



# Annual Integrated Report **2015**





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As part of our continuing efforts to reduce the environmental impact of our Company, this printed Annual Integrated Report contains only the main highlights of our business. The 2015 Consolidated Financial Statements can be found on the Company's website: [www.wilsonsons.com.br/ir](http://www.wilsonsons.com.br/ir)





## MESSAGE FROM THE BOARD

### GRI G4-1

This year we have unified our sustainability and the annual reports. The objective is to produce one document that has all significant results of the Company, considering both financial and sustainability measures.

Reaffirming our focus on the search for sustainable business development, we prioritize seven themes: safety; attracting talent, training, succession and retention of talent; new competitive scenario; environmental management; technology and innovation; expansion of requirements; energy efficiency and greenhouse gas emissions. Over the following pages we present our achievements and challenges for each.

We take this opportunity to ratify our commitment for the Global Compact, to which we are signatories since 2009. Our organizational culture, corporate governance and business strategy are integrated with the ten principles of the Global Compact preserving human rights, labour rights, the environment and combating corruption in all its forms.

### Solid Results in a Challenging Economic Environment

Wilson Sons completed 2015 with solid results in a challenging moment for the Brazilian economy. The highlights of our two largest businesses included record EBITDA for our towage business, and over 1 million TEU handled in our container terminals. The Group produced another solid operating performance with strong improvements in both operating profit and cash flow together with a reduction in our CAPEX. The 47% devaluation of the Brazilian Real “BRL”

against the US Dollar “US\$” was a major feature of 2015 causing the revenue and bottom line earnings to fall while positively impacting the operating result and margins. The Group businesses again demonstrated their fundamental strengths and quality with key operational indicators remaining robust at our container terminal, towage and offshore support vessel businesses.

Operating volumes	2015	2014	% Change
CONTAINER TERMINALS (container movements in TEU '000)	1,035.2	975.1	6.2
TOWAGE (number of harbour manoeuvres performed)	58,620	58,543	0.1
OFFSHORE VESSELS (operating days own vessels)	6,585	6,683	-1.5

Tecon Rio Grande and Tecon Salvador moved over one million twenty-foot equivalent units “TEU” in the year for the first time, driven by an increase in Brazilian exports and empty container movements. We continue to look to develop and improve our container terminal business, and are continuing negotiations with the relevant authorities to expand the Tecon Salvador terminal further. Our towage business had a successful year aided by the high proportion of revenue linked to the USD, which provides a natural hedge against the depreciating BRL. Towage special operations performed well aided by ongoing support for the Port of Açú in Rio de Janeiro state and fire fighting support in the port of Santos. We continue to invest in our tugboat fleet with the most powerful tugboat operating in Brazil, WS Titan (84 tons bollard pull), built at the Wilson Sons shipyards in Guarujá, São Paulo state, delivered in 2015.

We remain the towage market leader in Brazil operating a fleet of seventy-six tugboats, significantly larger than our nearest competitor. In addition to WS Titan, our shipyards successfully delivered to third parties the first Remotely Operated Vehicle Support Vessel (ROVSV) built in Brazil and an Oil Spill Recovery Vessel (OSRV). Construction work also progressed on two new platform supply vessels (PSVs) to be delivered in 2016 to our offshore joint venture, Wilson Sons Ultratug Offshore. Wilson Sons Ultratug Offshore performed well in difficult market conditions. The joint venture operates a fleet of nineteen PSVs of which eighteen are under long-

term contract to Petrobras. During the year, three vessel charters were concluded; the associated PSVs experienced some offhire before successfully contracting with Petrobras for a further two years. The PSV Mandrião, built in an international shipyard and delivered in 2014, has now been registered on the Brazilian special register and is available in the Brazilian spot market.

### Group Results

Operating profit for the year increased by US\$20.0 million from US\$94.9 million to US\$114.9 million due to higher operating margins which improved from 15% in the prior year to 23% in 2015, principally due to the weaker BRL and a lower depreciation charge. The improved operating profit was reflected in strong cash generation with net cash flows from operating activities for the period of US\$154.5 million compared to US\$118.0 million in 2014. The higher operating profit was offset mainly by an increase in exchange losses on foreign currency borrowings and an increase in exchange losses from monetary items so that Group profit before tax for the year was US\$1.0 million lower than prior year at US\$71.1 million (2014: US\$72.1 million). Profit per share based on ordinary activities after taxation and non-controlling interests was 42.4 cents (2014: 40.2 cents). In addition to the impact on operating margins and bottom line earnings the depreciation of the BRL against the USD negatively affected revenue in the year. Although Group revenue grew 13% in BRL terms, in USD terms revenue was 20% lower at US\$508.9 million (2014: US\$633.5 million).





## Dividend

The Board is recommending an increased dividend of 50 cents per share (2014: 0.408 cents per share) to be paid on 11 May 2016, to shareholders of the Company as of the close of business on 28 April 2016. This represents an increase of the dividend to shareholders for the year by 23%, which reflects the strong operating performance of the Company and a desire to increase dividend payments to shareholders following completion of the current investment cycle. In the last five years, the Company dividend per share has increased by 97%, from 25 cents per share to 50 cents per share, with a total of US\$127 million distributed to shareholders in this period.

The Wilson Sons dividend policy is to distribute an amount of no less than 50% of our Company's net profit, provided that the dividend policy will not compromise the policy for growth of the Company whether it be, through acquisition of other companies, or by reason of development of new business and also ensuring that the board of directors considers that the payment of such dividend would be in the interests of the Company and in compliance with the laws to which the Company is subject.

Dividends are set in US Dollars and paid annually. BDR holders receive dividends in Brazilian Real by reference to the exchange rate applicable to the USD on the transfer date of dividends to the custodian.

## Culture of safety

The Group continues to invest in the development of the culture of safety. The WS+ safety programme implemented in conjunction with DuPont in 2011 to promote improved safety throughout the Group continues to operate effectively. The programme trains Company employees to promote a safety oriented environment and culture. In 2015 for the fourth consecutive year, the Group was among the winners of the DuPont prize for Health and Safety Management in Brazil.

## Outlook

With economists forecasting a further contraction in the Brazilian economy this year and an uncertain political environment, the outlook for Brazil in 2016 remains poor. However we remain confident in the resilience of our Brazilian businesses and the performance delivered in 2015 gives us encouragement that we are well placed to face the coming challenges. Our container terminal business is beginning to benefit from a revival in Brazilian exports following the steep devaluation of the BRL, as evidenced by the record volumes moved in 2015, although we are also seeing some weakness in import cargoes.

In addition to the economic hurdles of Brazil in 2015, the substantial reduction in the oil price impacted exploration activity worldwide. The fall in oil prices and uncertainty surrounding the Brazilian oil and gas industry continue to dampen demand for the offshore support services of Brasco, our onshore support base provider faces some headwind in filling its expanded capacity. However we remain optimistic regarding the long-term prospects for this business.

For the offshore vessels business, Wilson Sons Ultratug Offshore, although the market is very challenging, significant contract coverage and brazilian flagged vessel priority continue to differentiate performance of our OSV business compared to international market peers. The Company is due to receive two PSVs constructed at international shipyards in the second half of 2016, which we expect to operate in the brazilian spot market and a further two constructed at our shipyard in Guarujá which already have long-term contracts. The shipyard orderbook is weaker than in previous years, but in addition to the two PSV's already mentioned, the shipyard is forecast to complete two Oil Spill Recovery Vessels (OSRVs) for third parties and six tugboats for our fleet. Post year end, third

parties signed contracts for two additional tugboats to be constructed in our shipyards with options for a further four vessels. Demand for harbour towage services is softer with volumes in the first two months of the year lower than the 2014 comparables.

In this environment, we will need to be even more disciplined and relentless in the pursuit of efficiency throughout the Company. Continued attention to the opportunities for utilisation of our assets and technical capacity of those who work with us are fundamental to maximising the service, safety and value in solutions we provide for our clients.

## Stakeholders

We will seek to navigate the current economic headwinds in this way, as we have done so many times in the previous 179 years of the Company's history. In doing so, we seek to strengthen our business, the services we provide and we are grateful for the continued support of all our stakeholders.

Jose Francisco Gouveia Vieira  
*Chairman of the Board of Directors*

Cezar Baião  
*CEO of Operations in Brazil*







# BUSINESS PROFILE

GRI G4-3/4/5/6/7/8

Wilson Sons is one of the largest port, maritime and logistics operators in Brazil offering specialised solutions in the areas of port terminals, maritime towage, offshore support vessels, logistics, shipyards, and shipping agency. The Company maintains long-lasting relationships with over two thousand active clients including shipping companies, importers, exporters, oil and gas companies as well as other participants in more diverse sectors of the economy.

Wilson Sons is a publicly listed company headquartered in Bermuda. Its shares have been listed on the BM&F Bovespa exchange through Brazilian Depository Receipts (BDRs) since 2007.

