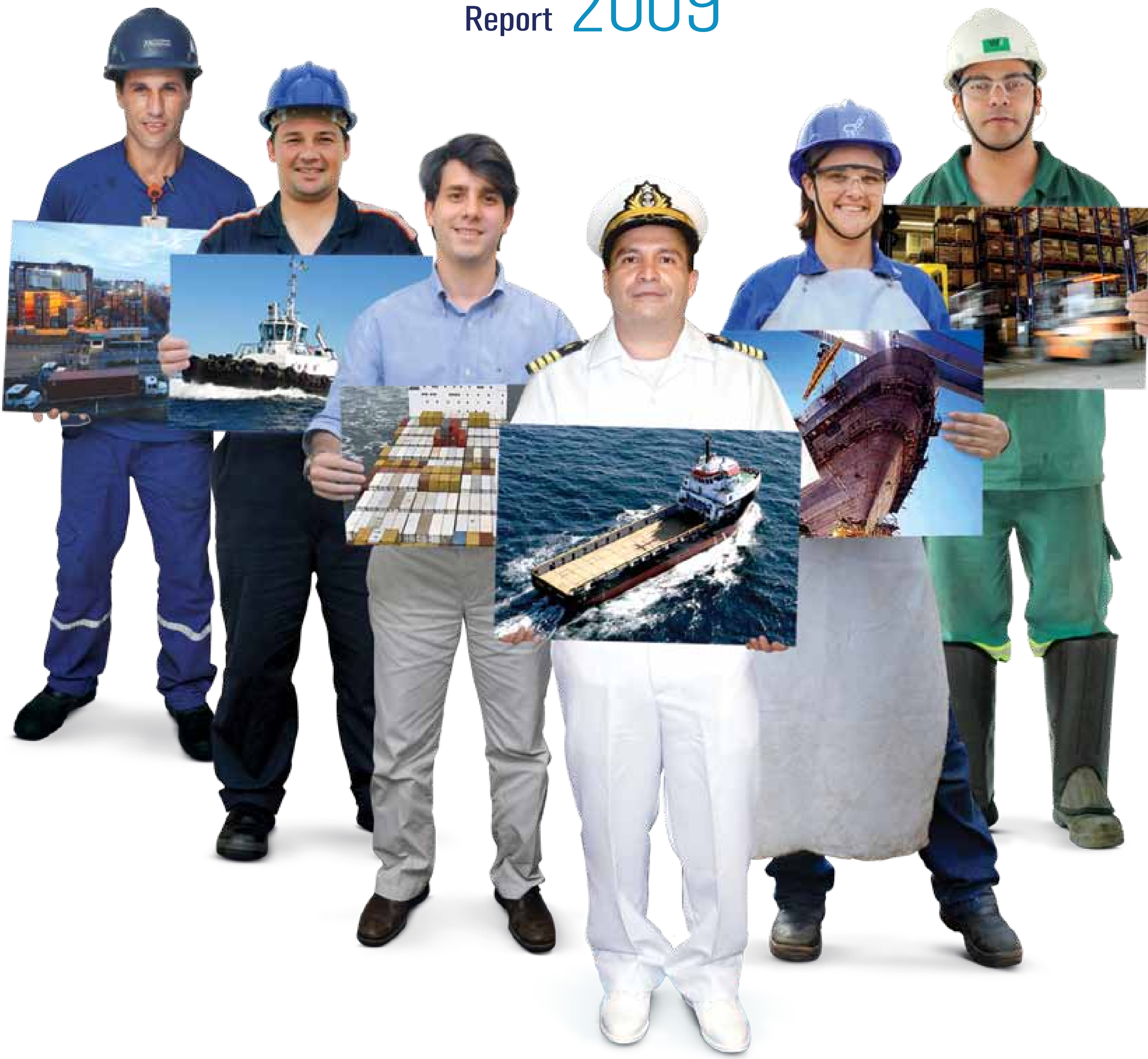
Wilson, Sons

Annual Report 2009



ABOUT THIS REPORT

Wilson, Sons' concern with the sustainability and longevity of its business is evident in every page of this report. The best example of this commitment is the recognition and the trust that the Company, that was founded 172 years ago, presently enjoys. The path that has been followed – and the one to come – is the fruit of a responsible attitude in all aspects of its business: its services, the people involved, and the innovations that are daily incorporated to each of its businesses.

Wilson, Sons, like all companies committed to the future, is in permanent evolution. This has led to the decision of revising its statements of Mission and Vision, as well as using them as a reference to the structure of this Annual Report. The cohesion of the new text with the information contained in the chapters show that the Company has not taken a new path. Instead, the revision of the Mission statement has reflected what was already a reality in the Company's development.

Wilson, Sons

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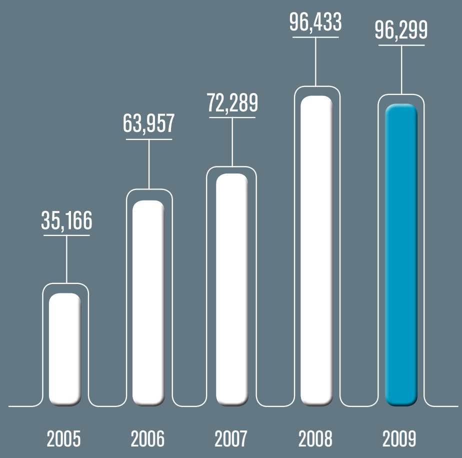
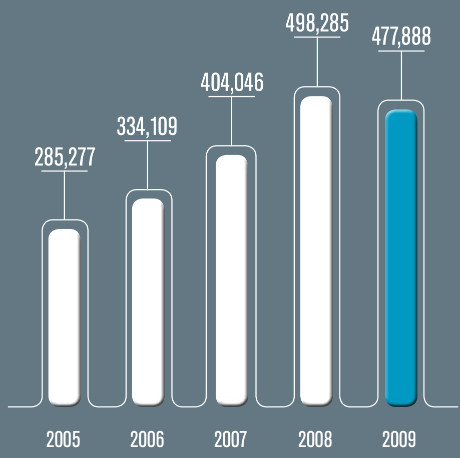
Wilson Sons Limited

Main Indicators

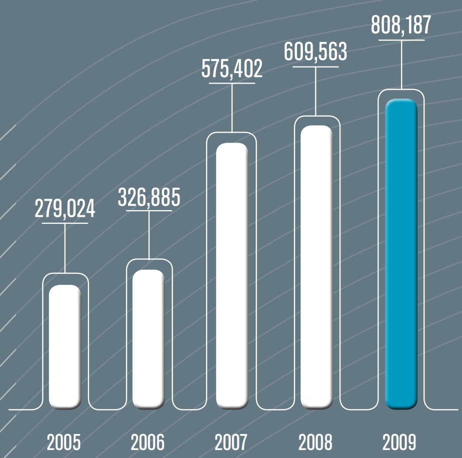
Operating Profit USD 000



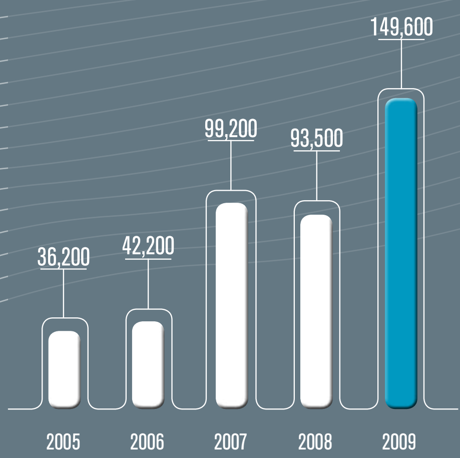
Net Revenues USD 000



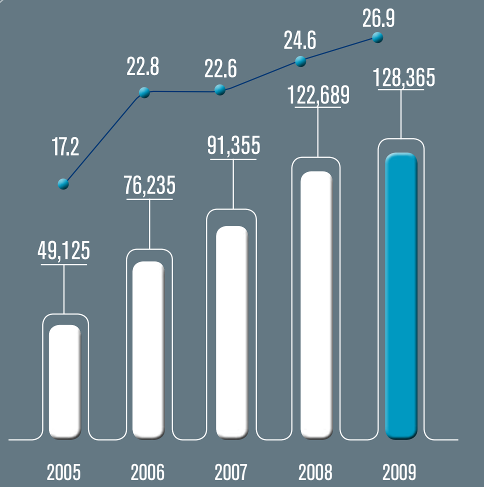
Total Assets USD 000



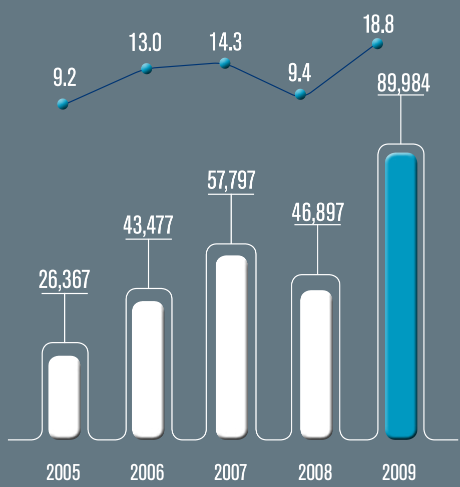
CAPEX USD 000



EBITDA (USD 000) and EBITDA Margin (%)



Net Income (USD 000) and Net Margin (%)



Performance Highlights

Consolidated Results (USD 000)	2005	2006	2007	2008	2009	Δ % 2009 X 2008
Net Revenues	285,227	334,109	404,046	498,285	477,888	(4.1%)
Personnel Expenses	(71,688)	(83,077)	(116,180)	(136,316)	(149,086)	9.4%
Depreciation & Amortisation Expenses	(13,959)	(15,100)	(19,066)	(26,256)	(32,065)	22.1%
Operating Profit	35,166	63,957	72,289	96,433	96,299	(0.1%)
EBITDA	49,125	76,235	91,355	122,689	128,365	4,6%
Net Income	26,367	43,477	57,797	46,897	89,984	91.9%
Margins (%)	2005	2006	2007	2008	2009	Δ p.p. 2009 X 2008
Operating Margin	12.3%	19.1%	17.9%	19.4%	20.2%	0.8 p.p.
EBITDA Margin	17.2%	22.8%	22.6%	24.6%	26.9%	2.3 p.p.
Net Margin	9.2%	13.0%	14.3%	9.4%	18.8%	8.4 p.p.
Financial Indicators (USD 000)	2005	2006	2007	2008	2009	Δ % 2009 X 2008
Total Assets	279,024	326,885	575,402	609,563	808,187	32.6%
Equity	105,553	145,000	321,553	332,183	423,479	27.5%
Current Assets	98,014	114,470	277,822	268,175	315,438	17.6%
Net Debt	61,794	55,564	(48,224)	5,195	78,700	1,4141.9%
Return on Equity	25.0%	30.0%	18.0%	14.1%	21.2%	7.1p.p.
Investments – CAPEX	36,200	42,200	99,200	93,500	149,600	60.0%
Market Indicators	2005	2006	2007	2008	2009	Δ % 2009 X 2008
Share Price Variation – WSON11 (%)	-	-	9.2%	(57.9%)	96.2%	154.1 p,p,
Dividends (USD 000)	8,802	8,263	8,000	16,007	16,007	0.0%
Earnings per Share (USD)	494.7c	851.4c	94.4c	65.9c	124.4c	88.8%
Number of Shares Outstanding (000)	5,012	5,012	71,144	71,144	71,144	0.0%
Market Capitalisation (USD million)	-	-	1,042.3	333.3	877.7	163.3%
Operational Indicators	2005	2006	2007	2008	2009	Δ % 2009 X 2008
Port Terminals – # of TEUs (000)	905	884	899	865	888	2.7%
Towage – # of manoeuvres	57,636	57,359	58,245	55,655	50,065	(10.0%)
Offshore – # of PSVs	2	2	3	5	7	40.0%
Logistics – # of trips	55,502	63,183	68,721	70,669	51,591	(27.0%)
Shipping Agency – # of vessel calls	5,876	6,630	5,538	5,824	6,527	12.1%
Productivity Indicators	2005	2006	2007	2008	2009	Δ % 2009 X 2008
# of Employees	3,687	3,925	3,847	4,327	4,296	(0.7%)
Net Income per Employee (USD 000)	7.2	11.1	15.0	10.8	21.0	93.4%
Assets per Employee (USD 000)	75.7	83.3	149.6	140.9	188.3	33.7%

A history of perseverance and success

TIMELINE

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 – Participation in the most ambitious projects in the period, such as the Great Western Railway of Brazil (currently part of the Federal Rail Network).

1870 – Sound business model. As well as trading in coal, the company is involved in the most profitable businesses of the time, such as trading in cotton, wool, linen and silk manufactures.

1911 – Signature of merger agreement between the Rio de Janeiro Lighterage Company Limited (John Mackenzie – trustee) and Wilson, Sons Company Limited.

1928 – Inauguration of the largest indoor warehouse in Latin America, in São Cristóvão, Rio de Janeiro.

1936 – Beginning of activities in the **towage** business, with the acquisition of the Rio de Janeiro Lighterage Company.

1964 – Name change from Rio de Janeiro Lighterage Company (a subsidiary of WS Co. Ltd.), to Companhia de Saveiros do Rio de Janeiro.

1966 – Acquisition of Camuyrano Serviços Marítimos, which doubles the size and importance of the fleet. Saveiros and Camuyrano begin to operate as associate companies.

1973 – Acquisition of **shipyard** in Guarujá, marking the beginning of shipbuilding activities.

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

1999 – Constitution of **Brasco**, an offshore logistics company, in which Wilson, Sons at present holds a 75% stake.

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

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&FBovespa Exchange, in the form of BDRs.

2009 – Closes the year with a record EBITDA of USD 128.4 million, operating in the following areas: port terminals, towage, logistics, shipping agency, offshore and shipbuilding.

Corporate Profile

Wilson, Sons is one of Brazil's largest providers of integrated maritime, port and logistics services. With a history going back more than 170 years, the Company is well prepared to provide specialised services, in an agile and safe manner, using cutting edge technology, in the segments of:

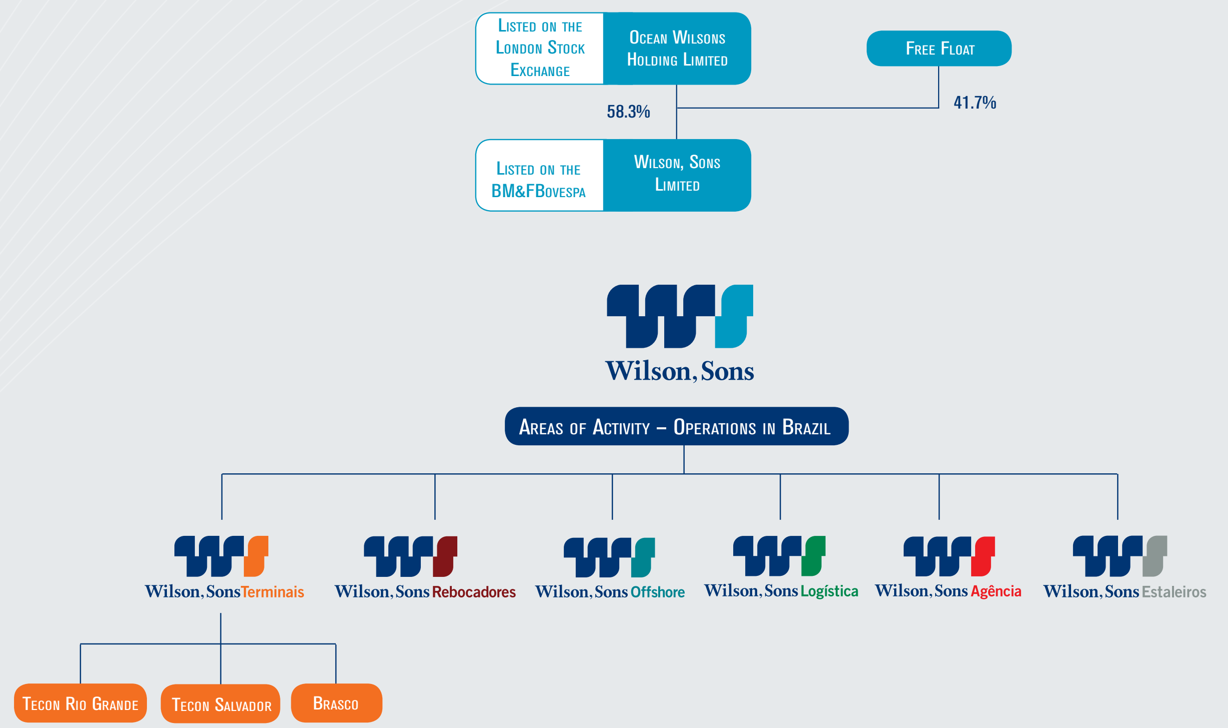
• Port Terminals • Towage • Maritime Offshore Support
• Logistics • Shipping Agency • Shipbuilding

With a presence in the main ports of Brazil, Wilson, Sons has more than 4,000 employees. Its diverse business segments, which operate in a synergistic manner, include 16 branches, 23 logistics operations, two container terminals, a shipyard, as well as facilities distributed throughout several Brazilian state capitals. Ship agencies, importers and exporters in industries such as food, pharmaceutical, petrochemical, oil and gas; and several industries of the economy such as steel and pulp & paper compose a portfolio of more than 7,000 clients, with whom the Company maintains sound and long-term relations.

Incorporated as a publicly-traded company, Wilson, Sons has its headquarters in Bermuda and shares listed on the Luxemburg Stock Exchange. The Company is controlled by Ocean Wilsons Holdings Limited, also a public company, which has been listed on the London Stock Exchange for more than one hundred years. Wilson, Sons started activities in Brazil in 1837. Brazil is also the country where the Company performs its operations, and is the location of the leading market for its securities, which have been listed on the BM&FBovespa since 2007, in the form of Brazilian Depositary Receipts (BDRs).

In 2009, Wilson, Sons' net revenue totalled US$ 477.9 million, with EBITDA of US$ 128.4 million and net income of US$ 90.0 million.

Business Structure



Business Philosophy

Mission

To develop and provide high valued added solutions which are perceived by our clients in port, maritime, and logistics activities, in a sustainable and innovative way, motivating the development of our staff.

Vision

To be the first choice of our employees, clients, and investors in port, maritime, and logistic segments, growing in a bold, synergetic, and sustainable way.

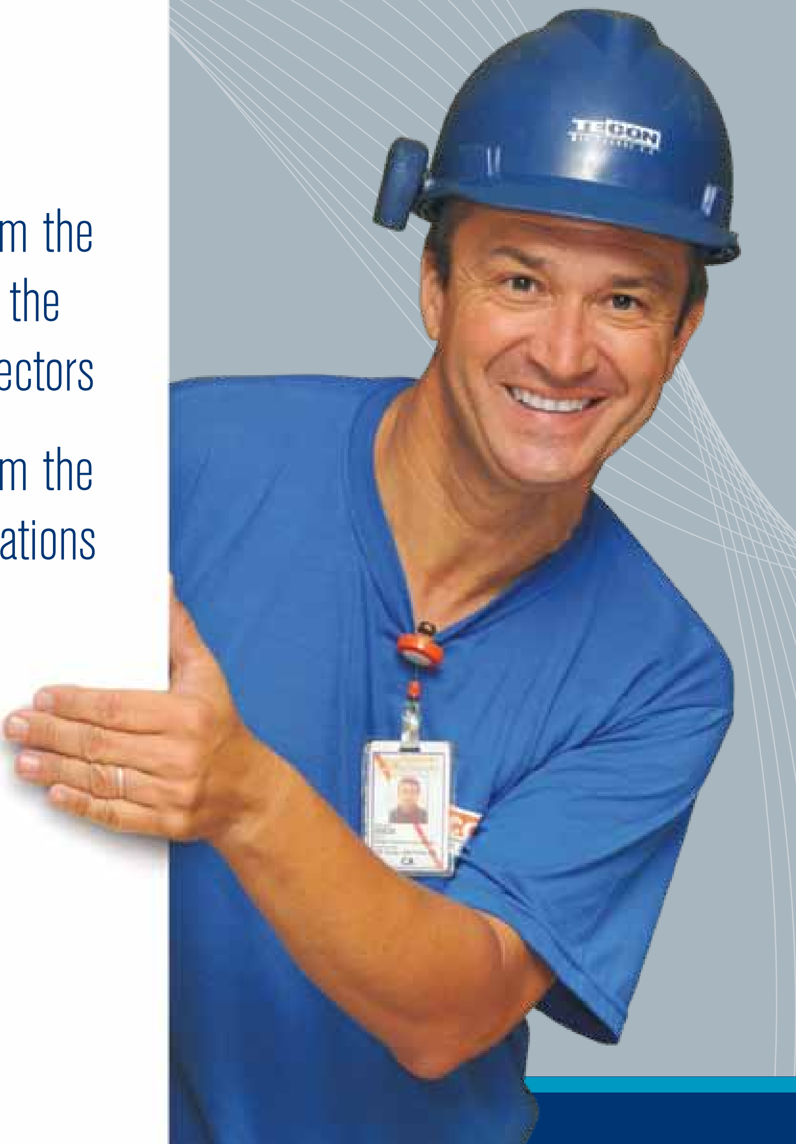
Principles

- To stimulate the career development of our employees by creating opportunities for advancement, while recognizing 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.

Night view of the yard and quay area at Tecon Salvador

TO DEVELOP AND PROVIDE HIGH VALUED ADDED SOLUTIONS...

- Message from the Chairman of the Board of Directors
- Message from the CEO of Operations in Brazil
- Corporate Governance



Sérgio Luna Bento,
employee at Tecon Rio Grande

Message from the Chairman of the Board of Directors

On the right path

During 2009, we witnessed the resilience of Wilson, Sons' business during the period of uncertainties stemming from the global economic crisis. True to its strategy, the Company not only fulfilled its commitments to shareholders but also exceeded its targets for the period.

This was possible thanks to the strength of the Company's business and the experience acquired throughout its history. We have developed a synergetic business model, offering a broad range of services, which places us as one of the largest integrated providers of port, maritime and logistics services in Brazil.

In 2009 Wilson, Sons' management quickly and efficiently adapted to the new conditions of the market. The skilful adoption of measures to readjust and to increase efficiency, allowed the Company to take advantage of opportunities that appeared on the Brazilian domestic market which suffered less from the turbulence that impacted the world economy. In hindsight, we understand that our experience as well as sound operational and financial accomplishments were the foundation for the sustainability of our business.

The preservation of adequate cash resources granted a level of safety and confidence to maintain our activities and projects. We achieved robust results that exceeded estimates, and fulfilled our investment plan, with focus on the construction of new vessels and the infrastructure to support business expansion.

We have also kept our commitment to deliver differentiated solutions, which are customized to meet our clients' needs. Their satisfaction is evident in the profile of our client portfolio. Several clients have had a relationship with Wilson, Sons for decades and employ services from a number of the Company's business segments. This trust was responsible for part of the operational growth in 2009 as new services were provided to existing clients. Such achievements are the confirmation that we are following the right path and that our long-term strategy is correct.

Our long-term approach means we continuously look towards the future, carefully review decisions, and evaluate new opportunities. As part of this evolution we decided, in 2009, to review the Company's Mission and Vision. In both of these statements, we reaffirm our emphasis on the development of our staff, client satisfaction, and our commitment to shareholders. These principles, which are also responsible for the recognition that Wilson, Sons enjoys in the market, will continue to guide all our future actions.

The Company's new Mission and Vision statements also reinforce our commitment to ethical and transparent actions. Maintaining an open, clear, and direct relationship with stakeholders is a principle aligned with the best corporate governance practices of publicly-traded companies. They are already part of the Wilson, Sons' culture.

In spite of the troubles of the global economy, Wilson, Sons closed the year on a solid footing and in condition to take full advantage of the period of economic growth that lies ahead. In 2010, the Board of Directors intends to continue guiding and monitoring the Company's activities, determining strategies, and offering the necessary support for the continuing modernisation and enhancement in the profitability of our operations.

Our objective is to strengthen the position of the Company in all its operational activities, seeking new solutions for clients, as we have done in recent decades. During 2009 for example, by being well prepared, our different business segments were able to intelligently take advantage of the new demands generated in the oil and gas industry. We will continue to be on the lookout for new opportunities and will also ensure our businesses pursue innovation in our portfolio of services. This attitude of Wilson, Sons is crucial to create value for shareholders and sustainable long-term growth.

