDA Margin (%)



BRASCO

With respect to logistics support services and solutions provided to companies in the oil and gas industry, Wilson, Sons Terminais has a specific operation via Brasco, a subsidiary company located on Conceição Island, in the city of Niterói (RJ). Created in 1999, the subsidiary also has support bases located in the cities of Rio de Janeiro, Belém, Salvador and São Luís, in addition to units under development stage located in the state of Espírito Santo, in the north of Rio de Janeiro and in São Paulo. Brasco is considered a benchmark company in terms of safety standards and the environment, which is a unique achievement in the oil industry.

Brasco's activities include the storage of materials, supplies and equipment for offshore oil platforms, such as drilling mud, cement and chemical products. Brasco provides other types of services as well, such as waste management and container rental.

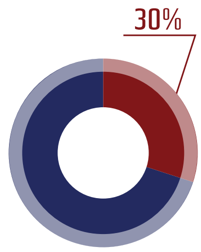
Additionally, 2008 saw the creation of the Waste Collection Centre, which gave rise to a new service offered not only to contract clients, but also to third parties. The Centre receives, processes, separates and provides a proper destination, recycling when possible, or if not, disposal, for wastes from oil and gas platforms.

In the course of 2008 the physical structure of Brasco underwent important changes. At the Niterói facilities, in Rio de Janeiro, the Company's third quay was expanded, along with the opening of a new warehouse and administrative building. The base at Guaxindiba, located in São Gonçalo (RJ) is now an operational area of over 100,000 m^2 housing oil rig spare parts.

Towage

Net Revenues (USD million): 147.1

Number of manoeuvres: 55,655



Net Revenues by activity

Wilson, Sons Rebocadores

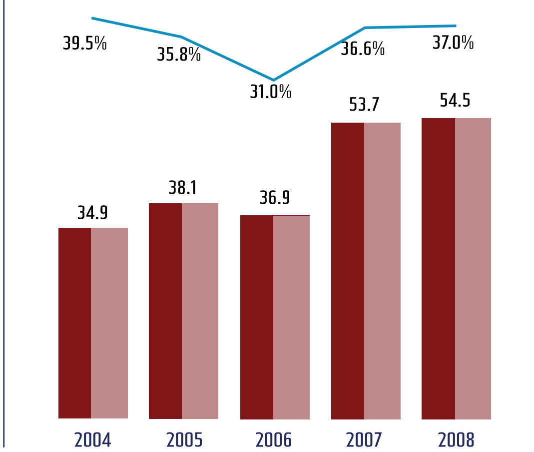
In the towage segment, Wilson, Sons provides support services for berthing and un-berthing of ships in ports. It also performs special operations, which include harbour towage, ocean towage, rescue assistance through salvage operations, and the support to operations in the offshore industry, such as support to offloading activities.

Wilson, Sons is the absolute leader in the maritime towage market in Brazil. This leadership position was build on century-old market experience and expertise, in addition to having the country's largest tugboat fleet – 68 units in total – with nationwide reach.

In 2008, two new tugboats were delivered, in line with the commitment made in 2007 and with the strategy of renewing the current fleet, both in terms of fleet age and technology. The Company's adopted principle of innovation is supported by the profile of its current fleet of tugboats, in a traditional sector such as the towage business.

Out of a total of 68 tugboats, nearly 50% are equipped with azimuth thrusters, a state-of-the-art technology in propulsion systems for tugboats operating in ports. This technology enables vessels to have greater manoeuvreability and to safety. Since in 1982 and in line with the global trend in the market, Wilson, Sons was the pioneer to offer its clients in Brazil this technology feature. Striving to set itself apart from competitors, the Company's concern with the environment is evidenced by its modern fleet of tugboats, equipped with electronic engines, which provide a significant reduction in pollutant gas

EBITDA (USD million) and EBITDA Margin (%)



emission. In this way these vessels surpass the requirements of the local environmental legislation, and comply with the stricter ones of the European Community, in line with the Company's policy of environmental responsibility.

The activities of Wilson, Sons Rebocadores are intimately linked to international trade, since the services offered serve basically cargo ships that carry Brazil's imports and exports.

Despite the latest international economic crisis, Wilson, Sons believes the Company is well positioned to meet its challenges and face up to the increasing market turbulence seen as of late 2008. One of the defining features of the Company's towage segment is the nature of its client base, established through long-term business relationships. As one of the first providers of towage services in Brazil, Wilson, Sons has among its active clients the world's leading shipowners, a relationship built on trust and an extensive track record of high-level services rendered. Many of its top clients, for instance, have had a business relationship with the Company for many decades.

Tugboat Taurus

ON AVERAGE, **TUGBOATS** OPERATE WITH **4** TO **5** PEOPLE ON BOARD, NAMELY A COMMANDER, A CHIEF ENGINEER, A COOK, AND CREW.

This feature, in addition to the quality and size of the Company's fleet, its management and know-how acquired throughout more than 100 years of business experience, are the competitive advantages that, combined, position the Company to weather the current storm in the global economy and its potential impact on 2009 market conditions. Business and financial soundness allow for Wilson, Sons to maintain its investment plan intended for the medium and long term. For example, the Company will invest in the acquisition of a modern simulator equipment, imported from the Dutch Naval Engineering Institute, to assist in a crew training progamme scheduled to become operational at its Guarujá shipyard in 2009.

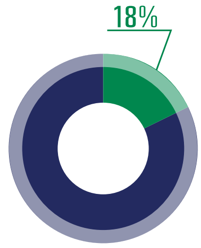
Tugboat Haris

Furthermore, in October 2008, Wilson, Sons was granted approval by the board of directors of the Merchant Marine Fund ("FMM" in Portuguese) of the Company's request for priority status to obtain a new financing line of approximately USD 900 million, of which USD 160.4 million are to be invested in the construction of 18 new tugboats, to be delivered by 2013.

Logistics

Net Revenues (USD million): 89.3

Number of trips completed: 70,669

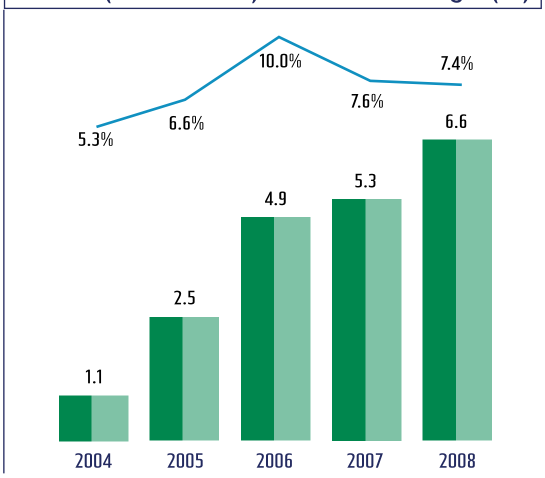


Net Revenues by activity

Wilson, Sons Logística

Provides integrated and customized supply chain solutions, including transportation, distribution, and warehousing services. Active in each stage of business logistics processes, its portfolio of services cover inbound, in-house and outbound* solutions. Client focus is placed on Brazilian and multinational companies ranging from a variety of industry sectors, such as Pulp and Paper, Chemicals and Petrochemicals, Steelmaking, Cosmetics / Pharmaceuticals, Foods, Agribusiness, and Electronics / High Tech.

EBITDA (USD million) and EBITDA Margin (%)



Since 2000 Wilson, Sons has been active in the logistics segment to develop supply chain solutions tailor-made to the needs of each one of its customers, thus adding value to their operations.

One of the differentiating features of the logistics services offered by Wilson, Sons lies in getting to know the singularities of the businesses of each client, improving their processes. This allows the Company to make an effective contribution to develop solutions that meet its client needs in terms of logistics, taking on the role

* Information available in 'Glossary of sector terms'

of a specialist consultant. Additionally, the Company is able to exchange know-how among its business segments and expand the applicability of the business solutions developed and acquired expertise.

Aerial view of the Dry Port, located in Santo André (SP)

Each process is developed by a team of qualified, specialist professionals, who are aware of the unique features of each type of business. Customer relationship is managed closely, allowing for the appraisal, redefinition and enhancement of solutions provided. Given the team's detailed knowledge of each customer's business needs, Wilson, Sons Logística is able to focus on the principal aspects of its service base, which is to provide the best-suited logistics solutions possible. The goal is to optimize the use of available equipment and systems to provide the best possible mix of modal transportation and warehousing solutions to meet each client's needs.

Over the years, the Company has consolidated its position in the logistics business. New contracts won in 2008, such as one signed in the fourth quarter of last year together with a steelmaker, have allowed the Company to advance in the marketplace. Under the three-year contract, Wilson, Sons becomes the largest logistics operator in Brazil's steel sector. It also brings innovation to the forefront of the industry, with the commitment made to reduce the mill's logistics costs and to share in with its client the gains to be achieved with this operation.

WILSON, SONS LOGÍSTICA HAS A 92,000-SQUARE-METER DRY PORT, WHICH OPERATES AS AN INLAND CUSTOMS STATION AND IS LOCATED IN SANTO ANDRÉ (SP)

In line with its business strategy, Wilson, Sons Logística owns and operates a Dry Port located in the city of Santo André, in São Paulo. The facility has a total area of 92,000 square meters, especially built as an inland customs station. In all, the logistics complex consists of one public warehouse and one bonded warehouse unit. The latter has been named Brazil's top ranked facility in terms of volume, according to rankings compiled by the Federal Revenue Service (the country's customs and internal revenue service authority).

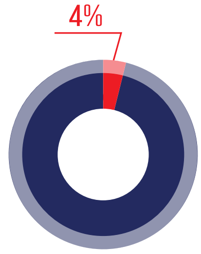

Operation under way at the Dry Port, located in Santo André (SP)

In recognition for the quality of services rendered, Wilson, Sons Logística received the 2008 award from Monsanto Brazil for the title of best supplier, both in the 'Raw Material' and 'Imports' categories. The Company is the only logistics operator to receive this award for three consecutive years.

Shipping Agency

Net Revenues (USD million): 17.6

Number of calls completed: 5,824



Net Revenues by activity

Wilson, Sons Agência

The oldest and largest independent Brazilian agency — not owned by ship operators — providing shipping agency services for liner and tramp vessels along Brazil´s leading ports. It acts directly on behalf of shipowners and cargo owners, rendering commercial representation services to ships calling at the main Brazilian ports, which include the control of containers, legal documentation, forecast of expenses, contracting port services, payment of suppliers and also detailing of costs incurred at the end of their vessel calls.

The first line of business developed at Wilson, Sons, the shipping agency segment was founded in 1837, in the city of Salvador (Bahia). It currently offers its clients nationwide geographical reach, with 16 offices located around the country, serving some 45 of the principal ports along the Brazilian coast.

The Company offers integrated support services to activities related to foreign trade, combining them so as to meet the specific needs of each client. Specialized in developing solutions for both liner and tramp vessels, the Company provides general agency services, offering its clients with total support in terms of cargo documentation and logistics. It is in charge of protecting the interests of Operators / Charterers as well as of Importers / Exporters while doing business at Brazilian ports.

This business segment takes on a strategic role for Wilson, Sons, given the fact that its activities allow access to up-to-date market intelligence in the maritime logistics industry. Moreover, the pioneering attitude and constant search for innovation, each one a hallmark of Wilson, Sons, are also present in the shipping agency's business. As the first company in Brazil to set up a Shared Services Centre (CSC, in Portuguese), supported by a sophisticated integrated system for the control of operations, it assures greater efficiency and better coordination of the flow of information among the Agency's units, shipowners and their clients.

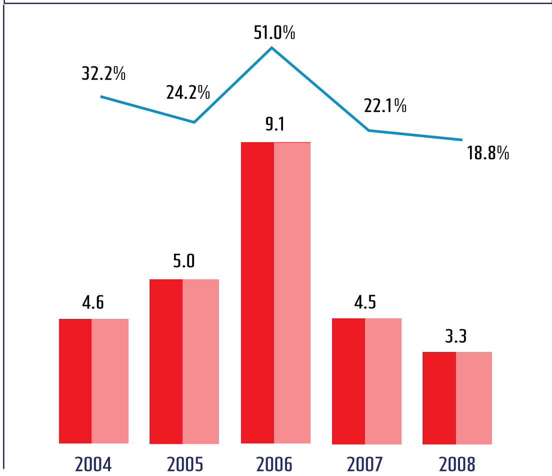
Wilson, Sons Agência has an extensive network of active representatives worldwide, including in countries such as China and Greece. In partnership with the Gulf Agency Company, it has access to a broad range of service representatives in the logistics and oil and gas sectors, a valuable competitive advantage in terms of retaining existing clients, as well as in winning new ones.

Market information analysis: a daily routine at Wilson, Sons Agencia Marítima.

WILSON, SONS **AGÊNCIA MARÍTIMA** LED THE RANKINGS IN TERMS OF VESSEL CALLS COMPLETED IN BRAZIL IN 2008, ACCORDING TO DATAMAR.

In 2009 the Company intends to focus on the oil and gas industry prospects, spurred by growth in oil drilling activities, which create new opportunities for the shipping agency segment to expand its service base, for instance via activities related to movement of crew members and operational support services.

EBITDA (USD million) and EBITDA Margin (%)

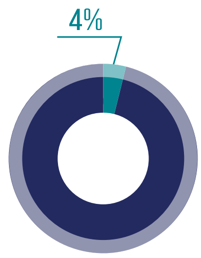


Shared Services Centre (CSC, in Portuguese) team

Offshore

Net Revenues (USD million): 21.6

Number of days in operation: 1,359

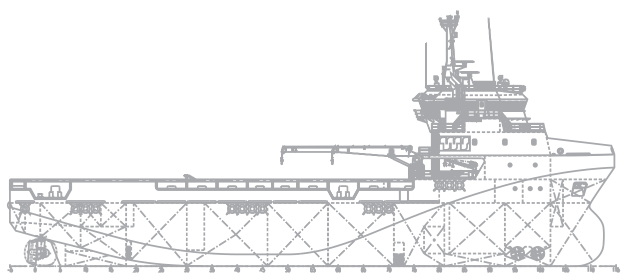


Net Revenues by activity

Wilson, Sons Offshore

The offshore segment provides support services related to the exploration and production of oil and gas. These services are delivered via platform supply vessels (PSVs) that transport a variety of items to and from offshore platforms and the operating shore base, such as equipment and food supplies.

Created in 2003, the offshore segment is the most recent business segment Wilson, Sons operates. The Company's move into this market niche was influenced by the "Fleet Renewal Programme of Oil Supply Vessels," sponsored by Petrobras. This programme was designed by Petrobras in order to modernise the existing fleet, while broadening the number of Brazilian-flag vessels, via construction activities carried out at Brazilian shipyards.



PSV SAVEIROS ATOBÁ	
Length Over All	71,85m
Beam	16,00m
Moulded Depth	7,50m
Maximum Draft	6,00m
DWT	3.100 ton
Total Diesel Electric Propulsion	4.400 eKW

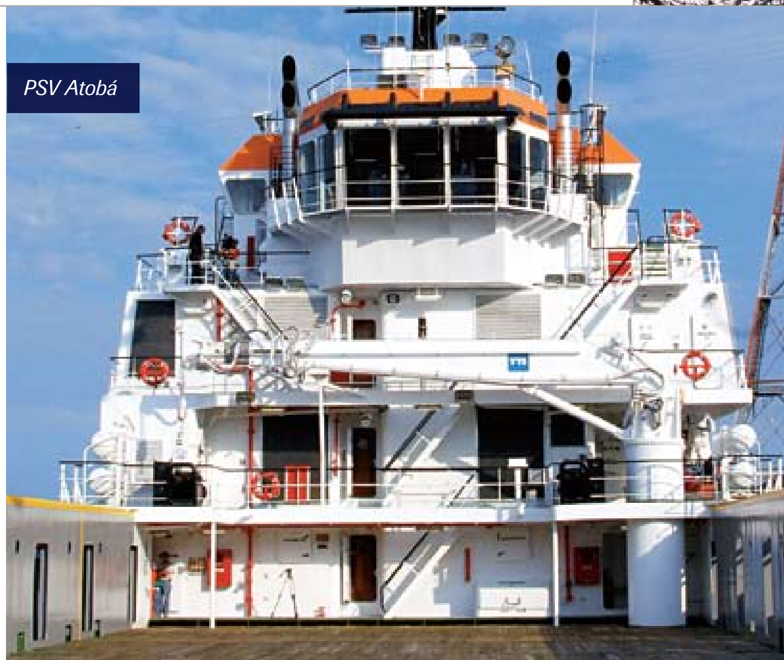
* Information available in 'Glossary of sector terms'

At the time this initiative began, and given the high-growth prospects in the oil and gas sector, set to also positively influence maritime support activities, Wilson, Sons decided to enter into this line of business. Today, the Company owns and operates a fleet of five PSVs, two of which were delivered in 2008.


PSV Fragata

WILSON, SONS OFFSHORE OWNS AND OPERATES A FLEET OF 5 PSVS, OF WHICH 2 WERE DELIVERED IN 2008: SAVEIROS PELICANO AND SAVEIROS ATOBÁ.

The prospects for the offshore business continue to be positive, given the outlook for the oil and gas industry in Brazil. Wilson, Sons' competitiveness in this sector, derived from having its own shipyard and the prospects for expansion and construction of a new facility, combined, signal favourably towards winning both medium and long-term contracts. Up to 2007, the Company had only signed long-term contracts with Petrobras.