It is controlled by Ocean Wilsons Holdings Limited, which is also a publicly listed company, and has been traded on the London Stock Exchange for over one hundred years.

# OUR MARKETS

Wilson Sons' brazilian businesses include two main segments: Port & Logistics, and Maritime Services. Through these businesses the Company focuses on two growth drivers: trade flow and the oil & gas industry.

# GEOGRAPHIC REGIONS

Group presence in Brazil



- Head Office
- Terminals
- Tugboats
- Offshore
- Logistics
- Agency
- Shipyards



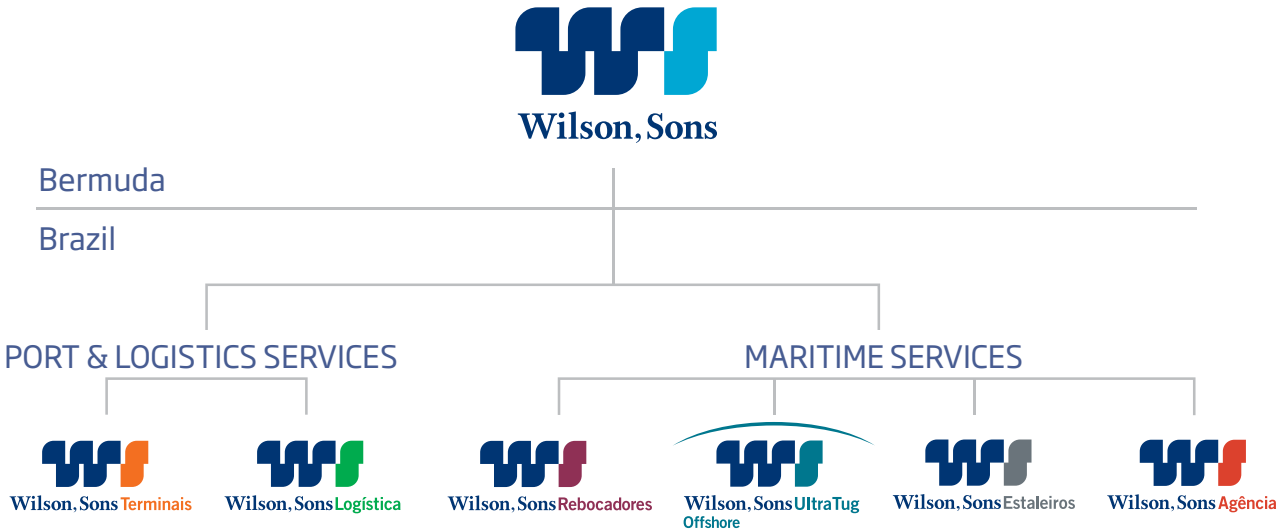
Ocean Wilsons Holdings Limited

**58.25%**

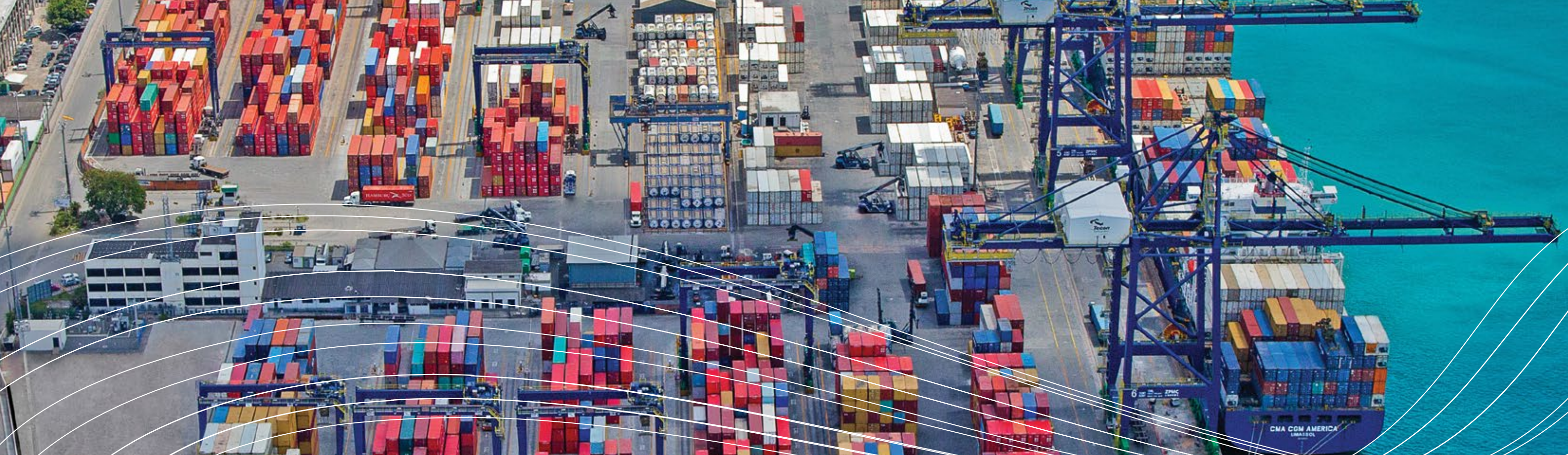
**Free Float**

BM&FBOVESPA

**41.75%**







## PORT AND LOGISTICS SERVICES

This segment comprises Wilson Sons Terminals and Wilson Sons Logistics. Wilson Sons Terminals comprises two of Brazil's main container terminals, Tecon Rio Grande and Tecon Salvador, and Brasco, the Company's oil and gas support base. Wilson Sons Logistics includes a logistics centre in Itapevi, SP, a logistics centre in Suape, PE, and bonded warehouses, in Santo Andre, SP and in Suape, PE.

### Wilson Sons Terminals

#### TECON RIO GRANDE

Wilson Sons has contributed to the creation of a new panorama for this segment, operating the Tecon Rio Grande unit since 1997 with the first publicly bid privatisation of a container terminal in the country. Tecon Rio Grande is located in Rio Grande, RS, 320km (200 miles) from Porto Alegre, the capital of the state of Rio Grande do Sul. The terminal has a total area of 670,000 square metres and 900 metres of continuous berth, with draught of 42 feet (15m) and an annual capacity of 1.035 million TEU<sup>1</sup>.

The equipment is of the highest technology available, including six Post-Panamax STS (ship-to-shore) cranes and 14 Rubber-Tyre Gantry (RTG) cranes, not to mention 2,800 sockets for refrigerated containers. The terminal operates using road, waterway and rail transport connections. During 2015, the terminal served ships moving 742,983 TEU.

#### TECON SALVADOR

Operated by Wilson Sons since 2000, Tecon Salvador moved 292,197 TEU in 2015. After the inauguration of the terminal's expansion, in November 2012, the terminal possesses 118,000 square metres of area, with a principle berth of 377 metres and 15 metres of draft, and a secondary berth of 240 metres in length with 12 metres of draft dedicated to cabotage and project cargo. The terminal also has three Super Post Panamax ship-to shore cranes, and another three Panamax ship-to-shore cranes, as well as eight RTGs, of which six are fully electric.

This terminal offers services such as container movement, storage of empty containers, container packing and unpacking, as well as project cargo with special sizes or weights. Since the start, the Company

has made constant investment in the acquisition of new equipment, infrastructure, information systems and training. Due to the investments completed, the terminal is able to receive some of the world's largest container ships.

#### BRASCO

Founded in 1999, Brasco is one of the largest private port terminals devoted to upstream support of the oil and gas industry in Brazil. Its two units, in Niterói and Rio de Janeiro, are strategically located within Guanabara Bay, and have the capacity to support activities in the Campos and Santos petroleum basins. In addition, Brasco has the experience and has qualified personnel for the establishment of bases along the whole of the Brazilian and South American coastline, having already operated in São Luís (Maranhão), Belém (Pará), Salvador (Bahia), Fortaleza (Ceará) and Vitória (Espírito Santo).

Brasco's operations include storage and handling of supplies for maritime platforms, including parts, equipment, drilling mud, cement, chemical products, food and water. The oil and gas support bases also offer aggregated services for the industry, including

equipment and personnel. In addition, the O&G base receives, processes, separates and disposes of residues from oil and gas platforms through the residue collection centre.

### WILSON SONS LOGISTICS

Wilson Sons Logistics has its business model based on the development of integrated logistics solutions for each client segment. The Company is active in the areas of bonded warehousing and general operations, stock management, distribution, transport management, and solutions for foreign trade.

Wilson Sons Logistics manages EADI Santo André, which is the largest dry port in São Paulo, operating in full integration with the Logistic Centre at Itapevi and transport options. EADI Suape also operates integrated solutions, with the Logistic Centre and transport options.

Wilson Sons also controls Allink, a Non Vessel Operating Common Carrier (NVOCC), specializing in consolidation of international maritime cargo.

<sup>1</sup> Unit of measurement equivalent to one 20' container.





## MARITIME SERVICES

The maritime services segment consists of Wilson Sons Towage, Shipyard, and Shipping Agency. Also part of the maritime services is our 50% joint venture, Wilson Sons Ultratug Offshore Vessels, that offers support to the oil and gas exploration and production platforms.