We would like to reiterate our thanks to the management for the efficient fulfilment of the Company's strategies, to our employees for their dedication, and to our shareholders for their trust. As we end the year with such positive results, within such an adverse environment, we would like to reaffirm our commitment to stride ahead, always based on the principles that guide the Company's path.

Francisco Gros

Chairman of the Board
of Directors

Message from the CEO of Operations in Brazil

Expectations exceeded

We have reached the end of 2009 with encouraging results and all our expectations exceeded, despite the adverse macroeconomic environment, the result of the world financial crisis. The forecast slowdown in the general level of economic activity, accompanied by a substantial decrease in the foreign trade flow, did not discourage us. Instead, Wilson, Sons continued its growth trajectory, carrying out its strategy with the commitment of each of its employees.

We are therefore very pleased to present the achievements of 2009, a year during which we overcame economic difficulties to obtain very positive results. Wilson, Sons' EBITDA (earnings before interest, tax, depreciation and amortization) amounted to USD 128.4 million and net income came to USD 90.0 million. These figures represent year-over-year increase of +4.6% and +91.9%, respectively. These results, which will be thoroughly discussed throughout this Annual Report, strengthen our commitment to be a Company that is prepared to take prompt decisions, focused on sustainable growth and creation of shareholder value. The diversification of the Company`s activities allows us to seize new opportunities even in an adverse business environment.

One positive factor that contributed to the performance of Wilson, Sons in the past year was the sustainability of our operations. We remained firm in our cash management policy, guided by a process of strict investment analysis. Thanks to this management model, we faced the international crisis of market liquidity with a comfortable cash position, reiterating our commitment to long-term business.

We also proved efficient in overcoming the challenge of quickly readapting the Company to new market realities. One measure taken was a reduction in costs, by means of optimisation and modernisation of processes, through the Efficiency and Management Programme (EMP). This programme, which has already been used successfully in the area of finance, was adopted throughout the Company.

In the Offshore business, our operations were positively impacted, in particular, by the increase in services rendered in the spot market. With PSVs (platform supply vessels) built ahead of schedule, we were able to render services in the spot market, and improved short-term profitability. Another positive piece of news was the formation of a joint-venture with Magallanes Navegação Brasileira S.A., part of the Ultratug Group, headquartered in Chile. By means of this partnership, we intend to enhance our expertise in operating more sophisticated vessels. In conjunction with our partner, we intend to increase our fleet of seven vessels, with another seven vessels by 2012. The increase in operational synergies will allow Wilson, Sons to accelerate growth in services provided to the Brazilian oil and gas industry, which shows extremely promising prospects, given recent discoveries of reserves, as well as increasing government investments.

Our positive results have benefited from synergies in our business model that functions as a platform for maritime, port, and inland logistics services. This business model is driven by the oil and gas industry, international trade flow, and the Brazilian domestic economy. During the year, as international trade flows slowed, we took advantage of the better relative performance of the Brazilian economy to provide services to the expanding sectors of the domestic market. This is the case, for example, of tugboats reassigned to the oil and gas industry where we obtained significant advances throughout 2009. Still in the Towage business, it is worth highlighting the expansion and renewal of the fleet, with seven new vessels entering service. All vessels were built in our shipyard, which posted a record number of deliveries during the year.

At Wilson, Sons Terminals, the capacity expansion at Tecon Rio Grande, concluded in the last quarter of 2008, contributed positive impact during 2009. 656.4 thousand TEUs (20-foot container equivalent units) were handled, an increase of 4.8% in relation to the previous year. The result is worthy of note, considering that the overall fall in Brazilian container handling was around 15%. Our subsidiary Brasco, focused on support operations for the oil industry, acquired the property where its operational base is located in Niterói. The investment amounted to USD 7.8 million.

In the Logistics segment, there was an expansion in services provided to existing clients, as well as a change in the profile of the client portfolio. New contracts were signed with cosmetics, pharmaceutical, and petrochemicals companies. In August 2009, one of the determinants of this profile change was initiated with a new operation in the port of Itaguai, Rio de Janeiro, where the Company is responsible for loading and transporting solid bulk cargo, such as iron ore and coal.

The factors above, together with our operational excellence and consolidated market position resulting from more than 170 years of activities in Brazil, have allowed us to fulfil all our commitments during 2009. Throughout the year, we invested USD 149.6 million, focusing on business capacity expansion. For the funding of such investments, we have maintained our historical relationship with the Merchant Marine Fund (FMM).We also obtained financing for purchase of equipment by means of a contract with China's Import-Export Bank, the first undertaken by a port terminal operator in Brazil. China is the world's third largest economy and one of the largest players in world trade, both in imports and exports. Thus, a closer relationship with China is very beneficial to the businesses of Wilson, Sons.

As well as working to fulfil our commitments to our shareholders and assuring the satisfaction of our clients, we also dedicate special attention to our human capital. To promote the development and well-being of our team is one of the principles which is part of our DNA. As a service provider, we believe that the development and well-being of each of the 4,300 employees has a direct bearing on the quality of the services we provide. In 2009, an important step was taken with the acquisition of a modern simulator for training tugboat control and manoeuvres, a first for a private company in Brazil. The equipment that will be installed in 2010 at our shipyard in Guarujá is a tool to improve the performance and operational safety of vessels.

In 2010, we will continue with our strategy of sustainable growth and long term commitment reaffirmed in the Mission and Vision of Wilson, Sons. This will be achieved by means of new vessel construction, expansion of our port facilities, and consolidation of the diverse areas in which we operate. A strategic focus of the Company is the promising oil and gas market, for which we have forecast significant growth.

Our projects for 2010 also take into account the confidence we have in the Brazilian domestic economy, whose recovery rate has been higher than those of other countries. These projects include shipyard expansion, delivery of two PSVs and three tugboats, preparation for new equipment delivery at Tecon Rio Grande, as well as high value-added projects in Logistics that will provide the basis for the expansion of the business.

Capacity expansion at our Salvador terminal, which depends on approval of several government agencies, remains a big challenge for 2010. We are convinced that such an expansion will benefit the Brazilian economy, particularly the development of the region. Thus, we will persevere in seeking support from the relevant public institutions, so as to obtain the necessary permits in order to proceed with the project.

Our prospects for 2010, and for the long term, are based on know-how acquired over more than 170 years of Wilson, Sons` history, and the commitment of the professionals that form our team. To them and to our clients, members of the board and shareholders, we extend our heartfelt thanks.

Cezar Baião

CEO of Operations
in Brazil

CORPORATE GOVERNANCE

100% tag-along right, a practice required only by the "Novo Mercado", has been voluntarily adopted by Wilson, Sons

The culture of a public-traded company, geared towards respecting the rights and interests of its different stakeholders, is connected with the origin of Wilson, Sons: the Company's controlling shareholder, Ocean Wilsons Holdings Limited has been listed on the London Stock Exchange for more than a century. Transparent, ethical and professional management, seeking to create value for all of its shareholders, has been the model adopted by the Company for a long time, and its daily practices are aligned with the most modern international corporate governance guidelines.

With headquarters in Bermuda, Wilson, Sons is listed on the Luxemburg Stock Exchange. In Brazil, its shares have been traded in the BM&FBovespa since 2007, by means of share certificates of deposit, called Brazilian Depositary Receipts (BDRs). As it is a foreign Company, Wilson, Sons cannot adhere to the specific Corporate Governance Levels set by BM&FBovespa (Level 1, Level 2 and "Novo Mercado"), although it seeks to follow these governance benchmarks.

Among the practices included in the Company´s By-laws (only demanded of companies that participate in the "Novo Mercado") is 100% tag along rights (the right of minority shareholders, in the case of the sale of the controlling stake, to sell their shares at the same price and conditions as the controlling shareholder). The Company has also voluntarily adopted the Information Disclosure Policy as well as the Securities Trading Policy.

Due to its importance to management and controlling shareholders, the commitment to ethics and transparency is also reinforced in the Mission and Vision of Wilson, Sons, which were revised in 2009.

BOARD OF DIRECTORS

The Board of Directors is composed of professionals with a high level of expertise in various areas of activity and is the main decision-making agent at Wilson, Sons. The Board of Directors establishes strategic guidelines, long term investments and supervises the execution of the policies determined by the Company.

As stated in the Company's By-laws, the body must have at least five members, each with a mandate of up to three years and eligible for re-election. At present, the Board of Directors of Wilson, Sons has seven members, one of which is independent, and all with a mandate which lasts up to the next Annual Shareholders` Meeting of 2011. The Board meets once every three months or, extraordinarily, at the request of any Board member.

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. He serves as vice-chairman of the board of directors at OGX Petróleo e Gás 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.), Globex S.A. (Ponto Frio), AGCO (USA) and Wellstream (U.K.). He served as chairman of Fosfértil S.A. from 2003 to 2007. 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. 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 SEC).

José Francisco Gouvêa Vieira (vice-chairman) – 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 a 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, namely Banco PSA Finance Brasil S.A., PSA Finance S.A., Arrendamento Mercantil, Concremat – Engenharia e Tecnologia S.A., International Meal Company; and member of the advisory councils at Violy & Co., New York, Peugeot Citroen do Brasil Automóveis Ltda, Columbia Latin American Business and Law Association (CLABLA) and Lafarge Brasil S.A., and still, member of the Association of Friends of the Paço Imperial Museum in Rio de Janeiro, and of the Committee of Corporate Governance of the AMCHAM – American Chamber of Commerce – as well as being Honorary Consul of the Kingdom of Morocco in Rio de Janeiro.

Debora Gomes de Oliveira, employee at Wilson, Sons Shipping Agency

Augusto Cezar Tavares Baião (board member) – Mr. Cezar Baião graduated in Economics from the Catholic University of Rio de Janeiro (PUC/RJ). Having joined Wilson, Sons in 1994 as CFO, 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).

Felipe Gutterres (board member) – Mr. Gutterres holds a Harvard Business School diploma in General Management and an MBA COPPEAD, having graduated in Economics from the Federal University of Rio de Janeiro. He joined the Company in 1998 and currently serves as the CFO of operations in Brazil, Investor Relations Manager and member of the board of directors. From 1994 to 1998, Mr. Gutterres held executive positions at Shell Brasil S.A.

Claudio Marote (board member) – 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 at CMMR – Intermediação Comercial Ltda.

William Henry Salomon (board member) – 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 in 1995 into Rea Brothers Group, of which Mr. Salomon became Vice-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 Partners LLP, 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 (OWH), the company which holds the controlling stake in Wilson, Sons; and is a Director of Hanseatic Asset Management LBG.

Paulo Fernando Fleury (independent member) – Mr Fleury is a director of ILOS (Institute of Logistics and Supply Chain) and is a professor at Coppead – UFRJ. 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 the M.I.T., in 1986. Mr Fleury was a director at Coppead, of which he is one of the founders. He was a member of the board of directors of Transpetro, Ferronorte and Novoeste, and has ample experience as a consultant in logistics and supply chain management to several of the largest companies in Brazil.

BOARD OF EXECUTIVE OFFICERS

Responsible for direct management of the operations of Wilson, Sons, the Board of Executive Officers consists of a team of highly qualified executives, with in-depth knowledge of the fields in which the Company operates. The mission of these professionals is to carry out the strategic decisions determined by the Board of Directors, so that their expertise can add value to the Company`s businesses.

At corporate level, the Company has a Chief Executive Officer (CEO), a Chief Financial Officer (CFO), and two COO´s (Chief Operating Officers) one for Terminals and Logistics and another for Towage, Offshore, and Shipyards. Each subsidiary company also has its own specific management to conduct its businesses.

At the executive level, the Company holds a Human and Organisational Development and New Businesses areas. The areas of Information Technology, Internal Auditing and Health, Environment and Safety (HES), due to the key role they perform in the operations, are run by managers who report directly to the CEO.

Wilson, Sons' Shipyard in Guarujá (SP)

PSV Petrel

CODE OF ETHICS

Wilson, Sons has the conviction that the development of its business must be based on ethical principles to be shared and practiced by everyone who is part of the Company. The Company has a Code of Ethics that reflects the commitment to maintain a healthy relationship with all the Company's stakeholders, based on honesty and integrity.

The Code of Ethics is available in its entirety in the Company's website (www.wilsonsons.com.br) and is aimed at disseminating the values that guide all different business segments. The document formalises these principles which are based on respect for life, the environment, culture, and the legislation.

These principles are essential to the longevity of the businesses that are the aim of Wilson, Sons, and which are achieved through the rendering of services with quality, trust, efficiency, availability, and safety. Compliance with these practices is formalised by means of a document which is signed by all employees upon being hired. The Code of Ethics also entails that, in the day-to-day performance of operations, any doubts related to ethical matters should be referred to one's manager, who will consult the Ethics Committee. Such actions are designed to maintain the positive image that the Company enjoys, and is, above all, an asset for its shareholders, managers, and employees.

EXTERNAL AUDIT

Wilson, Sons' Financial Statements have been prepared since 2007 according to the IFRS (International Financial Reporting Standard), the international accounting standard which, starting in 2010, will be compulsory for all Brazilian corporations. The Company's Financial Statements have been audited by Deloitte Touche Tohmatsu.

INVESTOR RELATIONS

During 2009 Wilson, Sons participated in capital market events in Brazil and abroad, presenting its business, strategy and perspectives. The Investor Relations team also took part in 91 meetings with individuals or small groups of analysts and investors, as well as communications over the telephone, emails, and seminars, which totalled 1,151 direct communications.

Every quarter, the Investor Relations area also prepares and publishes an earnings release, explaining the performance during the period, and organises teleconferences followed by webcasts (access to audio and slides), during which executives comment on the results and are available to answer questions from participants.

Using as a communication channel the Company's website (www.wilsonsons.com.br/ri in Portuguese, and www.wilsonsons.com/ir in English), which allows investors access to the Company's financial information, and allows the public to register to receive news alerts, market communications and other relevant information concerning Wilson, Sons.

Tugboat Andromeda

...HIGH VALUED ADDED SOLUTIONS, WHICH ARE PERCEIVED BY OUR CLIENTS...

- Strategic Management
- Management's Discussion and Analysis (MD&A)
- Equity Markets

Paulo Gutardo, employee at Wilson, Sons Towage

STRATEGIC MANAGEMENT

The search for new opportunities aligned to Company's strategy reflects our commitment to the future

Wilson, Sons' strategic management is engaged in the search for continuous, long-term and sustainable growth in volume and services offered by business segments of the Company, maintaining focus on the Companies' core competencies. The Company's six business segments – Port Terminals, Towage, Offshore, Logistics, Shipping Agency and Shipbuilding – work in synergy to offer a complete portfolio of port and maritime logistics solutions to clients.

Wilson, Sons' modern and efficient business model focuses on in-depth understanding of the clients' businesses, seeking to anticipate their needs and provide innovative and high quality solutions, which add value to the clients' businesses at a reasonable cost. Management excellence, which results from the experience and know-how accumulated over more than 170 years of history, contributes to strengthen the Company's relations with its client base that numbers over 7,000. No client represents more than 15% of Wilson, Sons' revenues.

Focusing on the commitment to long term growth, Wilson, Sons' business model also involves strategies that aim at enhancing operational efficiency, and the constant search for new business opportunities. The creation of the Oil and Gas Administration, in October 2009, illustrates this approach. The new area has a strategic function aimed at leveraging projects to all business segments of Wilson, Sons.

Another initiative focused on operational improvement was the study made for an investment in a new Enterprise Resource Planning (ERP) system. This technology will be implemented in 2010. It will help optimize, standardize and improve transparency, tracking and auditing of information, as well as generating real-time data that may improve flexibility in management and profitability in each business segment.

CAPITAL EXPENDITURES

In spite of the adverse economic environment, our investment plan for 2009 was fulfilled in its entirety. Always based on minimising risks, the Company achieved its investment plan of approximately USD 149.6 million, primarily allocated to the construction of new vessels and expansion of business capacity. The amount invested was 59.9% higher than in the previous year.

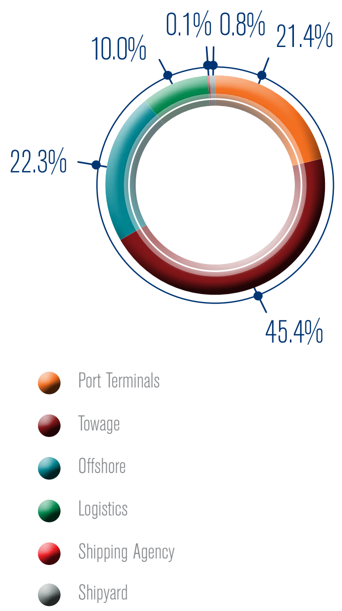
Capital expenditure increased, with investments earmarked for the expansion and renewal of the Towage fleet, expansion of the Offshore fleet of PSVs and acquisition of equipment for the Logistics segment, which will allow for the Company to expand its activities and to improve the profitability of its operations. With newer vessels employing cutting edge technologies, the Company gains in productivity, operational capacity, and competitiveness. The relevant investments include the amount of USD 7.8 million used to acquire the facilities where Brasco Logística Offshore Ltda. has its operational base. Located on Conceição Island, Niteroi, Rio de Janeiro , the area of approximately 100,000 m^2 previously leased by the Company's subsidiary is used as a support terminal for the oil and gas industry. The acquisition of these facilities strengthens the Company's position in this segment, which shows promising prospects for the years to come.

Another highlight was the acquisition of a modern simulator to train crew in tugboat operation and manoeuvres. The equipment, from the Dutch Naval Engineering Institute will be installed at the shipyard in Guarujá in 2010. Wilson, Sons is the first private company in Brazil to acquire a simulator of this nature, whose main function is to improve safety and performance in the Company's operations.

RISK MANAGEMENT

Wilson, Sons' management model entails procedures to mitigate operational and financial risks that are inherent to its operations, aimed at ensuring the fulfillment of the strategic plan. Given the particularities of each of the Company's business segments, risk management is undertaken independently by each business unit. Each area has its own risk evaluation project, developed according to its related activities, with its own characteristics and procedures.

CAPEX 2009 – USD 149.6 million



Jefferson Furlaneto,
employee at Wilson, Sons Shipyards

These projects are aligned with the Company's policies and have a common platform, represented by integrated risk management corporate software. The risks are monitored by the managers of each business unit. After registering and training users throughout 2009, this software has already been in use at Tecon Salvador and at the shipyard in Guarujá. In 2010, other business areas in the Group are expected to adopt it.

The corporate software represents an important step towards monitoring security of information. Its use, in each business area of Wilson, Sons, is centrally controlled by the Corporate Audit area. This area is responsible for mapping, identifying, evaluating and classifying different risks that are intrinsic to the market in maritime, port and logistics services, as well as producing reports with recommendations, and ensuring the business areas are complying with the management guidelines, so as to maintain continuity in the risk evaluation and control cycle. In a holistic way, Corporate Audit actions are all based on the methodology proposed by the Enterprise Risk Management (ERM), adopted by the Committee of Sponsoring Organisations (COSO), an international organisation dedicated to the establishment and dissemination of better business practices.

Concerning risk control, in 2009 the Company also created two new departments related to finance, internal controls and financial risks, the latter being subordinated to the structured Finance department.

The goal of the Internal Controls group is to standardise and assure compliance with the administrative procedures throughout all the Company´s businesses.

The main focus of the Financial Risk group is to map, discuss and suggest measures to mitigate the Company's financial risk. This area will intensify its activities in 2010.

OPERATIONAL RISKS

- **Risks of Operational Accidents**

A variety of operational risks are inherent to the daily operations of Wilson, Sons. In order to mitigate them, the Company invests in measures that involve the continuous quest for improvement in safety procedures and personnel training.

An example is the existence of Risk Management Committees in Tecon Rio and Tecon Salvador. The committees` objectives are to establish procedures to prevent and minimize the risk of accidents in the terminals, with focus on the areas of health, safety and environment at work, as well as training and lectures for employees.

Another relevant accident prevention measure was the acquisition, in 2009, of a modern training simulator for tugboat crews, as described in page 27.

The fact that the Company has its own shipyard – with total control over the building and maintenance of the vessels in its fleet – also contributes to mitigate the risks of operational accidents.

FINANCIAL RISKS

- **Credit Risk**

The Company has had a long-term relationship with around 7,000 clients. It is a diversified base, from different economic segments and industries, with no client accounting for more than 15% of the Company's revenues. A contributing factor to diversification and mitigation of credit risk is the fact that the client portfolio is formed by solid companies, with renowned reputation in their fields of activities.

Crew on the deck of the Tugboat Cepheus

- **Currency Exchange Risk**

  Wilson, Sons is exposed to foreign exchange risk through its involvement in international trade and through its USD-denominated debt. On the other hand, the Company maintains part of its revenues denominated in USD as a means to create a natural hedge to its debt servicing costs.

- **Investments Risk**

  Investment policy involves detailed analyses prior to approval of projects and resources. To approve investments, among other variables, the Company takes into account its market knowledge, economic scenarios and forecast results. Capital expenditure requires a matched funding prior to approval.

- **Insurance**

  Wilson, Sons maintains an insurance portfolio aimed to prevent and protect against the risks inherent to the running of its operations, in particular, taking into account clients' assets, plant and equipment, and the continuation of the Company's operations. The policies, such as Civil Liability Insurance for Port Operators, Vehicles, Property, Hull Insurance and Builder Risks, are taken out with leading insurers and renewed periodically.

ENVIRONMENTAL RISKS

The risk of sea pollution is present in the operation of our vessels. Wilson, Sons is committed to procedures to mitigate the environmental impact caused by its operations and has a contract with a company specialising in cleaning and controlling spillages at sea, whose teams are on call in nine locations along the Brazilian coastline. In the case of accident in any segment of the Company's business, professionals are prepared to eliminate or minimize any eventual negative impact.

Another initiative aimed at minimizing environmental impact is linked to the technology used in shipbuilding. The vessels used in the Offshore segment are equipped with diesel-electric propulsion, which has cut polluting gas emissions, due to higher fuel efficiency.

HEALTH AND SAFETY-RELATED RISKS

• Accident Risks

The Company has accident prevention procedures in all its business areas. Present practices include risk management committees in the container terminals of Salvador and Rio Grande; health and safety training programmes at Wilson, Sons Towage and continuous health monitoring of the crew at Wilson, Sons Offshore. At the subsidiary company Brasco, which is a benchmark in terms of safety and environmental record, a safety procedure called 'stop card' allows for any of the Company's, or outsourced staff, to interrupt any operation in the case of detecting a potential risk situation.

HEALTH, SAFETY AND THE ENVIRONMENT (HSE)

One of Wilson, Sons' management priorities is to provide and maintain a healthy and safe work environment, to prevent accidents, illnesses or any harm to employee health or the environment. In order to aggregate all actions related to health, safety, and the environment performed by the various Company's business segments, a corporate administration was created in 2008. This HSE Corporate Administration reports directly to the CEO due to its strategic importance.

In-house logistic operation: steel products

The HSE Corporate Administration is formed by a dedicated team of five professionals who work in partnership with 70 other professionals in the different business units dealing directly with operations. In 2009, the environmental policies of different segments were unified in a single document, supported by a group of guidelines aligned with the corporate principles. These policies were intensively disseminated to all employees during the course of the year. The dissemination campaign for the HES Corporate Policy included placards, intranet actions, lectures, and training, which directly involved more than half of all Wilson, Sons` personnel.

Medical and occupational health activities are also being standardised. Services such as pre-hiring and periodical medical testing, as well as assessment of work environment risks will, as of 2010, be performed by a single partner company that covers all the localities where Wilson, Sons is present. This will allow for consolidation of the Group's data, better knowledge of employee health profile, and case management, as well as decision making on prevention and elimination of critical risks.

In November 2009, a project for the promotion of health and well-being of employees was implemented on an experimental basis, for one of Wilson, Sons tugboats. The objective of the pilot project is to research the evolution of health and well-being of the crew on board, with evaluation and advice provided by a multi-functional team that includes a physician, physiotherapist, fitness coach, nutritionist and psychologist. The programme is extended to the families of staff, so that good habits such as healthy eating and physical exercise are maintained when the crew is on land. The Company's expectation is that, if successful, the project may be expanded to include other vessels.