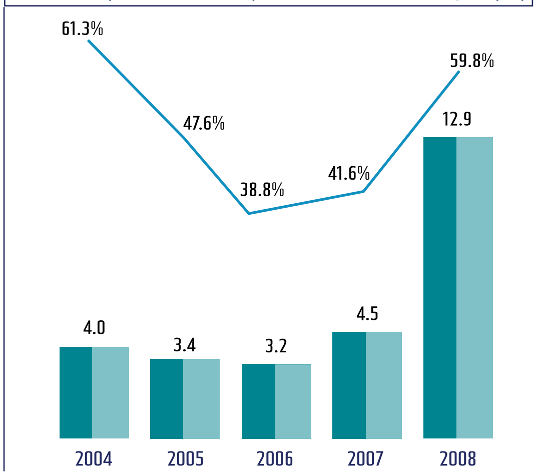

PSV Atobá

Another relevant chapter in the history of the Company's activities in the offshore segment was written in 2008, as negotiations advanced with Magallanes Navegação Brasileira S.A., a subsidiary of Chilean-based Ultratug Group, aimed at setting up a joint venture to operate offshore support vessels in activities related to exploration and production of oil and gas. This results in the merger of their offshore operations in Brazil. At first, the partnership is to include OSVs (Offshore Support Vessels) currently under construction as well as those operated by the two companies.

The main goal of this agreement is to expand and leverage the two companies' operations in the offshore segment, while generating economies of scale and creating new opportunities linked to growth in Brazil's oil and gas industry.

Out of the total financing line available with the FMM (Merchant Marine Fund), as of October 2008, USD735.6 million are to be invested in the construction of 13 offshore vessels, expected to be delivered by 2013.

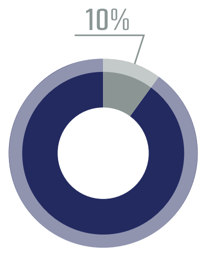
EBITDA (USD million) and EBITDA Margin (%)



Non-Segmented Activities

Net Revenues (USD million): 52.2

Number of vessels under construction: 6



Net Revenues by activity

Wilson, Sons Estaleiros is responsible for the construction of vessels, both for its fleet expansion/renewal and for third parties. In addition, it provides maintenance of its own fleet of tugboats and PSVs (Platform Supply Vessels). The yard´s main area of expertise is in the construction of sophisticated small and mid-sized vessels, including tugboats, PSVs, patrol boats, and ferry boats.

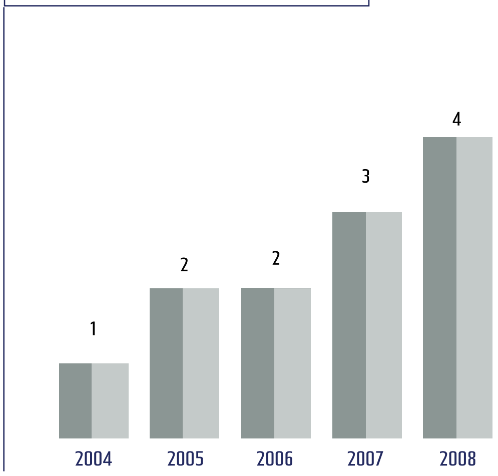
In Non-Segmented Activities, Wilson, Sons allocates the services provided by its shipyard, located in the city of Guarujá, on the São Paulo coast, and also administrative costs incurred with the management of the Company, which serves all business segments.

Having its own shipyard is a major competitive advantage for Wilson, Sons, allowing the Company to secure fleet renewal and expansion, along with its maintenance. In this way, the Company becomes more competitive, capable of responding quickly to shifts in market demand, and fostering the development of new technologies.

The production processes adopted at the Guarujá shipyard are unique and can be compared to that of automakers' assembly lines, aimed at achieving high productivity levels. This is the model adopted by the Company to generate efficiency and economies of scale, provided the limited capacity of 20,000 m^2.

At least 60% of total components used in the construction of PSVs are made domestically. This threshold is higher than the market average and is achieved through the development of local suppliers.

Number of vessels delivered



Throughout 2008, the Guarujá shipyard operated at full capacity, which allowed the Company to meet its delivery commitments. Two PSVs were delivered - the Saveiros Pelicano and Saveiros Atobá, as well as two tugboats for the Company's offshore and towage activities.

In addition to building vessels for its own operations, in 2008 the Company began shipbuilding activities for third parties as well. In March, it signed a contract with Magallanes de Navegação S/A, committing itself to building four PSVs, all of which equipped with diesel-electric engines. Of these, three will feature 4,500 kw power (model PSV – 3000) and one 5,440 kw power (model PSV – 4500). The total contract value for building these vessels is approximately USD 100 million. Two of the vessels are scheduled for delivery in 2009, and the remaining two by 2011.

These third-party construction projects represent 30% of total shipbuilding activities at the shipyard. When combined with construction activities for its own fleet, the Guarujá shipyard intends to build 13 vessels throughout 2009, at various stages of construction.

Growth in activities at Wilson, Sons' shipyard has led to planning for two expansion projects. At the Guarujá shipyard, the Company is set to double the capacity, by using an area of 16,000 m2, located close to the current shipyard, where a dry dock will be built for construction and maintenance of vessels. Civil works are scheduled to begin in the second half of 2009.

There are also plans to build a shipyard in Rio Grande do Sul. The new facility will be dedicated mainly to building small and medium-sized vessels, to support oil and gas platforms. In August, changes to existing zoning standards at the Port of Rio Grande area and its vicinity were approved, thus allowing Wilson, Sons to move forward with its project. In December, unanimous approval was granted in the form of a piece of legislation setting forth the terms for the donation by the State of the area needed for the implementation of this expansion project.

Metal worker at the Guarujá shipyard

THE GUARUJÁ SHIPYARD EMPLOYS NEARLY **600 PEOPLE**, WITH CAPACITY TO BUILD UP TO 6 VESSELS SIMULTANEOUSLY.

Construction employee at the Guarujá shipyard

Cargo ship at the Rio Grande container terminal.

Management´s Discussion and Analysis (MD&A)

Significant growth in operating results and EBITDA during 2008, amid challenging macroeconomic conditions.

Since 2004 Wilson, Sons' financial reports are filed in accordance with International Financial Reporting Standards (IFRS).

Management´s Discussion and Analysis (MD&A)

Consolidated net revenues reached USD498.3 million in 2008, while EBITDA increased by 34.3%. The Company´s financials are solid with low leverage ratios. Net debt at the end of 2008 amounted to USD 5.2 million.

Economic Background

Brazilian GDP grew by 5.1% in 2008 confirming the importance of domestic demand as main driver of economic activity in recent years. 2008 started on an optimistic note. In April, Brazil achieved investment grade in Standard & Poors' risk classification, followed by Fitch Ratings. The upgrade was justified by the country's strong and sustained growth, solid macroeconomic footing and balanced public accounts.

This scenario created a favourable environment for growth and expansion of investments at Wilson, Sons whose business model is based on three pillars – the strength of Brazilian international trade, the dynamism of the oil and gas industry, and growth of the domestic economy.

In public financing, Brazil took steps to repay its foreign debt, by becoming an international net creditor. This performance was repeated in its international reserves, which closed the year at USD206.8 billion, and trade balance, which reached a surplus of USD24.7 billion.

The positive scenario persisted until the third quarter of 2008, when the worsening effects of the US subprime crisis started to spread throughout the world, notably after September. Insecurity caused by the world financial crisis led to a steep fall in the value of the Real. At the end of the year, the US Dollar was quoted at R$2.34, an increase of 31.9% in the year, the third largest in the history of the Real.

The fall in international commodity prices caused a drop in Brazilian inflation, which had been increasing since the beginning of the year, allowing the Central Bank to maintain the basic interest rate.

The solid fundamentals of the Brazilian economy, its recent growth based on strong domestic demand and high levels of international reserves have helped the country to weather the turbulence and uncertainties caused by the world crisis.

Wilson, Sons' operating performance in 2008 was strong, reflecting the country's economic activity, though the effects of the international crisis started to make themselves felt in the 4th quarter. Better results than 2007 and the growing importance of the oil and gas sector in the Company's businesses have contributed to stabilise results, as this capital intensive segment is less prone to short-term oscillations due to market conditions. Wilson, Sons' EBITDA figures, a strong indicator of performance and profitability, increased by 34.3% in the year, reflecting solid financial position and favourable long-term growth prospects.

Wilson, Sons' Financial Performance

Wilson, Sons, which is controlled by Ocean Wilsons Holdings Limited, a company with shares listed on the London Stock Exchange, has presented its accounts in the IFRS format since 2004, three years before going public. By this the Company has brought forward a requirement of the Brazilian capital markets, which aims to unify local and international accounting standards. By 2010 all publicly-traded Brazilian companies will be required to report according to IFRS rules, which Wilson, Sons already does.

Containership

	2005	2006	2007	2008
Selic[1]	18.00%	13.25%	11.25%	13.75%
Forex rate (R$ per USD)[1]	2.34	2.14	1.77	2.34
Forex variation (% gains of the USD vs the R$)[2]	-12.27%	-8.52%	-17.00%	31.87%

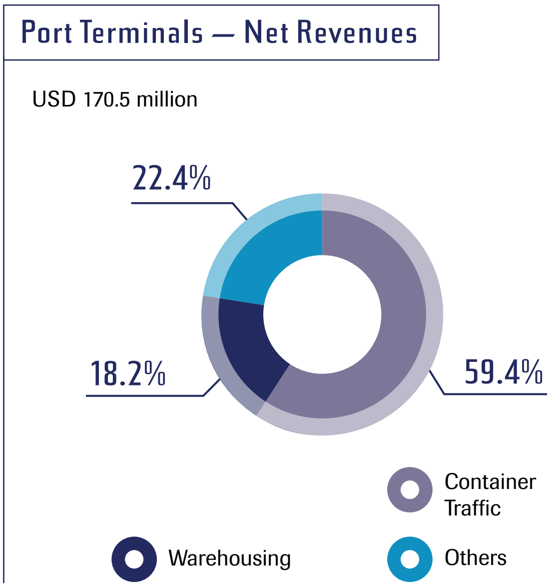
1. End of Period.
2. Acumulated during Period.

The Company's financial results, including operating and financial information for each of its business segments, are presented in US Dollars, except where stated.

Port Terminals

2008 net revenue in the Port Terminals segment was USD170.5 million, increasing 14.4% in relation to the previous year. Represented by the container terminals of Rio Grande and Salvador, as well as the Brasco operation (a 75%-owned subsidiary) this division's good performance reflects the mix of services and the higher volumes in the Rio Grande container terminal at the end of the year.

Growth in rice and frozen chicken volumes – two of the main products going through this port – combined with investments, which accounted for a 60% increase in the Rio Grande container terminal's capacity as of October 2008, also contributed to an increase in revenue, with new shipping lines calling at the terminal and a smaller number of cancellations due to increased flexibility and longer 'port stays' offered.



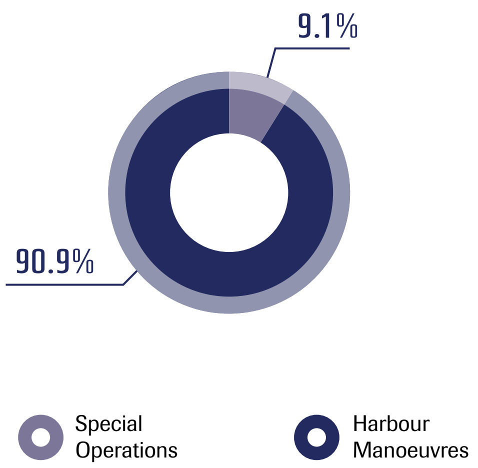
Other factors which contributed to better results were the growth in coastal shipping and higher value-added services rendered, such as warehousing-related activities and the more favourable mix of full-to-empty containers.

On the other hand, several negative factors affected business during the year: i) capacity limitations at the Salvador container terminal; ii) negative economic effects on international trade, mainly in the last quarter; iii) lack of availability of oil and gas rigs in the market, which affected Brasco's results; iv) negative impact of the Real devaluation in relation to the US Dollar, since most revenues are denominated in Real.

The increase in revenues, and higher gross margins from better value-added services reflected in growth of EBITDA (earnings before interest, taxes, depreciation and amortisation) which also benefited from a non-recurring tax gain. In 2008 EBITDA reached USD63.4 million (an increase of 28.0% over 2007), representing a margin over net revenue of 37.2% (an increase of 3.9 percentage points).

Towage — Net Revenues

USD 147.1 million



Towage

Towage net revenue was USD147.1 million in 2008, representing harbour towage, ocean towage, and support services to both salvage operations and to the oil and gas industry. The evolution of the business during the year showed solid growth in the first half, and a contraction in the second. Revenues were practically stable in relation to 2007, with an increase of 0.2%.

As well as seasonal factors, which led to higher concentration of business, the first half net revenues were helped by a 1.5% increase of higher value-added special services in the business mix. In the second half there was a fall in the number of operations, especially of harbour towage manoeuvres. The devaluation of the Brazilian currency also had a negative effect on 2008 results, as part of towage revenues is denominated in real.

EBITDA increased by 1.5% to USD54.5 million, being adversely affected by a decline in second half volumes. The net effect of the fall of the Real on EBITDA was positive though, since most costs associated with towage are also denominated in Reais. Other positive contributing factor was a non-recurring tax credit, which helped EBITDA margins to 37%, an improvement of 0.5 percentage points.

Logistics

Growth in the Brazilian economy throughout most of 2008 contributed to higher revenues in the Logistics segment. By supplying customised integrated solutions, developed for clients by specialised groups, 2008 net revenue increased by 29.3% to USD89.3 million. Although the domestic economy was affected by the world crisis in the last quarter, both the number of trips and operations increased in the past 12 months, by 2.8% and 4.2%, respectively.

The positive factors that enabled Logistics EBITDA growth included higher warehousing volumes at the Santo Andre Dry Port, better margins achieved by the wider portfolio of services rendered, higher value of the transportation services offered, as well as cuts in general and administrative costs. 2008 EBITDA increased by 25.4% to USD6.6 million due to improvements in the sales team as well as better pricing strategy. EBITDA margin was 7.4%.

Shipping Agency

The agency business is important for Wilson, Sons' strategic development since, by acting as shipowners' representatives throughout Brazil, there are possibilities of new business development arising from the knowledge of cargo flows. Net revenue was USD17.6 million, representing a drop of 13.8% in relation to 2007. This was due to the loss of an important client with a 21.9% decline in the number of containers controlled. This decline was partially offset by better pricing of the 79,627 bills of lading issued. The number of vessel calls also increased by 5.2% in the year.

EBITDA fell by 26.7% to USD3.3 million in 2008, reflecting the loss of a major client, representing a margin over net revenue of 18.8%, or a decline of 3.3 percentage points. In the last quarter though, EBITDA was positively impacted by a reversal of bad debt writedowns and the positive impact from the Real currency devaluation, with the majority of revenue denominated in US Dollars, while costs are Real-denominated.

Offshore

At year-end there were five platform supply vessels (PSVs) offering support to oil and gas rigs, of which two were delivered during the year. In 2008 net revenue grew by 101.3% to USD21.6 million (2007: USD10.7 million). Growth was also positively impacted by better pricing, with the 2 new vessels operating at higher spot market rates.

The increased costs associated with the new PSVs were compensated by the higher number of operational days, which increased from 962 in 2007 to 1,359 in 2008, as well as higher daily rates.

With the strong increase in revenues, as well as the higher profitability of spot market rates, the offshore division maintained its position as the Company's third largest business segment, in terms of EBITDA generation. 2008 EBITDA results of USD12.9 million represented growth of 189.1% year-over-year, and a margin of 59.8%, an increase of 18.1 percentage points.

Non-Segmented Activities

In addition to third-party services supplied by Wilson, Sons shipyard, non-segmented activities include unallocated company administration costs, as well as participation in the dredging company Dragaport, whose main assets, represented by 2 dredgers, were sold at the end of 2007. Net revenue, exclusively derived from construction activities at the shipyard, was USD52.2 million compared to USD8.0 million in 2007, then representing Dragaport sales as well as much lower shipyard third-party sales.

Shipyard results will be accounted for according to completion of each phase of shipbuilding contracts. Corporate costs were stable in relation to the previous year. With revenue growth, EBITDA was a negative USD18.0 million, compared to an also negative USD26.1 million in 2007.

* Information available in 'Glossary of sector terms'

Wilson Sons Limited Consolidated

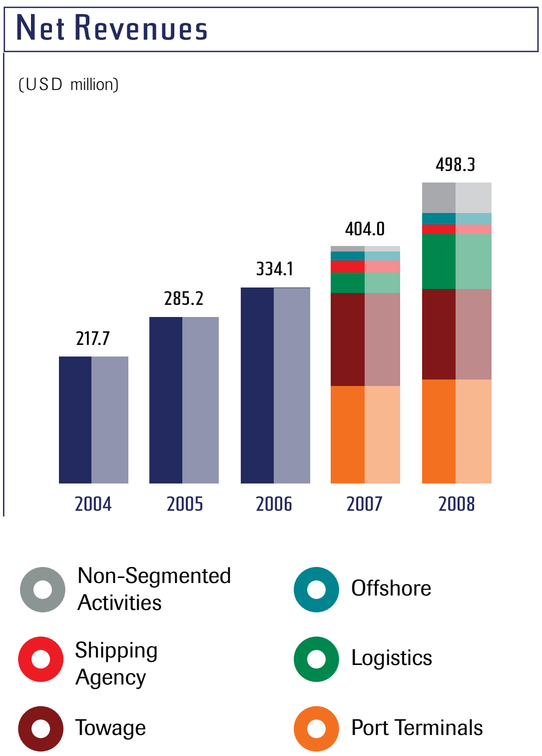
Operating Performance

Growth in the Brazilian economy, even after the world crisis-driven slowdown in the last quarter of 2008, and focus on support services related to oil and gas exploration have contributed to strong growth in net revenues in 2008. With sound operating performance in almost all areas of activity, the Company's net revenues increased by 23.3% to USD498.3 million during the year.