### WILSON SONS TOWAGE

Wilson Sons Towage has the largest and most modern fleet of tugboats in Brazil. Over 86% of the fleet have azimuth propulsion for superior manoeuvrability, safety and speed to operations. Wilson Sons Towage is the market leader in the segment of harbour manoeuvres in Brazil, and is active in port and ocean towage services.

The company has over 76 tugboats and the construction of new tugboats is part of the strategy to increase and renovate the fleet to serve the demand driven by growth in the oil and gas industry and trade flow. In addition to towing services, the business offers special operations, including salvatage, fire fighting, ocean towage, support to the construction of platforms and FPSOs (floating production, storage and offloading vessels).

In 2015, one new tugboat, WS Titan, was launched and five additional vessels are scheduled in 2016. The towage business enjoys funding through the Banco Nacional de Desenvolvimento Econômico e Social (BNDES), and Banco do Brasil, as agents for the Merchant Marine Fund (FMM), with attractive interest rates and extended amortization.

### WILSON SONS SHIPYARDS

Located in Guarujá (SP), the combined 39,000 square metre shipyard complex is designed for the construction, maintenance and repair of small and medium sized vessels, mainly for the offshore and port support. The Guarujá Shipyards are strategically located close to the Santos (SP) and Campos (RJ) oil basins, two of Brazil's most important.

With the conclusion of the Guarujá II expansion works, in April 2013, the capacity more than doubled from 4,500 tons of steel processing per year to 10,000 tons per year. In December 2015, the shipyards counted on an orderbook of five tugboats for Wilson Sons Tugboats and three Offshore Support Vessels (OSVs) being, one Oil Spill Recovery Vessel (OSRV)

for OceanPact, two Platform Supply Vessels (PSVs) for Wilson Sons Ultratug Offshore and the completion of one Oil Spill Recovery Vessel (OSRV) for SIEM Consub. Post year end, third parties signed contracts for two additional tugboats to be constructed in our shipyards with options for a further four vessels.

### WILSON SONS ULTRATUG OFFSHORE VESSEL JOINT VENTURE

Wilson Sons Ultratug Offshore (WSUT) has one of the largest and most modern fleets of brazilian flag offshore support vessels. The WSUT vessels provide maritime support to platforms for the exploration, development and production of oil and gas. The main activity of the vessels is that of supporting the logistics and supply of equipment and other products such as drilling mud, pipes, food, cement, residues, and other materials between offshore platforms and support bases.

For 2016, WSUT will receive two PSV's of 3,500 deadweight tons being built by an international shipyard, together with 2 other PSVs of 5,000 deadweight tons that already have operating contracts and are being built in the Wilson Sons Guarujá Shipyard.

### WILSON SONS AGENCY

Wilson Sons Agency began operations in 1837 as the Company's first business. It is the largest independent shipping agency in the country, operating in Brazil's main ports. It provides services and commercial representation for shipowners, and has exclusive representatives in Europe and the U.S. in addition to the Company's own office in Shanghai, China.

Shipping Agency manages equipment logistics, boarding documents and the scheduling of regular (liner) and non-regular (tramp) ships. Its expertise extends to preparing documents related to sea transport, logistical management of containers and demurrage (time required for container return) control.



HISTORY

Wilson Sons is one of the most traditional companies in Brazil, with over 179 years of history. Its trajectory of solidity, ethics and business diversification made the Company one of the largest integrated operators of port and maritime logistics services in Brazil. A few of the Company's milestones are illustrated below:



**1837** Wilson, Sons & Company was founded in Salvador (BA) providing shipping agency services and trading coal internationally.



**1928** Inauguration of the largest covered warehouse in Latin America, in São Cristóvão (RJ).



**1973** Acquisition of Guarujá shipyard, initiating shipbuilding activities.



**1999** Foundation of Brasco, an offshore logistics company.



**2003** Offshore operations begin with the launch of first Platform Supply Vessel (PSV) vessel –Albatroz – built by Wilson Sons Shipyards.



**2012** Expansion of Tecon Salvador almost doubling the terminal's capacity. Wilson Sons celebrates 175 years since the Company foundation and Tecon Rio Grande celebrates 15 years in operation for the Company.

**1873** The solidity of the Company is reflected in its participation in the coal trade as well as in the importation of products such as cotton, wool, linen and silk, the most profitable businesses of that time.

**1964** Change of Company name from Rio de Janeiro Lighterage Company (subsidiary of WS Co, Ltd) to Companhia de Saveiros do Rio de Janeiro.

**2000** Logistics operations begin with the institution of Wilson Sons Logistics. Acquisition of the Salvador Container Terminal through public auction.



**1997** Port terminal operations begin with the successful bid which privatised the container terminal of Rio Grande – Tecon Rio Grande.



**2008** Construction of the Third Berth in Tecon Rio Grande, resulting in Brazil's largest container terminal in retro-area.

**2014** Commencement of towage operations in the Amazonian state of Pará, with seven tugs attending the port of Belém, as well as the Vila do Conde terminal in Barcarena and Trombetas in Oriximiná.

**1869** Participation in the most ambitious construction projects of the period such as the Brazilian Great Western Railroad (currently part of the Federal Railroad Network).



**1936** Beginning of towage operations, with the acquisition of Rio de Janeiro Lighterage Company.

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

**2007** Wilson Sons becomes a publicly listed company, with shares traded on BM&FBovespa in the form of BDRs.



**2013** Conclusion of the Guarujá II shipyard increasing the Company's naval construction capacity from 4,500 tons to 10,000 tons of steel per year. Through the Brasco Logística Offshore Ltda, Wilson Sons concludes the acquisition of the total share capital of Bric Brazilian Intermodal Complex S/A ("Briclog"), base for the support of the offshore oil and gas industry.



**2010** Acquisition of the remaining 25% of Brasco, bringing Wilson Sons control to 100% of the asset.

**2015** Wilson Sons container terminals achieved a record 1,035 million TEU in 2015 increasing 6.2% over 2014 with exports, cabotage and transshipment all increasing.





## COMPANY PHILOSOPHY AND COMPETITIVE ADVANTAGES

### GRI G4-56

Wilson Sons established its future vision targeting strategy to 2022. To achieve its objectives, it is essential to define the values, the culture and the skills that the company expects of its employees.

#### Mission

Develop and provide high value-added solutions for our clients in port, maritime and logistic activities, in a sustainable and innovative way, while, at the same time, valuing the career development of our employees.

#### Vision of future 2022

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.

#### Values

- We strive for the safety of people, preservation of the environment and for the communities in which we operate.
- We have meaningful and long-term relationships with our customers.
- We have the sense of an owner. We take the results personally.
- We act ethically.
- We put our employees first.

### Strategy

To grow on the basis of the Companies skills and/or existing assets, strengthening the businesses and looking for new opportunities, focusing on Brazil and opened to projects in Latin America.

#### The Wilson Sons Strategy is to:

**Continue to consolidate our position in all the segments in which we operate, maximising economies and efficiency, quality and the range of our services we provide to customers.**

**Fulfilling capacity in our expanded port terminals.** In order to meet demand from domestic and international trade, we have expanded our two container terminals since the inception of the concessions. By maximising utilisation of this installed capacity, we are best able to continue increases in productivity and service to our clients with economies of scale. We will diligently pursue this objective. We will evaluate new concessions and the development of new terminals in other Brazilian ports and analyse these potential investments in light of our existing operations, and their ability to provide a strong return on shareholders' equity.

**Maximising capacity utilization of our upstream oil and gas support terminals (Brasco).** Additional to our operations at Brasco Niteroi, we also have a continuous 500 metres of berth at our Brasco Caju base to attend offshore support vessels with excellent access to the Campos and Santos oil producing basins. This expanded capacity positions Brasco as one of the largest offshore support base operators for the brazilian oil and gas industry. We are continuously monitoring offshore operations along the brazilian coast to meet the demand for such services.

**Strengthening our position as the leading provider of towage services in the brazilian market.** We intend to continue to modernise and expand our fleet of tugboats in order to provide consistently high-quality service to our customers and consolidate our leading position in the brazilian towage market. We regularly review our fleet deployment to optimise efficiency, and to seek out new niches in the market where we may be able to provide additional services or increase our geographical footprint of towage services to new ports in Brazil.

**Maximising potential of our shipyard facilities** through a mix of in-house and third-party vessel construction, repair, maintenance and dry docking services to meet the demand of national and international vessel owners in Brazil.

**Solidifying our offshore support vessel services to oil and natural gas platforms.** Using our knowledge and experience, we intend to continue to consolidate our activities through the delivery of contracted vessels and maintain our position amongst the leading suppliers of services to the offshore oil and gas industry in Brazil.