In Tecon Salvador, Bahia, the unit completed implementation of a waste management programme, which had been started in 2008. The programme includes classification, inventory, segregation, allocation, and recycling of solid waste. The next step being considered is expanding this programme to Tecon Rio Grande (Rio Grande do Sul) and to Santo André Dry Port (São Paulo).

Amongst other initiatives worthy of note for 2009, are the restructuring of the Internal Commission for Prevention of Accidents (CIPAs) and the consolidation of environmental, as well as health and safety statistics compilation. Such numbers will serve as parameters for HSE actions in the future.

INTANGIBLE ASSETS

Wilson, Sons has acquired a solid reputation during more than 170 years of operations in Brazil. This intangible asset adds value to the Company's business. The intangible asset is fruit of the know-how and processes acquired throughout its long history. Decades of experience and accumulation of techniques constitute knowledge of great value, spread and perpetuated within the Company by means of internal training programmes that promote transfer and exchange of information.

Wilson, Sons' close and long-term relationship with its client base also constitutes an intangible asset of great value. The profile of its client portfolio is evidence of the trust given to the Company. Many clients use the services of different business units and have been partners of the Company for decades. The reason is that the Company is dedicated to offering diversified, quality solutions that add value to the clients' business.

Other important intangible assets include the Company's concern with environment, as well as its pioneering spirit: in order to cut fuel consumption and emissions, the Company has adopted diesel-electric propulsion systems in all the vessels used in the Offshore segment. Wilson, Sons was the first towage company operating in Brazil to use azimuth propulsion on its tugboats, ensuring better manoeuvrability and safety; it was the first private container terminal operator and its shipyard was the first to receive a shipbuilding quality certification in Brazil. The Company was also the first in Brazil to own a modern simulator for training crew in vessel control and manoeuvres. This equipment will start operating in 2010.

Along with its good management practices already mentioned throughout this Annual Report, such aspects reiterate Wilson, Sons' position in the Brazilian market as one the best providers of maritime, port and logistic services to the oil and gas industries, international trade and domestic economy. This is an important value added to the Company, which although it cannot be reflected in its balance sheet, represents one of Wilson, Sons' most important assets.

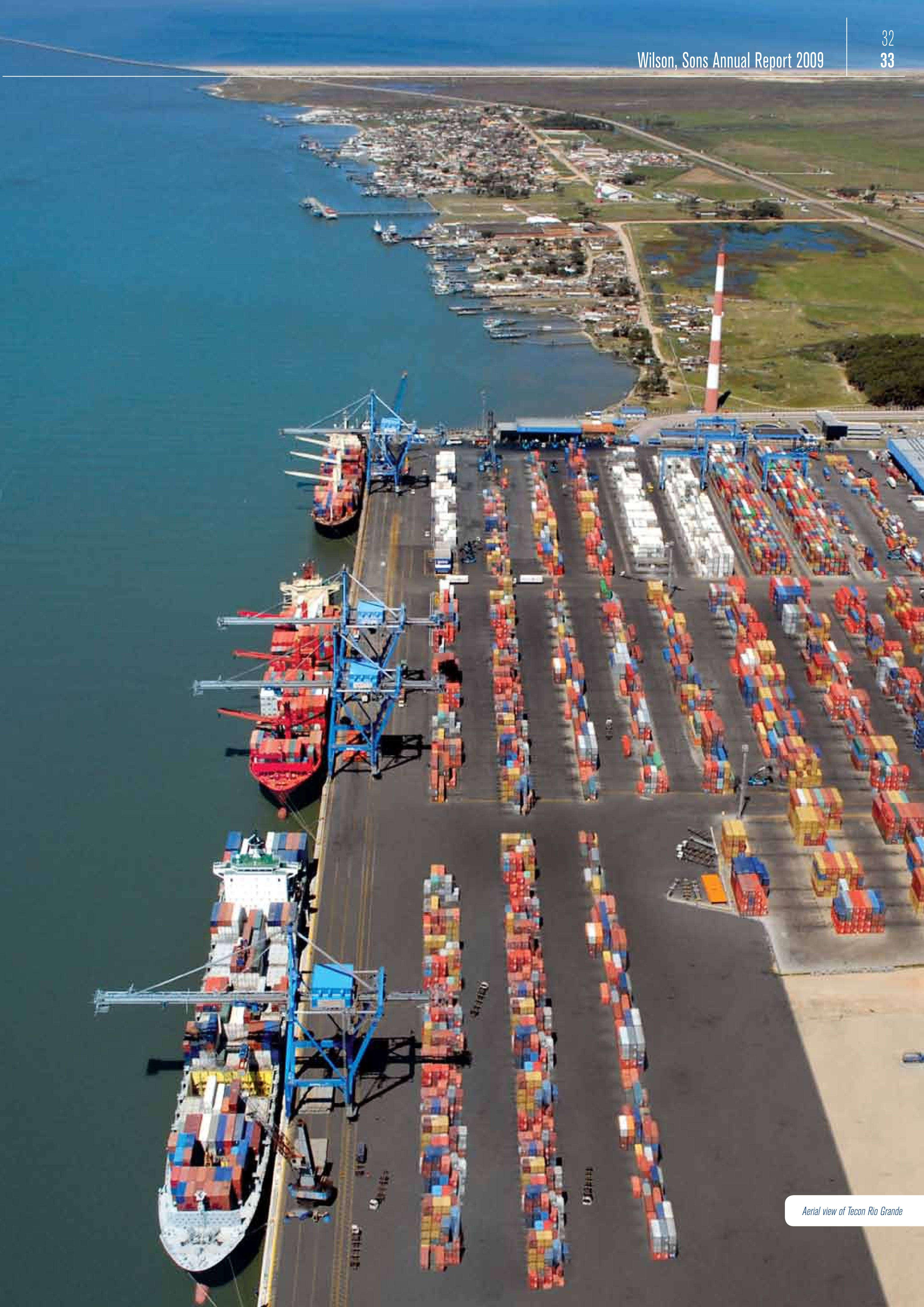
CERTIFICATIONS

All segments of Wilson, Sons hold ISO 9001 certification, which establishes requirements for the Quality Management System (QMS). Certified companies are required to supply products and services that conform to the laws and regulations applicable to their business. As well as the ISO 9001, the Company also holds certifications that are specific to its business units.

In the Logistics segment, 5 units hold the Sasha (Evaluation System for Safety, Health, Environment and Quality) certification, whose objective is to mitigate the risk of accidents in transporting and distributing chemical substances.

The subsidiary company Brasco holds ISO 14001 certification, a tool designed to help companies to identify and manage environmental risk as part of the normal cycle of management. Three units have taken measures to introduce Environmental Management Systems: Tecon Salvador (Bahia), Brasco and Offshore. Their processes of certification are now reaching their final phase. In 2010, the same system will be put in place by Wilson, Sons Logistics.

Wilson, Sons Offshore has been certified with the ISM Code, that is part of the International Convention for the Safety of Life at Sea (SOLAS), adopted by the International Maritime Organisation (IMO) in 1993. The main objective is to specify standards for the management and operation of ships, with the objective of assuring the safe operation of the vessels.



Aerial view of Tecon Rio Grande

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

An efficient cash management system allowed Wilson, Sons to weather comfortably the international crisis

ECONOMIC BACKGROUND

The year 2009 showed two distinct economic phases. As the year started, the Brazilian economy was in recession. The industrial sector was one of the most affected, particularly companies exposed to foreign markets and those related to consumer durables which are more vulnerable to oscillations in credit supply. Throughout the year, the government adopted fiscal and credit measures that mitigated the negative effects of the crisis, which started to give way to the second phase, characterised by a gradual recovery in the ensuing quarters. In the second quarter GDP registered a quarter-over-quarter growth of 1.1%. For the whole of 2009, GDP was practically stable, contracting 0.2%. This contrasts with average annual growth rate of 4.8% between 2004 and 2008. In spite of the slight fall, the Brazilian GDP outperformed those of developed countries and other large emerging countries, such as Russia, South Africa and Mexico. The US economy, the largest in the world, contracted by 2.4%, whereas the EU and its largest economies registered average GDP falls of 4.2%. In Japan, the drop in GDP was even steeper, at 5%.

The dynamics of the global economy is gradually shifting towards emerging countries. The big question is whether China, India, and other countries can pick up the slack caused by the reduction in the US (which represents 30% of the world total) and European consumption, to assure continuity of world growth. But it is unlikely that this compensation will happen immediately, since the consumption of China and other countries would have to advance significantly to offset the downturn in the US economy.

The upturn of the Brazilian economy in relation to most other countries' is worthy of note. The speed of the recovery was surprising; Brazil was one of the first countries to overcome the effects of the crisis. In general, the performance of the Brazilian economic indicators in 2009 were positive. The level of international reserves was preserved, ending the year at USD 239.1 billion, representing a year-over-year increase of 15.6%.

The appreciation of the Real diminished the competitiveness of exports. This contributed to a fall in global economic activity, and affected negatively the performance of the Brazilian trade balance. In 2009, for the first time since 2002, there was a contraction in the annual trade flow. Brazilian exports amounted to USD 152.9 billion in 2009, 22.7% lower than in 2008 (USD 197.9 billion). The fall in exports, the steepest since records began in 1950, was due to lower prices as well as lower volumes.

Imports, on the other hand, amounted to USD 127.7 billion, down 26.3% from 2008. The 2009 fall in Brazilian imports followed the trend seen in many other countries. As was the case with exports, imports were affected by lower prices and volumes, in all categories of goods. Although the appreciation of the Real stimulated imports, the decline in industrial activity and investments, seen mostly in the beginning of the year, caused the fall in trade flows. The annual trade balance totalled USD 25.3 billion, up 2.2% over 2008 (USD 24.7 billion).

With the drop in international demand, the recovery of the Brazilian economy was reliant on the strength of domestic consumption driven by 4 main factors: (i) income redistribution promoted by the federal government; (ii) tax cuts, (iii) recovery in the labour market and wages; (iv) recovery in credit supply. One factor that helped the positive impact of income redistribution and wage increase on consumption was the drop in the IPCA inflation index.

The fall in the inflation rates throughout 2009 helped the recovery of the credit market by allowing the Selic rate (basic interest rate) to be cut from 13.75% p.a. in January to 8.75% p.a. in July. However, the pace of recovery in the consumer and corporate credit markets was uneven: while consumer credit expanded significantly, corporate credit had not fully recovered by the end of the year.

	2005	2006	2007	2008	2009
Selic rate – annualised[1]	18.00%	13.25%	11.25%	13.75%	8.75%
Forex rate (R$ x US$)[1]	2.34	2.14	1.77	2.34	1.74
USD appreciation vs. Real[2]	-12.27%	-8.52%	-17.00%	31.87%	-25.42%
IPCA[2]	5.69%	3.14%	4.46%	5.43%	4.31%

1. End of period
2. Accumulated in the period

In general, Brazil's solid macroeconomic situation, coupled with the government monetary and fiscal *stimuli*, have decisively contributed to attenuate the crisis of demand and therefore the negative impact on the overall economy.

Although consumption held up relatively well, the same cannot be said about the level of investments. After a steep fall, private investments gradually began to pick up in the second quarter, but only showed more consistent growth from the third quarter. This trend is evident in the gross volume of capital expenditures, which fell by 11% in the first quarter, and increased by 2% and 6.5% in the second and third quarters, respectively.

The more consistent economic recovery that started in the third quarter 2009 is expected to extend into 2010. The factors that lead to expectations for this trend are: (i) increasing use of industrial capacity; (ii) reduction in loan servicing costs and expanding credit supply; (iii) recovery in entrepreneurs' confidence, leading to increasing investments.

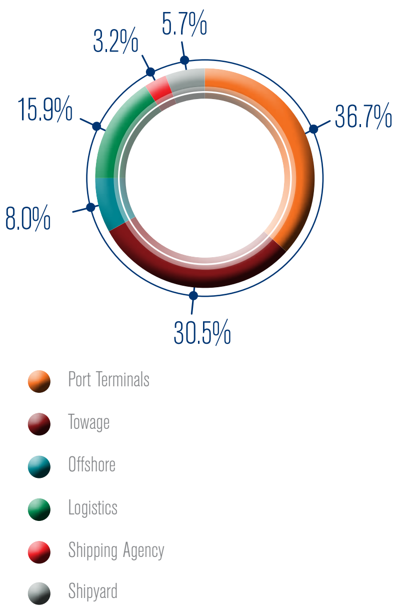
The level of investment is a fundamental condition for growth in industrial production and for sustaining an expansion of 5% in the Brazilian economy in 2010 (in line with average market estimates). As the economic recovery in most countries is likely to be slower than in Brazil, this will affect the recovery in Brazilian exports. Imports are likely to grow at a faster pace due to the appreciation of the Real and the rate of economic growth expected for 2010. In spite of this scenario, foreign trade is forecast to underperform the overall economy, whose growth should continue to be led by the positive performance of the Brazilian market.

WILSON, SONS FINANCIAL PERFORMANCE

The Company's financial statements are presented according to IFRS rules. The decision to adopt the IFRS format in 2004 is consistent with the reporting requirements of the controlling shareholder, a publicly-traded company with shares listed on the London Stock Exchange. From 2010 onwards, the IFRS rules that Wilson, Sons adopted 6 years ago will be required of publicly-listed companies by the Brazilian legislation, aligning Brazilian and international accounting standards.

View of the slipway at Wilson, Sons' shipyard in Guarujá (SP)

Net Revenue 2009 US$ 477.9 million



The comments that follow include information on 2009 operating and financial results for each of the Company's business segments. All information is presented in US Dollars, except where stated otherwise.

Wilson, Sons operational and financial performance is directly influenced by three main factors: (i) performance of Brazilian international trade; (ii) dynamics of the Brazilian oil and gas industry, and (iii) the pace of growth in the Brazilian economy. In 2009, the positive results achieved by the Company primarily result from the fact that Wilson, Sons' business model does not rely on a single factor or a singl market.

The booming demand in the oil and gas industry had very favourable repercussions for the Offshore segment, which led to higher revenues at Brasco, an increase in the PSV fleet, as well as increased demand for vessels operating in the more profitable spot market.

2009 results also benefitted from an increase in higher margin, towage special operations, an increase in warehousing activity in port terminals and logistics operations, as well as cost reduction initiatives to generate productivity gains. 2009 results suffered from the negative effects of the uncertainties in international trade, overall falls in Brazilian imports and exports, and by the downturn in economic activity, particularly in the first half of the year.

PORT TERMINALS

Wilson, Sons Port Terminals segment includes the operations of the Rio Grande and Salvador container terminals as well as Brasco, the subsidiary company that specialises in maritime support to offshore operations. The volume of operations at Wilson, Sons' port terminals increased by 2.7% during the year, to 888,300 TEUs handled. The positive result was due mainly to the performance of Tecon Rio Grande, Wilson, Sons' largest terminal, with growth of 4.8% in TEUs handled year-over-year. Net revenues for the segment reached USD 175.4 million, a growth of 2.9% in relation to 2008. This was due to the increase in TEUs handled, as well as the benefit of Brasco's remarkable performance.

At Tecon Rio Grande, a 60% increase in capacity from October 2008 as a result of investments made had a positive effect on results. During 2009 the Terminal benefitted from efficiency gains of the increased capacity. Another factor that contributed to good performance in spite of the adverse economic environment was the diversity of cargo handled at the terminal, especially on long-haul operations. Cargo handled at the terminal included tobacco, frozen chicken, and polyethylene resin. Contrary to the growth in long-haul and other operations (removals, transhipments, and inland navigation) cabotage volumes fell, due to a smaller rice crop in the state of Rio Grande do Sul, which accounts for a significant part of this Terminal's business.

Tecon Salvador registered growth of 2.7% in total cabotage operations although handled fewer empty containers. Lower empty container volumes were due mainly to the appreciation of the Real *vis-à-vis* the US dollar, which led to an increase in the number of imported full containers. The total volume handled at this terminal fell by 1.7%, a very positive result considering the negative effects of the global economic crisis on international trade flows, as well as the present capacity limitations of this Terminal.

PORT TERMINALS Total Volume (TEUs '000)	2005	2006	2007	2008	2009
Long haul	620.2	623.2	650.6	627.5	639.0
Cabotage	123.5	102.0	113.1	120.4	112.7
Others*	161.2	158.6	135.8	117.2	136.6
TOTAL	904.9	883.8	899.5	865.1	888.3

*removals, transhipments and inland navigation

In 2009, Brasco's net revenue increased by 78.3%, benefiting from the operations in the oil and gas industry, which is less affected by the short and medium term cycles of the economy. Not having felt the contraction in international trade flows, Brasco also benefitted from increased spot market business, as well as the increased number of clients and contracts. EBITDA margin reached 33.6, an increase of 16 percentage points over the previous year, due to higher profitability of spot contracts and lower expenses arising from the acquisition, in January 2009, of its previously leased base in Niterói, Rio de Janeiro.

Considering the segment as a whole, EBITDA was down 8.1% to USD 58.3 million with margin of 33.2%, falling 4.0 percentage points in relation to 2008. The drop in EBITDA and EBITDA margin was caused by a lower level of economic activity that had a negative influence on the international cargo business; a decline in the rendering of higher value-added services (warehousing and auxiliary services); and the fact that 2008 EBITDA – used as the base for comparison – had been positively influenced by non-recurring fiscal credits.

TOWAGE

In 2009, net revenues of the towage segment came to USD 145.7 million, a slight fall (0.9%) in relation to the previous year. The effects from the global economic crisis were felt on the ship transportation business and, consequently, on harbour manoeuvres which fell by 10.0% in the year, to 50,100.Despite this the segment succeeded in increasing profitability through special operations and cost cutting. Special operations represented 14.3% of total revenues in 2009, a gain of 5.2 percentage points in relation to 2008.

The increase in higher value added operations was also due to growth of the Company's fleet, after the delivery of seven new tugboats from the Company's shipyard. With a larger and more modern fleet, the towage segment was better prepared to face the market contraction and competition.

2009 EBITDA increased by 12.5% over 2008 to USD 61.3 million. It is worth mentioning that 2008 EBITDA had benefitted from non-recurring fiscal credits. EBITDA margin was 42.1% over net revenues, a 5.0 percentage-point increase over 2008's. This business segment is Wilson, Sons' second largest in terms of share of net revenues, but it is the largest profit generator, contributing with 47.8% to the Company's consolidated EBITDA.

OFFSHORE

The Offshore segment maintained its positive performance throughout 2009, led by fleet expansion and favourable conditions in the oil and gas market. In the fourth quarter, there were 7 PSVs in operation compared with 5 at the end of 2008. Of these, three were allocated to long-term contracts. The other four were used in spot market operations; of these, two are leased from Magallanes Navegação Brasileira S.A, part of the Chilean group Ultratug, in advance of the completion of Wilson, Sons UltraTug Offshore joint venture.

The Offshore segment continued to grow strongly. After registering year-over-year growth of 101.3% in 2008, net revenues increased by a further 76.9% in 2009, to USD 38.1 million. Performance benefited from the early delivery of two vessels, built in the Company's shipyard, which were then used in more profitable spot market operations. With a larger fleet, the number of days in operation increased by 50.5%, to 2,045 days. EBITDA in the period was USD 19.2 million, a growth of 48.9% over 2008. EBITDA margin was 50.3%, 9.5 percentage points below 2008, affected by higher maintenance and labour costs after the start of operations of the 2 new vessels.

Fabiola Escarlatte de Freitas,
employee at Wilson, Sons Logistics

LOGISTICS

In operational terms, the logistics segment succeeded in overcoming the drop in economic activity that was felt throughout 2009, a consequence of the global economic crisis. This was a confirmation that management changes implemented in 2008 were successful, and helped maintain the increase in operating profit generation in 2009. Highlights for the year included new projects, especially in the steel industry; expanded services to existing clients; and increased business at clients' operations led by a recovery in the Brazilian economic activity.

Net revenues in 2009 were USD 75.8 million, a fall of 15.1% in relation to the previous year. This was due to the fact that new projects developed during 2009 were not sufficient to compensate for other contracts terminated during the year. The segment closed the year with 23 operations, versus 25 in the previous year. On the other hand, due to the increased focus on higher value-added in-house operations, EBITDA was 6.5% higher at USD 7.1 million, with an EBITDA margin of 9.3%, representing a year-over-year increase of 1.9 percentage points. This performance was due to the high profitability of new contracts.

SHIPPING AGENCY

Wilson, Sons' increased focus on supplying a range of services and solutions to the oil and gas industry has now extended to shipping agency, and is helping to mitigate the effects of the economic crisis. Nevertheless, Shipping Agency was still the business most affected by the adverse economic conditions throughout the year. This had a negative impact on international trade, and, consequently, over ship movements in Brazilian waters. In line with the general performance of the economy, the segment's activities started to pick up in the second half of 2009, but not enough to compensate for the falls seen in the first half.

The number of calls increased 12.1% in 2009 overcoming the lower volumes seen in the first half. However, the number of bills of landing (BL) issued and the number of containers controlled fell by 29.7% and 31.1%, respectively, in relation to 2008.

In 2009, net revenues were USD 15.2 million, a fall of 13.6% in relation to the previous year. The cost cutting programme, aimed at optimising the segment's structure and the business profitability, was maintained throughout the year. Operating cash generation as measured by EBITDA was USD 2.3 million, down 29.3% over 2008, and EBITDA margin was 15.3%.

NON-SEGMENTED ACTIVITIES

This area includes services provided to third parties by the Wilson, Sons shipyard, as well as the Company's administration costs, which serve all the other segments. At present, the shipyard is building 9 ships, all in different stages of completion, 4 PSV's and 5 tugboats. Net revenue, which refers exclusively to the shipyard's activities, was USD 27.6 million, compared to USD 52.2 million in 2008. In 2009, shipbuilding activities were directed to the expansion of the Company's own fleet, which means that they are excluded from the groups consolidated results. The opposite occurred in 2008 when shipbuilding was directed at third parties. Administration costs remained flat in Real terms, however, were hit by the variation of the US dollar. 2009 EBITDA was negative at USD 19.8 million, compared with a negative USD 18.0 million in 2008.

WILSON, SONS LIMITED – CONSOLIDATED

OPERATING PERFORMANCE

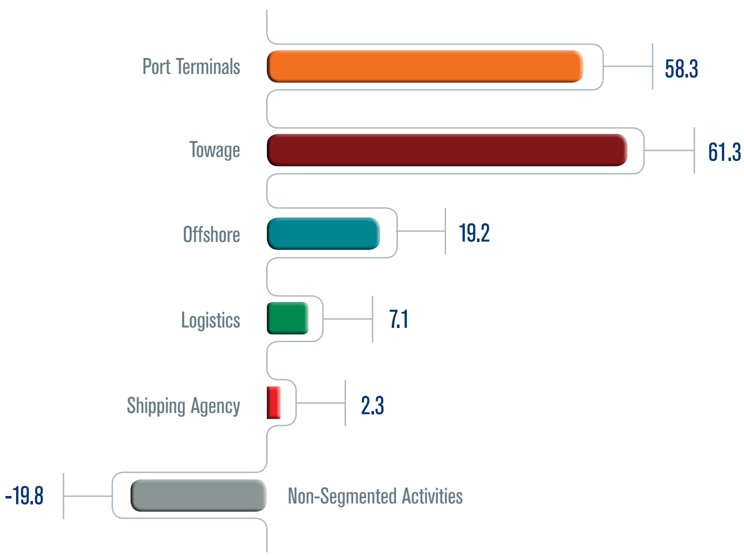
By focussing on high value added activities and expanding the range of services to the oil and gas industry, Wilson, Sons was able to increase operating cash flow and profit margins in 2009. Highlights were: the performance of the Towage and Offshore business segments, primarily due to a higher number of special operations, and improved operating cash flow at Port Terminals, the largest segment of the Company by revenue. The investments that have been made to increase the fleet size and in capacity expansion of the Rio Grande Terminal also contributed to the positive performance.

Pile of containers at Tecon Rio Grande

The results for the year were also influenced by: (i) Increased performance of special operations in the towage segment, which increased margins; (ii) strong growth in the offshore segment, mainly due to the spot market use of the vessels delivered ahead of schedule; (iii) better Brasco results; (iv) improved profitability of logistics operations; (v) stricter cost control in all segments, including Administration; (vi) appreciation of the Real in relation to the US Dollar; (vii) higher volume of operations at port terminals. Even though, performance during the period was, as expected impaired by the slowdown in the economy, since the negative effects of the global crisis have been evident since the second half of 2008.