Several factors contributed to this positive performance: i) Better service mix in container terminals, ii) Increased number of higher-margin special operations in towage, iii) Increase in storage activities in logistics, iv) A larger fleet size of PSVs, and v) Higher third-party related activity at the shipyard.

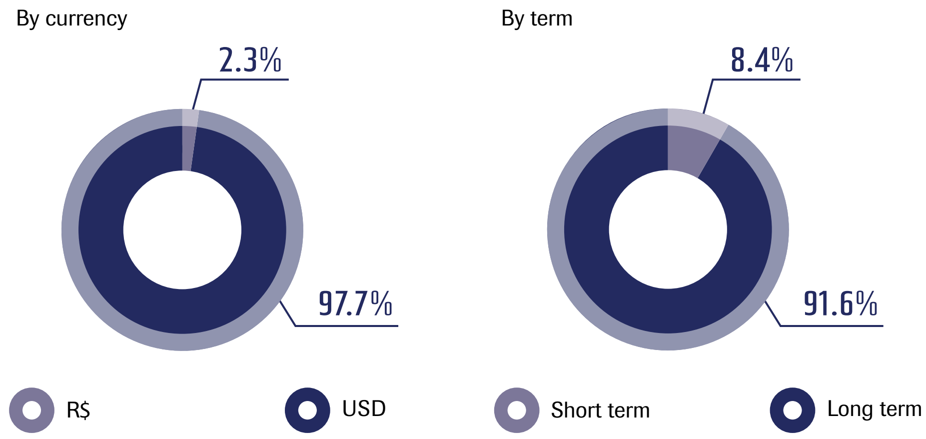
Operating profit in the period was USD96.4 million, representing an increase of 33.4%. The performance, and increase in profitability was helped by a decline in other and payroll expenses, as a percentage of total net revenues. On the other hand, cost of inputs and raw materials increased by 113.7%, impacted by higher third-party construction costs at the shipyard, capacity expansion at container terminals, fleet expansion, as well as higher fuel prices. Personnel costs partially offset this increase, falling from 28.8% of net revenues to 27.4% in 2008. This reflects initiatives taken by the Company to lower administrative costs, as well as the positive effect of the Real devaluation on payroll. Another favourable item, other expenses fell from 39.8% to 30.8% of net revenues, thus generating savings. This was helped by cost reductions, the end of 'CPMF' tax charges on financial transactions, and the net positive effect of non-recurring tax credits and reversal of provisions for doubtful accounts.

The better operating performance accounted for growth of 34.3% in EBITDA in 2008, to USD122.7 million, representing a margin of 24.6%.



Debt Profile

12/31/2008 – (USD 185.2 million)



Financial Results

According to applicable IFRS rules, the Real devaluation in relation to the US Dollar caused a writedown in Real-denominated cash holdings. This led to Wilson, Sons reporting a net financial loss of USD15.0 million in 2008, compared to a net financial gain of USD11.7 million in 2007, when foreign exchange variation produced the opposite effect.

Net Income

In 2008, operating results were also adversely affected by IFRS translation of foreign exchange variation, both in terms of net financial loss and a non-cash effect on deferred income taxes. Thus, net income in the year totalled USD46.9 million, a 18.9% decline in relation to the USD57.8 million 2007 profit.

Investments

Capital expenditures made during the year relate mostly to expansion of operating activities, including shipbuilding, increasing the Company's current fleet of tugboats and PSVs, expansion of the Rio Grande container terminal, as well as investments in the Salvador container terminal and in equipment for a new logistics operation. Funds were also earmarked for the acquisition of IFC's 10% stake in the Salvador container terminal. The total value of investments made in 2008 was USD93.5 million, a 5.7% decline in relation to 2007.

EBITDA (USD million)	2008	2007	Variation %
Port Terminals	63.4	49.6	28.0%
Towage	54.5	53.7	1.5%
Logistics	6.6	5.3	25.4%
Shipping Agency	3.3	4.5	-26.7%
Offshore	12.9	4.5	189.1%
Non-Segmented	-18.0	-26.1	31.0%
Total Wilson, Sons	**122.7**	**91.4**	**34.3%**

Leverage

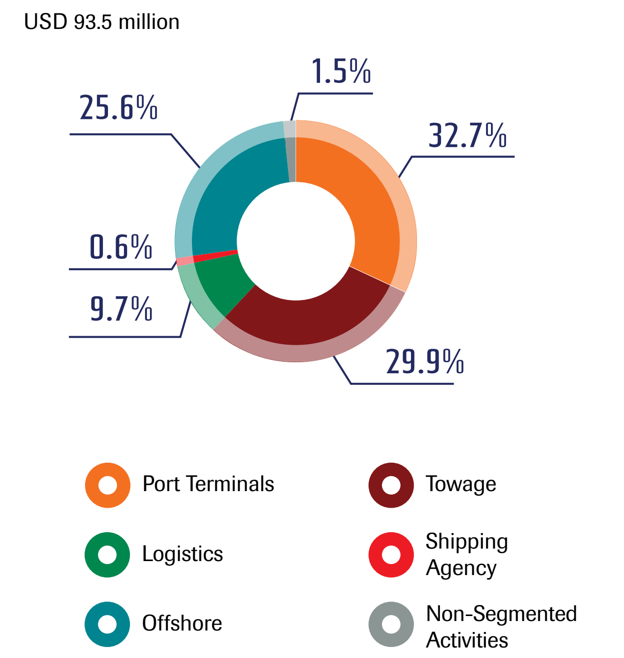
At the end of 2008, Wilson, Sons' total debt was USD185.2 million, an increase of USD35.7 million over the previous 31st of December. The increase was accounted for mainly by funds lent by the BNDES to expand the Company's fleet of vessels as well as by the IFC for investment in container terminals.

Netting out the USD180.0 million in cash at the end of 2008, resulting net debt was USD5.2 million, compared with net cash balance of USD48.2 million at year-end 2007. The Company's debt schedule is mainly long-term and is predominantly denominated in US Dollars.

Cash Flow

At the end of 2008 Wilson, Sons' cash position was USD180.0 million, as compared to USD197.7 million at year-end 2007. This resulted from higher Capex in 2008 and the adverse impact of foreign exchange rate changes on the Company's cash holdings denominated in Brazilian Real, given the US Dollar appreciation in the period.

Capex/Investments 2008




IMO 9424986
SAVEIROS ATOBÁ

Equity Markets

Wilson, Sons´ total share capital is represented entirely by ordinary shares. At the end of 2008 the free float was 41.7%.

Shares of Wilson, Sons (WSON11) are traded on the BM&F Bovespa Exchange, in the form of Brazilian Depository Receipts (BDRs).

Equity Markets

Ocean Wilson Holdings Limited has as its main operating business in Brazil, as represented by its ownership stake in Wilson, Sons, in addition to holding a portfolio of internationally listed investments and equity funds.

Shareholder Structure

Wilson Sons Limited, an exempted holding company, is a publicly-traded company with shares listed on the Luxembourg Stock Exchange and BDRs traded on the BM&F Bovespa Exchange. Its share capital consists of 71.1 million ordinary shares, of which 41.7% are traded in the form of BDRs. The Company is under the control of Ocean Wilson Holdings Limited, which owns 58.3% of the Company's share capital, or the equivalent to 41.4 million shares.

Shares in Wilson, Sons (WSON11) have been traded on the BM&F Bovespa Exchange, as Brazilian Depository Receipts (BDRs) since April 2007.

Quantities of shares and Percentages

Shareholders	Shares (000)	(%)
Ocean Wilsons Holdings Limited	41,444	58.3
Others (free float)	29,700	41.7
Total	71,144	100

Equity Markets

The decline in world financial markets at the end of 2008 had its roots in the previous year, when in the U.S., the first signs of a crisis started to appear in the mortgage sector, initially in the subprime market segment. At the same time, the Chinese economy started to show signs of slowing down. In the last quarter of 2008, what in the beginning appeared to be a localised problem became a global financial crisis, considered by some as the worst correction of the past eight decades. Global market sentiment worsened, as liquidity in financial and credit markets dried up.

This scenario was reflected directly in international share prices, which tumbled globally. In Brazil, the Ibovespa, the benchmark equity index, closed the year having dropped 41.2%. Wilson, Sons' BDRs, traded under the code 'WSON11', followed the trend and fell by 57.9% in 2008. During the period 6,847 trades were completed and 18,493,700 shares were traded, totalling R$333,427,216, which represented a daily average trading volume of R$1,339,065.

The fundamentals of the majority of companies listed on the BM&F Bovespa Exchange, though, continue unaltered. Wilson, Sons has a strong management team, sound business model, and its segments are well diversified, which reduces its dependency on any specific sector of the economy.

Return to shareholders

The ordinary general assembly of the 8th May 2008 approved payment of USD16.0 million in dividends to shareholders, for the year 2007, representing 27.7% of net income. Dividend payment was set at R$0.3735 or USD0.225 per BDR.

WILSON, SONS HAS A **STRONG MANAGEMENT** TEAM, SOUND BUSINESS MODEL, AND ITS SEGMENTS ARE WELL DIVERSIFIED, WHICH REDUCES ITS DEPENDENCY ON ANY SPECIFIC SECTOR OF THE ECONOMY.


Investor Relations Team.

Gantry crane at
Tecon Rio Grande (RS).

Outlook

Expansion of services related to the oil and gas sector is the main objective of Wilson, Sons in 2009.

Commitment to creating value for the Company and its shareholders through the strengthening of its business segments, focusing on the quality of services rendered and client needs, always attentive to innovation opportunities and trends in the marketplace.

Outlook

Experience and know-how, combined with a team of highly-qualified professionals are key factors that contribute to the long-term, sustainable growth of Wilson, Sons.

Wilson, Sons will continue to strengthen its operations in all areas of activity, in order to add more value to its businesses. Investments earmaked for 2009, including the building of 6 new tugboats and 2 PSVs, will be maintained. Another company priority is to keep an adequate level of liquidity, by preserving cash resources. A strict austerity policy, already present in the Company's routine, will continue to guide management decisions in terms of investments and results, as well as challenges and opportunities. The Company will continue to be on the lookout for investment opportunities in line with its business strategy.

Assets such as expertise and know-how, as well as the quality of its employees, will allow the Company to grow and take advantage of a potential market turnaround.

During 2009, it will continue to focus on the oil and gas segment, which has been growing as a percentage of the Company's revenues. This segment, which is capital -intensive and long-term in nature, will help maintain stability in the business in the coming years.

In **port terminals**, the Company is benefiting from a 60% increase in capacity at the Rio Grande container terminal, completed in 2008. More and larger ships will be able to call at the terminal, simultaneously.

In **Salvador**, intense work is being undertaken to obtain planning permission from the government to expand the terminal. This is important for making the operation more efficient, productive and suitable to clients' needs.

Brasco operations are buoyant, and exploration activities along the Brazilian coast remain solid. The Company gained important accounts in 2008, and others are being negotiated, pointing towards a positive scenario going forward.

Seeking to diversify its activities, the **towage** business will continue to focus on ocean towage, suppot to salvage operations and also activities in the offshore industry.

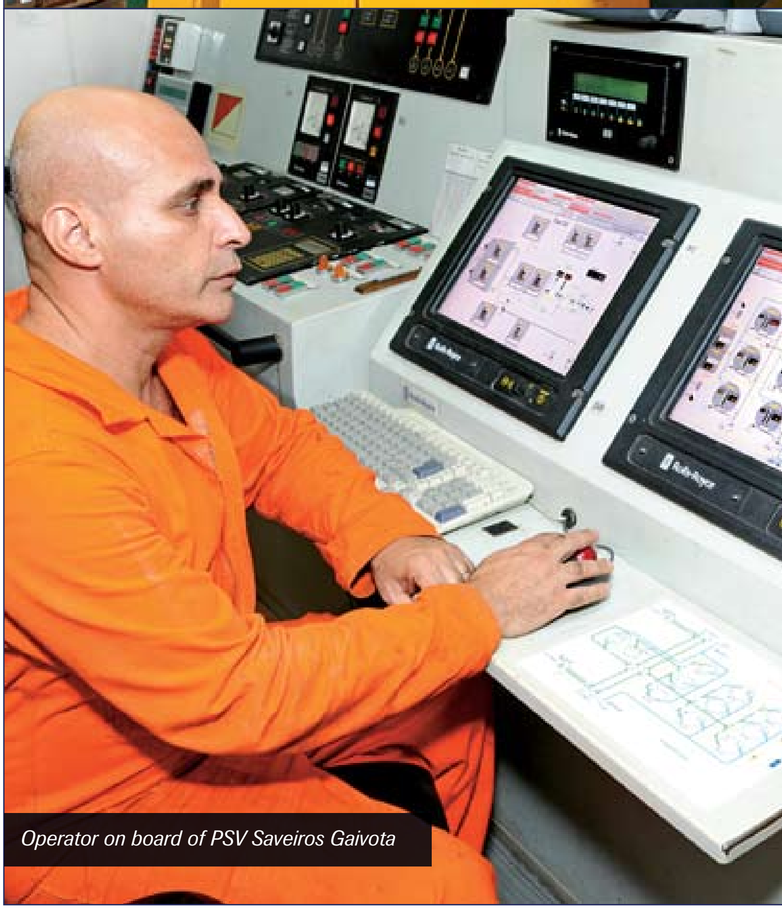
Logistics activities are positioned to accelerate. During economic crisis, companies seek to cut costs – this will present real opportunities as logistics improvements mean lower costs and increased competitive advantage. Wilson, Sons has great experience in providing customised logistics solutions and intends to take advantage of the current economic scenario to expand. At the same time, this is complementary to, and will continue to support, other business segments within the Company.

The **shipping agency** business will be the most affected by the economic crisis. On the other hand this business segment has sought to diversify its operations, by offering outsourcing solutions to shipowners at smaller ports, as well as cargo consolidators.

In **offshore**, the Company owns and operates five vessels. Through a JV with Magallanes de Navegação Brasileira S.A., another six vessels are expected to start operations in the next years. Taking into account the increase in fleet size and favourable outlook for the oil and gas industry in Brazil, the prospects for this business remain positive as well.

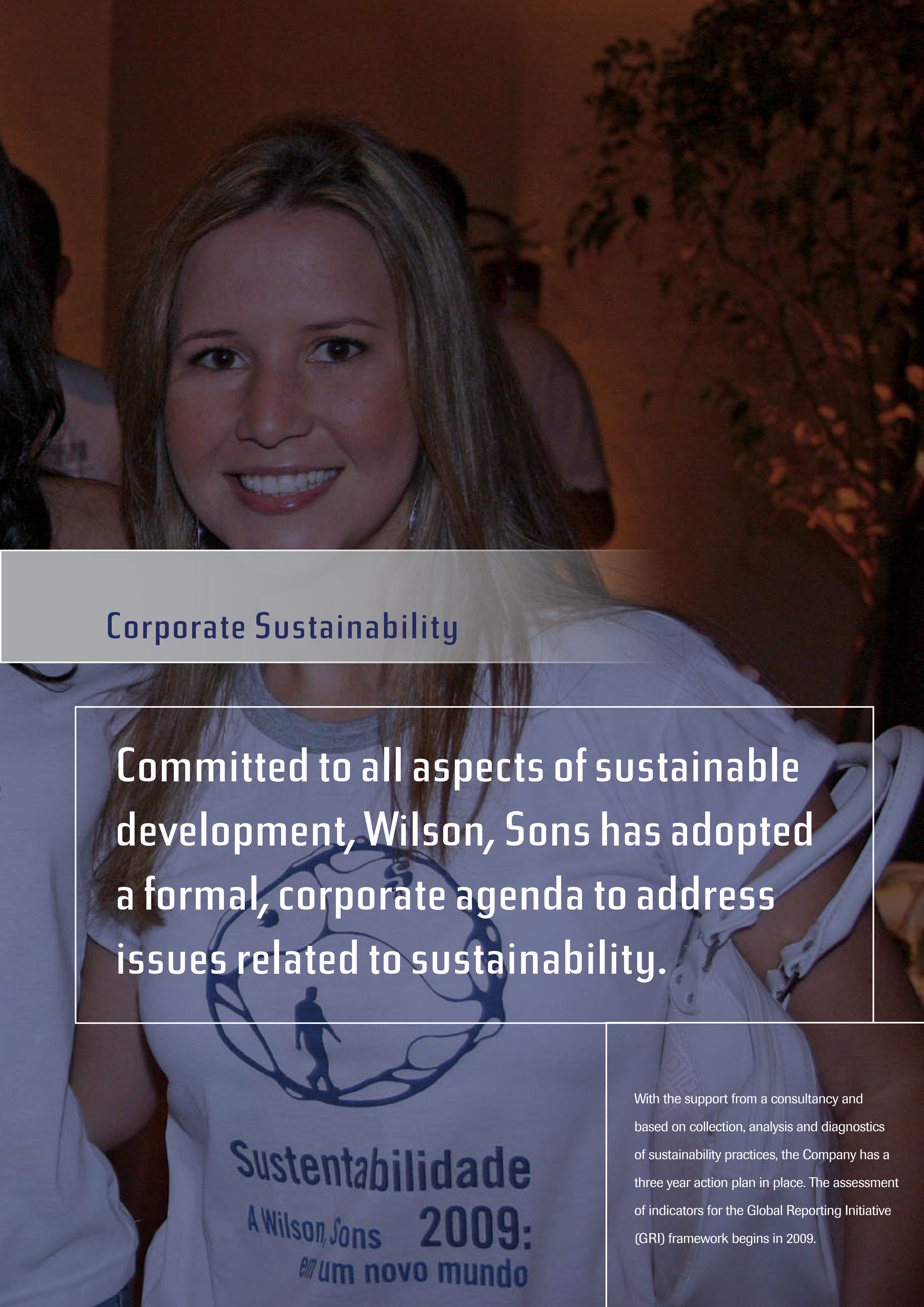
During 2009, investments will be made at **shipyards**, aimed at increasing capacity for the construction of small and medium-sized vessels, with a focus on the oil and gas industry prospects.