**Exploring new opportunities and strategies to provide the best and most complete set of services to our customers.** We are always looking to provide new and innovative services to our customers, and to anticipate their needs. We intend to continue our strategy with shipping companies in order to provide a complete set of local and international trade-related services across a nationwide network. We also seek to make these services more efficient and cost-effective, in order to maintain our strong customer base and strengthen our relationships with those customers.

**Increasing economies of scale and productivity, realisation of potential synergies and cost savings across our business segments.** We continuously seek to optimise our operations and productivity and reduce our costs through synergies and the exchange of know-how among our businesses and administrative areas. We are and will continue to focus on integrating similar activities in order to realise savings in administrative and back-office areas, especially in our branch offices. We seek to achieve economies of scale and reduce costs wherever possible. We demand that the managers of our different divisions continually develop new strategies that may improve our operations and explore new businesses.

**Health, safety and the environment are a priority** for the execution of our overall strategy of sustainable ethical business. We continue programmes to promote best practice safety throughout the Group through the training of our personnel and the promotion of a safety oriented environment and culture.





## Intangible Competitive Advantages

Wilson Sons has consolidated differentials which distinguish its services amongst other market players and strengthens the Company's business. These differentials therefore help add value to the Company.

### Brand Strength

The solid image Wilson Sons enjoys in the market contributes to a close and long-term relationship with clients and other business partners. We are recognised and trusted for the know-how acquired throughout more than 179 years of delivering high quality service to the most demanding clients.

### Human and intellectual capital

Our employees are committed to the quality of services delivered and are aligned with the values and principles that guide Wilson Sons' vision. The personal and professional potential of each employee is maximised through holistic process of people management, which includes training and actions for continuous exchange of experiences, with the purpose of maintaining intellectual capital in constant evolution.

## Synergy of the businesses

The complementary interaction between the business units is one of the keys to its sustainable growth. Evidence of this is that 70% of the Company's top ten clients receive services from three or more business units of the Company.

### Portfolio of services

The Company's complete range of services strengthens its image as one of the largest operators in port terminals, logistics and maritime services in Brazil. The portfolio includes specialised solutions in the areas of port terminal, towage, logistics, shipping agency, offshore support vessels for the oil and gas industry, and shipbuilding.

### Strategic location of assets

The Company is present in Brazil's main port terminals. The location of its shipyards in Guarujá (SP) and oil and gas support bases in Niterói and Caju (RJ) are strategically positioned to support vessels for the oil and gas market. Wilson Sons also distinguishes itself with its shipping agency coverage,

offered across the most important ports in Brazil, with exclusive representatives in Europe and the United States, and its own office in Shanghai, China. The Company's container terminals are located in states of great economic importance – Rio Grande do Sul and Bahia.

### Pioneering Spirit

The Company was the first of its sector in Brazil to use azimuth propulsion on its tugboats, the first to operate in a publically auctioned private container terminal in country, as well as the first company to receive certification of quality in the shipbuilding sector. The Company has long innovated with local producers to increase local content in the vessels it produces and in recognition won the award for the best shipyard for local content by Syndarma in 2013.

### Committed to the environment

This commitment is expressed in the Company's principles, resulting in practical actions that are part of day-to-day operations.

## CORPORATE GOVERNANCE

## Ethics and transparency

Wilson Sons employs best practices in governance, and the sustainability of its businesses and business relationships via principles of clear roles, transparency and ethics. Its shares are listed on the BM&F Bovespa exchange through Brazilian Depositary Receipts (BDRs), but the Company additionally continues to, where possible strive to meet standards of the Novo Mercado and benefits from the experience of its controlling company, Ocean Wilsons Holdings Limited, which has been listed on the London Stock Exchange for over a century.

The Company's Code of Ethical Conduct expresses the values that guide corporate governance and relations with all stakeholders. Employees confirm their knowledge and understanding of the document.

Wilson Sons has an internal audit department responsible for reviewing internal procedures and identification and prevention of major risks related to potential fraud or diversion from controls. In addition, the Company has a channel for complaints ([comité.wsetica@wilsonsons.com.br](mailto:comité.wsetica@wilsonsons.com.br)) in which employees and other stakeholders may record situations and unethical conduct. The Company does not make political donations.





Anticorruption guide and committee of ethics and anticorruption

GRI G4-SO4

The Anticorruption Guide of Wilson Sons was released to the entire company in 2015. Its purpose is to guide and establish the Company's corporate guidelines regarding the vehement fight against corruption, setting standards of behaviour and ethical conduct of employees in situations that can characterize any type of bribery or corruption. The guide also considers aspects of legislation, as well as guidelines for conduct and monitoring possible deviations involving public agencies. The rules of this document complement the guidelines established by the Code of ethical conduct.

Investor Relations

Transparency is the guiding principal for Investor Relations at Wilson Sons. In addition to meeting mandatory compliance requirements for companies listed on the stock exchange, the Wilsons Sons dedicates special attention to communication with this strategic audience, constantly investing in service channel upgrades.

Every quarter Investor Relations organises the dissemination of results, hosting a public teleconference that provides investors an opportunity to communicate directly with the Company's chief officers.

Another communication channel is the Wilson Sons "Meet the Management Day", a public meeting with the company's top management to facilitate communication with individual investors, bank representatives and investment fund representatives.

In 2015

the Company also participated in

6 non-deal road shows individual or group meetings with investors (9 in 2014)

4 site visits visits to group operations with investors (7 in 2014)

as well as meeting with individual and small groups of analysts at

8 conferences Banks and investment funds were contacted in these events. (12 in 2014)

MANAGEMENT STRUCTURE

GRI G4 - 34/48

Board of Directors

Wilson Sons' Board of Directors is comprised of professionals with solid experience in different fields and focuses on promoting long-term returns to shareholders. The Board's responsibility is to define Company strategy and bring independent judgement on issues of performance and risk, while supervising the Corporate Officers' actions through approval of projects and assessment of results. Additionally, the Board approves each of the quarterly and full-year financial results and dividend announcements.

Company bylaws allow for the formation of the Board of Directors, composed of at least five members, with

terms of office of up to three years, with the right to re-election. Currently, there is one independent director within a total of seven directors, all of which have been appointed for term ending at the Ordinary General Meeting (AGO) of 2017. Board meetings are conducted once every three months, and extraordinarily when convened by any member of the Board.

The number of meetings of the Company's Board of Directors and of each board committee held during the year, and the number of meetings attended by each Director were:

Meetings of Board/Committees	BOARD MEETING		AUDIT COMMITTEE MEETING	
	Attended	Number of Meetings	Attended	Number of Meetings
José Francisco Gouvêa Vieira	5	5	4	4
William Henry Salomon	5	5	4	4
Cezar Baião	5	5	NA	NA
Felipe Gutterres	5	5	NA	NA
Claudio Marote	5	5	4	4
Andres Rozental	4	5	4	4
Paulo Fernando Fleury <sup>1</sup>	1	1	1	1
Claudio Frischtak <sup>2</sup>	3	4	3	3

(1) Resigned April 2015  
(2) Appointed April 2015





## Members

### JOSÉ FRANCISCO GOUVÊA VIEIRA

#### Chairman

Mr. Gouvea Vieira received a Law Degree from the Catholic University of Rio de Janeiro in 1972. He holds a Masters degree in Law from Columbia University, New York (1978). He has been a Partner with Gouvea Vieira Advogados since 1971 and has been with the Company since 1991. He has served as Chairman of the Board (1997) and Director of Wilson, Sons de Administração e Comércio(1992), Ocean Wilsons Holdings Limited (1997) and of Ocean Wilsons (Investments) Limited (1997). He is member of the Board of Directors of various companies, including Banco PSA Finance Brasil S.A. (1999), PSA Finance S.A. Arrendamento Mercantil (1999), Concremat – Engenharia e Tecnologia S.A (2008) and Cetip Educational (2008). He was a member of the Corporate Governance Committee of the American Chamber of Commerce – Sao Paulo (2005) and honorary consul to the Kingdom of Morocco in Rio de Janeiro (2007).

### WILLIAM HENRY SALOMON

#### Deputy Chairman

Mr. William Henry Salomon Graduated in Law from Magdalene College Cambridge as an undergraduate and postgraduate and then qualified at the English Bar. He was Managing Director of Finsbury Asset Management and Chairman of Rea Brothers. When Close Brothers acquired Rea Brothers Group he became Deputy Chairman of the investment division. In 1999 Mr Salomon established Hansa Capital, where he is the Senior Partner. He is a Director of various UK listed companies as well as Director of

Hansa Trust PLC and Hanseatic Asset Management LBG. In addition Mr Salomon is Deputy Chairman of Ocean Wilsons Holdings Limited (OWH), the company which holds the controlling interest in Wilson Sons.

### CEZAR 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 Manager at JP Morgan and also as Finance Director of Grupo Lachmann Agência Marítima, between 1989 and 1994. He is a member of the board of directors of the Brazilian Association of Public-Use Container Terminals (Abratec). Mr. Baião is also member of the Oil & Gas production Committee at the São Paulo Industry Federation (COMPETRO - FIESP) and Business Counsellor of Infrastructure at the Rio de Janeiro Industry Federation (FIRJAN).