Wilson, Sons 2009 consolidated net revenues totalled USD 477.9 million, 4.1% lower than in 2008, although the results of 2008 included the revenues in the amount of USD 48.9 million from the sale of vessels to third parties.

EBITDA 2009 US$ 128.4 million



Operating profit was practically stable, falling 0.1% to USD 96.3 million in 2009, however, with a 0.8 percentage point increase in operating margin, which went up to 20.2%. Raw materials expenses fell by 42.7% to USD 49.6 million, due to lower fuel costs, and the drop in the number of vessels constructed to third parties. This reduction allowed for the operating profit to remain flat in spite of the fall in revenues. This performance also contributed to offset: the 9.4% increase (USD 12.8 million) in personnel expenses, which primarily resulted from the increase in phantom stock options (USD 10.9 million); the appreciation of the Real in relation to the US Dollar; and an increase of USD 5.8 million or 22.1%, in depreciation and amortization expenses.

Consolidated EBITDA was USD 128.4 million in 2009, up 4.6% over 2008 (USD 122.7 million). EBITDA margin was 26.9%, an increase of 2.2 percentage points in relation to the previous year.

FINANCIAL PERFORMANCE

The company registered a net financial income of USD 24.8 million, versus a net financial expense of USD 15.0 million in 2008, due to the positive operating result and the gains from currency variation. Financial income was USD 34.3 million in 2009, compared with an expense of USD 0.8 million in 2008. This increase was mostly due to the positive effect of the appreciation on the Real-denominated assets on being translated into US Dollars. At the same time, financial expenses fell by 32.8%, from USD 14.2 million in 2008 to USD 9.6 million in 2009.

Tugboat Auriga leaves for yet another operation

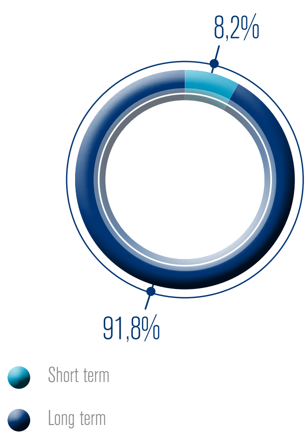
NET INCOME

Net income for the period was USD 90.0 million, an increase of 91.9% over 2008, due to the positive operational performance and higher profitability, in spite of the challenging economic backdrop. Another positive contributor was the accounting effect of the appreciation of the Real during the year. The margin increased to 18.8% from 9.4%, an increase of 9.4 percentage points.

CAPITAL EXPENDITURES

The total amount invested in 2009 was USD 149.6 million, an increase of 53.9% in relation to 2008 (USD 93.5 million). Main investments were in expanding the tugboats and PSV fleet, with USD 67.9 million invested in tugboats and USD 33.3 million in PSVs. USD 32.0 million was invested in Port Terminals (mostly equipment purchases), and USD 14.9 million in equipment for new Logistics contracts.

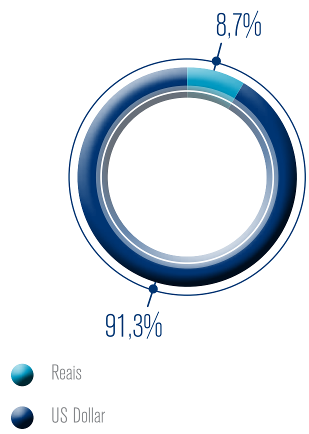
Gross Debt US$ 268.0 million at Dec-31-2009 By term



DEBT

At the end of 2009, gross debt was USD 268.0 million, an increase of USD 78.5 million over the debt at year-end 2008. Total financing from the BNDES, including that in which it is acting as agent to the Merchant Marine Fund (FMM), reached USD 235.7 million at the end of 2009, an increase of 47.5% in relation to the end of 2008. The FMM financing was directed for building tugboats and PSVs (USD 230.5 million) and other BNDES financing was directed to equipment for logistics operations (USD 5.1 million). Leasing operations increased by USD 8.3 million due to the acquisition of Logistics equipment.

Gross Debt US$ 268,0 million at Dec-31-2009 By currency

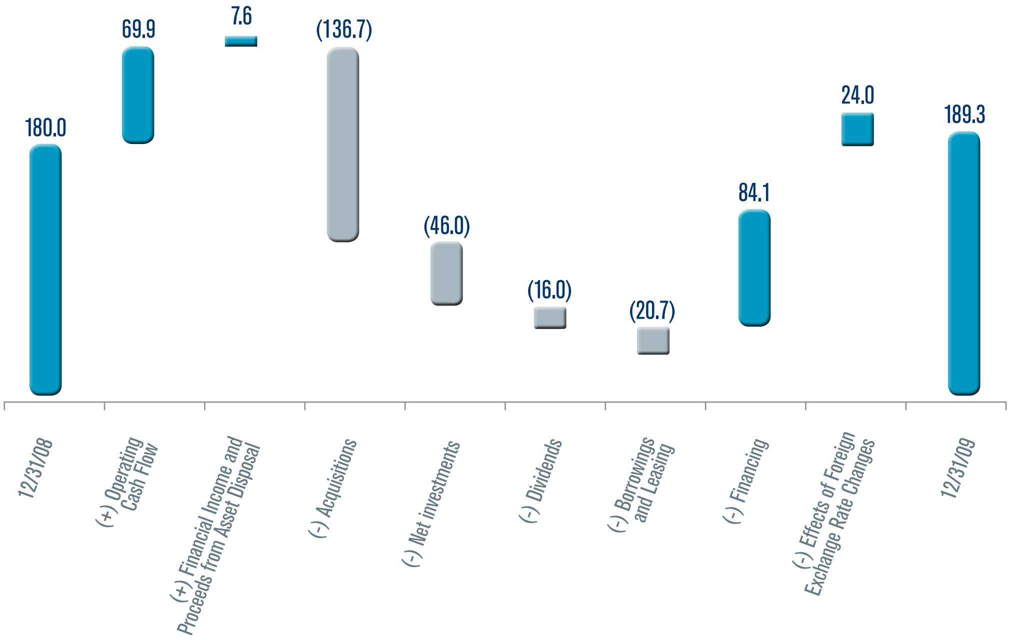


Debt profile is mostly long-term (91.8%) and most of it is USD-denominated (91.3%).

The Company has low leverage due to its cash management profile. Net of USD 189.3 million in cash and equivalents, net debt at the end of 2009 was USD 78.7 million, representing 61.3% of EBITDA.

CASH FLOW

At the end of 2009 Wilson, Sons' cash position was USD 189.3 million, USD 9.3 million above 2008. Sources of cash throughout the year were USD 69.9 million from operations, USD 84.1 million from financing and USD 6.9 million from financial income. Another positive contribution was the appreciation of the Company's Real-denominated assets. Main uses of cash were: investments in fleet expansion, both for tugboats and PSVs; acquisition of equipment for Logistics and Port Terminals; repayment of debt; and payment of interest and leasing. In 2009, Wilson, Sons also paid USD 16.0 million in dividends to shareholders.



EQUITY MARKETS

In 2009, Wilson, Sons' BDRs outperformed the Ibovespa index

SHAREHOLDER STRUCTURE

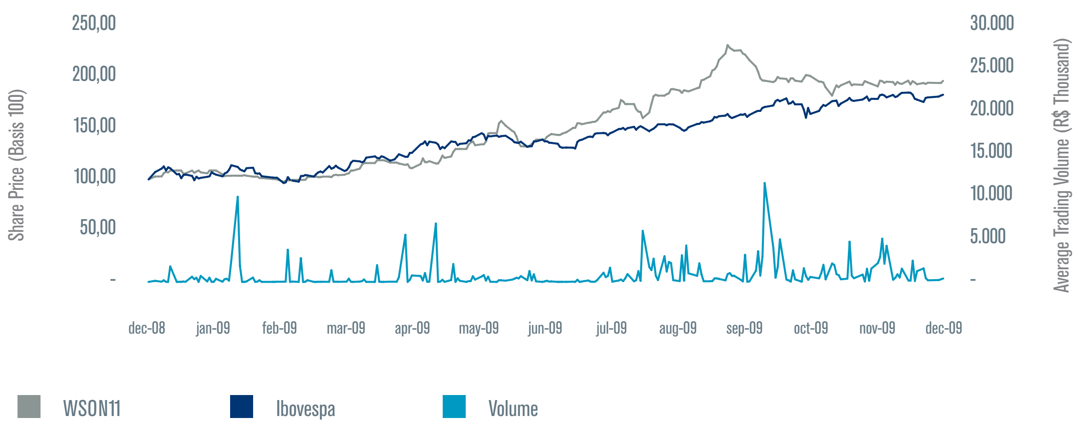
Wilson, Sons is a public-traded company with shares listed on the Luxemburg Stock Exchange and with BDRs (Brazilian Depositary Receipt) traded in the BM&FBovespa. Its total share capital consists of 71.1 million common shares.

Shareholders	Number of shares	% of capital
Ocean Wilsons Holdings Limited	41,444,000	58.3%
Free float	29,700,000	41.7%
Total	71,144,000	100%

PERFORMANCE

At the start of 2009, financial instability was coming to an end and a turnaround was beginning in the global capital markets. The Brazilian market reached its lowest point in the last quarter of 2008, and its economy was one of the first in the world to pull out of recession, in the 2nd quarter of 2009. The recovery in capital markets was helped by the return of foreign investors. In 2009, foreign investment in Brazilian shares totalled R$ 49.7 billion, with R$ 29.0 billion directed to public offerings. The remaining R$ 20.6 billion was invested in the secondary market in the BM&FBovespa Exchange.

Stock Performance



According to the Exchange, R$ 1.3 trillion was traded during 2009, a fall of 5% in relation to the previous year. The number of trades reached a record: more than 81.75 million transactions, or a 34% increase over 2008. Average daily transactions numbered 332,349, compared to a 2008 average of 245,071.

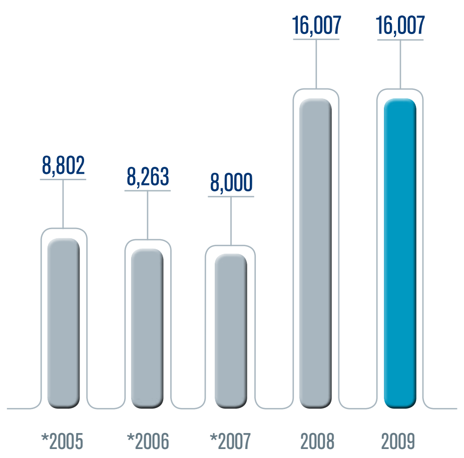
At year-end, the market capitalisation of the 385 companies listed on the BM&FBovespa was R$ 2.33 trillion. This represents an increase of 70% over market value at the end of 2008 (R$ 1.37 trillion) when there were 393 listed companies.

Wilson, Sons' BRDs (Brazilian Depositary Receipts), traded on the BM&FBovespa under the code 'WSON11' outperformed the Ibovespa (the main index of the São Paulo Stock Exchange – BM&FBovespa). In 2009 the BDR price increased by 96.2% while the Ibovespa increased by 82.7%. In the period, 11,449,000 BDRs traded in 5,291 transactions, representing a financial volume of R$ 196.3 million. Wilson, Sons' market capitalisation at the end of 2009 was USD 877.7 million.

RETURN TO SHAREHOLDERS

The Annual Shareholders' Meeting of the May 4th, 2009 approved the payment of a 2009 dividend of US$ 0.225 per share, equivalent to R$ 0.46060250 at the day's PTAX exchange rate. The distribution had a total value of USD 16,007,400.00 or 34% of the net income for the period. Dividends were paid to shareholders on the May 12th, 2009.

Dividends (USD 000)



* Pre IPO

Solid bulk cargo handling at an in-house logistics operation

...IN PORT, MARITIME AND LOGISTICS ACTIVITIES...

- Operational Market Environments
- Operational Performance
  - *Port Terminals*
  - *Towage*
  - *Offshore*
  - *Logistics*
  - *Shipping Agency*
  - *Shipyards*

Válter Gomes de Oliveira Filho,
employee at Wilson, Sons Logistics

OPERATIONS

One of the keys to the success of Wilson, Sons is the synergy between its business units

BUSINESS SEGMENTATION

Wilson, Sons is one of Brazil`s largest providers of integrated maritime, port and logistics services. Its operations comprise six business segments: Port Terminals, Towage, Offshore, Logistics, Shipping Agency and Shipbuilding.

Wilson, Sons Terminais

Wilson, Sons Terminals: the main services provided by this segment are: loading and unloading of deep-sea and cabotage vessels, as well as warehousing for import and export cargo. Prior to the enactment of the Port modernisation Law of 1993, the Company already operated public terminals. Wilson, Sons operates two of the most important container terminals in Brazil, located in the ports of Rio Grande (Rio Grande do Sul) and Salvador (Bahia), under a 25-year concession, renewable for the same period, granted by the Port Authority, in 1997 and 2000, respectively. Through its subsidiary Brasco, located in Conceição Island, in the city of Niterói (Rio de Janeiro), the Company also operates the second largest port terminal providing support services to offshore platforms. Besides receiving and warehousing supplies, the Company also supplies inputs such as food and water. It also operates a Waste Collection Centre responsible for processing waste from the oil and gas platforms, for clients and third parties. Brasco is a benchmark company in terms of safety and environmental record, thanks to its internal procedures, and health, environment and safety policies.

Wilson, Sons Rebocadores

Wilson, Sons Towage: offers support services for manoeuvres such as berthing and un-berthing ships in ports. At the end of 2009, the segment had 71 tugboats, of which 37 were equipped with azimuth thrusters, forming the largest tugboat fleet in Latin America. It also offers special services such as support to salvage operations that can involve fire fighting and refloating vessels, as well as port and ocean towage and support to offloading operations.

Wilson, Sons Offshore: with seven PSVs at the end of 2009, it offers maritime support to oil and gas exploration and production platforms. The Company's PSVs transport equipment, drilling mud, pipes, cement and food, amongst other materials used by clients in the oil and gas industry; the PSVs bring back to land the waste generated on the platforms.

Wilson, Sons Logistics: provides logistics services to large companies, offering integrated and customized solutions along the whole supply chain. It holds a Dry Port located in the municipality of Santo André, São Paulo State, and is involved in all stages of corporate logistics, which include warehousing, distribution and multimodal transportation (maritime, rail, and road).

Wilson, Sons Shipping Agency: the oldest independent shipping agency in Brazil, Wilson, Sons Agency acts on behalf of the ship-owners, rendering commercial representation services in the main ports of Brazil. Its operations include equipment logistics, handling boarding documentation, and operational support during stopovers in Brazilian ports. Routine services include container control, contracting port services and handling expenses and payments to suppliers.

Wilson, Sons Shipyards: located in the city of Guarujá (São Paulo), where state-of-the-art vessels are built, mostly for own use, but also for third parties. The shipyard is equiped to build small and medium-sized vessels, and specialises in the construction of tugboats and PSVs. The unit is also responsible for maintenance on most of the Company's tugboats and PSVs.

Elisa Cardoso, employee at Tecon Rio Grande

Port Terminals

The acquisition of Brasco's headquarters is part of the expansion plan that has doubled capacity of the Niteroi base in the past two years.

WILSON, SONS TERMINALS

Wilson, Sons Terminals closed the year with excellent results and handled 888,300 TEUs, in spite of the economic crisis and the drop in exports that affected the Country's main port container terminals.

Net revenue of USD 175.4 million, 2.9% higher than in the previous year, benefited from the conclusion of the expansion plan of Tecon Rio Grande in the third quarter of 2008, when capacity increased by 60%. New contracts signed by Brasco with oil and gas industry clients also contributed to the positive results.

TECON RIO GRANDE

The terminal is located 420 kilometres from the city of Porto Alegre, Rio Grande do Sul and handles 99.4% of all container cargo going through the port of Rio Grande. The Company has operated this terminal since 1997, when it won, in public bidding, the 25-year renewable concession to operate the terminal.

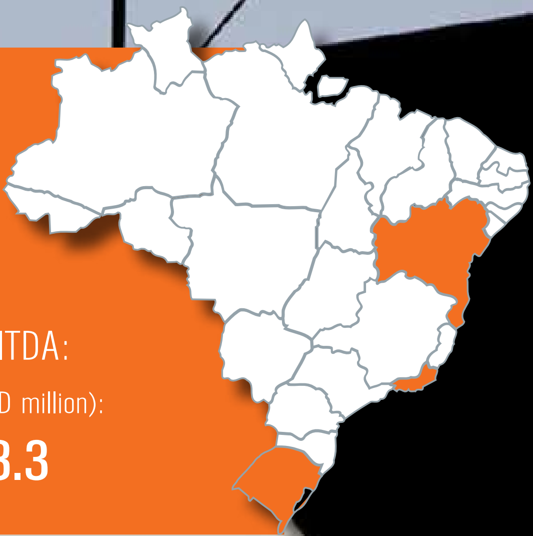
In 2009, a total of 998 ships berthed at Tecon Rio Grande, resulting in a total handling of 656.4 thousand TEUs (20-foot container equivalent unit). Tobacco exports, frozen chicken and resins accounted for more than 50% of total handling.

The volume represents a 4.8% increase year-over-year, a consequence of the port expansion, which was due to be completed in 2012 but was actually concluded in October 2008. Thus, 2009 was the first year to reflect the result of 12 months' operation of the expanded port. With a longer docking berth, 850 metres long, and 12.5 metres' draft, the Terminal increased its capacity by 60% to 1.13 million TEUs. It is now one of the few ports on the Brazilian coast with structure to receive several large vessels at a time, with 6,100 TEUs capacity.

Number of
TEUs handled:
888.3 thousand

Net Revenues
(USD million):
175.4

EBITDA:
(USD million):
58.3



Port operation at a berth in Tecon Rio Grande (RS)

TECON SALVADOR

Inaugurated in 2000, also leased for a 25-year renewable period, Tecon Salvador has a total of 74,000 m^2 of yard area, a quay area with two berths of 210 and 240 metres, and an additional area of 100,000 m^2 outside the port, for empty container storage. The location, within the urban perimeter of the city of Salvador, Bahia, favours the handling of vessels that operate in leading international trade routes such as Europe, the United States, and the Middle East.

In 2009, this terminal handled 231.9 thousand TEUs, a fall of only 1.7% in relation to the previous year, in spite of the world economic crisis, which impacted significantly most container terminals in Brazil. Another adverse factor was the decision of ship owners to use larger ships on the South American routes. This affected the movement in Salvador due to the operational restrictions of the terminal. The types of cargo most handled in this terminal were chemical and petrochemical products, pulp and paper, and rubber.

The expansion plan, which will enable the handling of higher volumes, is still awaiting the necessary permits to be issued by government institutions.

Yard at Tecon Salvador

Aerial view of Brasco

BRASCO

Created in 1999, Brasco is a subsidiary providing integrated logistic services to the oil and gas industry. The Company has support bases in the cities of Niterói, Quaxindiba (Rio de Janeiro) and São Luís (Maranhão) and is seeking a location for a new base in Vitória (Espírito Santo).

In 2009, the Company acquired the facilities that housed its headquarters on Conceição Island in Niterói. The investment of USD 7.8 million is part of an expansion plan that has doubled the operational capacity of the base in the past two years. During this period, a new berthing quay and a 1,500 square metre warehouse have been built, as well as a new administration building, and a new storage yard. Funds were also invested in modernising the materials management systems, berthing plan, operational control, as well as upgrading the client relations processes.

The investments had a positive effect on Brasco's 2009 results. Led by the booming demand in the oil and gas The subsidiary company won new contracts and clients and its revenues in the spot market increased.

Towage

Renewal, modernisation and growth: Wilson, Sons' tugboat fleet has increased to 71 with the arrival of seven new vessels, helping it to maintain absolute leadership in towage services in Brazil.

WILSON, SONS TOWAGE

In 2009 Wilson, Sons' tugboat fleet continued to grow, with seven new tugboats, all built at the Guarujá shipyard. As the year closed, the segment had 71 tugboats strategically distributed along the Brazilian coastline and was the absolute leader in port and ocean towage in Brazil.

The new tugboats are a proof of the Company's commitment to fleet renewal. Owning a shipyard is a major competitive advantage for the Company, allowing more agility, economy, quality and safety in building and maintaining vessels.

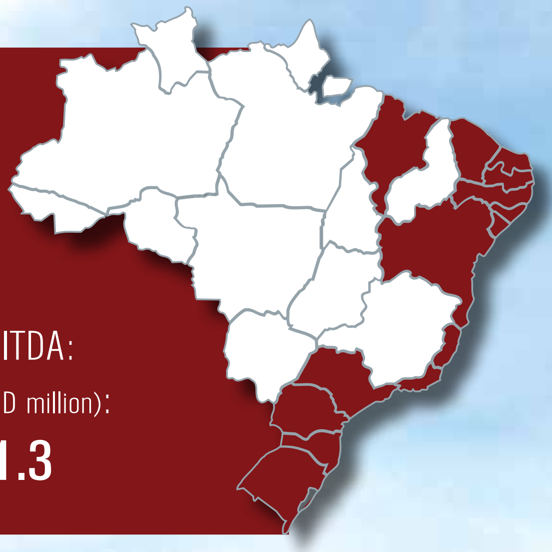
All the tugboats delivered in 2009 are more compact, especially designed for operations in ports and terminals. Around 50% of the fleet is equipped with azimuth thrusters, which allow the vessels exceptional manoeuvrability and improve safety for clients. The Company also seeks to employ best practice in the area of environmental issues. For instance, its most modern tugboats use diesel electronic engines, which provide a significant reduction in pollutant gas emissions. Thus,exceeding the requirements of the local environmental legislation, as well as complying with the stricter environmental rules of the International Maritime Organisation (IMO).

In 2009, another important achievement for Wilson, Sons Towage was the acquisition of a training simulator from the Dutch Naval Engineering Institute, the first of its kind to be used by a private company in Brazil. From 2010, the simulator will be used to train and improve performance of tugboat and PSV crews, ensuring a higher level of operational safety.

Number of manoeuvres:
50,065

Net Revenues (USD million):
145.7

EBITDA: (USD million):
61.3



Tugboats Auriga and Cepheus

Tugboats in Santos Basin (SP)

Added to the experience of the Company, which has provided towage services in Brazil for more than 100 years, the quality and size of the tugboat fleet and long-term relationships with clients have contributed to the resilience of its results. In 2009, net revenues for the segment were USD 145.7 million, a fall of 0.9% in the year. In spite of the increased competition and the international economic crisis that impacted Brazilian trade, costs were cut and new opportunities seized. Despite the drop in the number of port towage manoeuvres – by 10% in 2009 – tugboats were reallocated to special operations and to the oil and gas industry, which did not suffer the oscillations that hit international trade in the period.

To remain as a choice provider of towage services in Brazil and to keep absolute leadership in this market, Wilson, Sons Towage will continue expanding and renewing the fleet, with the delivery of 13 state-of-the-art tugboats by 2013. Financing from the Merchant Marine Fund (FMM) has already been approved.

Tugboat crew

Offshore

Wilson, Sons' newest and one of its most promising segments, with a fleet of seven vessels at the end of 2009.

WILSON, SONS OFFSHORE

Due to recent reserve discoveries and increasing government investment in the oil and gas industry, Offshore support, which started operations in 2003, has become one of the most promising segments of Wilson, Sons. The segment can trace its origins to the Fleet Renewal Programme, sponsored by Petrobras to encourage shipbuilding in Brazilian shipyards and participation of Brazilian vessels in the offshore market. At present, there are 250 vessels working offshore Brazil, of which 50% fly the Brazilian flag.

At the end of 2009, Wilson, Sons Offshore fleet had seven platform supply vessels (PSVs). The vessels operate under long-term contracts as well as spot contracts; the latter helped increase profitability for the segment in 2009. Net revenues of the segment in 2009 were USD 38.1 million. The result reflects a higher number of days in operation and better pricing in the mix of contracts.

Another positive development for the Offshore segment was the signature, in October 2009, of a joint venture with Magallanes Navegação Brasileira S.A, part of the Ultratug group, headquartered in Chile. With in-depth experience of offshore operations in South America, the company will benefit from Wilson, Sons' experience in operating more sophisticated vessels. The consolidation of operations in Brazil will bring immediate economies of scale and better conditions for seizing opportunities in the Brazilian oil and gas industry.