In-house logistics operation under way



Operator on board of PSV Saveiros Gaivota

Wilson, Sons' corporate sustainability agenda was showcased at the latest year-end employee party.



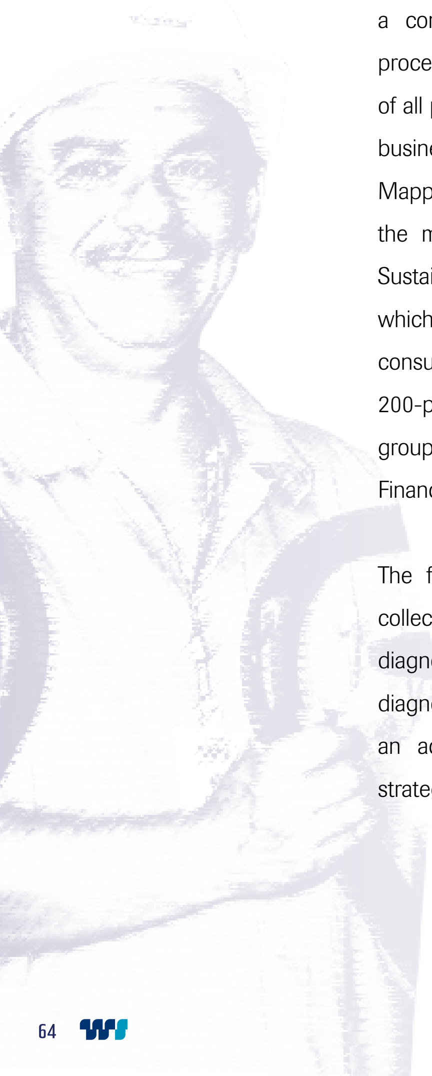
Corporate Sustainability

Committed to all aspects of sustainable development, Wilson, Sons has adopted a formal, corporate agenda to address issues related to sustainability.

With the support from a consultancy and based on collection, analysis and diagnostics of sustainability practices, the Company has a three year action plan in place. The assessment of indicators for the Global Reporting Initiative (GRI) framework begins in 2009.

Corporate Sustainability

Wilson, Sons´ initiatives in this area are in line with a corporate agenda for sustainability established in 2008.



Wilson, Sons is committed to the development of its business in a sustainable manner and in 2008 formally instituted a corporate sustainability agenda. This process started with a detailed analysis of all practices adopted by the Company's businesses and corporate headquarters. Mapping of the initiatives was based on the methodology used by the Bovespa Sustainability Index (ISE). This process, which counts on the help of a specialised consultant, collects information through a 200-point questionnaire, divided into five groups: General, Corporate Governance, Financial, Environmental and Social.

The first stage, which started with the collection of information and ended with diagnostics, lasted five months. The overall diagnostics obtained allowed us to draft an action plan, defining priorities and strategies for the next three years. In 2009 the process will be implemented to collect indicators for the Global Reporting Initiative (GRI), an international methodology used to report information relating to financial, social and environmental sustainability. Projects to develop corporate governance and corporate policies will be implemented. The development plan was set up by the Communications and Sustainability Management, a multifunctional team of professionals from several areas within the Company, who meets periodically. Each member of this team works in a specific project based on the diagnostics reached.

In parallel to the diagnostic phase, two seminars were organised at headquarters to disseminate the concept to directors and managers. In 2009 new meetings will be organised to disseminate the message to all administrative levels within the Company.

In 2008 there was also a conscientious campaign to discuss the importance of rational use of workplace resources and supplies, such as printing paper, toner and plastic cups for water and coffee. This happened in the headquarters' finance department. In 2009 the campaign will be extended to other departments and themes will be incorporated such as waste recycling and reduction in energy and water consumption levels.

In the company's business segments, there are initiatives such as developing a solution to lower pollutant gas emissions, according to an environmental request by a logistics client. In that case, Wilson, Sons recommended that freights proceed not by road but via maritime routes, given the latter proved to be cleaner and more efficient. Carbon gas emissions are lowered considerably: while trucks emit into the atmosphere 5.4 grammes of carbon monoxide per tonne per kilometre of cargo transported, a ship will only emit 0.6 gramme.

In another logistics solution, there was a reduction in the amount of packaging, thus lowering consumption of paper. Wilson, Sons recommended this solution as a way to cut volume and decrease storage space for exports - the environmental benefit was a parallel positive effect.

In shipping agency there was a revision of internal procedures resulting in new routines and processes which resulted in time savings and costs efficiencies.

Sustainability actions include projects for restauration of historic buildings, among which is the building of the Commercial Association of Bahia, which housed the first headquarters of Wilson, Sons. Restauration work, financed with resources from the Rouanet law, will start in 2009.

Wilson, Sons Memory Centre

Since 2005 the Company has maintained its headquarters in Rio de Janeiro, the Wilson, Sons Memory Centre, a space with four thousand catalogued documents, to provide information to employees and outside researchers who wish to learn more about the history of the Company and Brazilian navigation.

The Centre has its origins in the research work done, in 1995, in the book "The Saga of Wilson, Sons", published in 1997. As one of the oldest companies in this field in Brazil, the rich 170-year history of Wilson, Sons includes photos and documents which are part of the country's history.

Document from the Wilson, Sons' Memory Centre

An old vessel, scuttled to provide a marine reef ecosystem, in Pernambuco.

Volunteer initiatives at Casa Jimmy, in Rio de Janeiro.

Volunteer actions

Volunteer actions developed by Wilson, Sons employees follow a guideline set forth by the board of directors of the Company, in accordance with a UN guideline, with a policy to support children and adolescents at risk. In the guideline, the Company undertakes to support volunteer actions by providing funding, internal publicity and encouraging employee participation.

Aware of the importance of Company-sponsored volunteer actions in Brazil today, and having noticed the involvement of its own employees in social initiatives, in 2007 Wilson, Sons started the "Creating Links" programme to help needy communities living in the regions where the Company has its business activities. A Management Committee organises the volunteers from each area of the Company.

In 2008, the programme was expanded to the cities of Rio Grande, Paranaguá, Santo André and Salvador, with the creation of working groups. Representatives from each of these branches met in November at the Rio de Janeiro headquarters. There, delegates were updated on volunteer best practices and defined an action plan. There was a leadership seminar, a management workshop, a case presentation, and a debate on the theme with the Rio Voluntário NGO.

After this meeting, the programme was replicated at local branches. On the 14th of December, at the Rio Grande branch, "Creating Links" promoted its first volunteer action, organising recreational activities for 180 children under the care of the São Vicente de Paulo Catholic Community.

The Santo André group worked on the Ama Ana Shelter for the Aged, which had received a warning from sanitary authorities to take a series of actions before the 17th of January 2009, or otherwise be closed, leaving fifteen elderly people and one handicapped child homeless. From the 6th to the 13th of December, 138 volunteers worked on restoring the house and building an infirmary. At the inauguration on the 14th December, there was an event to bring together residents and volunteers with a samba group and country singers.

In Salvador "Creating Links" mobilized to help the São Gabriel Shelter and the Flor da Primavera Creche (a day care centre facility). At the end of the year, volunteers sponsored a child or one of the elderly residents, supplying them with basic items. After that, there were training sessions to improve conditions at both institutions. Volunteers organised courses on home safety, pedagogical diagnosis and motivation for workers at these institutions.

In Paranaguá, 40 volunteers organised a Christmas party at the Rainha da Paz creche, handing out Christmas presents which had been donated.

In Rio de Janeiro, on the 14th December, around 50 employees from headquarters spent the day at Casa Jimmy – doing repair work, painting walls and fixing windows, as well as playing with the children and handing out Christmas presents.

Social Responsibility Initiatives

Ama Ana Old Age Shelter

In Santo André (SP), for the needy elderly.

São Vicente de Paulo Catholic Community

In Rio Grande, for children up to 12 years of age.

Flor da Primavera Creche
(www.crecheflordaprimavera.blogspot.com)

In the Uruguai quarter of Salvador (BA) The institution assists 50 children, aged 2 to 6, of mothers who do domestic work or are street vendors, during work hours.

Rainha da Paz Creche

In Paranaguá (PR), cares for children, aged 3 to 5, of parents in domestic work or self employed.

Escola de Gente
(www.escoladegente.org.br)

In Barra da Tijuca, a suburb of Rio de Janeiro, the institution works for inclusion and for the right to inclusion by vulnerable groups into society. It produces the Manual of Legal Media and organises inclusion courses for companies and institutions, training young people into spreading the concept and the practice of social inclusion.

NACCI – Child Cancer Support Nucleus
(www.nacci.org.br)

Support for children and adolescents with cancer, mostly from the countryside of the State of Bahia. Among its actions, it has a location to take in children during treatment for shelter and special feeding. It offers psychological support to children and parents, distributes food baskets, and transports children and families between their home towns and Salvador.

Task Brasil – Casa Jimmy
(www.taskbrasil.org.br)

It provides a safe and happy home to around 25 street children and adolescents, pregnant or with their children. The project has benefitted more than 300 children since its inception. It is staffed by social workers, educators, psychologists and volunteers. It is located in Santa Teresa, in the city of Rio de Janeiro.

PSV Pelicano providing support services to an offshore operation in Linhares, (ES).

Value Added Statement — VAS (US$ MM)

Value Added Creation	2008	2007
Revenues	547,308	449,788
Cost of Inputs	(231,970)	(177,487)
Gross Value Added	315,338	272,301
Depreciation and Amortization	(26,257)	(19,066)
Net Value Added	289,081	253,235
Third-party revenues	1,749	21,410
Distributable Value Added	290,830	274,645
Value Added Distribution	**2008**	**2007**
Personnel	121,691	99,099
Taxes and Social Contributions	67,578	69,330
Third-party Interest Payment	54,664	48,419
Return on Equity	46,897	57,797
Value Added Distribution	290,830	274,645

A profile view of PSV Saveiros Atobá.

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Directors of Wilson Sons Limited
Hamilton, Bermuda

We have audited the accompanying consolidated financial statements of Wilson Sons Limited ("the Group"), which comprise the consolidated balance sheets as of 31 December 2008 and 2007, and the related consolidated income statements, statements of changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, all expressed in United States dollars, the presentation currency of the Group.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2008 and 2007 and the consolidated results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards, expressed in United States dollars.

Our audits also comprehended the convenience translation of the presentation currency amounts (United States dollar) into Brazilian real amounts and, in our opinion, such convenience translation has been made in conformity with the basis stated in Note 2. The translation of the consolidated financial statements amounts into Brazilian reais has been made solely for the convenience of readers in Brazil.

DELOITTE TOUCHE TOHMATSU

Rio de Janeiro, Brazil, 24 March 2009.

Consolidated Income Statement
For The Years Ended 31 December 2008 and 2007

	Note	2008 US$000	2007 US$000	Convenience Translation 2008 R$000	Convenience Translation 2007 R$000
REVENUE	**4**	**498,285**	**404,046**	**1,164,492**	**715,687**
Raw materials and consumables used		(86,480)	(40,464)	(202,104)	(71,674)
Personnel expenses	5	(136,316)	(116,180)	(318,570)	(205,790)
Depreciation and amortization expense		(26,256)	(19,066)	(61,360)	(33,772)
Other operating expenses	6	(153,480)	(160,866)	(358,683)	(284,942)
Profit on disposal of property, plant and equipment	7	680	4,819	1,589	8,536
OPERATING PROFIT		**96,433**	**72,289**	**225,364**	**128,045**
Result on disposal of investment	9	4,191	-	9,794	-
Investment income (expense)	10	(822)	19,238	(1,921)	34,076
Finance costs	10	(14,210)	(7,565)	(33,209)	(13,400)
***PROFIT* BEFORE TAX**		**85,592**	**83,962**	**200,028**	**148,721**
Income tax expense	11	(38,695)	(26,165)	(90,430)	(46,346)
PROFIT FOR THE YEAR		**46,897**	**57,797**	**109,598**	**102,375**
Attributable to:					
Equity holders of parent		46,855	56,151	109,500	99,460
Minority interests		42	1,646	98	2,916
		46,897	57,797	109,598	102,376
Earnings per share					
Basic and diluted	**25**	**65.9c**	**94.4c**	**153.9c**	**167.3c**
Exchange rates					
12/31/08 – R$2.3370 / US$1.00					
12/31/07 – R$1.7713 / US$1.00					

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

Consolidated Balance Sheets as of 31 December 2008 and 2007

	Note	2008 US$000	2007 US$000	Convenience Translation 2008 R$000	Convenience Translation 2007 R$000
NON-CURRENT ASSETS					
Goodwill	12	15,612	13,132	36,485	23,261
Other intangible assets	13	1,799	2,041	4,204	3,615
Property, plant and equipment	14	305,022	252,105	712,836	446,554
Deferred tax assets	19	10,889	12,713	25,448	22,519
Available for sale investment	9	-	6,466	-	11,453
Other non-current assets		8,066	11,123	18,852	19,701
Total non-current assets		341,388	297,580	797,825	527,103
CURRENT ASSETS					
Inventories	15	9,402	7,379	21,972	13,070
Trade and other receivables	16	78,751	72,755	184,041	128,871
Cash and cash equivalents	17	180,022	197,688	420,711	350,165
Total current assets		268,175	277,822	626,724	492,106
TOTAL ASSETS		609,563	575,402	1,424,549	1,019,209
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	25	9,905	9,905	23,148	17,545
Capital reserves		146,334	146,334	341,983	259,201
Profit reserves		1,981	-	4,630	-
Unrealized gain in investments		-	2,341	-	4,147
Retained earnings		170,779	141,912	399,111	251,368
Translation reserve		1,773	15,807	4,144	27,999
Equity attributable to equity holders of the parent		330,772	316,299	773,016	560,260
Minority interests		1,411	5,254	3,298	9,306
Total equity		332,183	321,553	776,314	569,566
NON-CURRENT LIABILITIES					
Bank loans	18	167,440	134,744	391,307	238,672
Deferred tax liabilities	19	15,632	10,807	36,532	19,142
Provisions for contingencies	20	8,455	12,484	19,759	22,113
Obligations under finance leases	21	3,139	1,441	7,336	2,552
Total non-current liabilities		194,666	159,476	454,934	282,479
CURRENT LIABILITIES					
Trade and other payables	22	62,722	78,042	146,579	138,236
Current tax liabilities		1,099	742	2,568	1,315
Obligations under finance leases	21	1,116	869	2,609	1,539
Bank overdrafts and loans	18	17,777	14,720	41,545	26,074
Total current liabilities		82,714	94,373	193,301	167,164
Total liabilities		277,380	253,849	648,235	449,643
TOTAL EQUITY AND LIABILITIES		609,563	575,402	1,424,549	1,019,209
Exchange rates					
12/31/08 – R$2.3370 / US$1.00					
12/31/07 – R$1.7713 / US$1.00					

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

Consolidated Statement of Changes in Equity
For The Years Ended 31 December 2008 and 2007

			Capital reserves								
	Note	Share capital	Share premium	Others	Legal reserve	Unrealized gain in investments	Retained earnings	Currency translation reserve	Attributable to equity holders of the parent	Minority interests	Total
		US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
BALANCE AT 1 JANUARY 2007		**8,072**	**-**	**24,577**	**-**	**2,381**	**97,567**	**8,573**	**141,170**	**3,830**	**145,000**
Gains on available for sale investment		-	-	-	-	(40)	-	-	(40)	-	(40)
Currency translation adjustment		-	-	-	-	-	-	7,234	7,234	655	7,889
Profit for the year		-	-	-	-	-	56,151	-	56,151	1,646	57,797
Total income and expenses for the year		-	-	-	-	(40)	56,151	7,234	63,345	2,301	65,646
Transfer to capital reserves		-	-	3,806	-	-	(3,806)	-	-	-	-
Subscription to capital on IPO with premium arising on the issue of shares		1,833	117,951	-	-	-	-	-	119,784	-	119,784
Dividends	25	-	-	-	-	-	(8,000)	-	(8,000)	(877)	(8,877)
BALANCE AT 31 DECEMBER 2007	**25**	**9,905**	**117,951**	**28,383**	**-**	**2,341**	**141,912**	**15,807**	**316,299**	**5,254**	**321,553**
Gains on available for sale investment		-	-	-	-	(2,341)	-	-	(2,341)	-	(2,341)
Currency translation adjustment		-	-	-	-	-	-	(14,034)	(14,034)	(1,297)	(15,331)
Legal reserve increase		-	-	-	1,981	-	(1,981)	-	-	-	-
Profit for the year		-	-	-	-	-	46,855	-	46,855	42	46,897
Total income and expenses for the year		-	-	-	1,981	(2,341)	44,874	(14,034)	30,480	(1,255)	29,225
Purchase minority		-	-	-	-	-	-	-	-	(2,588)	(2,588)
Dividends	25	-	-	-	-	-	(16,007)	-	(16,007)	-	(16,007)
									-		-
BALANCE AT 31 DECEMBER 2008	**25**	**9,905**	**117,951**	**28,383**	**1,981**	**-**	**170,779**	**1,773**	**330,772**	**1,411**	**332,183**