### FELIPE GUTTERRES

#### Board Member

Mr. Gutterres holds a Harvard Business School diploma in General Management and an MBA from COPPEAD, having previously graduated in Economics from the Federal University of Rio de Janeiro. He joined the Company in 1998 and currently serves as the CFO of the Brazilian Subsidiary and Investor Relations. From 1994 to 1998, Mr. Gutterres held corporate and finance planning positions at Shell Brasil S.A.

On 22 March 2016, Mr. Felipe Gutterres, CFO of operations in Brazil, Investor Relations and member of the Board of Directors, resigned from his position

to assume a new challenge. The board would like to thank Mr Felipe Gutterres for his important contribution to the construction of the history of Wilson Sons along 18 years of service.

### CLAUDIO MAROTE

#### Board Member

Mr. Marote earned a law degree from Faculty of Law of Curitiba (FDC). 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 Intermare Ltda., a subsidiary of the Bunge Born Group. He is currently a Director of the Company and a Partner at CMMR – Intermediacao Commercial Ltda.

### ANDRÉS ROZENTAL

#### Board Member

Mr. Rozental has a Bachelor Degree in International Relations from the University of the Americas in Mexico, and a MSc. in International Economics from the University of Pennsylvania. He was a career diplomat for more than 35 years with the Mexican Foreign Ministry holding a number of senior diplomatic posts. He is the author of four books on Mexican foreign policy and of numerous articles on international affairs. He founded his own

consultancy firm, Rozental & Asociados that works with major multinational corporations on their Latin American strategies. Currently, he is Chairman of the Board of Directors of ArcelorMittal Mexico and is an Independent Director with Ocean Wilsons Holdings and Director of Wilson Sons. He is a member of the Board of HSBC Bank in Mexico and serves as an advisor to Airbus de México, Toyota de México, Brookfield Asset management and APCO Worldwide in Washington. He is a member of the Trilateral Commission, a Senior Policy Advisor at Chatham House (London) and a Board member of Canada's Center for International Governance Innovation.

### CLAUDIO FRISCHTAK

#### Independent Board Member appointed by minority shareholders

Mr. Claudio Frischtak is the head of Inter.B – Consultoria Internacional de Negócios, a financial and economic consulting firm based in Rio de Janeiro, Brazil, Country Director for Mozambique of the International Growth Center (London School of Economics and University of Oxford), and a member of the TT-20 Group of the Brookings Institution. Mr. Frischtak was formerly a Principal Economist at the World Bank where he worked from 1984 to 1991. Mr. Frischtak's graduate work in economics was undertaken at the University of Campinas, Brazil and at Stanford University (1980-84). While at the World Bank he was an Adjunct Professor at the Department of Economics at Georgetown University (1987-1990). He has published over 100 academic papers and books, and has worked extensively on issues related to infrastructure, industrial and regulatory policy, innovation, and international.



## Corporate officers of the Brazilian subsidiary

Responsible for establishing management policies, including sustainability, operation policies and corporate posture in business, in addition to achieving the goals set by the Board of Directors. The board of Corporate Officers is composed of qualified professionals responsible for establishing management and operation policies and meeting goals established by the Board of Directors. The members of this board take part in the Company's

daily operations and are involved in the decision making and execution of strategy set by the Board of Directors to meet the interest of stakeholders. They bring a wide range of skills and experiences contributing to the Company's objectives and needs. The executive committee includes the CEO and CFO, and two COOs: one responsible for port terminals and logistics, and one for towage, offshore, shipping agency and shipyard businesses.

## STATEMENT OF ADDED VALUE ON 31 DECEMBER 2015 AND 2014 (IN THOUSANDS OF U.S. DOLLARS)

GENERATION OF ADDED VALUE	2015	2014
<b>Revenue</b>	553,102	694,244
Sales of services	552,265	687,625
Allowance for doubtful debts	(341)	(783)
Other revenues	1,178	7,402
<b>Consumable from third-parties</b>	(147,498)	(234,320)
Service costs	(104,065)	(168,065)
Maintenance	(15,923)	(23,461)
Energy, oil and services hired	(19,159)	(28,003)
Other costs and expenses	(8,351)	(14,791)
<b>Added value, gross</b>	405,604	459,924
<b>Depreciation and amortization expenses</b>	(53,213)	(65,119)
<b>Added value, net</b>	352,391	394,805
<b>Received from third-parties</b>	19,173	19,918
Share of results of joint venture	4,843	7,090
Finance income	14,330	12,828
<b>Added value for distribution</b>	<b>371,564</b>	<b>414,723</b>

DISTRIBUTION OF THE ADDED VALUE	2015	2014
<b>Payroll</b>	139,791	185,814
Salaries & wages	102,614	140,357
Benefit plans	28,928	34,281
FGTS	8,249	11,176
<b>Taxes</b>	91,491	106,669
Federal tax	72,488	84,218
State tax	891	1,142
Municipal tax	18,112	21,309
<b>Third-party capital remuneration</b>	108,902	92,110
Rents	47,133	50,261
Interest	61,769	41,849
<b>Remuneration of own capital</b>	31,380	30,129
Owners of the Company	30,185	28,603
Non controlling interests	1,195	1,526
<b>Added value, distributed</b>	<b>371,564</b>	<b>414,723</b>

## CAPITAL MARKETS

### Stock

Wilson Sons is a publicly listed company with Brazilian Depositary Receipts (BDRs) traded on the BM&FBovespa. It is controlled by Ocean Wilsons Holding Limited, a UK based company listed on the London Stock Exchange.

In 2015, Wilson Sons BDRs (ticker: WSON33) ended the year at R\$32.99, an increase of 3.0%. During the same period, the Sao Paulo Stock Exchange Index (Ibovespa) recorded a devaluation of 13.2%.

	Amount of shares/BDRs (ordinary)	
<b>Ocean Wilsons Holdings Limited</b>	<b>41,444,000</b>	<b>58.3%</b>
<b>Other (free float )</b>	<b>29,700,000</b>	<b>41.7%</b>
<b>Total Capital</b>	<b>71,144,000</b>	<b>100%</b>

### Remuneration of shareholders

In the Annual General Meeting ("AGM") held on 28 April 2016 the payment of a gross distribution in the amount of US\$35.57 million equivalent to US\$0.50 per share was declared for shareholders of record as at 29 April 2015. The gross amount to be paid in Reais will be converted at the exchange rate on 5 May 2016.







## RISK MANAGEMENT

Wilson Sons has an Internal Audit team to coordinate the identification, evaluation and classification of different risks intrinsic to the Company's businesses. The group is also responsible for developing solutions to avoid exposure to each potential risk, and to verify if proposed actions are being correctly adopted. This includes a team for Information Security, responsible for identifying risks related to corporate systems linked to business units, in order to attest for confidentiality, integrity, availability and authenticity of information.

The Company also has risk management software that allows managers to follow the application of mitigation processes for financial and operational risks. Every model used is supported by the Enterprise Risk Management methodology (ERM), adopted by the Committee of Sponsoring Organizations (COSO), an international organization dedicated to the establishment and dissemination of best practices in business conduct. As for Information Security, the method is based on COBIT (Control Objectives for Information and related Technology) which consists of a set of guidelines, indicators, processes and best practices for the management - and governance - of information systems.

Wilson Sons maintains an insurance portfolio for prevention of and protection from risks intrinsic to operations, concerning primarily the risks to the assets of our clients, our facilities and equipment and continuity of operations. These insurance

policies, such as port operator's civil responsibility, vehicles, property, shipping hulls and builder risks are contracted with leading insurers and are renewed periodically. The main risks are divided into the following categories.

### Strategic Risks

The Company is exposed to various unavoidable strategic risks. These include political risk, industrial risk, market risk, and risk related to social and environmental responsibility. In certain situations, it also includes material risks related to the acquisition of fixed assets. This is due to long construction periods and life cycle of assets we typically operate in the market.

### Financial Risks

Financial risks include market, credit and liquidity risks. The Company has a market risk committee in place in order to apply standards, policies and guidelines specific to market risk. The agenda includes: definition of the criteria, scope of the criteria, methodology to measure and track identified exposures, risk prevention and impact reduction tools. In light of this agenda, the committee seeks to take actions to minimize the impact of market variables such as exchange and interest rates on the Company's cash flow. Other financial risks, such as credit and liquidity risk are continuously identified and mitigated by the Finance Department in accordance with standards and procedures set by management.

### Operations Risks

Some areas are subject to working conditions that expose employees to physical risk. Consequently, a large part of operational risk is related to the environment and to safety. Additionally, the Company is exposed to operational risks from suppliers, IT and processes. Actions related to sustainability, environmental impact and social responsibility are described in their respective sections of this report.

### Regulatory Risks

Wilson Sons operates in different Brazilian states, each having its own unique regulations. This exposes the Company to a variety of legal and tax risks and those related to government penalties varying with the regulations of each state.