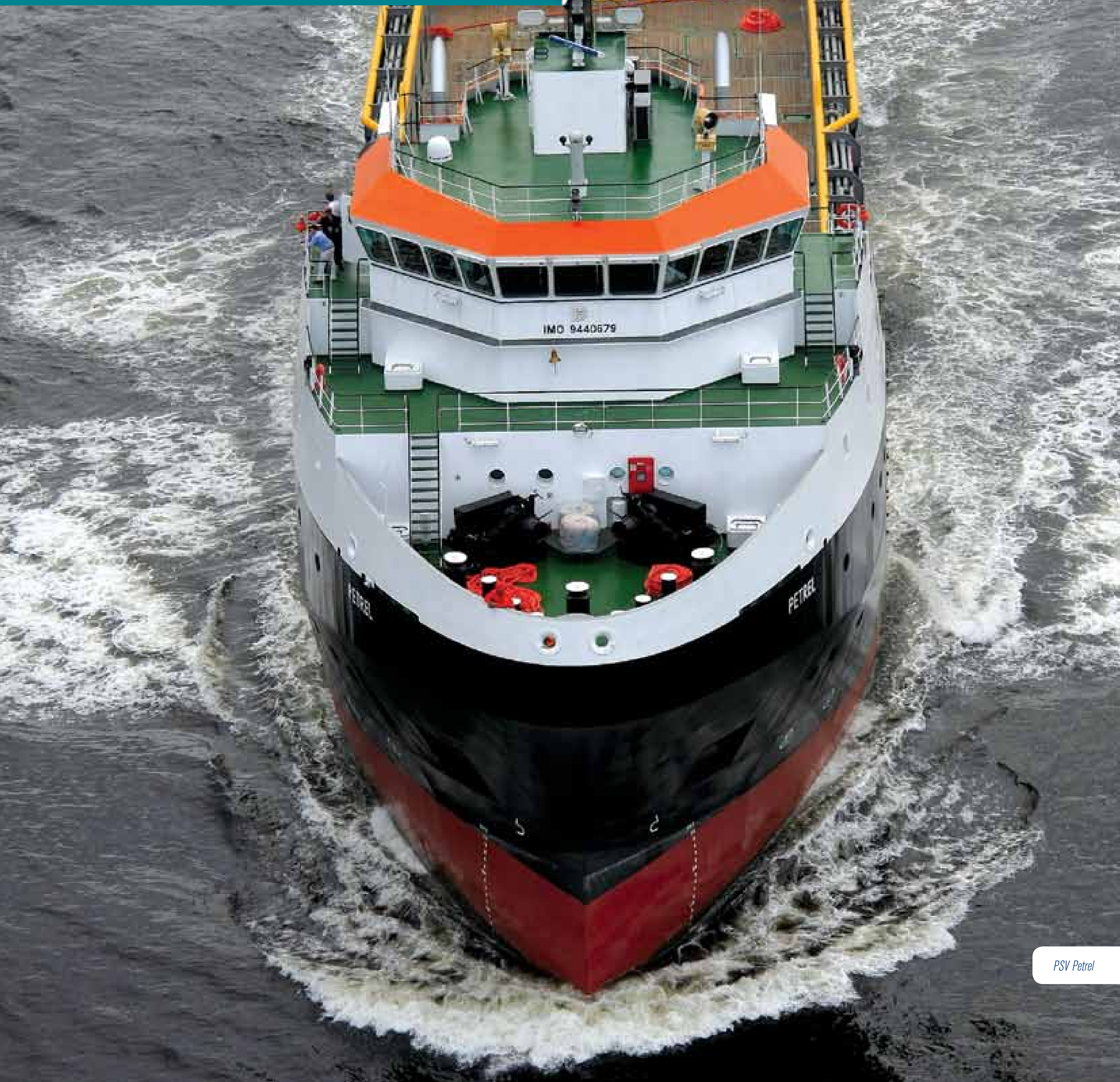
This operation is still dependent on several permits being approved throughout 2010.

The Company plans to build 7 new offshore vessels by 2012, of which three are due to be delivered in 2010. Financing has already been approved and will come from the Merchant Marine Fund (FMM).

Days of operation:
2,045

Net Revenues (USD million):
38.1

EBITDA: (USD million):
19.2



PSV Petrel

Logistics

The segment has maintained its long term growth trend, increasing and diversifying the scope of services and client portfolio.

WILSON, SONS LOGISTICS

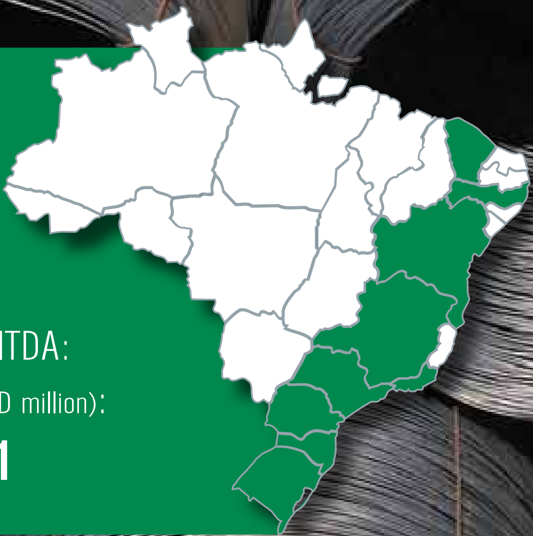
Wilson, Sons Logistics was created in 2000 to offer large Brazilian and international companies integrated, customised and value-added solutions, along the whole logistics supply chain. The Company focuses on strategic industries: agribusiness and food, pulp and paper, oil and gas, chemical and petrochemical, pharmaceutical and cosmetics, and steel and mining. The Company benefits from a team of highly qualified professionals responsible for customised logistics projects, which are developed by identifying gaps and opportunities in each economic industry or segment. Teams are set up to implement the management activities that ensure the structure, control and ongoing improvement of the new operations within the parameters agreed with each client.

Operational and Strategic Committees responsible for analysing the performance of the operations and the in-house Excellency Programme (PEX) ensure high quality standards and continuous operational improvements.

Wilson, Sons Logistics operational model requires detailed knowledge of each customer's specific needs, in order to provide the best-possible logistics solutions. The goal is to optimize the use of equipment and systems to provide the best possible mix of modal transportation and warehousing solutions. The segment becomes an integral part of the clients' structure, developing high value-added solutions at optimum cost. Wilson, Sons Logística's activities also include both the implementation and continuous monitoring of these projects.

Wilson, Sons Logistics operations benefit from state-of-the-art technology: the Company uses software for simulation and optimisation of projects, for project, transport, and warehouse management system (WMS). In 2009, the Company acquired the latest warehouse management system developed by the US company Red Prairie, which allows clients to access real time information on Wilson, Sons' website. This software has been adopted at the Company's own warehouse as well as those at three clients, and will be available for installation for all future clients.

Number
of trips:
51,591



Net Revenues
(USD million):
75.8

EBITDA:
(USD million):
7.1

Inspector in a steel products storage yard

Wilson, Sons, Logistics owns the Logistics Complex of Santo André, which provides operational support to international trade. It includes one of the largest dry ports in Brazil and a modern distribution centre. The total area of the complex is 92,000 m^2 of which 30,000 m^2 are warehouses.

Due to increasing demand, in 2009 the segment invested USD 14.9 million in the acquisition of equipment for warehousing, handling and transporting merchandise.

Throughout 2009, the Company expanded partnerships and was awarded new projects in the pharmaceutical, petrochemical, oil and gas, and steel industries. Amongst the new contracts, the most significant is in the port of Itaguaí, Rio de Janeiro, where the Company is responsible for loading and transporting solid bulk cargo inside the client's own terminal.

By focusing on larger and higher margin operations, Wilson, Sons Logistics maintained its growth trend, in spite of adverse business environment. Net revenues were USD 75.8 million and EBITDA margin was 9.3%, while several operations, such as the Arará Terminal (Rio de Janeiro) and the Santo André complex broke records in the volume of handlings.

Edmilson Soares, employee of Wilson, Sons Logistics

Warehouse at the Santo André Logistics Complex

Shipping Agency

Seizing new opportunities: in 2009, alert to the good prospects of the oil and gas industry, Wilson, Sons Shipping Agency started to supply services to oil and gas exploration companies.

WILSON, SONS SHIPPING AGENCY

Wilson, Sons' original business, shipping agency began operations in 1837. In 2009, Wilson, Sons Shipping Agency rendered services in 32 Brazilian portsand seized opportunity to offer services to companies that explore oil and gas along the Brazilian coast.

Wilson, Sons Shipping Agency is the widest ranging independent shipping agency in Brazil, with 16 branches spread throughout the Country. It also represents the Gulf Agency Company (GAC), one of the largest shipping agencies in the world with more than 230 branches.

The Agency offers specialized tramp and liner services. It has a Shared Services Centre (SSC) that coordinates the flow of information between the Company, ship owners and clients. Wilson, Sons Shipping Agency also has the know-how to process all documents pertaining to maritime transport, container logistic management, demurrage control and services to ships stopping over in Brazilian ports.

In the oil and gas industry, Wilson, Sons Shipping Agency provides the document processing services that are routine to agency business and coordinates other services such as temporary admission permits, imports of vessels and parts, heliport licensing, port captaincy certificates, issue of visas, coordination of crew changes, delivery of spare parts and supplies, pre-inspection abroad and general coordination. It therefore allows exploration companies that contract its services to concentrate their efforts on their core business.

In 2009, due to the negative impact caused by the slowdown of international trade flows, net revenue for the segment was USD 15.2 million. The results were benefited by ongoing cost-cutting efforts driven by the Efficiency and Management Programme; servicing a higher number of stopovers from the third quarter; and by diversification of services.

Number of calls completed:
6,527

Net Revenues (USD million):
15.2

EBITDA: (USD million):
2.3

The Company's original business now offers tramp and liner services

Shipyards

Wilson, Sons Shipyards has its own shipyard, which was built based on a modern construction model that enhances productivity.

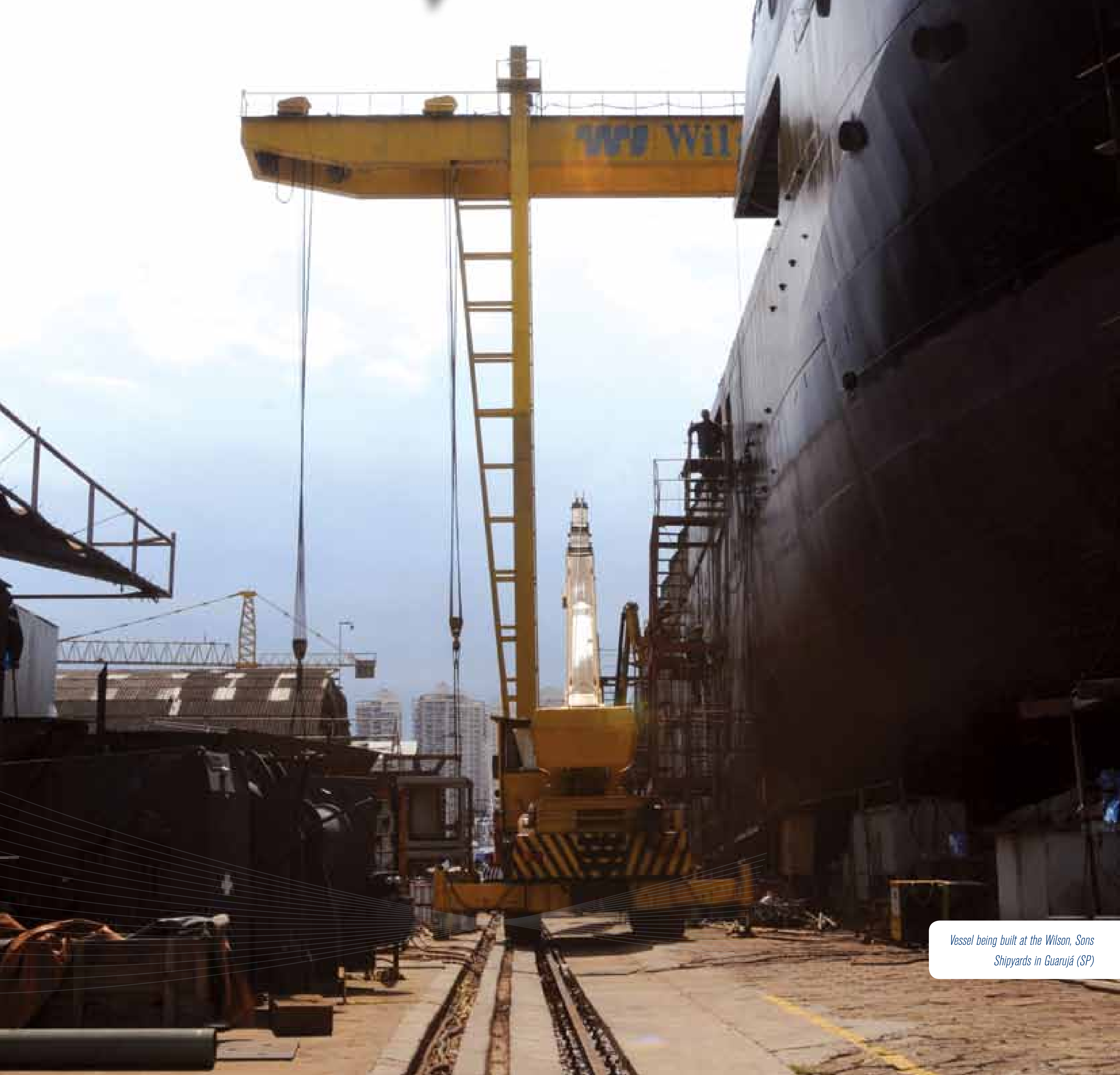
WILSON, SONS SHIPYARDS

Wilson, Sons Shipyard is located in Guarujá, São Paulo. The shipyard has an area of 20,000 m^2 and employs 600 people, with capacity to build up to 6 vessels simultaneously.

The shipyard provides great competitive advantage to the Company´s Towage and Offshore segments. For example, in 2009, Wilson, Sons Shipyards delivered two PSVs ahead of schedule. As previously mentioned in this report, the Offshore segment was able to benefit by contracting out the vessels in the spot market, which increased revenues in the period. Apart from the two PSVs, the shipyard delivered another seven tugboats. In addition to supplying vessels for the Company and maintaining its fleet, the shipyard also works for third parties. Efficient and using the latest technologies of the most modern shipyards in the world, Wilson, Son Shipyards use production lines to increase productivity. The percentage of Brazilian products used as inputs is 60%, higher than the market average. This level was reached because the segment provides advisory services to develop the Brazilian material suppliers.

In response to increasing demand, Wilson, Sons Shipyards has plans for 2 new facilities. In Guarujá, there is a project to build another shipyard. With the expansion the Company will have an area of 40,000 m^2 and capacity as a PSV building and maintenance complex. It has an excellent geographical position, being near two of the most important oil basins: Santos (São Paulo) and Campos (Rio de Janeiro). Another project concerns the a new shipyard in the port of Rio Grande that will have double the capacity of the Guarujá shipyards. This unit will specialise in small and medium-sized vessels, such as anchor handling tug supply vessels (AHTSs), tugboats and feeder vessels of up to 25,000 tonnes of cargo capacity. Both projects are awaiting the grant of government permits.

Number of
vessels delivered:
9



Vessel being built at the Wilson, Sons Shipyards in Guarujá (SP)

Frontal view of one of the Company's PSVs

...IN A SUSTAINABLE AND INNOVATIVE WAY...

- Corporate Sustainability
- Prospects

Gílson dos Anjos Santos,
employee at Wilson, Sons Offshore

CORPORATE SUSTAINABILITY

Wilson, Sons' actions and initiatives are aligned to its commitment to the sustainable development of its business

Wilson, Sons has always been committed to the sustainable development of its business. This was reinforced in 2009, by the Company's participation in the UN (United Nations Organization) Global Compact, which mobilizes the international business community to adopt in their business practices, internationally agreed fundamental values. In Brazil, the movement, based on 10 principles in the areas of human rights, labour rights, environmental protection and fighting corruption, resulted, in the practical document "Global Compact – 10 Decisions to Save the Planet".

Wilson, Sons was one of the first companies in its industry in Brazil to adhere to the UN Global Compact, which signals its voluntary commitment to guide its business according to internationally agreed principles.

In 2009, its Sustainability and Communication Management developed several initiatives to encourage sustainability: an internal electronic newsletter, the New's Magazine and a specific intranet area, as well as including all news in the Company's notice boards. Sustainability conferences were expanded to all personnel at headquarters, with the participation of approximately 150 employees. Such meetings will continue in 2010, eventually including other businesses within the Company.

Pacto Global
Rede Brasileira

1. **TO RESPECT** and support human rights which are recognized internationally in its area of influence
2. **TO ENSURE** the Company is not involved in any violation of human rights
3. **TO SUPPORT** freedom of association and recognize the right to collective bargaining
4. **TO ELIMINATE** all forms of forced or compulsory labor
5. **TO ERADICATE** all forms of child labor in its productive chain
6. **TO STIMULATE** practices which eliminate any kind of discrimination at work
7. **TO ASSUME** a preventive, responsible and proactive approach to environmental challenges
8. **TO DEVELOP** initiatives and practices to promote and spread social and environmental responsibility
9. **TO ENCOURAGE** the development and distribution of environmentally responsible technologies
10. **TO COMBAT** corruption in all forms, including extortion and bribery

Amongst other initiatives, the Code of Ethics was revised and expanded, and the Vision and Mission was revised to express, in a more assertive manner, the principles which are already part of Wilson, Sons' day-to-day business. As part of the sustainability agenda, there were campaigns throughout the year concerning responsible consumption of resources at the workplace. Each campaign is focussed on one theme, such as water, printer toner, plastic cups, etc.

Wilson, Sons' commitment to sustainability and environmental responsibility is also evident in the final destination that awaits some of its vessels. In April 2009, a team formed by Company professionals, the Association of Pernambuco Diving Schools and researchers organised the scuttling of the tugboat Walsa. Since 2002, seven company vessels have been transformed into artificial reefs in Pernambuco and Espirito Santo State's coast. On the sea-bed at 40 metres' depth, the tugboat now promotes marine life, underwater tourism, and conditions for scientific research on artificial reefs.

Amongst the proposals for 2010, a census will take place to evaluate the profile of employees and crossing the information with the communities around the Company's bases; and the expansion of the diagnosis, based on the same corporate methodology used for both businesses.

In 2011, thanks to research being undertaken by the HES area, indicators such as water and energy consumption will allow Wilson, Sons to prepare the first report according to the standards of the Global Reporting Initiative (GRI).

Old Wilson, Sons vessel transformed into an artificial marine reef after being scuttled

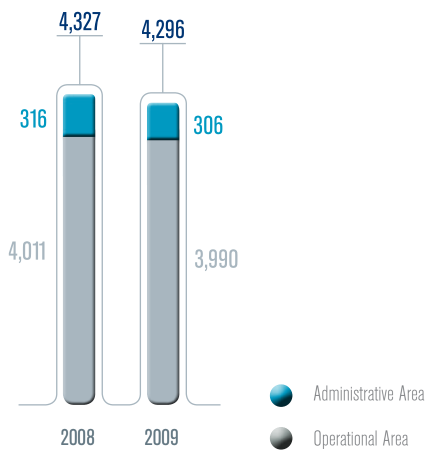
HUMAN CAPITAL

As a provider of services, Wilson, Sons believes that the success of its operations in all business segments is directly linked to the enhancement and well being of its employees. This makes human capital paramount role in the Company's strategies. Thus, the same effort which is exerted in innovation and service quality, as well as the relationship with the clients, is employed in the relations with our employees.

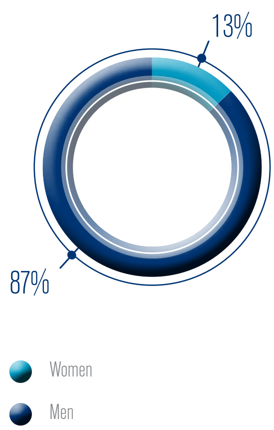
At the end of 2009, the team of employees numbered 4,296 of which 87.4% are male distributed amongst different activities throughout the Country. The majority of the team – 92.9% – works in operational areas.

Other characteristics of the profile of Wilson, Sons employees can be noted in the charts that follow:

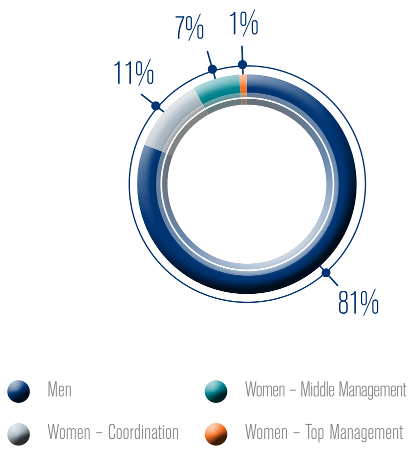
Employee Position Profile



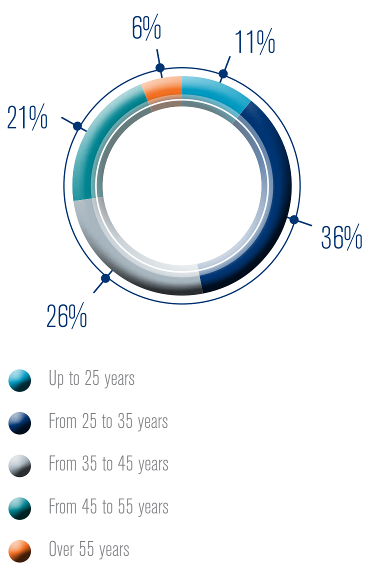
Employee Profile by Gender



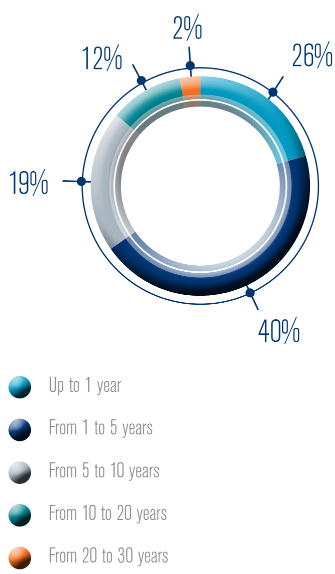
Employee Profile by Management Positions



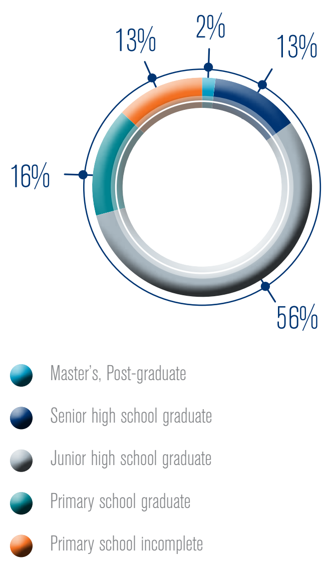
Employee Profile by Age



Employee Profile by Length of Service



Employee Profile by Educational Level



Wilson, Sons' department of Human and Organisational Development (HOD) is structured into corporate and business administrations. Corporate administrations comprise the Rewards and Planning HOD, Development HOD, Management HOD, and for each business a dedicated HOD administration. The first three are responsible for determining and implementing strategies and guidelines, as well as planning strategic and organisational culture initiatives with company-wide scope, while working directly in partnership with each of the Business HODs taking into account the particularities of each segment.

In 2009, HOD made significant advances in all segments. In partnership with the Towage and Offshore segment, it started a Mariner Development Programme, to get mariners more involved with the Company, creating ties which will help to retain the best professionals.

In the Offshore segment, the first step was to identify, with Merchant Marine Officers, the motivational factors which will help to retain good mariners. In Towage, the HOD area has sought to improve and retain talents through a series of seminars, which were held in the ports of Niterói, Sepetiba, Vitória, Santos, Rio Grande, Paranaguá and São Francisco do Sul. Other branches will hold meetings in 2010. Amongst other actions, pre-departure and arrival meetings were held; as well as leadership courses for captains, first mates, engineers and maintenance coordinators from the Macae base; and two-day integration workshops for vessel crews.