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

Consolidated Statement of Changes in Equity
For The Years Ended 31 December 2008 and 2007

	Convenience translation										
			Capital reserves								
	Note	Share capital	Share premium	Others	Legal reserve	Unrealized gain in investments	Retained earnings	Currency translation reserve	Attributable to equity holders of the parent	Minority interests	Total
		R$000	R$000	R$000	R$000	R$000	R$000	R$000	R$000	R$000	R$000
BALANCE AT 1 JANUARY 2007		**17,258**	**-**	**52,546**	**-**	**5,091**	**208,598**	**18,329**	**301,822**	**8,189**	**310,011**
Gains on available for sale investment		-	-	-	-	(71)	-	-	(71)	-	(71)
Currency translation adjustment		-	-	-	-	-	-	12,814	12,814	1,158	13,972
Profit for the year		-	-	-	-	-	99,460	-	99,460	2,916	102,376
Total income and expenses for the year		-	-	-	-	(71)	99,460	12,814	112,203	4,074	116,277
Transfer to capital reserves		-	-	6,742	-	-	(6,742)	-	-	-	-
Subscription to capital on IPO with premium arising on the issue of shares		3,247	208,925	-	-	-	-	-	212,172	-	212,172
Dividends	25	-	-	-	-	-	(14,170)	-	(14,170)	(1,553)	(15,723)
Translation adjustment to Real		(2,960)	-	(9,012)	-	(873)	(35,778)	(3,144)	(51,767)	(1,404)	(53,171)
BALANCE AT 31 DECEMBER 2007	**25**	**17,545**	**208,925**	**50,276**	**-**	**4,147**	**251,368**	**27,999**	**560,260**	**9,306**	**569,566**
Gains on available for sale investment		-	-	-	-	(5,471)	-	-	(5,471)	-	(5,471)
Currency translation adjustment		-	-	-	-	-	-	(32,797)	(32,797)	(3,031)	(35,828)
Legal reserve increase		-	-	-	4,630	-	(4,630)	-	-	-	-
Profit for the year		-	-	-	-	-	109,500	-	109,500	98	109,598
Total income and expenses for the period		-	-	-	4,630	(5,471)	104,870	(32,797)	71,232	(2,933)	68,299
Purchase minority		-	-	-	-	-	-	-	-	(6,048)	(6,048)
Dividends	25	-	-	-	-	-	(37,408)	-	(37,408)	-	(37,408)
Translation adjustment to Real		5,603	66,727	16,056	-	1,324	80,281	8,942	178,933	2,973	181,906
BALANCE AT DECEMBER 31, 2008	**25**	**23,148**	**275,652**	**66,332**	**4,630**	**-**	**399,111**	**4,144**	**773,017**	**3,298**	**776,315**

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

Consolidated Statement of Cash Flows
For The Years Ended 31 December 2008 and 2007

	Notes	2008 US$000	2007 US$000	Convenience Translation 2008 R$000	Convenience Translation 2007 R$000
NET CASH FROM OPERATING ACTIVITIES		**58,734**	**58,364**	**137,261**	**103,380**
INVESTING ACTIVITIES					
Interest received		22,702	11,396	53,055	20,186
Proceeds on disposal of property, plant and equipment		1,950	8,702	4,556	15,414
Purchases of property, plant and equipment		(90,190)	(92,583)	(210,774)	(163,992)
Net cash outflow arising from acquisition of subsidiary		(5,059)	-	(11,823)	-
Net cash used in investing activities		(70,597)	(72,485)	(164,986)	(128,392)
FINANCING ACTIVITIES					
Subscription to capital (IPO)		-	119,784	-	212,173
Dividends paid		(16,007)	(8,000)	(37,408)	(14,170)
Repayments of borrowings		(13,449)	(22,590)	(31,431)	(40,014)
Repayments of obligations under finance leases		(1,980)	(633)	(4,627)	(1,121)
New bank loans raised		49,044	54,882	114,616	97,212
Increase in bank overdrafts		113	5,927	264	10,498
Net cash generated by financing activities		17,721	149,370	41,414	264,578
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,858**	**135,249**	**13,689**	**239,566**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**197,688**	**54,597**	**350,165**	**116,729**
Effect of foreign exchange rate changes		(23,524)	7,842	(54,976)	13,891
Translation adjustment to Real		-	-	111,832	(20,021)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**180,022**	**197,688**	**420,710**	**350,165**
Exchange rates					
12/31/08 – R$2.3370 / US$1.00					
12/31/07 – R$1.7713 / US$1.00					

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

1. General Information

Wilson Sons Limited (the "Group" or "Company") is a 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. Throughout over 171 years in the Brazilian market, we have developed an extensive national network and provide a variety of services related international trade, particularly in the port and maritime sectors. Our principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping assistance and support to offshore oil and natural gas platforms.

On 24 March 2009, the Board of Directors formally approved the current financial statements.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US dollars are included in accordance with the policies (see Note 2).

2. Significant Accounting Policies and Critical Accounting Judgements

Basis of accounting

The financial statements have been prepared in US dollars according to the International Financial Reporting Standards (IFRS) on the historical cost basis, except for the revaluation of financial instruments and share based payments liability.

New Standards and Interpretations effective in the current period.

In the current year, the Company has adopted the following amendments and interpretations issued by the IASB and IFRIC, respectively, which are or have become effective.

• IAS 39 and IFRS 7 – (Amendments) Reclassification of Financial Instruments;

• IFRIC 11 – relating to IFRS 2: *Group and Treasury Share Transactions*;

• IFRIC 12 – relating to *Service Concession Arrangements*; and

• IFRIC 14 – relating to IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding *Requirements and their Interaction*.

The adoption of these Interpretations has not led to any changes in the Group's accounting policies.

At the date of authorization of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

• IFRS 8: *Operating Segments* (effective for accounting periods beginning on or after 1 January 2009);

• IFRIC 13: *Customer Loyalty Programmes* (effective for annual periods beginning on or after 1 July 2008);

• IFRIC 15: *Agreements for the Construction of Real Estate* (effective for annuals periods beginning on or after 1 January 2009);

• IFRIC 16: *Hedges of a Net Investment in a Foreign Operation* (effective for annual periods beginning on or after 1 October 2008);

• IFRIC 17: *Distributions of Non-cash Assets to Owners* (effective for annual periods beginning on or after 1 July 2009); and

• IFRIC 18: *Transfers of Assets from Customers* (effective for transfers received on or after 1 July 2009).

The following Standards and Interpretations which have not been applied in these financial statements had been revised until the date of the authorization of these financial statements but not yet effective:

• IAS 1: *Presentation of Financial Statements* – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation and amendments resulting from May 2008 Annual Improvements to IFRSs (revised in 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 16: *Property, Plant and Equipment* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 19: *Employee Benefits* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 20: *Government Grants and Disclosure of Government Assistance* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 23: *Borrowing Costs* – Comprehensive revision to prohibit immediate expensing (revised in 2007 and effective for borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009) and amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 27: *Consolidated and Separate Financial Statements* – Consequential amendments arising from amendments to IFRS 3 (revised in 2008 and effective for annual periods beginning on or after 1 July 2009), amendment relating to cost of an investment on first-time adoption and amendments resulting from May 2008 Annual Improvements to IFRSs (revised in 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 28: *Investments in Associates* – Consequential amendments arising from amendments to IFRS 3 (revised in 2008 and effective for annual periods beginning on or after 1 July 2009) and amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 29: *Financial Reporting in Hyperinflationary Economies* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 31: *Interests in Joint Ventures* – Consequential amendments arising from amendments to IFRS 3 (revised in 2008 and effective for annual periods beginning on or after 1 July 2009) and amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 32: *Financial Instruments: Presentation* – Amendments relating to puttable instruments and obligations arising on liquidation (revised in 2008 and effective for annual periods beginning on or after 1 January 2009);

• IAS 36: *Impairment of Assets* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

- IAS 38: *Intangible Assets* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

- IAS 39: *Financial Instruments: Recognition and Measurement* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009) and amendments for eligible hedged items (revised in July 2008 and effective for annual periods beginning on or after 1 July 2009);

- IAS 40: *Investment Property* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

- IAS 41: *Agriculture* – Amendments resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

- IFRS 1: *First-time Adoption of International Financial Reporting Standards* – Amendment relating to cost of an investment on first-time adoption (revised in May 2008 and effective for annual periods beginning on or after 1 January 2009);

- IFRS 2: *Share-based Payment* – Amendment relating to vesting conditions and cancellations (revised in 2008 and effective for annual periods beginning on or after 1 January 2009);

- IFRS 3: *Business Combinations* – Comprehensive revision on applying the acquisition method (revised in 2008 and effective for annual periods beginning on or after 1 July 2009);

- IFRS 5: *Non-current Held for Sale and Discontinued Operations* – Amendment resulting from May 2008 Annual Improvements to IFRSs (revised in May 2008 and effective for annual periods beginning on or after 1 July 2009).

The directors anticipate that all of the above Standards and Interpretations will be adopted in the Group's financial statements for the period in which they are effective and that the adoption of those Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Convenience translation

The financial statements were originally prepared in US dollars, and also have been translated into the Real, the Brazilian currency. The exchange rates used for the purposes of this convenience translation were the PTAX exchange rates ruling as at the closing dates of the consolidated financial statements, as published by the Brazilian Central Bank. On December 31, 2008 and 2007 the applicable exchange rates were R$2.3370 and R$1.7713, respectively. The difference between the applicable exchanges rates, on each of the closing dates, generates impacts of translation on the beginning balances of the financial statements and on the changes therein through the subsequent year end. The effect of this difference was disclosed in the Brazilian Currency (Real) Consolidated Statement of Changes in Equity and respective notes as "Translation adjustment to Real". This convenience translation to the Real was carried out with the sole objective of providing the user of the financial statements a view of the numbers in the currency of the country in which the Group carries out its operations.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Foreign currency

The functional currency for each Group entity is determined as the currency of the primary economic environment in which it operates. Transactions other than those in the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at year end exchange rates.

Non-monetary assets are not retranslated.

On consolidation, the income statement 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. 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 equity and are recognized in the Group's translation reserve.

Interests in joint ventures

A joint venture 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.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled 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.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interests in the joint venture.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Taxation

Tax expense for the year comprises current tax and deferred tax.

Current tax is based on assessable profit for the year. Taxable profit differs from profit as reported in the income statement 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows. Deferred tax is not provided:

- In respect of tax payable on undistributed earnings of subsidiaries, associates and joint ventures where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future;

- On the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; nor is deferred tax provided on subsequent changes in the carrying value of such assets and liabilities, for example where they are depreciated; and

- On the initial recognition of any goodwill.

Deferred tax assets are recognized only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

A company will normally have a legally enforceable right to set off a deferred tax asset against a deferred tax liability 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.

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:

Freehold Buildings:	25 years
Leasehold Buildings:	Period of the lease
Floating Craft:	20 years
Vehicles:	5 years
Plant and Equipment:	5 to 20 years

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.

Borrowing costs are not capitalized but are expensed in the period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

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

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 and the carrying amount of the asset and is recognized in the income statement.

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Where a purchase of additional share interest in a controlled entity does not result in a change of control, goodwill is calculated as the difference between the consideration paid for the additional interest and the book value of the net assets in the subsidiary at the time of the transaction.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and expected changes to selling prices and costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit. Growth rates are based on management's forecasts and historical trends. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Impairment of tangible and other intangible assets

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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs 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 less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

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

1. Financial Assets

Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame 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 trough profit or loss, which are initially measured at fair value.

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.

The Group does not have any financial assets classified as at FVTPL and "held to maturity" on 31 December 2008.

The effective interest method is a method of calculating the amortised cost of a financial asset 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 financial asset, or, where appropriate, a shorter period.

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

Available for sale financial assets

- Available for sale investments: For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

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. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

• Cash and Cash Equivalents: Cash and cash equivalents comprise cash in hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

• Trade Receivables: Trade receivables and other amounts receivable are stated at the fair value of the amounts due, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognized in the income statement.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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 impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

• Significant financial difficulty of the issuer or counterparty;

• Default or delinquency in interest or principal payments; or

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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 is the difference between the asset's carrying amount and the present value of estimated future cash flows, 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.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or 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.

2. Financial Liabilities

Financial liabilities are classified as either financial liabilities “as FVTPL” or “other financial liabilities”.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in the profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability, fair value is determined in manner described in Note 29.

Other financial liabilities are 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.

Financial liabilities at FVTPL:

• Derivatives: The Group may use derivative financial instruments to reduce exposure to foreign exchange movements. Derivatives are measured at each balance sheet date at fair value. The Group does not have “hedge accounting” and the gains and losses arising from changes in fair value are included in the income statement for the period within investment revenue or finance costs. The Group does not have any outstanding derivatives on December 31, 2008 and 2007.

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 on December 31, 2008 and 2007.

Other financial liabilities

• Bank Borrowings: 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 receivables and other amounts receivable are measured at fair value, net of transaction cost.

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 as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the balance sheet date.

Construction contracts

Where 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 balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable 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.

Share-based payments

The Group has applied the requirements of IFRS 2 Share-based Payment. Cash settled long-term incentive plans are measured at fair value at the balance sheet date. A liability equal to the portion of the services received is recognized at the current fair value determined at each balance sheet date. Any increase or decrease in the liability is recognized in the income statement.

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. If the Group is acting solely as an agent, amounts billed to customers are offset against relevant costs.

Sales of services are recognized when the work contracted has been performed in accordance with contracted terms.

Revenue from construction contracts is recognized in accordance with the Group's accounting policy on construction contracts (see above).

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.

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

Operating profit

Operating profit is stated before investment income, finance costs and income tax.

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.

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 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 charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals payable under finance leases are charged to income on a straight-line basis over the term of the relevant lease.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

Legal cases

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 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.

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 value in use calculation requires the entity 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 balance sheet date was US$15.6 million (R$36.5 million) (2007: US$13.1 million (R$23.2 million)). Details of the impairment loss calculation are provided in Note 12.

Fair value of derivatives and other financial instruments

As described in Note 29, the Company may use derivatives contracts to manage foreign currency risk. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

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

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

Useful lives of property, plant and equipment

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. Estimated useful lives are determined based on prior experience and management's best knowledge, and are reviewed annually.

3. Business and Geographical Segments

Business segments

For management purposes, the Group is currently organized into six operating activities; Towage, port terminals, ship agency, offshore, logistics and non segmented activities. These divisions are the basis on which the Group reports its primary segment information.

Segment information relating to these businesses is presented below:

	2008						
	Towage	Port terminals	Ship agency	Offshore	Logistics	Non segment activities	Consolidated
	US$	US$	US$	US$	US$	US$	US$
Revenue	147,098	170,518	17,588	21,557	89,298	52,226	498,285
	147,098	170,518	17,588	21,557	89,298	52,226	498,285
Result							
Segment result	48,564	50,867	3,132	8,081	5,308	(19,519)	96,433
	48,564	50,867	3,132	8,081	5,308	(19,519)	96,433
Investment income	-	-	-	-	-	(822)	(822)
Finance costs	(4,077)	(6,673)	(72)	(2,671)	(475)	(242)	(14,210)
Gain on disposal of investment	-	-	-	-	-	4,191	4,191
Profit before tax	44,487	44,194	3,060	5,410	4,833	(16,392)	85,592
Income tax	-	-	-	-	-	(38,695)	(38,695)
Profit for the year	**44,487**	**44,194**	**3,060**	**5,410**	**4,833**	**(55,087)**	**46,897**
Other information							
Capital expenditures	(27,973)	(30,554)	(603)	(23,901)	(9,714)	(1,400)	(93,535)
Depreciation and amortization	(5,916)	(12,566)	(168)	(4,805)	(1,318)	(1,483)	(26,256)
Balance Sheet							
Segment assets	108,420	187,592	4,873	107,544	22,243	178,891	609,563
Segment liabilities	(50,304)	(66,809)	(3,298)	(112,811)	(11,908)	(32,250)	(277,380)

	2007						
	Towage	Port terminals	Ship agency	Offshore	Logistics	Non segment activities	Consolidated
	US$	US$	US$	US$	US$	US$	US$
Revenue	146,838	148,995	20,392	10,710	69,052	8,059	404,046
	146,838	148,995	20,392	10,710	69,052	8,059	404,046
Result							
Operating profit	47,201	42,840	4,155	1,841	4,568	(28,316)	72,289
	47,201	42,840	4,155	1,841	4,568	(28,316)	72,289
Investment income	-	-	-	-	-	19,238	19,238
Finance costs	(2,752)	(2,464)	(23)	(1,313)	(412)	(601)	(7,565)
Profit before tax	44,449	40,376	4,132	528	4,156	(9,679)	83,962
Income tax	-	-	-	-	-	(26,165)	(26,165)
Profit for the year	**44,449**	**40,376**	**4,132**	**528**	**4,156**	**(35,844)**	**57,797**
Other information							
Capital expenditures	(21,082)	(26,266)	(849)	(41,965)	(1,582)	(839)	(92,583)
Depreciation and amortization	(6,480)	(6,724)	(348)	(2,618)	(714)	(2,182)	(19,066)
Balance Sheet							
Segment assets	121,422	171,027	5,682	77,417	18,289	181,565	575,402
Segment liabilities	(72,072)	(57,439)	(6,774)	(73,904)	(9,307)	(34,353)	(253,849)