The Company has an organizational structure designed to identify, monitor and manage the most significant risks, employing best practices when conducting business. Risk management is independently conducted by the business units taking into account the nature of their operation. Additionally, the Board of Corporate Officers and the Board of Directors periodically evaluate the most significant risks and implement appropriate risk management initiatives.

## Certifications

For Wilson Sons, certifications are important instruments for the improvement of processes and quality management, as well as demonstrating the high level of leadership present in the Company. As a result, all businesses have been granted ISO 9001 certifications, which establish requirements for quality management.

In addition to ISO 9001, there are other certifications granted to certain business units or separately, either by nature of the activity that has a specific standard or the process development stage where the unit or business division is. Wilson Son Ultratug Offshore, which has been certified by the International Safety Management Code (part of the International Convention for Safety at Sea), which represents an international standard for the management and safe exploration of vessels, pollution prevention and the safeguard of workers at sea.

Concerning Environmental Issues, the Brasco unit at Niteroi (RJ) has the ISO 14001 certification, which defines guidance to establish an effective environment management system targeting the balance between profitability and environmental impact reduction. Since 2013, Brasco has received the OHSAS 18001 certification, which attests the quality of the company's occupational health and safety. This achievement is another step for Brasco in the search for excellence in Health, Safety and Environment (HSE), one of the core pillars of its activity.





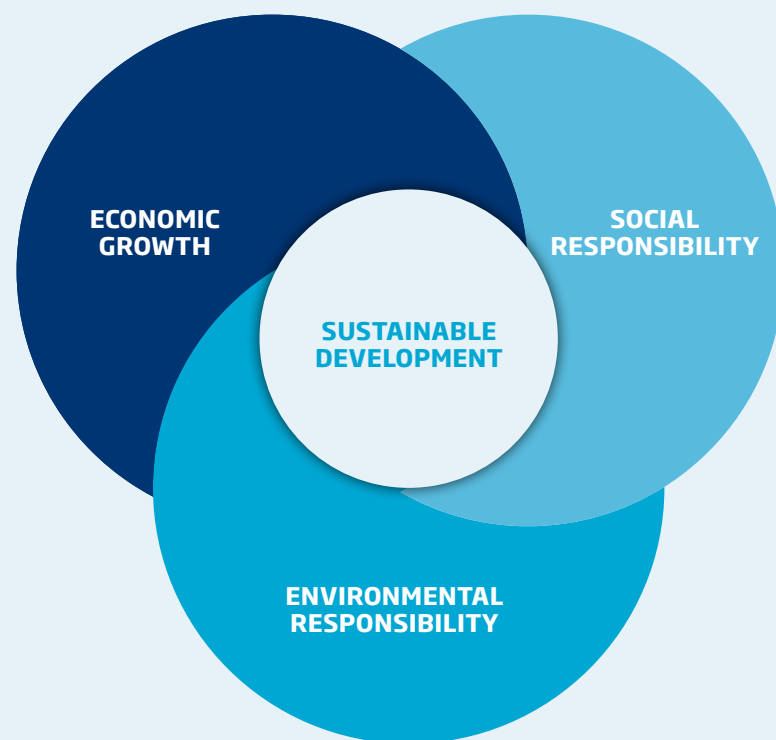
BATUÍRA

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Wilson Sons & Co. Ltd.  
Offshore

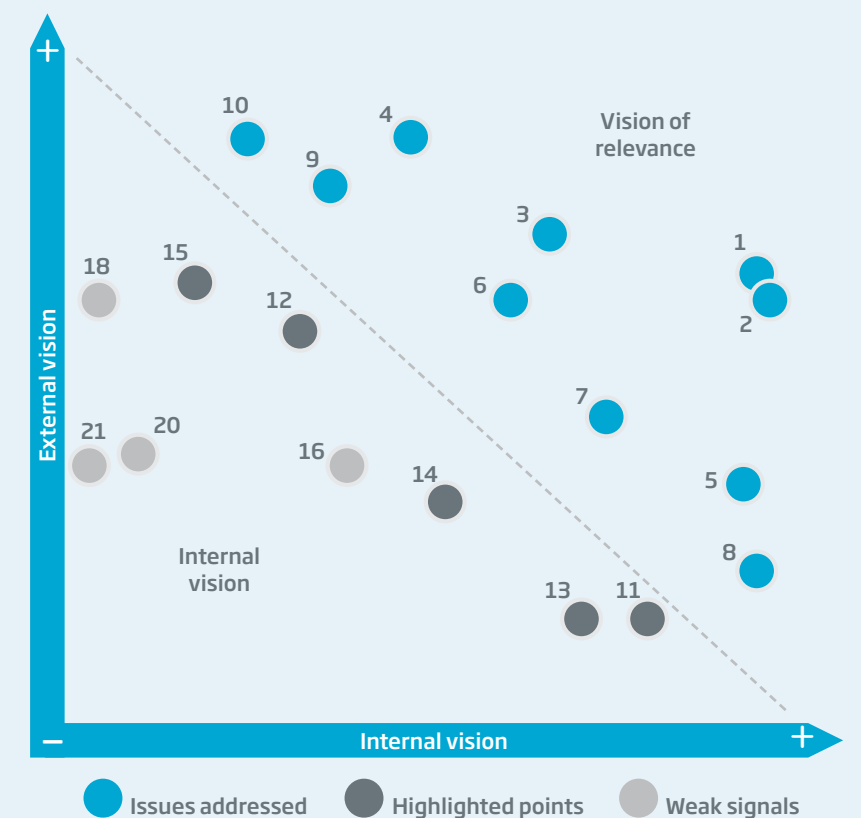
BATUÍRA  
RIO DE JANEIRO





1. Health and Safety
2. Talent attraction, qualification, succession and retention of talents
3. New competitive scenario
4. Environmental management
5. New business and occupation of assets
6. Technology and innovation
7. Accelerated growth of vessels
8. Integration / synergy between businesses
9. Increasing demands
10. Energy efficiency and emissions
11. Complex institutional environment
12. Operational Efficiency
13. Tradition and solidity of Wilson Sons Group
14. Integrated vision of supply chain and partnerships
15. Transparency
16. Water management
18. Waste management
20. Impact on the environment and Community relations
21. Climate change and extreme events

The size of the circles is proportional to the relation with the strategic map of the Company.



## SUSTAINABILITY MANAGEMENT

### Vision of sustainability

Wilson Sons believes in sustainability as a comprehensive concept, which must permeate the organisation in the economic, social and environmental dimensions (which form the tripod of sustainability or triple bottom line), as responsible management, with focus on long-lasting results for the Company and for society.

### Materiality matrix

#### GRI G4-19

Material aspects are those that reflect the significant economic, environmental and social impacts of the organization or influence considerably the evaluations and decisions of stakeholders. In the materiality matrix of a company, these priority themes are graphically represented.

In 2014, Wilson Sons defined that its material themes were those that will guide the look and performance of the Company over the coming years. From available studies, global trends were identified that could influence the business model and growth, raised aspects of the sustainability agenda

which can contribute to the better management of risks and opportunities, interviewed stakeholders (customers, regulators, service providers, investors and professors), its Board of Executive Directors and executives of all their segments on relevant issues to the Company.

The issues raised were cross checked with the items on the strategic map and the vision of future of Wilson Sons for 2022. The Board of Executive Directors elected seven priority material themes.

The material issues are being followed closely by the responsible technicians of each agenda.

### Material themes

- 1 SAFETY
- 2 TALENT ATTRACTION, QUALIFICATION, SUCCESSION AND RETENTION OF TALENT
- 3 NEW COMPETITIVE SCENARIO
- 4 ENVIRONMENTAL MANAGEMENT
- 5 TECHNOLOGY AND INNOVATION
- 6 INCREASE OF DEMANDS
- 7 POWER EFFICIENCY AND EMISSIONS





### Main forms of relationship with our stakeholders

Communication channels are kept with the Company's main stakeholders to ensure that the demands can reach the Company whenever necessary. As part of the routine, various interaction opportunities are promoted throughout the year.

PUBLIC	ACTION
Investors	Website, alert email service for reports and relevant facts, site visits, Annual Integrated Report, Reference Form, Operating data, WS Day.
Communication Media	Responding to press demands and sending press releases, interviews and meetings.
Regulatory agencies, government, class associations, unions	Systematic follow-up through contacts and meetings, participation in industry forums, sponsorship and events.
Employees	Intranet, internal newspaper "WS in Focus", campaigns and actions of internal relationship, engagement survey, daily HSE dialogues.
Clients	Satisfaction survey, customer service channels, New,s (magazine), website.
Sector companies	Participation in forums and associations (e.g. ABRATEC committees)

CHANNEL	PUBLIC	CONTENTS	ACCESSES IN 31/12/2015
Linkedin	Employees	Information about Wilson Sons, its professionals and markets in which the Group operates.	25,690 followers
Twitter	Investors	Financial and operating results. Information about Wilson Sons.	650 followers
Facebook	Employees	Daily information, information about Wilson Sons, its professionals and markets in which the Group operates.	7,550 followers
Youtube	Public opinion/ Investors/ Employees	Audiovisual content	185 followers
Instagram	Public opinion/ Investors/ Employees	Pictures of business of Wilson Sons	180 followers





# SAFETY

## Continuous improvement

Wilson Sons manages Occupational Health, Safety, and Environment (HSE) in a strategic and responsible way. It is of fundamental importance for the development of sustainable business.