Adaílton de Araújo, Ana Maria de Lima, Marcos Antônio Teixeira e Janaína Santos, employees at the Company's headquarters, in Rio de Janeiro

Still in Towage, focussing on the professional development of the team, a plan has been developed to use our navigational simulator for ship handling and manoeuvre training. Wilson, Sons professionals have been trained in Holland and, from 2010 when the equipment will be put in use, will be in charge of training courses, which will be divided into 18 modules of 40 hours each. The training course, taking turns of 8 and 12 participants a time, is expected to be offered to all the crew in this area of business.

In Wilson, Sons Logistics, the highlights were the reformatting of guidelines for evaluation in the Profit Sharing Scheme (PLR) and the start of an Operational Manager Training Programme. In Shipping Agency, HOD had success in implementing the first e-learning module for ship chandlers. In the Terminals segment, all HOD processes of Tecon Rio Grande were reviewed, and through the Continuing Education Programme (PEC), HOD identified individual gaps in the operational personnel at Tecon Salvador.

In personnel development, other highlights of 2009 were a new model for evaluating the performance of non-managerial staff, and the creation of a Strategic Human Resource Management platform, which consist of the following pillars: Performance Evaluation, Succession & Retention, Personnel Development and Reward. The platform includes all personnel, allowing for an integrated vision of the Company's Human Capital.

Marcelo Zanata, employee at Wilson, Sons Logistics

KNOWLEDGE MANAGEMENT AND BENEFITS

The Human and Organisational Development (HOD) area of the Company also acts in training and development of personnel. As well as coordinating training programmes that involve all segments of the Company, it is responsible for identifying new demands and designing human development projects. In 2009, Wilson, Sons provided a total of 16,311 training hours, tailored to the needs of each business segment. These 9,904 individual training sessions amounted to an average of 2.3 training sessions per Company employee. And a total of 91 scholarships were granted. Employees working for longer than one year with the Company, subject to positive evaluation from their managers, can apply for a scholarship to assist university, post-graduation or language courses.

The Company's remuneration policy follows the concept of Total Remuneration which includes basic salary, and benefits. In order to offer a competitive package, aligned to market practices, Wilson, Sons uses an independent consultant every year to survey market compensation rates.

As well as the benefits which are part of collective agreements, the Company also offers private pension plans, of different categories offered in Brazil, and a profit sharing scheme (PLR) which is conditioned to overall performance, determined for each segment, as well as individual performances, which are evaluated by line managers and approved by a committee.

Interaction with communities situated near Company facilities is also a concern of Wilson, Sons. At the Guarujá Shipyard, the Company maintains the William Solomon Training Centre, in partnership with the governmental training organization Senai, aimed at the local community. The Centre offers technical courses (such as vessel painting) and behavioural courses, with an average duration of one month, to youngsters aged between 18 and 20. The objective is to prepare them for their first job, which can often be at Wilson, Sons. The Centre also hosts the School of Welders and Boilermakers, which, in its first year of activity, trained four groups of 50 people each.

SOCIAL AND ENVIRONMENTAL INITIATIVES

As well as adopting practices for sustainable development of the business, which involves the enhancement of its human capital, Wilson, Sons is also involved in community projects. Aware of its role, the Company does not limit itself to financial help. Instead, it actively participates in projects such as the following:

PRESERVATION OF MEMORY AND HISTORIC ASSETS

• Wilson, Sons Business History Centre

Being present in Brazil for more than 170 years, Wilson, Sons considers its history to be a valuable intangible asset that sustains and legitimizes its values and vision, as well as reflects the development of the economic industries in which the Company operates. Faced with the challenge of managing this asset, the Wilson, Sons Bussiness History Centre was founded in 2005 to house and display historical collections which were assembled during research on the book "The Saga of Wilson, Sons", published in 1997. Since then, more than 4,000 documents pertaining to the Company's history have been catalogued, becoming a source of information for employees, as well as researchers in general.

Since 2007, under the coordination of the Communication and Sustainability Administration, the Centre has adopted the contemporary concept of corporate heritage preservation and historic responsibility as one of the preconditions of sustainability. It has prepared itself to become the nucleus responsible for managing the historic preservation of the Company. In 2009, research was undertaken on the evolution of Wilson, Sons and its business segments, from internal and external sources. The Oral History Programme was also implemented to gather information on the Company's history, particularly over the last 50 years, and organize the collection of testimonies made by employees, ex-employees and other stakeholders.

For 2010, an action plan for the Business History Centre has been drawn, and integrated with the agenda of Corporate Sustainability, which entails the development of a portal to disseminate sources and information of historical interest, as well as increasing the collection, by assembling documents held in the companies belonging to the Group. The Bussiness History Centre intends to provide services especially aimed at consolidating the Wilson, Sons history to supply material information to support actions of historical responsibility and branding.

• Maintenance of historical assets

In 2009, the Company financed, with resources that comply with the Rouanet Law, the restoration of Rio Grande (RS) City Hall, and the restoration of the Bahia Association of Commerce building, which housed Wilson, Sons' first headquarters. Both restorations are scheduled to start in 2010.

VOLUNTEERING

Aware of its social responsibility, Wilson, Sons is conscious of the needs of the communities located in the regions where it performs its operations. Furthermore, the Company believes that, as well as transforming the lives of the beneficiaries, volunteering can generate internal results, which could vary from developing team spirit and the discovery of new skills and talents to higher levels of personal and professional satisfaction for our employees. Thus, the Company maintains a structured volunteering programme, whose actions are guided by the Management Committee that complies with the United Nations guidelines. According to this programme, the Company commits itself to support volunteering, whether they be through allocation of financial resources, in-house dissemination or encouragement to employees.

Since 2007, the Company's volunteering initiatives have been concentrated in the "Creating Ties" programme, which involves a Management Committee responsible for developing initiatives which will be put into practice by working groups in each of the selected units. As well as at the headquarters in Rio de Janeiro (Rio de Janeiro), there are volunteers in Paranaguá (Paraná), Rio Grande (Rio Grande do Sul), Santo André (São Paulo) and Salvador (Bahia).

In 2009, more than 400 volunteers throughout the country participated in projects which directly benefitted 1,473 people. This number, more than 3 times higher than in 2008, shows growing support of solidarity practices. The initiatives involved recreational and social events, as well as donations of basic necessity items to day nurseries and local shelters. At headquarters, actions resulted in the donation of over 300 kilos of foodstuffs to Casa São Francisco, a shelter for sixty children, as well as a charity concert by the English guitarist Jimmy Page. At this same entity, in the Santa Teresa district (Rio de Janeiro), a group of volunteers promoted a social event for ninety people. To support activities and increase awareness concerning volunteering, in October the Company launched the "Creating Ties" project website (www.wilsonsons.com.br/voluntariado).

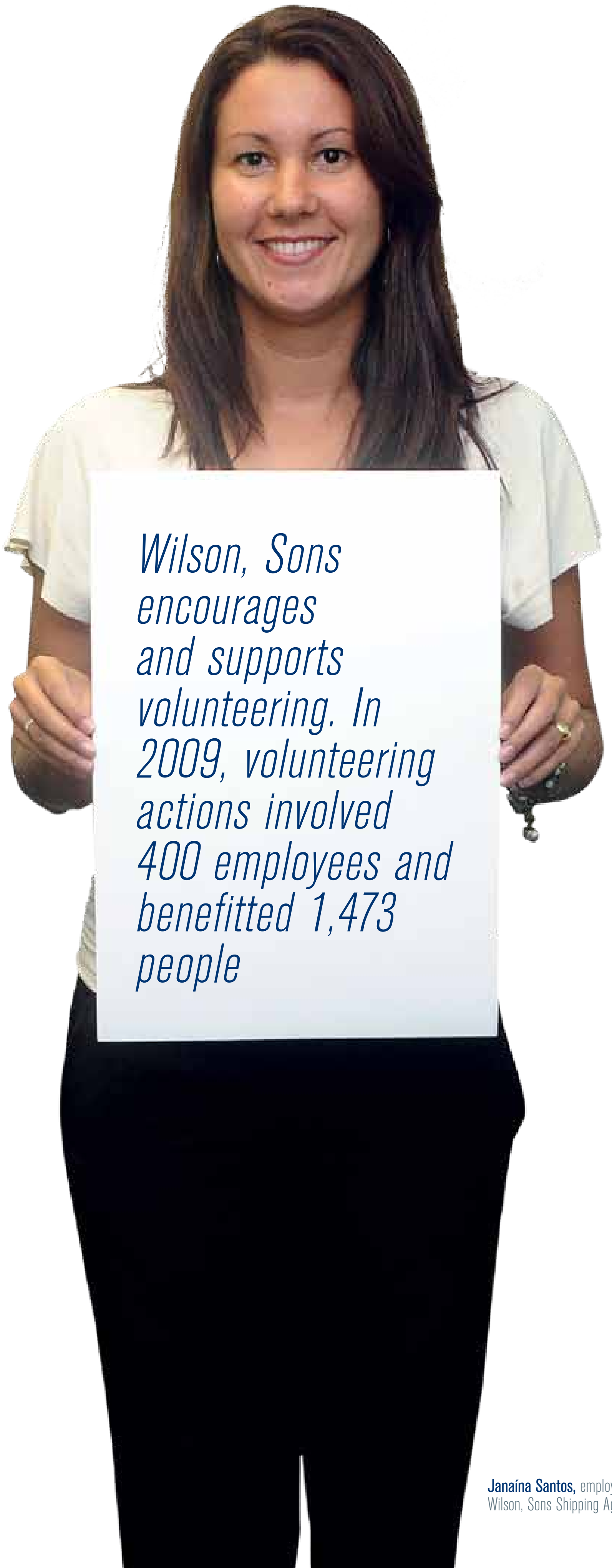
Another relevant initiative of the past year was the donation of 1,400 copies of the "Planet Water" book. Written by Flavia Rossi and targeted at young readers, the book emphasizes the conscious consumption of water for the environmental survival. As well as being distributed to the children of employees, books were also donated to libraries and schools of Salvador (Bahia) and Rio Grande (Rio Grande do Sul).

SUPPORT AND SPONSORSHIPS

• Amigos do Zippy

(www.amigosdozippy.org.br)

A programme for emotional development designed by a team of multi-disciplinary experts, and coordinated by the London-based Befrienders International, whereas in Brazil it was implemented by the Centre for Valuing Life (CVV) directed at children of the first and second years of primary school in several cities of Brazil. It aims to help children aged six and seven, of all levels of skill, to deal with their daily difficulties, teaching them how to identify and talk about their problems.



Janaína Santos, employee at Wilson, Sons Shipping Agency

• Brigada Mirim de Ilha Grande

(www.brigadamirim.org.br)

Founded in 1989 by initiative of the inhabitants of Ilha Grande, on the coast of Rio de Janeiro State, this organisation supplies work, health benefits, education and citizenship values to local youngsters. In 2009, Wilson, Sons committed to sponsor, every year, ten participants of this NGO youngsters' brigade. The mission of these youngsters is to help preserve nature, and to make locals and tourists aware of the need to care for their environment.

• Casa Jimmy

(www.taskbrasil.org.br)

It is part of the UK-registered charity "Task Brasil" which was founded in 1992, offering shelter and education to street children and pregnant teenagers. Casa Jimmy, situated in the district of Santa Tereza, in the city of Rio de Janeiro, has a capacity to shelter around 25 children and adolescent mothers or mothers-to-be.

• Escola de Gente

(www.escoladegente.org.br)

Situated in the district of Barra da Tijuca, in the city of Rio de Janeiro, it works for inclusion of vulnerable groups in society, mainly people with physical disabilities. Its actions involve courses in companies and institutions, capacitating youngsters and encouraging them to disseminate the concept and practice of social inclusion.

• Instituto Benjamin Constant

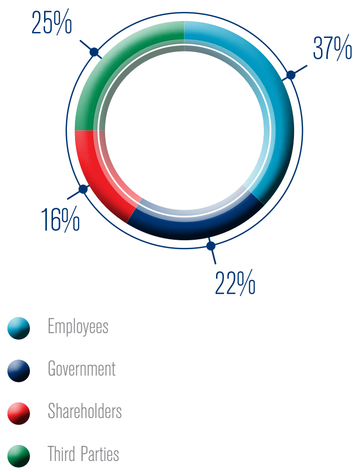
(www.ibc.gov.br)

A national reference for blindness-related issues, this institute owns a school, trains professionals, gives support to schools and training institutions, provides ophthalmological consultations, produces specialised materials, is a scientific publisher and also publishes in Braille. In 2009, Wilson, Sons sponsored 100 cataract surgeries offered to members of the public.

• **Passaporte Cidadania**

Wilson, Sons sponsored research developed by UERJ (State University of Rio de Janeiro) which will subsidise the Passaporte Cidadania (Citizenship Passport) project, focussing on street children living in the city centre and surroundings. It is a network project, counting with the experience of the following NGOs: Pastoral do Menor, São Martinho, Excola, Amai-vos, Amar, Chaidhope, Se Esta Rua Fosse Minha, Associação Brasileira Terras dos Homens, Banco da Providencia and Rede Rio Criança.

Added Value Statement 2009 – US$ 362.9 billion



The added value to society generated by Wilson, Sons from its operations totalled USD 362.9 million in 2009. This shows an added value index of 75.9% over 2009 gross income. In other words, USD 0.759 out of every USD 1.00 of the income from its operations was distributed among the employees (salaries and benefits), government (taxes), remuneration to third parties, shareholders (dividends and interests on equity, retained earnings) and equity (retained earnings).

Creating Ties in Rio de Janeiro (RJ)

Creating Ties in Rio Grande (RS)

Creating Ties in Salvador (BA)

PROSPECTS

Strengthening segments and seeking new strategically aligned opportunities

Wilson, Sons' plans for 2010 take into account the Company's proven know-how, confidence in the Brazilian economy, which has been growing at a faster rate than other international economies, and the excellent prospects for the oil and gas market.

Oil & gas investments require a long time to come to fruition and even longer to yield returns. Capital expenditure in the industry has shown secular rather than cyclical growth, and was not cut in 2009 due to the international crisis. Taking advantage of this trend, Brazilian companies are developing innovative technologies to cope with the increasing demand for services.

Wilson, Sons Terminals´ subsidiary company Brasco, which is geared towards logistics support to the oil and gas industry, is prepared to win new and significant contracts. In **Tecon Rio Grande**, whose expansion is already completed, the next step is the delivery of new equipment. **Tecon Salvador** faces the biggest challenge for this segment, which is to obtain government permits for the terminals´ expansion project.

The **Logistics** area, based on its business model of quality, growth and profitability, will continue to focus efforts on customized logistics projects, as well as on the search for opportunities in other markets. It should therefore maintain the growth in operations and results seen in recent years.

Wilson Sons Offshore will concentrate on the oil industry to achieve even better results. After forming a joint venture with the Chilean group Ultratug, it is expected to increase its presence in the oil and gas industry with 7 new PSVs, of which three will be delivered in 2010.

Wilson, Sons Shipping Agency was the segment most affected by the economic crisis in 2009. It will continue to diversify its service offer to meet the demands of the oil and gas industry.

In the **Towage segment**, the Company will continue to expand and renew its fleet. Of the 13 tugboats to be delivered by 2013, three of them are expected to be completed during 2010.

At **Wilson, Sons Shipyards**, projects are also influenced by the outlook for the oil and gas market. Two projects are waiting for the relevant permits: construction of a new shipyard in the port of Rio Grande and expansion of the Guarujá shipyard, which includes a dry dock for PSVs.

Wilson, Sons will continue to strengthen the segments in which it operates, by investing in synergy between them, always mindful of market demands, and looking for new strategically aligned opportunities.

Gerson Amorim, Paulo Gutardo e Emerson D´Avila, employees at Wilson, Sons Towage

Aerial view of Wilson, Sons' shipyard in Guarujá

...MOTIVATING THE DEVELOPMENT OF OUR STAFF.

- Added Value Statement
- Financial Statements
- Glossary
- Corporate Information

Cicero Manoel dos Santos,
employee at Wilson, Sons' Shipyards

ADDED VALUE STATEMENT

Added Value Statement in December 31 of 2009 and 2008

(in US$ MM)

The figures used in the preparation of the Value Added Statement were extrated from the Company's Financial Statements reported in accordance with International Financial Reporting Standards (IFRS) for 2008 and 2009, which were audited by the Company's external auditors Deloitte Touche Tohmatsu Auditores Independentes.

	2009	2008
ADDED VALUE CREATION		
Revenues	532.418	547.308
Cost of Inputs	(177.483)	(231.970)
Gross Added Value	354.935	315.338
Depreciation and Amortisation	(32.065)	(26.257)
Net Added Value	322.869	289.081
Third-party revenues	40.024	1.749
Distributable Added Value	362.894	290.830
ADDED VALUE DISTRIBUTION		
Personnel	134.514	121.691
Taxes and Social Contributions	80.707	67.578
Third-party Interest Payment	57.689	54.664
Return on Equity	89.984	46.897
Added Value Distribution	362.894	290.830

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 December 31, 2009 and 2008, 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 December 31, 2009 and 2008 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
March 23, 2010

CONSOLIDATED INCOME STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

				Convenience Translation	
	Note	2009 US$	2008 US$	2009 R$	2008 R$
REVENUE	4	477,888	498,285	832,098	1,164,492
Raw materials and consumables used		(49,570)	(86,480)	(86,311)	(202,104)
Personnel expenses	5	(149,086)	(136,316)	(259,588)	(318,570)
Depreciation and amortization expense		(32,065)	(26,256)	(55,832)	(61,360)
Other operating expenses	6	(151,337)	(153,480)	(263,508)	(358,683)
Profit on disposal of property, plant and equipment and joint venture		470	680	817	1,589
Investment income	7	34,343	(822)	59,798	(1,921)
Finance costs	7	(9,555)	(14,210)	(16,637)	(33,209)
Result on disposal of investments		-	4,191	-	9,794
PROFIT BEFORE TAX		121,088	85,592	210,837	200,028
Income tax expense	8	(31,104)	(38,695)	(54,158)	(90,430)
PROFIT FOR THE YEAR		89,984	46,897	156,679	109,598
Profit for the year attributable to:					
Owners of the company		88,531	46,855	154,148	109,500
Non controlling interests		1,453	42	2,531	98
		89,984	46,897	156,679	109,598
Earnings per share for continuing operations					
Basic and diluted (cents per share)	21	124.44c	65.86c	216.67c	153.91c
Exchange rates					
12/31/09 – R$1.7412 / US$1.00					
12/31/08 – R$2.3370 / US$1.00					

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

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

				Convenience Translation	
	Note	2009 US$	2008 US$	2009 R$	2008 R$
NON-CURRENT ASSETS					
Goodwill	9	15,612	15,612	27,184	36,485
Other intangible assets	10	2,239	1,799	3,899	4,204
Property, plant and equipment	11	438,878	305,022	764,174	712,836
Deferred tax assets	16	25,499	10,889	44,398	25,448
Other non-current assets		10,521	8,066	18,319	18,852
Total non-current assets		492,749	341,388	857,974	797,825
CURRENT ASSETS					
Inventories	12	20,687	9,402	36,021	21,972
Trade and other receivables	13	105,499	78,751	183,695	184,041
Short term investments	14	11,116	-	19,355	-
Cash and cash equivalents	14	178,136	180,022	310,170	420,711
Total current assets		315,438	268,175	549,241	626,724
TOTAL ASSETS		808,187	609,563	1,407,215	1,424,549
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	21	9,905	9,905	17,247	23,148
Capital reserves		146,334	146,334	254,797	341,983
Profit reserve		1,981	1,981	3,449	4,630
Retained earnings		243,303	170,779	423,640	399,111
Translation reserve		16,065	1,773	27,972	4,144
Equity attributable to owners of the Company		417,588	330,772	727,105	773,016
Non controlling interests		5,891	1,411	10,257	3,298
Total equity		423,479	332,183	737,362	776,314
NON-CURRENT LIABILITIES					
Bank loans	15	237,271	167,440	413,136	391,307
Deferred tax liabilities	16	16,140	15,632	28,102	36,532
Provisions for contingencies	17	9,831	8,455	17,118	19,759
Obligations under finance leases	18	8,653	3,139	15,067	7,336
Total non-current liabilities		271,895	194,666	473,423	454,934
CURRENT LIABILITIES					
Trade and other payables	19	89,927	62,722	156,581	146,579
Current tax liabilities		838	1,099	1,460	2,568
Obligations under finance leases	18	3,902	1,116	6,793	2,609
Bank overdrafts and loans	15	18,146	17,777	31,596	41,545
Total current liabilities		112,813	82,714	196,430	193,301
Total liabilities		384,708	277,380	669,853	648,235
TOTAL EQUITY AND LIABILITIES		808,187	609,563	1,407,215	1,424,549
Exchange rates					
12/31/09 – R$1.7412 / US$1.00					
12/31/08 – R$2.3370 / US$1.00					

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

		Capital reserves									
		Share capital	Share premium	Others	Profit reserve	Unrealized gain in investments	Retained earnings	Currency translation reserve	Attributable to equity holders of the parent	Non controlling interests	Total
	Note	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
BALANCE AT JANUARY 1st, 2008		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)
Other comprehensive income and loss		-	-	-	-	-	-	(14,034)	(14,034)	(1,297)	(15,331)
Legal reserve		-	-	-	1,981	-	(1,981)	-	-	-	-
Profit for the year		-	-	-	-	-	46,855	-	46,855	42	46,897
Total comprehensive income and loss for the year		-	-	-	1,981	(2,341)	44,874	(14,034)	30,480	(1,255)	29,225
Purchase of non controlling interest										(2,588)	(2,588)
Dividends		-	-	-	-	-	(16,007)	-	(16,007)	-	(16,007)
BALANCE AT DECEMBER 31, 2008	21	9,905	117,951	28,383	1,981	-	170,779	1,773	330,772	1,411	332,183
Other comprehensive income and loss		-	-	-	-	-	-	14,292	14,292	1,246	15,538
Capital Increase		-	-	-	-	-	-	-	-	1,781	1,781
Profit for the year		-	-	-	-	-	88,531	-	88,531	1,453	89,984
Total comprehensive income and loss for the year		-	-	-	-	-	88,531	14,292	102,823	4,480	107,303
Purchase of non controlling interest										-	-
Dividends		-	-	-	-	-	(16,007)	-	(16,007)	-	(16,007)
BALANCE AT DECEMBER 31, 2009	21	9,905	117,951	28,383	1,981	-	243,303	16,065	417,588	5,891	423,479

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

		Convenience translation									
		Capital reserves									
		Share capital	Share premium	Others	Profit reserve	Unrealized gain in investments	Retained earnings	Currency translation reserve	Attributable to equity holders of the parent	Non controlling interests	Total
	Note	R$	R$	R$	R$	R$	R$	R$	R$	R$	R$
BALANCE AT JANUARY 1st, 2008		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)
Other comprehensive income and loss		-	-	-	-	-	-	(32,797)	(32,797)	(3,031)	(35,828)
Legal reserve		-	-	-	4,630	-	(4,630)	-	-	-	-
Profit for the year		-	-	-	-	-	109,500	-	109,500	98	109,598
Total comprehensive income and loss for the year		-	-	-	4,630	(5,471)	104,870	(32,797)	71,232	(2,933)	68,299
Purchase of non controlling interest		-	-	-	-	-	-	-	-	(6,048)	(6,048)
Dividends		-	-	-	-	-	(37,408)	-	(37,408)	-	(37,408)
Translation adjustment to Real		5,603	66,727	16,055	-	1,324	80,281	8,942	178,932	2,973	181,905
BALANCE AT DECEMBER 31, 2008	21	23,148	275,652	66,331	4,630	-	399,111	4,144	773,016	3,298	776,314
Other comprehensive income and loss		-	-	-	-	-	-	24,885	24,885	2,168	27,053
Capital Increase		-	-	-	-	-	-	-	-	3,101	3,101
Profit for the year		-	-	-	-	-	154,149	-	154,149	2,531	156,680
Total comprehensive income and loss for the year		-	-	-	-	-	154,149	24,885	179,034	7,800	186,834
Dividends		-	-	-	-	-	(27,871)	-	(27,871)	-	(27,871)
Translation adjustment to Real		(5,901)	(70,275)	(16,911)	(1,181)	-	(101,749)	(1,057)	(197,074)	(841)	(197,915)
BALANCE AT DECEMBER 31, 2009	21	17,247	205,377	49,420	3,449	-	423,640	27,972	727,105	10,257	737,362
Exchange rates											
12/31/09 – R$1.7412 / US$1.00											
12/31/08 – R$2.3370 / US$1.00											

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

				Convenience Translation	
	Note	2009 US$	2008 US$	2009 R$	2008 R$
NET CASH FROM OPERATING ACTIVITIES	27	69,908	58,734	121,724	137,261
INVESTING ACTIVITIES					
Interest received		6,874	22,702	11,969	53,055
Proceeds on disposal of property, plant and equipment		751	1,950	1,308	4,556
Purchases of property, plant and equipment		(139,743)	(90,190)	(243,320)	(210,774)
Net cash inflow arising from acquisition of subsidiary			(5,059)		(11,823)
Investment – short term investment		(11,130)	-	(19,380)	-
Net cash used in investing activities		(143,248)	(70,597)	(249,423)	(164,986)
FINANCING ACTIVITIES					
Dividends paid		(16,007)	(16,007)	(27,871)	(37,408)
Repayments of borrowings		(16,848)	(13,449)	(29,336)	(31,431)
Repayments of obligation under finance leases		(3,844)	(1,980)	(6,693)	(4,627)
New bank loans raised		83,894	49,044	146,076	114,616
Increase in bank overdrafts		227	113	396	264
Net cash used in financing activities		47,422	17,721	82,572	41,414
NET DECREASE IN CASH AND CASH EQUIVALENTS		(25,918)	5,858	(45,127)	13,689
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		180,022	197,688	420,711	350,165
Effect of foreign exchange rate changes		24,032	(23,524)	41,844	(54,976)
Translation adjustment to Real		-	-	(107,258)	111,834
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		178,136	180,022	310,170	420,711
Exchange rates					
12/31/09 – R$1.7412 / US$1.00					
12/31/08 – R$2.3370 / US$1.00					

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Amounts expressed in thousands, unless otherwise noted – Brazilian real amounts are the result of a Convenience Translation)

				Convenience Translation	
	Note	2009 US$	2008 US$	2009 R$	2008 R$
PROFIT FOR THE YEAR		89,984	46,897	156,679	109,598
OTHER COMPREHENSIVE INCOME AND LOSS					
Currency translation adjustment		15,538	(15,331)	27,055	(35,829)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		105,522	31,566	183,734	73,769
Total comprehensive income for the year attributable to:					
Owners of the Company		102,823	32,821	179,033	76,702
Non controlling interests		2,700	(1,255)	4,701	(2,933)
		105,522	31,566	183,734	73,769
Exchange rates					
12/31/09 – R$1.7412 / US$1.00					
12/31/08 – R$2.3370 / US$1.00					

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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 172 years in the Brazilian market, we have developed an extensive national network and provide a variety of services related to 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 March 22, 2010 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 accounting policies described in Note 2.

2. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

BASIS OF PREPARATION

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

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

1. Standards and Interpretations affecting amounts reported in the current period and/or prior periods

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in item 2.

New and revised Standards and Interpretations that affect presentation and disclosure:

IAS 1 (as revised in 2007) Presentation of Financial Statements

IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. IAS 1 (2007) affects the presentation of owner changes in equity and of comprehensive income, requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. IAS 1 requires the presentation of dividends recognised as distributions to owners and related amounts per share in the statement of changes in equity or in the notes.

IFRS 8 Operating Segments

IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments. The IFRS 8 specifies how an entity should report information about its operating segments. It also sets out requirements for related disclosures about products and services, geographical areas and major customers. The IFRS requires an entity to report financial and descriptive information about its reportable segments. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Amendments to IFRS 2 Share-based Payments

The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of non-vesting conditions, and clarify the accounting treatment for cancellations.

New and revised Standards and Interpretations that affect the reported results or financial position:

IAS 23 (as revised in 2007) Borrowing Costs

The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had an impact on these financial statements because it has not been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets. In accordance with IAS 23 (Revised), the Group's accounting policies on borrowing costs has changed in 2009.

2. New and revised Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 18 Transfers of Assets from Customers
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to IFRS 7 Financial Instruments: Disclosures
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 19 Employee Benefits
- Amendments to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 38 Intangible Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- Amendments to IFRIC 9 Reassessment of Embedded Derivatives

3. New and revised Standards and Interpretations in issue not yet adopted

- IFRS 3 (Revised 2008) Business Combinations: Effective date for annual periods beginning on or after July 1st, 2009
- IFRS 9 Financial Instruments: Effective date of January 1st, 2013
- IAS 27 (Revised 2008) Consolidated and Separate Financial Statements: Effective date for annual periods beginning on or after July 1st, 2009
- IAS 28 (Revised 2008) Investments in Associates: Effective date for annual periods beginning on or after July 1st, 2009
- IFRIC 17 Distributions of a Non-cash Assets to Owners: Effective date for annual periods beginning on or after July 1st, 2009
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments: Effective date for annual periods beginning on or after July 1st, 2010
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Effective date of January 2010
- Amendments to IAS 7 Statement of Cash Flows: Effective date of January 2010
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement: Effective date of January 1st, 2011

The Management have not yet had an opportunity to consider the potential impact of the adoption of these amendments and new and revised standards.

CONVENIENCE TRANSLATION

The consolidated 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, 2009 and 2008 the applicable exchange rates were R$1.7412 and R$2.3370, 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 period. The effect of this difference was disclosed in 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 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 and 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 in full on consolidation.

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

The consolidated financial statements include the accounts of the direct and indirect subsidiaries which are listed in notes 22 and 23.

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 of the joint venture require the unanimous consent of the parties sharing control.

When 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 venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer 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 a Group entity transacts with a jointly controlled entity of the Group, unrealized profits and losses are eliminated to the extent of the Group's interests in the joint venture.

FOREIGN CURRENCY

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

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

On consolidation, 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 Currency translation reserve.

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

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated 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 end of the reporting period.

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The 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.

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

PROPERTY, PLANT AND EQUIPMENT

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

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

Freehold Buildings:	25 years
Improvements in Rented Buildings:	(*)
Floating Craft:	20 years
Vehicles:	5 years
Plant and Equipment:	5 to 20 years

(*) lowest of period of the rental or useful life

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.

On January 1st, 2009, the Group adopted IAS 23 (Revised), Borrowing Costs. Prior to January 1st, 2009, borrowing costs were expensed in the period in which they were incurred. In accordance with IAS 23 (Revised), the Group's accounting policies on borrowing costs is described below:

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

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds, if applicable, and the carrying amount of the asset, and is recognized in the income statement.

BORROWING COSTS

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

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

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

GOODWILL

Goodwill arising on 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.

INTANGIBLE ASSETS

Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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 for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

FINANCIAL INSTRUMENTS

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

1. Financial Assets

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

All recognized financial assets are subsequently measured in their entirety at either amortised cost or 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.

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

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

Loans and receivables

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

- Cash and Cash Equivalents/Short Term Investments: Cash and Cash Equivalents comprise cash in hand and other short-term highly liquid before 90 days and which are subject to an insignificant risk of changes in value; and Short Term Investments comprise cash in hand and other short-term investments with more than 90 days of maturity but less than 365 days.

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

Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

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

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

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it 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, it 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 are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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

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

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

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 Payables and other amounts payables 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.

DERIVATIVES

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 derivatives for the periods presented.

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

PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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

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

In accordance with IFRS 2 Share-based Payment, for cash settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability.

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

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

REVENUE

Revenue is measured at fair value of the consideration received or receivable for goods and services provided in the normal course of business net of trade discounts and other sales related taxes. 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 by reference to the stage of completion of the contract, in accordance with the Group's accounting policy on construction contracts aforementioned.

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

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

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.

The Group as lessee:

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised.

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

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, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements as mentioned below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1. Provision for legal contingencies

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.

2. 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's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the end of the reporting period was US$15.6 million (R$27.2 million) (2008: US$15.6 million (R$36.5 million)). Details of the impairment loss calculation are provided in Note 9. There is any impairment loss recognized for the periods presented.

3. Fair value of derivatives and other financial instruments

As described in Note 25, 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.

4. 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.

5. 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. SEGMENT INFORMATION

ADOPTION OF IFRS 8 OPERATING SEGMENTS

The Group has adopted IFRS 8 Operating Segments as from January 1st, 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

REPORTABLE SEGMENTS

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

Segment information relating to these businesses is presented below:

2009	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Unallocated US$	Consolidated US$
Revenue	145,707	175,408	15,204	38,144	75,788	27,637	477,888
Operating profit	52,050	46,562	2,171	13,711	3,311	(21,505)	96,300
Finance costs alocated to segment	(3,418)	(553)	(92)	(2,903)	(1,333)	(1,256)	(9,555)
Operating profit adjusted by finance cost	48,632	46,009	2,079	10,808	1,978	(22,761)	86,745
Investment income							34,343
Profit before tax							121,088
Income tax							(31,104)
Profit for the year							89,984
Other information							
Capital expenditures	(67,877)	(31,978)	(169)	(33,331)	(14,944)	(1,254)	(149,553)
Depreciation and amortization	(9,261)	(11,721)	(162)	(5,478)	(3,742)	(1,701)	(32,065)
Balance Sheet							
Segment assets	168,156	227,992	5,027	129,500	43,451	234,061	808,187
Segment liabilities	(117,780)	(71,149)	(5,541)	(147,114)	(27,968)	(15,156)	(384,708)

2008	Towage US$	Port terminals US$	Ship agency US$	Offshore US$	Logistics US$	Unallocated US$	Consolidated US$
Revenue	147,098	170,518	17,588	21,557	89,298	52,226	498,285
Operating profit	48,564	50,867	3,132	8,081	5,308	(19,519)	96,433
Finance costs alocated to segment	(4,077)	(6,673)	(72)	(2,671)	(475)	(242)	(14,210)
Operating profit adjusted by finance cost	44,487	44,194	3,060	5,410	4,833	(19,761)	82,223
Investment income							(822)
Gain on disposal of investment							4,191
Profit before tax							85,592
Income tax							(38,695)
Profit for year							46,897
Other information							
Capital expenditures	(27,973)	(30,554)	(603)	(23,901)	(9,104)	(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)

2009	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Unallocated R$	Consolidated R$
Revenue	253,705	305,420	26,473	66,416	131,962	48,122	832,098
Operating profit	90,629	81,074	3,780	23,874	5,765	(37,446)	167,676
Finance costs alocated to segment	(5,951)	(963)	(160)	(5,055)	(2,321)	(2,187)	(16,637)
Operating profit adjusted by finance cost	84,678	80,111	3,620	18,819	3,444	20,165	151,039
Investment income							59,798
Profit before tax							210,837
Income tax							(54,158)
Profit for the year							156,679
Other information							
Capital expenditures	(118,187)	(55,680)	(294)	(58,036)	(26,020)	(2,185)	(260,402)
Depreciation and amortization	(16,125)	(20,409)	(282)	(9,538)	(6,516)	(2,961)	(55,831)
Balance Sheet							
Segment assets	292,793	396,979	8,753	225,485	75,657	407,548	1,407,215
Segment liabilities	(205,080)	(123,885)	(9,648)	(256,155)	(48,698)	(26,387)	(669,853)

2008	Towage R$	Port terminals R$	Ship agency R$	Offshore R$	Logistics R$	Unallocated R$	Consolidated R$
Revenue	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
Finance costs alocated to segment	(9,528)	(15,595)	(168)	(6,242)	(1,110)	(566)	(33,209)
Operating profit adjusted by finance cost	103,966	103,281	7,151	12,643	11,295	(46,181)	192,155
Investment income							(1,921)
Gain on disposal of investment							9,794
Profit before tax							200,028
Income tax							(90,430)
Profit for the year							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	418,068	1,424,549
Segment liabilities	(117,560)	(156,129)	(7,707)	(263,640)	(27,829)	(75,370)	(648,235)

Financial expenses and respective liabilities were allocated to reporting segments where interest arises from loans is related with 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. Administrative expenses are presented as unallocated.

GEOGRAPHICAL INFORMATION

The Group's operations are mainly located 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

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

	2009 US$	2008 US$	2009 R$	2008 R$
Sales of services	455,801	449,652	793,641	1,050,837
Revenue from construction contracts	22,087	48,633	38,457	113,655
Total	477,888	498,285	832,098	1,164,492

5. PERSONNEL EXPENSES

	2009 US$	2008 US$	2009 R$	2008 R$
Salaries and benefits	111,759	110,141	194,594	257,400
Social securities and charges	27,318	26,584	47,566	62,126
Pension costs	585	1,022	1,019	2,388
Share-based payment (Note 20)	9,424	(1,431)	16,409	(3,344)
Total	149,086	136,316	259,588	318,570

Pension costs are for defined contribution retirement benefit schemes for all qualifying employees of the Group’s 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

	2009 US$	2008 US$	2009 R$	2008 R$
Service cost	49,507	49,699	86,202	116,147
Rent of tugs	25,830	25,316	44,975	59,164
Freight	20,619	30,496	35,902	71,269
Other rentals	10,650	12,663	18,544	29,593
Energy, water and communication	9,944	10,839	17,314	25,332
Container movement	10,394	9,949	18,098	23,248
Insurance	5,618	6,969	9,782	16,287
Maintenance	5,088	6,359	8,859	14,862
Other expenses	13,687	1,190	23,832	2,781
Total	151,337	153,480	263,508	358,683

7. INVESTMENT INCOME AND FINANCE COSTS

	2009 US$	2008 US$	2009 R$	2008 R$
Interest on investments	6,874	11,340	11,969	26,502
Exchange gain on investments	24,031	(23,524)	41,843	(54,976)
Interest income	3,438	11,362	5,986	26,553
Total investment income	34,343	(822)	59,798	(1,921)
Interest on bank loans and overdrafts	(7,724)	(7,028)	(13,449)	(16,424)
Exchange gain on loans	2,098	(2,369)	3,653	(5,536)
Interest on obligations under finance leases	(1,254)	(677)	(2,183)	(1,583)
Other interest	(2,675)	(4,136)	(4,658)	(9,666)
Total finance costs	(9,555)	(14,210)	(16,637)	(33,209)

8. INCOME TAX

	2009 US$	2008 US$	2009 R$	2008 R$
Current				
Brazilian taxation				
Income tax	31,402	22,901	54,677	53,520
Social contribution	12,022	9,302	20,933	21,738
Total current tax	43,424	32,203	75,610	75,258
Deferred tax				
Total deferred tax	(12,320)	6,492	(21,452)	15,172
Total income tax	31,104	38,695	54,158	90,430

Brazilian income tax is calculated at 25% of the taxable profit for the period. Brazilian social contribution tax is calculated at 9% of the taxable profit for the period.

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

	2009 US$	2008 US$	2009 R$	2008 R$
Profit before tax	121,088	85,592	210,837	200,028
Tax at the standard Brazilian tax rate of 34%	41,170	29,101	71,685	68,009
Tax effect of expenses/income that are not included in determining taxable profit				
Reversal of exchange variation on loans in US Dollar	16,540	(13,908)	28,800	(32,503)
Exchange (gain) loss on deferred income tax balances	6,536	(8,603)	11,380	(20,105)
Others	(900)	(153)	(1,568)	(358)
Effect of exchange difference in non-monetary items	(35,086)	32,257	(61,092)	75,385
Effect of different tax rates in other jurisdictions	2,844	1	4,953	2
Income tax expense	31,104	38,695	54,158	90,430
Effective rate for the period	26%	45%	26%	45%

The tax rate used for the 2009 and 2008 reconciliations above is the corporate tax rate of 34% payable by entities in Brazil under tax law in that jurisdiction.

9. GOODWILL

	2009 US$	2008 US$	2009 R$	2008 R$
Cost and carrying amount attributed to:				
Tecon Rio Grande	13,132	13,132	22,865	30,689
Tecon Salvador	2,480	2,480	4,319	5,796
Total	15,612	15,612	27,184	36,485

For the purposes of testing goodwill for impairment loss, 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 7% and 10% for Tecon Rio Grande and 5% and 8% for Tecon Salvador. This rate does not exceed the average long-term historical growth rate for the relevant market. After testing goodwill as mentioned above, no impairment losses were recognized for the periods presented.

10. OTHER INTANGIBLE ASSETS

	US$	R$
Cost		
At January 1st, 2008	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
Exchange differences	824	1,435
Translation adjustment to real	-	(1,929)
At December 31, 2009	4,062	7,073
Amortization		
At January 1st, 2008	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
Charge for the year	149	259
Exchange differences	235	409
Translation adjustment to real	-	(857)
At December 31, 2009	1,823	3,174
Carrying amount		
December 31, 2009	2,239	3,899
December 31, 2008	1,799	4,204

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 André (bonded warehouse).

On November, 2008 the Group's renewed the concession right for EADI Santo André for more ten years, this right was recognized at intangible asset, as an addition in the amount of 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 André is 10 years.

11. 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 1st, 2008	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
Additions	23,265	3,737	27,172	95,379	149,553
Transfers	-	52,653	-	(52,653)	-
Exchange differences	8,700	-	14,032	-	22,732
Disposals	(6,230)	(472)	(584)	-	(7,286)
At December 31, 2009	112,444	284,118	142,286	62,377	601,225
Accumulated depreciation					
At January 1st, 2008	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
Charge for the year	5,112	14,523	12,281	-	31,916
Exchange differences	1,572	-	4,561	-	6,133
Disposals	(6,157)	(165)	(584)	-	(6,906)
At December 31, 2009	22,182	88,128	52,037	-	162,347
At December 31, 2009	90,262	195,990	90,249	62,377	438,878
At December 31, 2008	65,054	154,430	65,887	19,651	305,022

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
	R$	R$	R$	R$	R$
Cost or valuation					
At January 1st, 2008	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
Additions	40,509	6,507	47,312	166,074	260,402
Transfers	-	91,679	-	(91,679)	-
Exchange differences	15,149	-	24,433	-	39,582
Disposals	(10,848)	(822)	(1,017)	-	(12,687)
Translation adjustment to real	(51,662)	(135,961)	(60,573)	(11,707)	(259,903)
At December 31, 2009	195,787	494,706	247,748	108,612	1,046,853
Accumulated depreciation					
At January 1st, 2008	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	-	64,541
At December 31, 2008	50,607	172,400	83,616	-	306,623
Charge for the year	8,901	25,287	21,384	-	55,572
Exchange differences	2,737	-	7,942	-	10,679
Disposals	(10,721)	(287)	(1,017)	-	(12,025)
Translation adjustment to real	(12,901)	(43,951)	(21,318)	-	(78,170)
At December 31, 2009	38,623	153,449	90,607	-	282,679
At December 31, 2009	157,164	341,257	157,141	108,612	764,174
At December 31, 2008	152,032	360,903	153,977	45,924	712,836

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$23.0 million (R$40.0 million) (2008: US$13.8 million (R$32.3 million)) in respect of assets held under finance leases.

Land and buildings with a net book value of US$385 (R$670) (2008: US$299 (R$699)) and tugs with a net book value of US$2,794 (R$4,865) (2008: US$3,001 (R$7,013)) have been given in guarantee of various lawsuits.

The Group has pledged assets having a carrying amount of approximately US$235.4 million (R$409.9 million) (2008: US$35.2 million (R$82.3 million)) to secure loans granted to the Group.

The amount of capitalized interest in the year is US$728 (R$1,268), carrying average rate of 3.42%.

On December 31 2009, the Group had contractual suppliers commitments for the acquisition and construction related to property, plant and equipment amounting to US$23.7 million (R$41.2 million) (2008: US$23.9 million (R$55.9 million)).

12. INVENTORIES

	2009 US$	2008 US$	2009 R$	2008 R$
Operating materials	9,758	8,360	16,991	19,537
Raw materials for construction contracts (external customers)	10,929	1,042	19,030	2,435
Total	20,687	9,402	36,021	21,972

13. TRADE AND OTHER RECEIVABLES

	2009 US$	2008 US$	2009 R$	2008 R$
Accounts receivable for services rendered	49,948	36,138	86,971	84,455
Allowance for doubtful debts	(1,637)	(2,761)	(2,850)	(6,452)
Income tax recoverable	5,484	2,676	9,547	6,254
Prepayments and recoverable taxes and levies	51,704	42,698	90,027	99,784
Total	105,499	78,751	183,695	184,041

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets.

The average credit period taken on services is approximately 32 days (2008: 24 days). Interest of one percent plus an average fine of two percent per month is charged on overdue balances. The Group has recognized an allowance for doubtful debts of 100% against all receivables over 180 days because historical experience has been that receivables that are past due beyond 180 days are not recoverable. Allowances for doubtful debts are recognized decreasing the amount of accounts receivable and is established whenever a loss is detected, based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

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

	2009 US$	2008 US$	2009 R$	2008 R$
Not due	41,377	31,744	72,046	74,187
Due:				
From 01 to 30 days	5,051	1,369	8,796	3,199
From 31 to 90 days	1,440	188	2,508	439
From 91 to 180 days	443	76	771	178
More than 180 days	1,637	2,761	2,850	6,452
Total	49,948	36,138	86,971	84,455

Changes in allowance for doubtful debts are as follows:

	US$	R$
At January 1st, 2008	4,208	7,454
Amounts written off during the period	(1,277)	(2,985)
Increase in allowance	397	928
Exchange difference	(567)	(1,325)
Translation adjustment to real	-	2,380
At December 31, 2008	2,761	6,452
Amounts written off during the period	(4,177)	(7,272)
Increase in allowance	2,423	4,220
Exchange difference	630	1,096
Translation adjustment to real	-	(1,646)
At December 31, 2009	1,637	2,850

Management believes that no additional accrual 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 ensuring 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 December 31, 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). In 2009, the Group concluded this process and recognized US$5.6 million (R$9.8 million) as a credit in the Consolidated Income Statement for the year (line "other operating expenses").

14. CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents denominated in US dollar represent principally investments in deposit certificates placed with major financial institutions. Cash and cash equivalents denominated in real represent principally investments in deposit certificates and Brazilian treasurys.

SHORT TERM INVESTMENTS

Short term investments comprises investments that are with more than 90 days of maturity but less than 365 days.

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

	2009 US$	2008 US$	2009 R$	2008 R$
Denominated in US Dollar:				
Cash and cash equivalents	83,255	104,672	144,963	244,618
Total	83,255	104,672	144,963	244,618
Denominated in real:				
Cash and cash equivalents	94,881	75,350	165,207	176,093
Short term investments	11,116	-	19,355	-
Total	105,997	75,350	184,562	176,093
Total cash and cash equivalents	178,136	180,022	310,170	420,711
Total short term investments	11,116	-	19,355	-

PRIVATE INVESTMENT FUNDS

The Group has investiments in private investiment fund denominated Investiment Fund Fixed Income Private Credit Hydrus and that are consolidated in these financial statements. This private investment fund comprise deposit certificates and equivalent instruments, with final maturities ranging from April to October 2010 and for government bonds, with final maturities ranging from March 2013 to March 2015.

About 96% of the securities included in the portfolio of the Private Investment Fund have daily liquidity and are marked at fair value on a daily basis against current earnings. This private investment fund does not have significant financial obligations. Any financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses.