	2008						
	Towage	Port terminals	Ship agency	Offshore	Logistics	Non segment activities	Consolidated
	R$	R$	R$	R$	R$	R$	R$
Revenue	343,768	398,501	41,103	50,379	208,689	122,052	1,164,492
	343,768	398,501	41,103	50,379	208,689	122,052	1,164,492
Operating profit	113,494	118,876	7,319	18,885	12,405	(45,615)	225,364
	113,494	118,876	7,319	18,885	12,405	(45,615)	225,364
Investment income	-	-	-	-	-	(1,921)	(1,921)
Finance costs	(9,528)	(15,595)	(168)	(6,242)	(1,110)	(566)	(33,209)
Gain on disposal of investment	-	-	-	-	-	9,794	9,794
Profit before tax	103,966	103,281	7,151	12,643	11,295	(38,308)	200,028
Income tax	-	-	-	-	-	(90,430)	(90,430)
Profit for the year	**103,966**	**103,281**	**7,151**	**12,643**	**11,295**	**(128,738)**	**109,598**
Other information							
Capital expenditures	(65,373)	(71,405)	(1,409)	(55,857)	(21,276)	(3,272)	(218,592)
Depreciation and amortization	(13,826)	(29,367)	(393)	(11,229)	(3,080)	(3,465)	(61,360)
Balance Sheet							
Segment assets	253,377	438,404	11,388	251,331	51,981	418,066	1,424,547
Segment liabilities	(117,560)	(156,129)	(7,707)	(263,640)	(27,829)	(75,368)	(648,233)

	2007						
	Towage	Port terminals	Ship agency	Offshore	Logistics	Non segment activities	Consolidated
	R$	R$	R$	R$	R$	R$	R$
Revenue	260,094	263,915	36,120	18,971	122,312	14,275	715,687
	260,094	263,915	36,120	18,971	122,312	14,275	715,687
Result							
Operating profit	83,607	75,882	7,360	3,261	8,091	(50,156)	128,045
	83,607	75,882	7,360	3,261	8,091	(50,156)	128,045
Investment income	-	-	-	-	-	34,076	34,076
Finance costs	(4,875)	(4,364)	(41)	(2,326)	(730)	(1,064)	(13,400)
Profit before tax	78,732	71,518	7,319	935	7,361	(17,144)	148,721
Income tax	-	-	-	-	-	(46,346)	(46,346)
Profit for the year	**78,732**	**71,518**	**7,319**	**935**	**7,361**	**(63,490)**	**102,375**
Other information							
Capital expenditures	(37,343)	(46,525)	(1,504)	(74,333)	(2,802)	(1,484)	(163,991)
Depreciation and amortization	(11,478)	(11,910)	(616)	(4,637)	(1,265)	(3,866)	(33,772)
Balance Sheet							
Segment assets	215,075	302,940	10,065	137,129	32,395	321,605	1,019,209
Segment liabilities	(127,661)	(101,743)	(11,999)	(130,906)	(16,485)	(60,849)	(449,643)

Financial expenses and respective liabilities were allocated to reporting segments where interest arises from loans used to finance the construction of fixed assets in that segment.

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

Geographical Segments

The Group's operations are mainly located in Brazil and all sales are originated in Brazil. The Group earns income on Cash and Cash Equivalents invested in Bermuda and in Brazil, and incurs expenses on its activities in the latter country.

4. Revenue

An analysis of the Group's revenue is as follows:

	2008	2007	2008	2007
	US$	US$	R$	R$
Sales of services	449,652	400,570	1,050,837	709,530
Revenue from construction contracts	48,633	3,476	113,655	6,157
Total	**498,285**	**404,046**	**1,164,492**	**715,687**

5. Personnel Expenses

	2008	2007	2008	2007
	US$	US$	R$	R$
Salaries and benefits	110,141	90,176	257,400	159,729
Social securities and charges	26,584	21,677	62,126	38,396
Pension costs	1,022	1,729	2,388	3,063
Long term incentive plan (note 24)	(1,431)	2,598	(3,344)	4,602
Total	**136,316**	**116,180**	**318,570**	**205,790**

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

6. Other Operating Expenses

	2008	2007	2008	2007
	US$	US$	R$	R$
Service cost	49,699	48,082	116,147	85,168
Rent of tugs	25,316	26,666	59,164	47,234
Freight	30,496	29,062	71,269	51,478
Other rentals	12,663	12,057	29,593	21,357
Utilities	10,839	10,362	25,332	18,354
Container movement	9,949	9,065	23,248	16,057
Insurance	6,969	5,338	16,287	9,455
Maintenance	6,359	7,063	14,862	12,510
Provision for contingencies	(505)	6,094	(1,180)	10,794
Provision for doubtful receivables	(880)	2,911	(2,057)	5,156
Other expenses	2,575	4,166	6,018	7,379
Total	**153,480**	**160,866**	**358,683**	**284,942**

7. Profit on Disposal of Property, Plant and Equipment

In December 2007, the Joint Venture Dragaport Ltda., in which the Group has a shareholding of 33.33%, disposed of its Dredgers to Great Lakes Dredge & Dock Company, LLC for US$25,665 (R$45,460). The Group booked its share of the revenue at US$8,555 (R$15,153), against the cost of these assets of US$5,162 (R$9,143). The disposal was intended to meet the strategic objective of optimizing the operations of the Group. The gain on other disposals of property, plant and equipment was reported in the amount of US$1,426 (R$2,526).

8. Acquisition of Subsidiary

On 7 December 2008 the Group acquired from IFC – International Finance Corporation 2,761,695 option shares that represent the remaining participation of 10% in the company Tecon Salvador S.A. that works on port operation business. The Group bought this participation for an amount of US$5.3 million (R$12.5 million), the excess cost paid, US$2.5 million (R$6.2 million) was recognized as goodwill. Prior to this shareholding reorganization, the Group's participation in the Tecon Salvador S.A. have already been recognized for the integral consolidation method with the constitution of minority interests in the equity.

9. Gain on Disposal of Investment

The gain on disposal of investments in the amount of US$4,191 (R$9,794) relates to the write-off in third quarter of 2008 of investment in Barcas S.A Transportes Marítimos.

10. Investment Income and Finance Costs

	2008	2007	2008	2007
	US$	US$	R$	R$
Interest on investments	11,340	8,827	26,502	15,635
Exchange gain (loss) on investments	(23,524)	7,842	(54,976)	13,891
Interest income	11,362	2,569	26,553	4,550
Total investment income	**(822)**	**19,238**	**(1,921)**	**34,076**
Interest on bank loans and overdrafts	(7,028)	(6,415)	(16,424)	(11,363)
Exchange gain (loss) on loans	(2,369)	1,075	(5,536)	1,904
Interest on obligations under finance leases	(677)	(313)	(1,583)	(555)
(Losses) with derivatives - book value	-	(412)	-	(729)
Other interest	(4,136)	(1,500)	(9,666)	(2,657)
Total finance costs	**(14,210)**	**(7,565)**	**(33,209)**	**(13,400)**

11. Income Tax

	2008	2007	2008	2007
	US$	US$	R$	R$
Current				
Brazilian taxation				
Corporation tax	22,901	21,700	53,520	38,437
Social contribution	9,302	8,055	21,738	14,268
Total Brazilian current tax	**32,203**	**29,755**	**75,258**	**52,705**
Deferred tax				
Charge (reverse) for the year in respect of				
deferred tax liabilities	(22,551)	11,760	(52,702)	20,832
Credit (reverse) for the year in respect of				
deferred tax assets	29,043	(15,350)	67,874	(27,190)
Total deferred tax	**6,492**	**(3,590)**	**15,172**	**(6,359)**
Total income tax	38,695	26,165	90,430	46,346

Brazilian corporation tax is calculated at 25 percent of the taxable profit for the year.

Brazilian social contribution tax is calculated at 9 percent of the taxable profit for the year.

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

	2008	2007	2008	2007
	US$	US$	R$	R$
Profit before tax	85,592	83,962	200,029	148,721
Tax at the standard Brazilian tax rate of 34% (2008/2007 – 34%)	29,101	28,547	68,009	50,570
Tax effect of expenses/income that are not included in determining taxable profit	9,593	1,574	22,419	2,783
Effect of different tax rates in other jurisdictions	1	(3,956)	2	(7,007)
Income tax expense	**38,695**	**26,165**	**90,430**	**46,346**
Effective rate for the year	45%	31%	45%	31%

The Group earns its profits primarily in Brazil. Therefore the tax rate used for tax on profit on ordinary activities is the standard composite rate of the Corporation Tax and Social Contribution in Brazil of 34%.

12. Goodwill

	2008	2007	2008	2007
	US$	US$	R$	R$
Cost and carrying amount attributed to:				
Tecon Rio Grande	13,132	13,132	30,689	23,261
Tecon Salvador S.A.	2,480	-	5,796	-
Total	**15,612**	**13,132**	**36,485**	**23,261**

For the purposes of testing goodwill for impairment the Group prepares cash flow forecasts for the relevant cash generating unit (Tecon Rio Grande and Tecon Salvador) derived from the most recent financial budget for the next year and extrapolates cash flows for the remaining life of the concession based on an estimated annual growth of between 6% and 8% per cent for Tecon Rio Grande and 5.5% and 7% per cent for Tecon Salvador. This rate does not exceed the average long-term historical growth rate for the relevant market.

13. Other Intangible Assets

	US$	R$
Cost		
At January 1, 2007	3,021	6,459
Exchange differences	359	634
Translation adjustment to Real	-	(1,106)
At December 31, 2007	3,380	5,987
Additions	610	1,426
Exchange differences	(752)	(1,757)
Translation adjustment to Real	-	1,911
At December 31, 2008	3,238	7,567

	US$	R$
Amortization		
At January 1, 2007	968	2,070
Charge for the year	315	559
Exchange differences	56	97
Translation adjustment to Real	-	(354)
At December 31, 2007	1,339	2,372
Charge for the year	299	699
Exchange differences	(199)	(465)
Translation adjustment to Real	-	757
At December 31, 2008	1,439	3,363
Carrying amount		
December 31, 2008	**1,799**	**4,204**
December 31, 2007	**2,041**	**3,615**

Intangible assets arose from the acquisition of the concession of the container and heavy cargo terminal in Salvador, Tecon Salvador, in 2000 and the purchase of the remaining 50% rights of the concession for EADI Santo Andre (bonded warehouse).

On November, 2008 the Group's renewed the concession right for EADI Santo Andre for more ten years, this right were recognized as intangible asset that raised on US$610 (R$1,426).

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

14. Property, Plant and Equipment

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	US$	US$	US$	US$	US$
Cost or valuation					
At January 1, 2007	42,982	126,359	86,742	17,327	273,410
Additions	7,989	1,929	23,046	59,619	92,583
Transfers	11,866	31,051	(11,866)	(31,051)	-
Exchange differences	3,915	1,806	4,876	-	10,597
Disposals	(198)	(7,261)	(2,935)	-	(10,394)
At December 31, 2007	**66,554**	**153,884**	**99,863**	**45,895**	**366,196**
Additions	23,697	12,351	20,420	37,067	93,535
Transfers	3,830	63,311	(3,830)	(63,311)	-
Exchange differences	(7,320)	(491)	(11,501)	-	(19,312)
Disposals	(52)	(855)	(3,286)	-	(4,193)
At December 31, 2008	**86,709**	**228,200**	**101,666**	**19,651**	**436,226**

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	US$	US$	US$	US$	US$
Accumulated depreciation					
At January 1, 2007	9,492	58,065	30,068	-	97,625
Charge for the year	2,364	9,820	6,567	-	18,751
Transfers	3,271	-	(3,271)	-	-
Exchange differences	1,880	803	1,545	-	4,228
Disposals	(133)	(4,367)	(2,013)	-	(6,513)
At December 31, 2007	**16,874**	**64,321**	**32,896**	**-**	**114,091**
Charge for the year	7,403	10,520	8,034	-	25,957
Exchange differences	(2,622)	(19)	(3,276)	-	(5,917)
Disposals	-	(1,052)	(1,875)	-	(2,927)
At December 31, 2008	**21,655**	**73,770**	**35,779**	**-**	**131,204**
Carrying amount					
December 31, 2008	**65,054**	**154,430**	**65,887**	**19,651**	**305,022**
December 31, 2007	**49,680**	**89,563**	**66,967**	**45,895**	**252,105**

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	R$	R$	R$	R$	R$
Cost or valuation					
At January 1, 2007	91,895	270,156	185,454	37,045	584,550
Additions	14,151	3,417	40,821	105,606	163,995
Transfers	21,018	55,001	(21,018)	(55,001)	-
Exchange differences	6,935	3,199	8,635	-	18,769
Disposals	(351)	(12,861)	(5,199)	-	(18,411)
Translation adjustment to Real	(15,761)	(46,337)	(31,808)	(6,353)	(100,259)
At December 31, 2007	**117,887**	**272,575**	**176,885**	**81,297**	**648,644**
Additions	55,380	28,864	47,722	86,626	218,592
Transfers	8,951	147,958	(8,951)	(147,958)	-
Exchange differences	(17,107)	(1,147)	(26,876)	-	(45,130)
Disposals	(122)	(1,998)	(7,679)	-	(9,799)
Translation adjustment to Real	37,650	87,051	56,492	25,959	207,152
At December 31, 2008	**202,639**	**533,303**	**237,593**	**45,924**	**1,019,459**

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	R$	R$	R$	R$	R$
Accumulated depreciation					
At January 1, 2007	20.294	124.143	64.285	-	208.722
Charge for the year	4.187	17.394	11.632	-	33.213
Transfers	5.794	-	(5.794)	-	-
Exchange differences	3.330	1.422	2.737	-	7.489
Disposals	(236)	(7.735)	(3.566)	-	(11.537)
Translation adjustment to Real	(3.480)	(21.292)	(11.025)	-	(35.797)
At December 31, 2007	**29.889**	**113.932**	**58.269**	**-**	**202.090**
Charge for the year	17.301	24.585	18.775		60.661
Exchange differences	(6.128)	(44)	(7.656)	-	(13.828)
Disposals	-	(2.459)	(4.382)	-	(6.841)
Translation adjustment to Real	9.545	36.386	18.610	-	64.542
At December 31, 2008	**50.608**	**172.400**	**83.616**	**-**	**306.623**
December 31, 2008	**152.031**	**331.964**	**153.977**	**74.863**	**712.836**
December 31, 2007	**87.998**	**158.643**	**118.616**	**81.297**	**446.554**

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$13.8 million (R$32.3 million) (2007: US$9.9 million (R$17.5 million)) in respect of assets held under finance leases.

Land and buildings with a net book value of US$299 (R$699) (2007: US$303 (R$537)) and tugs with a net book value of US$3,001 million (R$7,013) (2007: US$3,287 (R$5,822)) have been given in guarantee of various legal processes.

The Group has pledged assets having a carrying amount of approximately US$35.2 million (R$82.3 million) (2007: US$38.6 million (R$68.3 million)) to secure loans granted to the Group.

At 31 December 2008, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting US$23.9 million (R$55.9 million) (2007: US$16.2 million (R$28.7 million)). This figure comprises principally assets under construction at Tecon Rio Grande.

15. INVENTORIES

	2008	2007	2008	2007
	US$	US$	R$	R$
Operating materials	8,360	5,066	19,537	8,973
Raw materials for construction contracts (external customers)	1,042	2,313	2,435	4,097
Total	**9,402**	**7,379**	**21,972**	**13,070**

16. Trade and Other Receivables

	2008 US$	2007 US$	2008 R$	2007 R$
Accounts receivable for services rendered	36,138	43,043	84,455	76,242
Provision for doubtful receivables	(2,761)	(4,208)	(6,452)	(7,454)
Income Tax recoverable	2,676	2,383	6,254	4,221
Prepayments and recoverable taxes and levies	42,698	31,537	99,784	55,862
Total	**78,751**	**72,755**	**184,041**	**128,871**

The average credit period taken on services ranges from zero to 30 days (2007:30 days).

Interest of 1 percent per month plus an average fine of 2 percent per month is charged on overdue balances.

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

	2008 US$	2007 US$	2008 R$	2007 R$
Not due	31,744	32,757	74,187	58,022
From 0 to 30 days	1,369	4,353	3,199	7,711
From 31 to 90 days	188	467	439	827
From 91 to 180 days	76	1,258	178	2,228
More than 180 days	2,761	4,208	6,452	7,454
Total	**36,138**	**43,043**	**84,455**	**76,242**

A provision for doubtful receivables was recognized decreasing the amount of accounts receivable. The valuation provision is established whenever a loss is detected, which, based on past experience, for accounts receivable overdue more than 180 days.

Movement in the allowance for doubtful debts:

	US$	R$
At 1 January 2007	933	1,995
Amounts written off during the year	(344)	(610)
Increase in allowance	3,255	5,766
Exchange difference	364	644
Translation adjustment to Real	-	(341)
At 31 December 2007	4,208	7,454
Amounts written off during the year	(1,277)	(2,985)
Increase in allowance	397	928
Exchange difference	(567)	(1,325)
Translation adjustment to Real	-	2,380
At 31 December 2008	**2,761**	**6,452**

Management believes that no further credit provision is required for the allowance for doubtful debts.

As a matter of routine, the Group reviews taxes and levies impacting its businesses with a view to ensure that payments of such amounts are correctly made and that no amounts are paid unnecessarily. In this process, where it is confirmed that taxes and/or levies have been overpaid, the Group takes appropriate measures to recover such amounts. During the year ended 31 December 2007, the Group received a response to a consultation to tax officials confirming the exemption of certain transactions to taxes, which the Group had been paying through that date. This response permits the Group to recoup such amounts paid in the past provided that the Group takes certain measures to demonstrate that it has met the requirements of tax regulations for such recovery. During 2008, the Group was able to meet such requirements and recognized US$22.4 million (R$52.3 million) (2007: US$5.9 million (R$10.5 million)) as credits in the Consolidated Income Statement for those years (line "other operating expenses"). The Group expects to conclude the accounting for such amounts in 2009, but it is not practicable to quantify them as at the issuance date of the financial statements.