Recently the Group has further strengthened the strategic vision of HSE in Wilson Sons by incorporating zeal for the people’s safety, the environment and communities in the Group’s corporate values.

For Wilson Sons Group, HSE is the responsibility of all employees. HSE currently counts on over one hundred and twenty dedicated people, as well as many different management tools which include policies, procedures, awareness programmes, audits and process reviews. The drivers for HSE are based on the following concepts: continuous improvement, relationship with interested parties, emergency resolution, risk management, training, legal compliance, leadership and responsibility.

Currently, HSE management is part of the Organizational Development department. Also, there is HSE management in all business units. In addition, a formal HSE agenda with the Executive Committee was established (CEO, vice presidents and some directors), with meetings held every month to deal exclusively with issues related to the topic. This governance structure, in turn, flows through to other committees and subcommittees ending in the departments of the company’s business units.

## Safer Operations

GRI G4-LA6

In 2015, Wilson Sons achieved a reduction in the rate of lost time accidents in its operations for the fifth consecutive year. Between 2010 and 2015, the decrease in that rate was 79%. Considering only 2015, the “Lost Time Injury Frequency Rate (LTIF) was 15% lower.

- For every 1 million hours worked in 2010, the Company registered 7.14 accidents.
- In 2015, the index fell to 1.53 accidents per 1 million hours worked.
- The objective is to reach 0.5 accidents by 2022, achieving the world-class level of safety.

## Program WS+

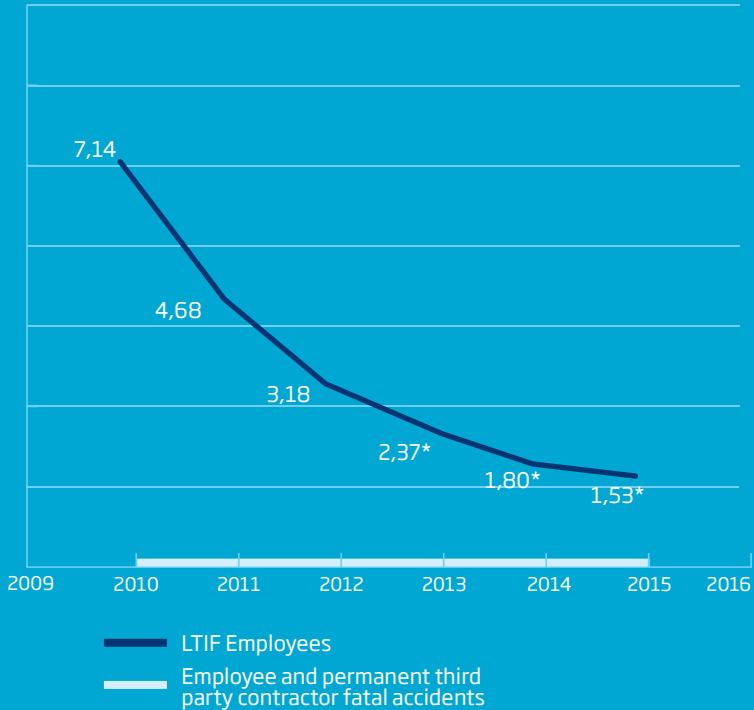
### Safety behavioural change

Wilson Sons has demonstrated significant improvement in safety with accident indicators dropping to the lowest levels in recent years despite the growth of the Company during the same period. The graph below describes the drop in accidents in relative terms and the number of fatal accidents, emphasizing that there has not been registered occurrences with employees and permanent third party contractors in the past five years.

## LOST TIME INJURY FREQUENCY RATE (LTIF) AND FATAL INJURIES

2010 - 2015

79%



LTIF - # accidents of employees x 1.000.000/Total hours of risk exposure  
 From 2013, the LTIF considers employees and permanent third party contractors.

The decrease in the rate of accidents causing work absence in Wilson Sons is directly connected to WS+ program, implemented in 2011 in partnership with DuPont. In 2014, the program was expanded to all the Company’s businesses. Now, the objective is to expand it to all operations by the end of 2017.

In practice, the WS+ program corresponds to a transformation of culture in SMS. The programme is based on the establishment and revision of processes and procedure, operational discipline, management of deviations, responsibility of the organisation, behavioural approach and engagement of leadership.

The programme was first implemented in the Company’s Shipyard in 2011, and was expanded to the main offices, Tecon Rio Grande, Tecon Salvador, Brasco, Logistics, Offshore Vessels, Towage and Shipping Agency.

In qualitative terms, the goal of WS+ is to achieve a culture of interdependent HSE management, where all professionals are aware of HSE agenda, even if they do not belong to the HSE area. In quantitative terms, the principal goal of the project is to reduce the frequency and severity accident rates, implement and maintain routines of behavioural observation for HSE practices, among other indicators of performance. Results derived from the WS+ programme confirm its effectiveness: as exemplified in the graph above, in Wilson Sons the frequency of accidents dropped approximately 79% between 2010 and 2015.





### External recognition

A highlight of 2015 was the recognition for the fourth time in five editions of the DuPont Award for Management of Workers' Health and Safety, one of the most important HSE awards in Brazil. While competing with large companies from various national industries, Wilson Sons achieved 2nd place for its case on the perennial continuity of the WS+ Programme in the Group, which defined the methodology to maintain and improve the program.

- The methodology for perennial continuity was first applied in February 2013.
- By the end of 2015, the Company had carried out about 100 internal audits.
- Adherence rate of units in the program increased from 60% in 2013 to 85% in 2015.

Aware of the continuous improvement of WS+ program, Wilson Sons monitors every month the safety parameters of each unit. Once a semester, an audit is performed to measure the adherence to the program by assigning notes to the units. The third step of the perennial methodology consists to present, to the Company's Board, the performance of the safety units.



### Excellence Awards in HSE

The focus on safety has earned the recognition of Wilson Sons' customers. In 2015, Brasco received the Aiming High Company of the Year award, that recognised the efforts and performance in safety implemented in 2014. The award, given by Statoil, one of its main customers, confirms the quality of the intensive work that has been done to guarantee safety in Brasco's operations. In the same year, Wilson Sons Logistics received the gold seal from Braskem for its performance in Health, Safety and Environment (HSE) in 2014. The result was based on the results obtained in audits about index of prevention, accident rate, incidents and medical.

### Você 100% Programme

With focus on employee health and operational safety, Wilson Sons has developed a drug and alcohol prevention programme, based on assumptions such as transparency, confidentiality, reliability, equality and discipline.

The programme begins with the awareness of participants and leadership training, toxicology tests are applied in various forms: randomly; after accidents; before high risk operations; as follow-ups on first-time positive test results; and through manager referral, if there is behavioral change of the employee. In cases of positive tests the participant is referred for medical treatment, receiving a warning. In case of repeat incidents, employees are dismissed.

## ENVIRONMENTAL COMMITMENT

The year of 2015 was characterised by the expansion of the discussions on the sustainability agenda. The management commitment the environmental agenda has been developed and strengthened through continued actions, such as voluntary publication of the Corporate Inventory of Greenhouse Gases and effort to implement energy efficiency projects to reduce costs and environmental impacts on operations and utilise equipment emitting lower volumes of greenhouse gases (GHG).

Also, in 2015 the environmental agenda was rethought with a vision of longevity, punctuating important steps to ensure and respect the environment and the communities where we are present over time.

### Inventory

#### GRI G4-EN15/EN19

Management of carbon emissions in Wilson Sons is an agenda that has been developed with dedication to identify opportunities to reduce emissions, benchmark performance and induce continuous improvement in energy efficiency.

In 2015, the landmark was the publication of the Corporate Greenhouse Gas Emissions in the "silver seal" category of the GHG Protocol Program, the level characterised by the highest level of disclosure. The continued practice of quantifying the emissions of gases increasingly stimulates the culture of development and transparency through the publication in the Public Register of Emissions. One

of the first companies in the naval and port sector in Brazil to adopt the methodology and publish its own inventory, Wilson Sons commenced the first step in establishing a climate change policy. Some actions are already being constantly pursued by the Company, such as the introduction of lower environmental impact technologies.

During 2015, approximately 66 thousand tonnes of CO2 equivalent were emitted by companies of the Group.

The type of operations in Towage and Terminals require heavy consumption of electricity and combustion of fuel products and they are responsible for the majority of the emissions registered in the inventories published by the Group. In turn, the business that registered the lowest emission was Shipping Agency.