15. BANK OVERDRAFTS AND LOANS

	Interest rate – %	2009 US$	2008 US$	2009 R$	2008 R$
Unsecured Borrowings – at amortized cost:					
Bank overdrafts	13,25% p.y.	227	113	395	264
Total unsecured borrowings		227	113	395	264
Secured Borrowings – at amortized cost:					
BNDES – Finame real	4,5% to 14% p.y	5,089	-	8,861	-
BNDES – Finame US dollar	2,64% to 5% p.y	230,563	159,721	401,456	373,266
Total BNDES		235,652	159,721	410,317	373,266
IFC linked to US dollar	3,18% to 8,49% p.y	14,080	21,316	24,516	49,815
IFC linked to real	14,09% p.y	5,458	4,067	9,504	9,507
Total IFC		19,538	25,383	34,020	59,322
Total secured borrowings		255,190	185,104	444,337	432,588
Total		255,417	185,217	444,732	432,852

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

	US$	US$	R$	R$
Within one year	18,146	17,777	31,596	41,545
In the second year	20,545	15,096	35,773	35,277
In the third to fifth years (including)	60,166	43,321	104,761	101,241
After five years	156,560	109,023	272,602	254,789
Total	255,417	185,217	444,732	432,852
Total current	18,146	17,777	31,596	41,545
Total non-current	237,271	167,440	413,136	391,307

The analysis of borrowings by currency is as follows:

	Real	Real linked to US Dollar	US Dollar	Total	Real	Real linked to US Dollar	US Dollar	Total
	US$	US$	US$	US$	R$	R$	R$	R$
December 31, 2009								
Bank overdrafts	227	-	-	227	395	-	-	395
Bank loans	10,547	230,563	14,080	255,190	18,365	401,456	24,516	444,337
Total	10,774	230,563	14,080	255,417	18,760	401,456	24,516	444,732
December 31, 2008								
Bank overdrafts	113	-	-	113	264	-	-	264
Bank loans	4,067	159,721	21,316	185,104	9,507	373,266	49,815	432,588
Total	4,180	159,721	21,316	185,217	9,771	373,266	49,815	432,852

The Group has two main lenders:

Brazilian Economic and Social Development Bank ("BNDES"), as an agent of Brazilian Merchant Navy ("FMM") BNDES finances tug boats and platform supply vessel's construction, in the amount outstanding of US$230.6 million (R$401.5 million) (2008: US$159.7 million (R$373.3 million)) and equipments for logistic operations, US$5.1 million (R$8.9 million). The amounts outstanding at December 31, 2009 are repayable over periods varying up to 21 years. For the part linked to US dollars the loans carry fixed interest rates between 2.64% and 5% per year, whereas for the loans denominated in real, the interest rates are between 4.5% and 14% per year.

The International Finance Corporation (“IFC”) finances both port terminals – Tecon Rio Grande and Tecon Salvador. There are three loan agreements with this bank: two for Tecon Salvador and one for Tecon Rio Grande. The amounts outstanding at December 31, 2009 are repayable over periods varying up to seven years. These loans are denominated part in US dollar and part in real. For the part linked to US dollar, one of the loans interest rate is fixed in 8.49% per year, while the others load a variable rate denominated Libor (semestral) plus spread that are between 2.5% to 3.5% per year, whereas for the part denominated in real, the interest rate is fixed at 14.09% per year.

GUARANTEES

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

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

UNDRAWN BORROWING FACILITIES

At December 31, 2009, the Group had available US$102.3 million of undrawn borrowing facilities for which all conditions precedent had been met.

The Export-Import Bank of China, finances Tecon Rio Grande´s equipment. The amount is US$16.66 million, with initial outlay in January 2010. The amount outstanding is repayable up to ten years, including a shortage of two years. The amortization and interest payment are semestrals. The loan is denominated in US dollars with a variable rate (Libor – semestral). The spread is 1.7% per year and there is a committee´s payment for Bank Itaú BBA´s guarantee of 2% per year.

FAIR VALUE

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

	2009 US$	2008 US$	2009 R$	2008 R$
Bank overdrafts	227	113	395	264
Bank loans				
BNDES	235,652	168,144	410,317	392,953
IFC	20,160	25,891	35,103	60,507
Total bank loans	255,812	194,035	445,420	453,460
Total	256,039	194,148	445,815	453,724

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 December 31, 2009, the Group is in compliance with all clauses of these contracts.

16. DEFERRED TAX

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

	Accelerated depreciation	Exchange variance on loans	Timing differences	Tax losses	Non-monetary items	Total
	US$	US$	US$	US$	US$	US$
At January 1, 2008	(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 December 31, 2008	(13,243)	1,906	10,618	-	(4,024)	(4,743)
(Charge)/Credit to income	(8,351)	(15,156)	741	-	35,086	12,320
Exchange differences	-	3	1,779	-	-	1,782
At December 31, 2009	(21,594)	(13,247)	13,138	-	31,062	9,359

	Accelerated depreciation	Exchange variance on loans	Timing differences	Tax losses	Non-monetary items	Total
	R$	R$	R$	R$	R$	R$
At January 1, 2008	(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
December 31, 2008	(30,949)	4,454	24,815	-	(9,404)	(11,084)
(Charge)/Credit to income	(14,541)	(26,390)	1,290	-	61,092	21,451
Exchange differences	-	5	3,098	-	-	3,103
Translation adjustment to Real	7,891	(1,135)	(6,327)	-	2,397	2,826
At December 31, 2009	(37,599)	(23,066)	22,876	-	54,085	16,296

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

	2009 US$	2008 US$	2009 R$	2008 R$
Deferred tax liabilities	(16,140)	(15,632)	(28,102)	(36,532)
Deferred tax assets	25,499	10,889	44,398	25,448
Total	9,359	(4,743)	16,296	(11,084)

At the balance sheet date, the Group has unused tax losses of US$23,664 (R$41,203) (2008: US$9,564 (R$22,351)) available for offset against future fiscal profits. No deferred tax asset has been recognized in the amount of US$ 8,046 (R$14,009) (2008: US$3,252 (R$7,599)) due to the unpredictability of future fiscal profits streams.

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

Deferred tax arises from exchange gains on the Group's US dollar and real denominated loans linked to the US dollar that are taxable on settlement and not in the period in which the gains arise.

17. PROVISIONS FOR CONTINGENCIES

	US$	R$
At January 1, 2008	12,484	22,113
Net addition (reversal) in the year	(1,905)	(4,452)
Exchange difference	(2,124)	(4,964)
Translation adjustment to real	-	7,062
At December 31, 2008	8,455	19,759
Net addition (reversal) in the year	(1,654)	(2,879)
Exchange difference	3,030	5,275
Translation adjustment to Real	-	(5,037)
At December 31, 2009	9,831	17,118

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

	2009 US$	2008 US$	2009 R$	2008 R$
Civil cases	781	2,369	1,360	5,537
Tax cases	921	1,291	1,604	3,016
Labor claims	8,129	4,795	14,154	11,206
Total	9,831	8,455	17,118	19,759

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 advisors. There are no material claims outstanding at December 31, 2009 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:

• 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.

• Labor claims: These lawsuits litigate about salary differences, overtime worked without payments, and other additional.

• Tax cases: Brazilian taxes that the Group considers inappropriate and litigates against the governments.

In addition to the cases for which the Group booked the provision for contingencies there are other tax, civil and labor disputes amounting to US$60,355 (R$105,089) (2008: US$33,074 (R$77,293)), whose probability of loss was estimated by the legal advisors as possible. Of in order to promote the amount of US$60,355 classified as possible, US$10,667 refer to approximately 130 labor claims which were filed against the Port Terminal during 2009, the amounting to US$11,292 are related to exchange difference. The principal thrust of such claims was for the additional compensation for the alledged enhanced risk of operating the port during the construction phase of the port expansion. The Superior Labor Court (“SLC”) judged the object and declared the inapplicability of private terminals employees additional. The Group´s legal advisers will continue monitoring progress on the case with SLC, in order to promote a court decision favorable to the Port Terminal.

18. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2009 US$	2008 US$	2009 US$	2008 US$
Amounts payable under finance leases:				
Within one year	5,263	1,616	3,902	1,116
In the second to fifth years, inclusive	9,950	4,025	8,653	3,139
Total	15,213	5,641	12,555	4,255
Less future finance charges	(2,658)	(1,386)		
Present value of lease obligations	12,555	4,255		

	Minimum lease payments		Present value of minimum lease payments	
	2009 R$	2008 R$	2009 R$	2008 R$
Amounts payable under finance leases:				
Within one year	9,164	3,776	6,793	2,609
In the second to fifth years inclusive	17,324	9,408	15,067	7,336
Total	26,488	13,184	21,860	9,945
Less future finance charges	(4,628)	(3,239)		
Present value of lease obligations	21,860	9,945		

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 December 31, 2009 the average effective leasing rate was 15.21% per year (2008: 15.25%). 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 10.05% to 20.39% per year.

Leases are denominated in Reais.

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

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

19. TRADE AND OTHER PAYABLES

	2009 US$	2008 US$	2009 R$	2008 R$
Suppliers	61,756	44,334	107,530	103,609
Taxes	11,847	9,834	20,628	22,980
Share-based payment	10,591	1,167	18,441	2,728
Accruals and other payables	5,733	7,387	9,982	17,262
Total	89,927	62,722	156,581	146,579

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

	2009 US$	2008 US$	2009 R$	2008 R$
Construction contracts				
Contracts in progress at the end of each reporting period:				
Contract costs incurred plus recognized revenues less recognized losses to date	22,807	40,928	39,712	95,649
Less billings in process	(35,207)	(42,882)	(61,302)	(100,215)
Net liability included in suppliers	(12,400)	(1,954)	(21,590)	(4,566)

20. CASH-SETTLED SHARE-BASED PAYMENTS

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

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

	US$	R$
Liability at January 1, 2008	2,598	4,602
Reversal for the year	(1,431)	(3,344)
Translation adjustment to Reais	-	1,470
Liability at December 31, 2008	1,167	2,728
Charge for the year	9,424	16,409
Translation adjustment to Reais	-	(696)
Liability at December 31, 2009	10,591	18,441

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

	2009
	Number of share options
Outstanding at the begging of the year	3,892,760
Granted during the year	20,000
Outstanding at the end of the year	3,912,760

Fair value of the recorded liability in the amount of US$10,591 (R$18,441) (2008: US$1,167 (R$2,728)) was determined using the Binomial model based on the assumptions mentioned below:

	2009	2008
Closing share price (in real)	R$21.48	R$10.95
Expected volatility	34%	30%
Expected life	10 years	10 years
Risk free rate	9.49%	11.23%
Expected dividend yield	2.2 %	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 behavioral considerations.

21. EQUITY

SHARE CAPITAL

	2009 US$	2008 US$	2009 R$	2008 R$
71,144,000 ordinary shares issued and fully paid	9,905	9,905	17,247	23,148

DIVIDENDS

According to the Company's by-laws, 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.

Amounts recognized as distributions to owners of the Company:

	2009 US$	2008 US$	2009 R$	2008 R$
Dividends declared	16,007	16,007	27,871	37,408
Total	16,007	16,007	27,871	37,408

In the Board Meeting held on May 4, 2009, the Board of Directors declared the payment of dividend in the amount of US$0.225 cents per share (R$0.392 cents per share) in the total amount of US$16,007 (R$27,871) to Shareholders of record as at May 4, 2009, and the payment of such dividend on May 12, 2009.

EARNINGS PER SHARE

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

	2009 US$	2008 US$	2009 R$	2008 R$
Profit for the year attributable to owners of the Company	88,531	46,855	154,148	109,500
Weighted average number of ordinary shares	71,144,000	71,144,000	71,144,000	71,144,000
Basic and diluted earnings per share (cents per share)	124.4	65.9	216.7	153.9

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 Dollar.

22. SUBSIDIARIES

Details of the Company's subsidiaries at December 31, 2009 and 2008 are as follows:

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Holding company			
Wilson Sons de Administração e Comércio Ltda.	Brazil	100%	Consolidation
Vis Limited	Guernsey	100%	Consolidation
Towage			
Saveiros Camuyrano Serviços Marítimos S.A.	Brazil	100%	Consolidation
Sobrare-Servemar Ltda.	Brazil	100%	Consolidation
Wilson Sons Apoio Marítimo Ltda.	Brazil	100%	Consolidation
Wilson Sons Operações Marítimas Especiais Ltda.	Brazil	100%	Consolidation
Transamérica Visas Serviços de Despachos Ltda.	Brazil	100%	Consolidation
Offshore			
Wilson Sons Offshore S.A.	Brazil	100%	Consolidation
Shipyard			
Wilson, Sons S.A., Comércio, Indústria, e Agência de Navegação Ltda.	Brazil	100%	Consolidation
Wilson Sons Estaleiro Ltda.	Brazil	100%	Consolidation
Ship Agency			
Wilson Sons Agência Marítima Ltda.	Brazil	100%	Consolidation
Wilson Sons Navegação Ltda.	Brazil	100%	Consolidation

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Stevedoring			
Wilport Operadores Portuários Ltda.	Brazil	100%	Consolidation
Logistics			
Wilson, Sons Logística Ltda	Brazil	100%	Consolidation
Transport services			
Wilson, Sons Terminais de Cargas Ltda.	Brazil	100%	Consolidation
Bonded warehousing			
EADI Santo André Terminal de Carga Ltda.	Brazil	100%	Consolidation
Port terminal			
Tecon Rio Grande S.A.	Brazil	100%	Consolidation
Tecon Salvador S.A.	Brazil	100%	Consolidation
Port operator			
Brasco Logística Offshore Ltda.	Brazil	75%	Consolidation
Wilson Sons Operadores Portuários Ltda.	Brazil	100%	Consolidation

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

On October 31, 2008, the Group's decided to reorganize its investments structure. This resulted in Saveiros Camuyranos Serviços Marítimos S.A., a subsidiary of Wilson Sons Limited, being spun-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 BDR in Wilson Sons Limited.

23. JOINT VENTURES

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

	2009 US$	2008 US$	2009 R$	2008 R$
Current assets	3,639	3,457	6,336	8,079
Non-current assets	2,297	1,438	4,000	3,361
Current liabilities	(4,744)	(3,377)	(8,260)	(7,892)
Non-current liabilities	(21)	(54)	(37)	(126)

	2009 US$	2008 US$	2009 R$	2008 R$
Income	15,963	18,831	27,795	44,008
Expenses	(14,748)	(10,102)	(25,679)	(23,608)

The Group has the following significant interests in joint ventures at December 31, 2009:

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

On November 6, 2009, the Group sold its participation of 33.3% in the Joint Venture Dragaport Engenharia Ltda. to the partner Serveng Civilsan S.A. Except for this, the other interests in joint ventures mentioned above are the same of December 31, 2008.

24. OPERATING LEASE ARRANGEMENTS

THE GROUP AS LESSEE

	2009 US$	2008 US$	2009 R$	2008 R$
Minimum lease payments under operating leases recognized in income for the year	12,440	12,058	21,661	28,180

At December 31, 2009, the minimum amount due by the Group for future minimum lease payments under cancellable operating leases was US$8,390 (R$14,608) (2008: US$6,638 (R$15,513)).

Lease commitments for land and buildings with a term of over 5 years are recognized as an expense on a straight-line basis over the lease term. These operating lease arrangements are 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, and 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:

	2009 US$	2008 US$	2009 R$	2008 R$
Within one year	1,453	1,456	2,530	3,403
In the second to fifth year, inclusive	13,557	15,049	23,605	35,170
Total	15,010	16,505	26,135	38,573

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

In November, 2008 the Group's renewed the concession to operate the EADI Santo Andre (a bonded warehouse) for a further ten years. With this, the Group's management renewed the rental agreement contract of the bonded warehouse used by EADI Santo Andre for the same period. The unexpired lease period at December 31, 2009 is 10 years and 4 months. These rental payments are updated by a Brazilian general inflation index.

25. 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 a going concern 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 15, cash and cash equivalents, short term investments and equity attributable to owners of the parent comprising issued capital, reserves and retained earnings as disclosed in Note 21.

b) Categories of financial instruments:

	Fair value		Book value	
	2009 US$	2008 US$	2009 US$	2008 US$
Financial assets:				
Cash and cash equivalents	178,136	180,022	178,136	180,022
Short Term Investments	11,116	-	11,116	-
Trade and other receivables	105,499	78,751	105,499	78,751
Total	294,751	258,773	294,751	258,773
Financial liabilities:				
Bank loans and overdrafts	256,039	194,148	255,417	185,217
Obligations under finance leases	12,555	4,255	12,555	4,255
Trade and other payables	89,927	62,722	89,927	62,722
Total	358,521	261,125	357,899	252,194

	Fair value		Book value	
	2009 R$	2008 R$	2009 R$	2008 R$
Financial assets:				
Cash and cash equivalents	310,170	420,711	310,170	420,711
Short Term Investments	19,355	-	19,355	-
Trade and other receivables	183,695	184,041	183,695	184,041
Total	513,220	604,752	513,220	604,752
Financial liabilities:				
Bank loans and overdrafts	445,815	453,724	444,732	432,852
Obligations under finance leases	21,860	9,945	21,860	9,945
Trade and other payables	156,581	146,579	156,581	146,579
Total	624,256	610,248	623,173	589,376

c) 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.

d) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currency (Real). Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, which may include the use of forward foreign exchange contracts.

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 for the periods presented.

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

	Assets		Liabilities	
	2009 US$	2008 US$	2009 US$	2008 US$
Amounts denominated in real	327,593	297,671	129,292	92,961

	Assets		Liabilities	
	2009 R$	2008 R$	2009 R$	2008 R$
Amounts denominated in real	570,405	695,657	225,123	217,250

Foreign currency sensitivity analysis

Exchange rates		
Probable Scenario	Possible Scenario (25%)	Remote Scenario (50%)
1.8100	2.265	2.7150

Operation	Risk	Amount in US$	Result	Probable Scenario	Possible Scenario 25%	Remote Scenario 50%
Total assets	**real**	327,593	**Exchange effects**	(12,452)	(75,480)	(117,499)
Total liabilities	**real**	129,292	**Exchange effects**	4,915	29,790	46,374
			Net effect	(7,537)	(45,690)	(71,125)

e) 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, 2009 and December 31, 2008 the Company had no outstanding interest rate swap contracts.

The Group has part of its equity reserves linked to "DI" (Brazilian interbank interest rates) and part linked to fixed deposits in US dollar.

Interest rate sensitivity analysis

The following analysis concerns an eventual variation of revenue or expenses associated with the operations and scenarios shown, without consider its fair value.

Libor interest rate		
Probable Scenario	Possible Scenario (25%)	Remote Scenario (50%)
0.87%	1.09%	1.31%

Operation	Risk	Amount in US$	Result	Probable Scenario	Possible Scenario 25%	Remote Scenario 50%
Loan IFC	**Libor**	9,467	**Loan interest**	(11)	(23)	(36)
Investments	**Libor**	77,191	**Investment income**	516	692	868
			Net effect	505	669	832

Interest rate		
Probable Scenario	Possible Scenario (25%)	Remote Scenario (50%)
10.39%	12.99%	15.59%

Operation	Risk	Amount in US$	Result	Probable Scenario	Possible Scenario 25%	Remote Scenario 50%
Investments	**CDI**	102,440	**Investment income**	1,692	4,081	6,470
			Net effect	1,692	4,081	6,470

The net effect was obtained by assuming a scenario for the 12 months starting January 1st, 2010 in which interest rates and all other variables remain constant.

The others loans bear a fixed interest rate and represent 95.5% of the total loans.

The investment rate risk mix is 42.97% Libor and 57.03% CDI.

f) 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.

g) 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 booked 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.

h) Derivatives

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, 2009 and 2008.

i) Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at December 31, 2009 and December 31, 2008 at amounts similar to the fair value at those dates. These instruments are managed though operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of 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.

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

Cash and cash equivalents

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

Short term investments

The book value of short term financial investments approximates its fair value.

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

Fair value 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 BNDES financing arrangements is identical to book balances since there are no similar instruments, with comparable maturity dates and interest rates.

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

26. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates, joint ventures 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	-	-	-	-	-	103
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	343
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	3	-	-	-	618	-
4. Consórcio de Rebocadores Barra de Coqueiros	13	121	-	-	257	5
5. Consórcio de Rebocadores Baía de São Marcos	13	2.070	92	-	3.116	6
6. Dragaport Engenharia Ltda.	-	-	-	-	344	-
Others						
7. Patrick Hamilton Hill	-	2.642	-	-	273	-
Year ended 31 December 2009	29	4.833	92	-	4.608	457
Year ended 31 December 2008	110	1.361	1.138	10.573	2.829	937

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Expenses
	R$	R$	R$	R$	R$	R$
Associates:						
1. Gouvêa Vieira Advogados	-	-	-	-	-	179
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	597
Joint ventures:						
3. Allink Transportes Internacionais Ltda.	5	-	-	-	1.076	-
4. Consórcio de Rebocadores Barra de Coqueiros	23	211	-	-	447	9
5. Consórcio de Rebocadores Baía de São Marcos	23	3.604	160	-	5.426	10
6. Dragaport Engenharia Ltda.	-	-	-	-	599	-
Others						
7. Patrick Hamilton Hill	-	4.600	-	-	475	-
Year ended December 31, 2009	51	8.415	160	-	8.023	795
Year ended December 31, 2008	257	3.181	2.660	24.709	6.611	2.190

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. 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 23.

27. NOTES TO THE CASH FLOW STATEMENT

	2009 US$	2008 US$	2009 R$	2008 R$
Profit before tax	121,088	85,592	210,837	200,028
Less: Investments income	(34,343)	822	(59,798)	1,921
Less: Result on disposal of investment	(97)	(4,191)	(169)	(9,794)
Add: Finance costs	9,555	14,210	16,637	33,209
Operating profit from operations	96,203	96,433	167,507	225,364
Adjustments for:				
Depreciation and amortization expenses	32,065	26,256	55,832	61,360
Gain on disposal of property, plant and equipment and Joint Venture	(372)	(680)	(647)	(1,589)
Provision for cash-settled share-based payment	9,424	(1,431)	16,409	(3,344)
Increase/decrease in provisions	1,376	(2,598)	2,396	(6,071)
Operating cash flows before movements in working capital	138,696	117,980	241,497	275,720
(Increase)/decrease in inventories	(11,285)	(2,023)	(19,649)	(4,728)
(Increase)/decrease in trade and other receivables	(22,295)	(6,109)	(38,820)	(14,277)
Increase/(decrease) in trade and other payables	14,847	(9,502)	25,851	(22,206)
Increase in other non-current assets	(2,454)	3,057	(4,273)	7,144
Investments income/(loss)	14	-	24	-
Cash generated by operations	117,523	103,403	204,630	241,653
Income taxes paid	(38,377)	(33,215)	(66,822)	(77,624)
Interest paid	(9,238)	(11,454)	(16,085)	(26,768)
Net cash from operating activities	69,908	58,734	121,723	137,261

28. 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:

	2009 US$	2008 US$	2009 R$	2008 R$
Short-term employee benefits	6,716	6,391	13,389	11,744
Post-employment benefits and social charges	1,537	1,760	3,065	3,234
	8,254	8,151	16,454	14,978

29. INSURANCES COVERAGE

The main insurances coverage in vigor in December 31, 2009 that the Group contracted:

Risks	Subject	Coverage US$	Coverage R$
Managers and directors	**Managers´ Civil Responsibility**	29	50
Maritime Hull	**Tugs**	160	279
Maritime Hull	**Plataform Supply Vessels**	176	307
Maritime Hull	**CR - Protection and loss of income (shipowners)**	6,000,000	10,447,200
Maritime Hull	**Tugs and boats**	38	66
Port Operator CR	**Port Operator Civil Responsibility (including chattels and real estates), Terminals (including chattels and real estates), logistics operations**	100,000	174,120
Property (Multiline)	**Buildings, machines, furniture and fixtures, goods and raw materials**	15	25
Total		6,100,418	10,622,047

30. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statement were approved by the board of directors and authorized for issue on March 22, 2010.

Glossary

Container Terminal (Tecon) – port terminal, with a dock equipped to receive container ships, specialising in the handling and storing of containers.

Feeder ships – smaller ships used for cargo distribution. Feeder ships are often equipped with cranes for self-loading and unloading when calling at smaller, less developed ports.

Merchant Marine Fund – Created by Law 3.381/58, its objective is to supply funds to renew, expand and recuperate the Brazilian merchant fleet, and develop the Brazilian shipbuilding industry

Phantom stock options – A form of bonus compensation for an employee, in which the employee receives a quantity of units that equate to, but are not, shares in the company. The employee may sell his units at a later date and profit from any appreciation that has occurred.

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 – "CAPs" and the Manpower Management Entity – "OGMO", reshaping labour relations in the sector.

PSV - Platform Supply Vessel; a vessel that provides marine support services to platforms for the exploration and production of oil and gas.

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

United Nations Organisation (UNO) Global Compact – a voluntary accord by which companies from all over the world commit to respect ten principles relative to human rights, labour conditions, environment and transparency.

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DELOITTE TOUCHE TOHMATSU Independent Auditors

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Share Code: WSON11 (BDRs)

Luxemburg Stock Exchange (Bourse de Luxembourg)
Share Code: BMG968101094

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