17. Cash and Cash Equivalent

Cash and cash equivalent comprise cash in hand, bank accounts and short-term investments that are highly liquid and readily convertible to a known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents denominated in United States dollars represent principally investments in deposit certificates placed with major financial institutions.

The breakdown of cash and cash equivalents is as follows:

	2008	2007	2008	2007
	US$	US$	R$	R$
Cash and cash equivalents in United States dollars	104,672	125,650	244,618	222,564
Cash and cash equivalents in Brazilian Reais				
Bank deposits and cash in hand	3,757	19,714	8,780	34,919
Short-term investments				
Quotas of investment funds	-	4,935	-	8,741
Bank certificates of deposit and repurchase agreement (REPO)	71,593	47,389	167,313	83,941
Total short-term investments	71,593	52,324	167,313	92,682
Total cash and cash equivalents in Brazilian Reais	75,350	72,038	176,093	127,601
Total cash and cash equivalents	**180,022**	**197,688**	**420,711**	**350,165**

Private investment funds

The Group has investments in private investment funds that are consolidated in these financial statements. These private investment funds comprise certificates of deposit and equivalent instruments with final maturities ranging from October 2009 to 2011.

The securities included in the portfolio of the private investment funds have daily liquidity and are marked to market on a daily basis against current earnings. These private investment funds do not have significant financial obligations. Any financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses.

18. Bank Overdrafts and Loans

	Annual Interest rate - %	2008 US$	2007 US$	2008 R$	2007 R$
Unsecured Borrowings					
Bank overdrafts	CDI + 1.53%	113	43	264	76
Secured Borrowings					
BNDES	2.64% to 5%	159,721	125,736	373,266	222,717
IFC linked to US Dollars	3.08% to 8.49%	21,316	23,685	49,815	41,953
IFC linked to R$	14.09%	4,067	-	9,507	-
Total IFC		**25,383**	**23,685**	**59,322**	**41,953**
Bank loans		185,104	149,421	432,588	264,670
Total bank overdrafts and loans		**185,217**	**149,464**	**432,852**	**264,746**

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

Within one year	17,777	14,720	41,545	26,074
In the second year	15,096	15,863	35,277	28,099
In the third to fifth years inclusive	43,321	34,939	101,241	61,885
After five years	109,023	83,942	254,789	148,688
Total	**185,217**	**149,464**	**432,852**	**264,746**
Total current	**17,777**	**14,720**	**41,545**	**26,074**
Total non-current	**167,440**	**134,744**	**391,307**	**238,672**

Analysis of borrowings by currency:

	$Real	$Real linked to US Dollars	US Dollars	Total	$Real	$Real linked to US Dollars	US Dollars	Total
2008	US$	US$	US$	US$	R$	R$	R$	R$
Bank overdrafts	113	-	-	113	264	-	-	264
Bank loans	4,067	159,721	21,316	185,104	9,505	373,266	49,817	432,588
Total	**4,180**	**159,721**	**21,316**	**185,217**	**9,769**	**373,266**	**49,817**	**432,852**
2007								
Bank overdrafts	43	-	-	43	76	-	-	76
Bank loans	-	125,736	23,685	149,421	-	222,717	41,953	264,670
Total	**43**	**125,736**	**23,685**	**149,464**	**76**	**222,717**	**41,953**	**264,746**

The Group has two main lenders:

BNDES (*Banco Nacional de Desenvolvimento Econômico e Social*): As an agent of "FMM (*Fundo da Marinha Mercante*)" BNDES finances tug boats and platform supply vessel's construction. The amount outstanding is USS159.7 million (R$373.3 million) (2007: US$125.7 million (R$222.7 million)). Contracts are either already in repayment period or in grace period depending on when they were taken out. The amounts outstanding at 31 December 2008 are repayable over periods varying up to 20 years. These loans are denominated in US Dollar and carry fixed interest rates between 2.64% and 5%.

IFC: The International Finance Corporation (IFC) finances both port terminals – Tecon Rio Grande and Tecon Salvador. There are two loan agreements with this bank for each of the Group's port terminals. The amounts outstanding at 31 December 2008 are repayable over periods varying up to 6 years. These loans are denominated in US$ Dollar and part in Brazilian Real. For the part linked to US$ Dollar the interest rate are between 3.08% and 8.49% whereas for the part denominated in Real the interest rate is fixed at 14.09%.

Guarantees

The loans from BNDES are secured by a charge over the tug boats and supply vessels that are object of these financings. For three of the seven supply vessels being financed there is also a guarantee involving receivables from client Petrobras.

The loans from IFC are secured by the Groups shares in Tecon Salvador and Tecon Rio Grande, the projects cash flows and equipments and building (equipment and building only for Tecon Rio Grande)

Undrawn borrowing facilities

At 31 December 2008, the Group had available US$34 million of undrawn borrowing facilities in respect of which all conditions precedent had been met.

The directors estimate the fair value of the Group's borrowings as follows:

	2008	2007	2008	2007
	US$	US$	R$	R$
Bank overdrafts	113	43	264	76
Bank loans	194,035	149,138	453,460	264,169
BNDES	168,144	125,736	392,953	222,716
IFC	25,891	23,402	60,507	41,453
Total	**194,148**	**149,181**	**453,724**	**264,245**

Covenants

The subsidiaries Tecon Rio Grande and Tecon Salvador have specific restrictive clauses in their financing contracts with financial institutions related, basically, to the maintenance of liquidity ratios. At 31 December 2008, the Group is in accordance with all clauses of these contracts.

19. Deferred Tax

The following are the major deferred tax liabilities and assets recognized by the Group and movements thereon during the current and prior reporting year.

	Accelerated depreciation	Exchange variance on loans	Timing differences	Tax losses	Non-monetary items	Total
	US$	US$	US$	US$	US$	US$
At 1 January 2007	(10,576)	(11,005)	5,879	901	14,001	(800)
(Charge)/credit to income	(4,283)	(6,396)	970	(933)	14,232	3,590
Charge to investment reserve	-	-	(1,206)	-	-	(1,206)
Exchange differences	-	(197)	343	176	-	322
At 31 December 2007	(14,859)	(17,598)	5,986	144	28,233	1,906
(Charge)/credit to income	1,616	19,444	4,847	(142)	(32,257)	(6,492)
Charge to investment reserve	-	-	1,206	-	-	1,206
Exchange differences	-	60	(1,421)	(2)	-	(1,363)
At 31 December 2008	**(13,243)**	**1,906**	**10,618**	**-**	**(4,024)**	**(4,743)**

	Accelerated depreciation	Exchange variance on loans	Timing differences	Tax losses	Non-monetary items	Total
	R$	R$	R$	R$	R$	R$
At 1 January 2007	(22,610)	(23,529)	12,569	1,927	29,933	(1,710)
(Charge)/credit to income	(7,587)	(11,329)	1,719	(1,653)	25,209	6,359
Charge to investment reserve	-	-	(2,135)	-	-	(2,135)
Exchange differences	-	(349)	608	310	-	569
Translation adjustment to Real	3,877	4,037	(2,156)	(331)	(5,133)	294
At 31 December 2007	(26,320)	(31,170)	10,605	253	50,009	3,377
(Charge)/credit to income	3,777	45,441	11,327	(332)	(75,385)	(15,172)
Charge to investment reserve	-	-	2,818	-	-	2,818
Exchange differences	-	140	(3,321)	(5)	-	(3,186)
Translation adjustment to Real	(8,406)	(9,957)	3,386	84	15,972	1,079
At 31 December 2008	**(30,949)**	**4,454**	**24,815**	**-**	**(9,404)**	**(11,084)**

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

	2008	2007	2008	2007
	US$	US$	R$	R$
Deferred tax liabilities	(15,632)	(10,807)	(36,532)	(19,142)
Deferred tax assets	10,889	12,713	25,448	22,519
Total	**(4,743)**	**1,906**	**(11,084)**	**3,377**

At the balance sheet date the Group has unused tax losses of US$9,564 (R$22,351) (2007: US$11,802 (R$20,905)) available for offset against future profits. No deferred tax asset has been recognized in respect of the US$9,564 (R$22,351) (2007: US$11,802 (R$20,905)) due to the unpredictability of future profit streams.

Deferred tax arises on Brazilian property, plant and equipment held in US dollar functional currency businesses. Deferred tax is calculated on the difference between the historical US Dollar balances recorded in the Groups accounts and the Brazilian Real balances used in the Group's Brazilian tax calculations.

Deferred tax on exchange gains arises from exchange gains on the Groups US Dollar and Brazilian Real denominated loans linked to the US Dollar that are taxable on settlement of the loans and not in the period in which the gains arise.

20. Provisions for Contingencies

	US$	R$
At 1 January 2007	5,913	12,640
Additional provision in the year	6,094	10,794
Exchange difference	477	845
Translation adjustment to Real	-	(2,166)
At 31 December 2007	**12,484**	**22,113**
Reversal in the year	(505)	(1,180)
Settlement	(1,400)	(3,272)
Exchange difference	(2,124)	(4,964)
Translation adjustment to Real	-	7,062
At 31 December 2008	**8,455**	**19,759**
Included in non-current liabilities	8,455	19,759

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

	2008	2007	2008	2007
	US$	US$	R$	R$
Civil cases	2,369	6,221	5,537	11,019
Tax cases	1,291	3,282	3,016	5,813
Labor claims	4,795	2,981	11,206	5,281
Total	**8,455**	**12,484**	**19,759**	**22,113**

In the normal course of business in Brazil, the Group continues to be exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal advisers. There are no material claims outstanding at 31 December 2008 which have not been provided for and which the Group's legal advisers consider are more likely than not to result in a financial settlement against the Group.

The mainly probable and possible Group's claims are described below as follows:

- Civil and Environmental cases: Indemnification for damages caused by floating crafts accidents. These claims are pleas related to environmental causes and indemnities for work accidents.

- Labour claims: These lawsuits litigate about salary differences, overtime worked without payments and labour.

- Tax cases: Brazilian taxes that the Group considers inappropriate and litigates against the government.

In addition to the cases for which the Group booked the provision for contingencies there are other tax, civil and labour disputes amounting to US$33,074 (R$77,293) (2007: US$21,081 (R$37,341)), whose probability of loss was estimated by the legal advisers as possible.

21. Obligations Under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	2008	2007
Amounts payable under finance leases	US$	US$	US$	US$
Within one year	1,616	1,240	1,116	869
In the second to fifth years inclusive	4,025	1,994	3,139	1,441
	5,641	3,234	4,255	2,310
Less future finance charges	(1,386)	(924)	N/A	N/A
Present value of lease obligations	**4,255**	**2,310**		
Less : Amounts due for settlement within 12 months (shown under current liabilities)			(1,116)	(869)
Amount due for settlement after 12 months			**3,139**	**1,441**

	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	2008	2007
Amounts payable under finance leases	R$	R$	R$	R$
Within one year	3,776	2,196	2,609	1,539
In the second to fifth years inclusive	9,408	3,532	7,336	2,552
	13,184	5,727	9,945	4,091
Less future finance charges	(3,239)	(1,636)	N/A	N/A
Present value of lease obligations	**9,945**	**4,091**		
Less : Amounts due for settlement within 12 months (shown under current liabilities)			(2,609)	(1,539)
Amount due for settlement after 12 months			**7,336**	**2,552**

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 4 years.

For the year ended 31 December 2008 the average effective borrowing rate was 15.25 percent per year (2007: 14 percent per year). Interest rates are fixed at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 12.73% to 16.27%.

Leases are denominated in Brazilian Real.

The fair value of the Group's lease obligations approximates their carrying amount.

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

22. Trade and Other Payables

	2008	2007	2008	2007
	US$	US$	R$	R$
Suppliers	46,490	59,076	108,649	104,642
Other taxes	9,834	9,204	22,980	16,303
Accruals and other payables	6,398	9,762	14,950	17,291
Total	**62,722**	**78,042**	**146,579**	**138,236**

The average credit period for trade purchases is 46 days (2007: 20 days).

The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe.

Construction Contracts

Contracts in progress at the balance sheet date:

	2008	2007	2008	2007
Contracts in progress at the balance sheet date:	US$	US$	R$	R$
Amounts due to contract customers included in trade and other payables	(1,954)	(5,291)	(4,566)	(9,372)
Contract costs incurred plus recognized profits less recognized losses to date.	40,928	3,496	95,649	6,192
Less progress billings	(42,882)	(8,787)	(100,215)	(15,564)
Net liabilities	(1,954)	(5,291)	(4,566)	(9,372)

23. Derivatives

The Group may engage in forward and swap operations to mitigate and manage the exposure to change in foreign exchange rates of loan agreements denominated in foreign currency.

The Group may enter into derivatives contracts such as forward contracts and swaps to hedge risks arising from exchange rate fluctuations. There were no such contracts on December 31, 2008 and 2007.

When the transactions with derivatives ended in the reporting period, the results are reported under Finance Costs (Note 10).

24. Cash-Settled Share-Based Payments

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

The movements of the accrual for the plan follow:

	US$	R$
Liability at January 1, 2007	-	-
Charge for the year	2,598	4,602
Liability at December 31, 2007	2,598	4,602
Reversal for the year	(1,431)	(3,344)
Exchange difference	-	1,470
Liability at December 31, 2008	1,167	2,728

The liability above is included in "accruals and other payables" presented in note 22.

Details of the share options outstanding during the year as follow:

	2008
	Number of share options
Outstanding at the beginning of the year	3,837,760
Forfeited during the year	(60,000)
Outstanding at the end of the year	3,777,760

Fair value of the recorded liability in the amount of US$1.167 (R$2.728) (2007: US$2.598 (R$4.602)) was determined using the Binomial model based on the assumptions note below:

	2008
	Number of share options
Weighted average option price	R$10.95
Expected volatility	30%
Expected life	10 years
Risk free rate	11,23%
Expected dividend yield	3,40%

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

25. Equity

	2008	2007	2008	2007
	US$	US$	R$	R$
Authorized and Issued and fully paid 71,144,000 ordinary shares of 8 1/3 p each	9,905	9,905	23,148	17,545

In February 2007, the Group carried out a twelve for one share split increasing the number of shares from 5,012,000 to 60,144,000 and issued a further 11,000,000 shares in April 2007, totalling 71,144,000 shares.

Dividends

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

Amounts recognized as distributions to equity holders in the year:

	2008	2007	2008	2007
	US$	US$	R$	R$
Final dividend for the year ended December 31, 2007 of 11.2c (R$19.9) per share	16,007	8,000	37,408	14,170
Total	**16,007**	**8,000**	**37,408**	**14,170**

In Board Meeting held on May 8, 2008 the Board of Directors declared the payment of dividend in the amount of US$0.225 cents per share (R$0.394 cents per share) in the total amount of US$16,007 (R$27,998) to Shareholders of record as at May 8, 2008 and the payment of such dividend on May 14, 2008.

Earnings per share

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

	2008	2007	2008	2007
Earnings	US$	US$	R$	R$
Dividends	16,007	8,000	37,408	14,170
Undistributed earnings	30,848	48,151	72,092	85,290
Net income for the period	46,855	56,151	109,500	99,460
Weighted average number of ordinary shares	71,144,000	59,469,423	71,144,000	59,469,423
Earnings per share	65,9c	94,4c	154,1c	167,3c

Legal reserve

An amount equal to 5% of the Company's net profit for the current year to be credited to a retained earnings account to be called "Legal Reserve" until such account equals 20% of the Company's paid up share capital.

Translation reserve

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

26. Subsidiaries

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Wilson Sons de Administração e Comércio Ltda. Holding company	Brazil	100%	Consolidation
Saveiros Camuyrano Serviços Marítimos S.A. Towage	Brazil	100%	Consolidation
Wilson, Sons S.A., Comércio, Indústria, e Agência de Navegação Ltda. Shipyard	Brazil	100%	Consolidation
Wilson Sons Agência Marítima Ltda. Ship Agency	Brazil	100%	Consolidation
Sobrare-Servemar Ltda. Towage	Brazil	100%	Consolidation
Wilport Operadores Portuários Ltda. Stevedoring	Brazil	100%	Consolidation
Wilson, Sons Logística Ltda. Logistics	Brazil	100%	Consolidation
Wilson, Sons Terminais de Cargas Ltda. Transport services	Brazil	100%	Consolidation
Wilson, Sons Offshore S.A. Offshore	Brazil	100%	Consolidation
Wilson, Sons Navegação Ltda. Ship Agency	Brazil	100%	Consolidation
Wilson, Sons Estaleiros Ltda. Shipyard	Brazil	100%	Consolidation
EADI Santo André Terminal de Carga Ltda. Bonded warehousing	Brazil	100%	Consolidation
Vis Limited Holding company	Guernsey	100%	Consolidation
Tecon Rio Grande S.A. Port terminal	Brazil	100%	Consolidation
Tecon Salvador S.A. Port terminal	Brazil	100%	Consolidation
Brasco Logística Offshore Ltda. Port operator	Brazil	75%	Consolidation

The Group also has 100% of ownership interest in two private investment funds denominated Hydrus Fundo de Investimento Multimercado and Rigel Fundo de Investmento em Cotas de Fundos de Investimentos. These funds are administrated by UBS Pactual bank and their policies and objectives are determined by the Group's treasury (Note 17).

On October 1, 2007, with the objective of simplifying the Group's organizational structure, Companhia de Navegação das Lagoas and Companhia de Navegação das Lagoas do Norte, subsidiaries of Wilson Sons Limited, were merged into Saveiros, Camuyrano Serviços Marítimos S.A., also a subsidiary of Wilson Sons Limited. This merger does not alter the shareholding in Saveiros, Camuyrano Serviços Marítimos S.A. and it will not affect any shareholder rights or the rights of bearers of Brazilian Depositary Receipts in Wilson Sons Limited.

On 31 October 2008 the Group's decided reorganize its investments structure. It resulted at Saveiros Camuyranos Serviços Marítimos S.A, a subsidiary of Wilson Sons Limited, spin-off into Wilson, Sons Offshore S.A., also a subsidiary of Wilson Sons Limited. This spin-off does not affect any shareholder rights or the rights of bearers of Brazilian Depositary Receipts in Wilson Sons Limited.

27. Joint Ventures

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

	2008 US$	2007 US$	2008 R$	2007 R$
Current assets	3,457	6,764	8,079	11,981
Non-current assets	1,438	1,843	3,361	3,264
Current liabilities	(3,377)	(6,485)	(7,892)	(11,488)
Non-current liabilities	(54)	(63)	(126)	(111)
Income	18,831	25,800	44,008	45,699
Expenses	(10,102)	(18,654)	(23,608)	(33,041)

The Group has the following significant interests in joint ventures

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Consórcio de Rebocadores Baia de São Marcos Towage	Brazil	50%	Proportional consolidation
Allink Transportes Internacionais Limitada Non-vessel operating common carrier	Brazil	50%	Proportional consolidation
Consórcio de Rebocadores Barra de Coqueiros Towage	Brazil	50%	Proportional consolidation
Dragaport Engenharia Dredging	Brazil	33%	Proportional consolidation

On December 1, 2007, with the objective of simplifying the Group's organizational structure, Dragaport Ltda., a subsidiary of Wilson Sons Limited, was merged into Dragaport Engenharia Ltda., also a subsidiary of Wilson Sons Limited. This merger did not affect any shareholder rights or the rights of bearers of Brazilian Depositary Receipts in Wilson Sons Limited.

28. Operating Lease Arrangements

The Group as lessee

	2008	2007	2008	2007
	US$	US$	R$	R$
Minimum lease payments under operating leases recognized in income for the year	12,058	10,666	28,180	18,893

At December 31, 2008, the minimum amount due by the Group for future minimum lease payments under cancellable operating leases was US$6,638 (R$15,513) (2007: US$7,753 (R$13,733)).

Lease commitments for land and buildings with a term of over 5 years are for the minimum contractual lease obligations between Tecon Rio Grande and the Rio Grande port authority, and between Tecon Salvador and the Salvador port authority. The Tecon Rio Grande concession expires in 2022 and the Tecon Salvador concession in 2025. The Tecon Rio Grande guaranteed payments consist of two elements; a fixed rental, plus a fee per 1,000 containers moved based on forecast volumes made by the consortium. The amount shown in the accounts is based on the minimum volume forecast. Volumes are forecast to rise in future years. If container volumes moved through the terminal exceed forecast volumes in any given year additional payments will be required.

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

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

	2008	2007	2008	2007
	US$	US$	R$	R$
Within one year	1,456	1,148	3,403	2,033
In the Second to fifth year inclusive	15,049	1,531	35,170	2,712
Total	**16,505**	**2,679**	**38,573**	**4,745**

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

On November, 2008 the Group's renewed the concession right for EADI Santo Andre for more ten years, this operation have done the Group's management to renew the rental agreement contract of the bonded warehouse used by EADI Santo Andre for the same time, after that the unexpired lease at December 31, 2008 have raised to 11 years and 4 months. These rental payments are updated by a Brazilian general inflation index.

29. Financial Instruments and Risk Assessment

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowing disclosed in Note 18, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earning as disclosed in Notes 17 and 25, respectively.

b) Significant accounting polices

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability are disclosed in Note 2 to the financial statements.

c) Categories of financial instruments:

	Fair value		Book value	
	2008	2007	2008	2007
	US$	US$	US$	US$
Financial assets:				
Loans and receivables				
Cash and cash equivalents	180,022	197,688	180,022	197,688
Trade and other receivables	78,751	72,755	78,751	72,755
Available for sale investments (AFS)				
Investment	-	6,466	-	2,921
Total	**258,773**	**276,909**	**258,773**	**273,364**
Financial liabilities:				
Bank loans and overdrafts	194,148	149,181	185,217	149,464
Obligations under finance leases	4,255	2,310	4,255	2,310
Trade and other payables	62,720	78,042	62,720	78,042
Total	**261,123**	**229,533**	**252,192**	**229,816**

	Fair value		Book value	
	2008	2007	2008	2007
	R$	R$	R$	R$
Financial assets:				
Loans and receivables				
Cash and cash equivalents	420,711	350,165	420,711	350,165
Trade and other receivables	184,041	128,871	184,041	128,871
Available for sale investments (AFS)				
Investment	-	11,453	-	5,174
Total	**604,752**	**490,489**	**604,752**	**484,210**
Financial liabilities:				
Bank loans and overdrafts	453,724	264,244	432,852	264,746
Obligations under finance leases	9,944	4,091	9,944	4,091
Trade and other payables	146,577	138,236	146,577	138,236
Total	**610,245**	**406,571**	**589,373**	**407,073**

d) Financial risk management objectives

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

e) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currency (Brazilian Reais). Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

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

	Liabilities		Assets	
	2008	2007	2008	2007
	US$	US$	US$	US$
Amounts denominated in Brazilian Reais	92,961	97,911	297,671	174,809

	Liabilities		Assets	
	2008	2007	2008	2007
	R$	R$	R$	R$
Amounts denominated in Brazilian Reais	217,250	173,430	695,657	309,639

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of Brazil (Brazilian Real).

The following table details the Group's sensitivity to a 10% increase and decrease in the US Dollar against the relevant foreign currencies. Ten percent is the sensitivity rate when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analyses includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit for the year and in other equity resulting from the Brazilian Reals strengthening against the respective currency. For a 10% weakening in the US Dollar there would be equal and opposite impact on the profit for the year and on other equity, and the balances below would be negative.

	Real currency impact			
	2008	2007	2008	2007
	US$	US$	R$	R$
Profit for the year	17,726	14,284	41,426	25,301
Equity	23,077	17,414	53,931	30,845

Reasons for foreign currency impact:

This is mainly attributable to the exposure outstanding on Real - linked financial assets and receivables, but also to the payables at year end in the Group.

f) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. BNDES charges fixed interest rates on loans for construction of vessels. Since these rates are considerably low, the Group understands that there is hardly a market risk for this part of the debt. As for the financing of Port Operations, the Group's strategy for interest rate management has been to maintain a balanced portfolio of fixed and floating interest rates in order to optimize cost and volatility. The Company's interest rate risk management strategy may use derivative instruments to reduce debt cost attributable to interest rate volatility. As of December 31, 2008 the Company had no outstanding interest rate swap contracts.

The group has part of its financial assets linked to "DI" (Brazilian interbank interest rates) and part linked to fixed deposits in US Dollar.

Interest rate sensitivity analysis

If interest rates in US dollar had been 1% lower and all other variables held constant, post-tax profit for the year would have decreased by US$1.0 million (in 2007 the profit would decrease by US$1.1 million). This is mainly attributable to the Group's exposure to interest rates on its US dollar denominated investments from 2008 on. If interest rates had been 1% higher, with all other variables held constant, post-tax profit would have been US$1.0 million higher (in 2007 the profit would have been US$1.1 million higher), arising mainly as a result of a higher return on US dollar denominated investment.

If interest rates in US dollar had been 1% lower, equity reserves in USD dollar would have decreased by US$1.1 million (in 2007 would have decreased by US$1.1 million) because these are short maturity investments, which follow market conditions closely. Equity reserves would have increased by US$1.0 million (in 2007 would have increased by US$1.1 million) because of the same highly liquid nature of the investments, if interest rates in US dollar had been 1% higher.

If interest rates in Real had been 3% lower and all other variables held constant, equity reserves in Real would have decreased by US$1.4 million (2007 – US$1.0 million).

If interest rates in Real had been 3% higher and all other variables held constant, equity reserves in Real would have increased by US$1.4 million (2007 – US$1.0 million).

g) Liquidity risk management

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

h) Credit Risk

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

The Group's sales policy is subordinated to the credit sales rules set by Management, which seeks to mitigate any loss from customers' delinquency.

i) Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at December 31, 2008 and 2007 at amounts compatible with those practiced in the market at those dates. These instruments are managed through operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of an ongoing monitoring of rates agreed versus those in force in the market and confirmation as to whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

The Group does not make speculative investments in derivatives or any other risk assets. The determination of estimated realization values of Company's financial assets and liabilities relies on information available in the market and relevant assessment methodologies. Nevertheless, a considerable judgment was required when interpreting market data to derive the most adequate estimated realization value. Eventually, the following estimates do not necessarily indicate the amounts that can be realized in the present foreign exchange market.

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

Available for sale financial assets

The investment available for sale is in Barcas S.A. Transportes Marítimos. Such company does not have any market quotation, and its fair value is calculated in accordance with criteria and assumptions set by Group management.

Cash and Cash equivalents

The market values of the bank current account balances are consistent with book balances. The book value of short-term financial investments was calculated on market quotations.

Trade and other receivables/payables

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

Bank Overdrafts and Loans

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

Fair value of Fundo da Marinha Mercante/BNDES financing arrangements are determined in accordance with generally accepted pricing models based on discounted cash flow analysis, using the most recent interest rate negotiated with BNDES, comparable maturity.

With regards to loan arrangements with IFC, fair value was obtained using the same spread as in the most recent agreement plus Libor.

30. Related Party Transactions

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

	Current assets	Non-current assets	Current liabilities	Non-current Liabilities	Revenues	Expenses
	US$	US$	US$	US$	US$	US$
Associates:						
1. Gouvêa Vieira Advogados	-	-	-	-	-	39
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	165
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	17	1	-	-	688	5
4. Consórcio de Rebocadores Barra de Coqueiros	19	109	-	-	221	-
5. Consórcio de Rebocadores Baía de São Marcos	184	2,612	-	-	4,749	-
6. Dragaport Engenharia Ltda.	-	-	-	-	-	296
Others						
7. International Finance Corporation	-	-	1,138	10,573	-	684
Year ended 31 December 2008	220	2,722	1,138	10,573	5,658	1,189
Year ended 31 December 2007	137	2,979	8,313	21,384	7,734	3,129

	Current assets	Non-current assets	Current liabilities	Non-current Liabilities	Revenues	Expenses
	R$	R$	R$	R$	R$	R$
Associates:						
1. Gouvêa Vieira Advogados	-	-	-	-	-	91
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	386
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	40	2	-	-	1.608	12
4. Consórcio de Rebocadores Barra de Coqueiros	44	255	-	-	516	-
5. Consórcio de Rebocadores Baía de São Marcos	430	6.104	-	-	11.908	-
6. Dragaport Engenharia Ltda.	-	-	-	-	-	692
Others						
7. International Finance Corporation	-	-	2.660	24.709	-	1.599
Year ended 31 December 2008	514	6.361	2.660	24.709	13.222	2.780
Year ended 31 December 2007	244	5.278	14.725	37.880	13.699	5.542

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

2. Mr C. M. Marote is a shareholder and Director of CMMR Intermediação Comercial Limitada. Fees were paid to CMMR Intermediação Comercial Limitada for consultancy services.

3. Mr A. C. Baião is a shareholder of Allink Transportes Internacionais Limitada. Allink Transportes Internacionais Limitada is 50% owned by the Group and rents office space from the Group.

4-6. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation. The proportion of ownership interest in each joint venture is described on note 27.

31. Notes To The Cash Flow Statement

	2008	2007	2008	2007
	US$	US$	R$	R$
Profit before tax	85,592	83,962	200,028	148,721
Less: Investments revenues	822	(19,238)	1,921	(34,076)
Add: Gain on disposal of investment	(4,191)	-	(9,794)	-
Add: Finance costs and disposal of investment	14,210	7,565	33,209	13,400
Operating profit from operations	96,433	72,289	225,364	128,045
Adjustments for:				
Depreciation of property, plant and equipment	25,957	18,751	60,661	33,213
Amortization of intangible assets	299	315	699	559
Gain on disposal of property, plant and equipment	(680)	(4,819)	(1,589)	(8,536)
(Decrease) Iincrease in provisions	(4,029)	6,571	(9,415)	11,639
Operating cash flows before movements in working capital	117,980	93,107	275,720	164,920
Increase in inventories	(2,023)	(318)	(4,728)	(563)
Increase in receivables	(6,109)	(19,475)	(14,277)	(34,496)
(Decrease) increase in payables	(9,502)	24,681	(22,206)	43,717
Increase in other non-current assets	3,057	(3,313)	7,144	(5,868)
Cash generated by operations	103,403	94,682	241,653	167,711
Income taxes	(33,215)	(29,674)	(77,624)	(52,560)
Interest paid	(11,454)	(6,645)	(26,768)	(11,771)
Net cash from operating activities	**58,734**	**58,363**	**137,261**	**103,380**

32. Remuneration of Key Management Personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2008	2007	2008	2007
	US$	US$	R$	R$
Short-term employee benefits	6,391	5,368	11,744	10,383
Post-employment benefits and social charges	1,760	2,702	3,234	5,226
	8,151	**8,070**	**14,978**	**15,609**

33. Initial Public Offering Of Shares (Ipo)

On 1 June 2007, Wilson Sons Limited and its controlling shareholder, Ocean Wilsons Holdings Limited (the “Company” and the “Selling Shareholder”, respectively) concluded the Initial Public Offering consisting of a primary and secondary offering of Brazilian Depositary Receipts (the “BDRs”), representing common shares issued by the Company in accordance with the regulations of the Brazilian Securities Commission (the “CVM”) with sales made to international investors as defined by international regulations applicable to such operation.

The Initial Public Offering has been duly approved by the Company and the Selling Shareholder as per the respective corporate approvals dated on 9 April 2007.

Each BDR represents one common share issued by the Company and/or held by the Selling Shareholder. The BDRs have been issued by Banco Itaú S.A., as depositary. The Company is listed and trades its BDRs on the São Paulo Stock Exchange (the “Bovespa”) under the type Patrocinado Nível III and under the symbol “WSON11”.

The shares represented by the BDRs are deposited with The Bank of New York (Luxembourg) S.A., as custodian and have been listed for trading on the EURO MTF market, the exchange regulated market operated by the Luxembourg Stock Exchange.

Under the primary offering 11,000,000 BDRs issued by the Company have been traded under the offering price of US$11.74/BDR (R$23,77/BDR). The net proceeds from the primary offering amount to approximately US$117,951 (R$208,925).

34. Subsequent Event

On 12 January 2009 Wilson Sons Limited announced as a significant event to all of the Company’s shareholders, the purchase of the property located in the Ilha da Conceição, Niterói, on the state of Rio de Janeiro for US$7.8 million (R$18 million). This area measures 100,000 m2 approximately and has been used by the company Brasco Logística Offshore Ltda., subsidiary of Wilson Sons Limited, since May, 2002, with fixed rental payments, as a terminal in support of the oil and gas industry.

Glossary of Sector Terms

Abratec – Brazilian Association of Public-Use Container Terminals.

Bill of Ladings (BLs) – is a document issued by a carrier to a shipper, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified. The term derives from the noun "bill", a schedule of costs for services supplied or to be supplied, and from the verb "to lade" which means to load a cargo onto a ship or other form of transport.

Container Terminal (Tecon) – Terminal specialised in the handling of containers with a quayside equipped to handle container ships.

Inbound Logistics Support– logistics services related to supply management. In this segment, Wilson, Sons Logística offers bonded warehousing, planning and control of the supply operation, management of inventory of raw materials and inputs, supply to production lines, internal handling and inter-modal transport (road, sea and rail).

In-house Logistics Support– internal logistics services of handling and warehousing materials. In this segment the Company offers: warehousing at a dedicated distribution centre or at the customer's facilities, examination of the network and fiscal analysis for the positioning of inventory, accessory services such as labelling, the assembly of kits, special packaging, Picking & Packing, planning and control of shipment, handling and examining returns, and seasonal warehousing and shipment operations.

Outbound Logistics Support– logistics services for outgoing products, with physical distribution and routing of products. In this segment Wilson, Sons Logística offers distribution, distribution projects, inter-modal transport, planning and control of distribution, customer services/Call Centre, special services, management of returns, and reverse packaging logistics.

Port Modernisation Law – Law No. 8,630, in effect since 1993. Ordered the end of the state's monopoly over port operations in Brazil, created the role of the port operator, and allowed for handling of third-party cargoes at private terminals. Created the Port Authority Councils – "CAP's" and the Manpower Management Entity – "OGMO", reshaping labor relations in the sector.

PSV – English-language initials for Platform Supply Vessel: – a vessel that provides marine support services to platforms for the exploration and production of oil and gas.

Rubber-tyred Gantry (RTG) – A vehicle used for handling containers in the yard, allowing for higher and wider stacking.

Ship to Shore Cranes (STS) – A crane used for unloading and loading containers onto vessels at the quayside.

Sindamar – Shipping Agency Union of the State of São Paulo.

Syndarma – National Union of Shipping Companies.

TEU – English-language initials for Twenty-foot Equivalent Unit: the international unit of measurement for containers, equivalent to twenty feet.

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Luxembourg Stock Exchange (Bourse de Luxembourg)

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