More than just report the emissions, the Company is also increasingly adopting advanced technologies to the lower environmental impacts. Some examples are:

- The advanced motorisation of offshore support vessels, which replaced the conventional propulsion systems with diesel-electric systems resulting in better performance in the use of the generated energy, reducing up to 11% of carbon dioxide emissions.
- The acquisition of electric RTGs (Rubber tyred gantry cranes) in Tecon Salvador, which represents a technology with lower environmental impact compared to conventional diesel equipment, reducing emissions by about 2,500 tons of CO2 equivalent per year.





- The reactivation of a preferential space in Tecon Salvador, to impel cabotage, a more sustainable means of transportation because it represents a very efficient alternative to road transport of cargoes between Brazilian ports, providing a drastic reduction in greenhouse gas emissions.
- In the towage segment, the commencement of the Operations Centre has contributed to a steady reduction in fuel consumption with a proportional reduction in the emission of greenhouse gases. Through the Operations Centre, movement of vessels is planned, to take advantage of the proximity of vessels to ships and navigation velocity reduced.
- Another example of an initiative is the installation of quay cranes for containers with a regenerative system, which allows the generation of power during unload, reducing the net consumption of electricity.
- Still in the energy area, the Company uses in Tecon Rio Grande an electrical power management system, which also allows a reduction in the consumption of this source.

Actions for efficient utilisation of water resources include the following initiatives:

#### ▪ REUTILISATION

In both terminals there is water reutilisation, but the system in Tecon Rio Grande allows reusing up to 80% of the water and this system must be replicated to other Company units.

#### ▪ WATER CATCHMENT

In Wilson Sons Logistics, the EADI Santo André unit has a system that allows it to collect, filter, store and provide rainwater for use in cleaning the warehouse floor, resulting in estimated savings of 530 cubic meters of water per year.

#### ▪ WATER REUSE

In Brasco Niteroi, the system of water reuse generates savings estimated at 1,300 cubic meters per year.

#### Sustainable Reef development

Wilson Sons has donated deactivated tugboats to the Association of Scuba Diving Companies of Pernambuco that help in the recuperation of marine ecosystems, serving as a living laboratory for biological study. This initiative was recognised in 2014, with the receipt of the Top Social-Environmental and HR Award in 2014 by the Pernambuco Association of Sales and Marketing.

An artificial reef structure is a structure placed on the sea floor in order to imitate some of the natural reef characteristics. The basic principle is to provoke changes in currents that provoke proliferation of marine life. These structures provide substrate in the

form of refuge and habitat for the marine environment, enabling the establishment of a food chain, also being a place for reproduction, nursery and shelter for juvenile stages of marine life, and becoming an inexhaustible source of biological research. It is also possible to note the constant increase in activities related to the small-scale fishing and sport fishing and underwater ecotourism.

Authorized by the Brazilian navy, Ibama and CPRH - State Environmental Agency, the Project of Sustainable Sinking is supported by the guidance staff of the Federal Rural University of Pernambuco, in combined action with the Oceanography Fishing Laboratory and the support of the Diving Companies Association in the State of Pernambuco.

#### Project benefits include the following

##### Scientific

- Study of the colonisation process of vessels after sinking. At first, the tugboat is closed to tourist diving, being reserved only for visits of biologists and other researchers.
- Inventory and cataloging of species, biodiversity measurement, frequency, vertical distribution and food chain relationships.

- Information on the ecological aspects (behaviour, reproduction and feeding) of associated species that inhabit the structures.
- Impact assessment of diving activities and underwater ecotourism on marine local fauna.

##### Social

- Development of activities related to diving and underwater ecotourism.
- Increase of small-scale fishing related to the growth of the marine fauna.

##### Economic

- Economic benefit for the local community, the city of Recife and the state of Pernambuco. The project encourages the flow of divers to the city, which increases tourist activity and associated services and suppliers.





### PROFESSIONALS OF THE GROUP

#### Attracting, training, succession and retention

GRI G4 - 10/LA1

Our goal is to be the first choice for employees. This is our constant challenge and it is an important guide for the Human and Organizational Development Department, which manages people in the Company. The Organizational Development Department is

responsible for promoting opportunities, recognition and development and to define and implement strategies aligned with the organizational culture, working with the business managers who focus on the specifics of their respective segments.

#### Principle Staff Indicators

#### Number of workers

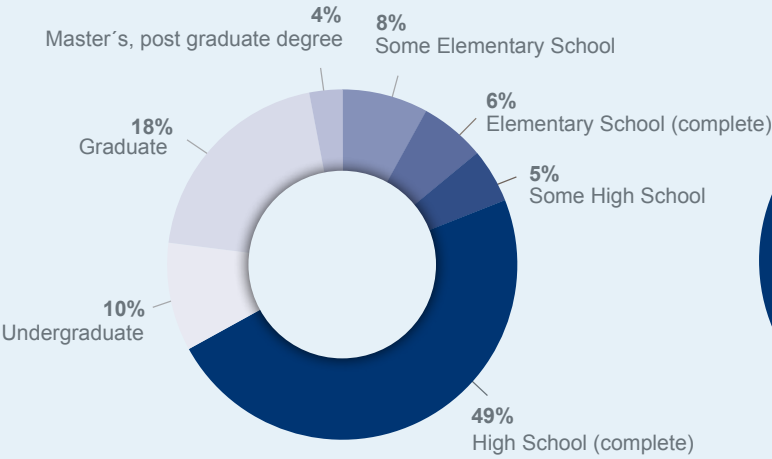


Excluding the segment of Offshore Support Vessels, in which the Company operates through joint venture

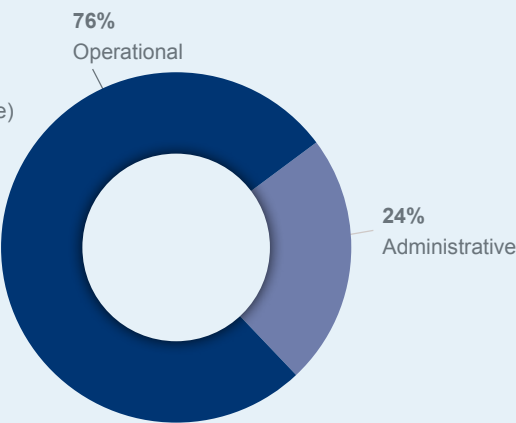
#### Years with the Company



#### Education 2015

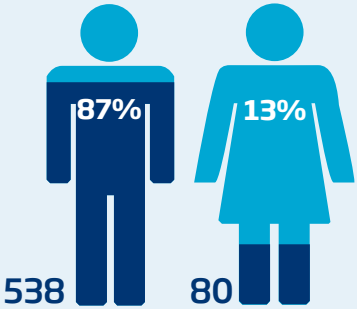


#### Area 2015



#### Recruitment 2015

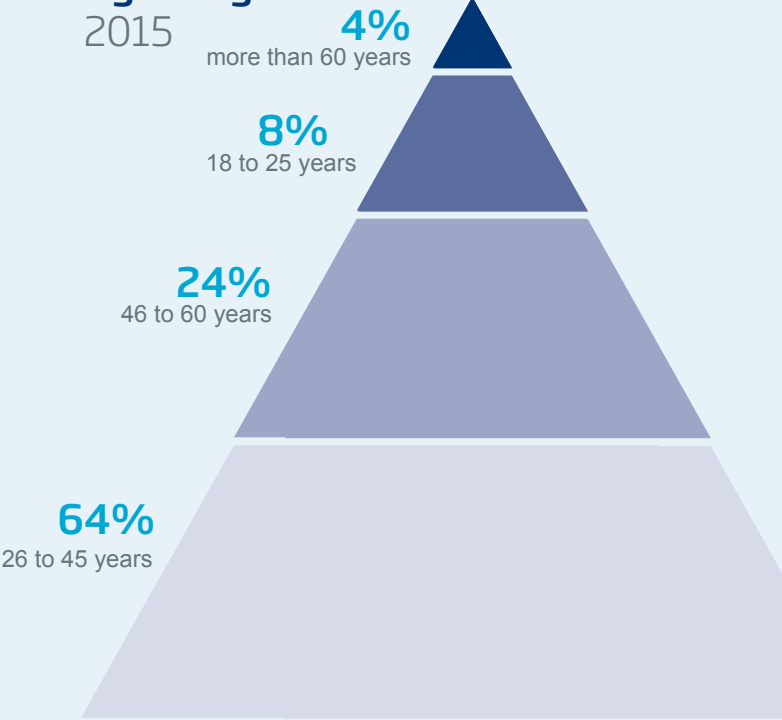
618



#### Gender 2015

83.5% Men  
16.5% Women

#### Age range 2015







Wilson Sons organisational values are designed to align with the desired culture, the mission, the vision and the Company's strategy.

The organisational skill priorities of Wilson Sons are:

- Identification with Wilson Sons.
- Together we are better
- Responsibility for results
- Customer focus
- Maturity in stakeholder relationships
- Efficiency at work

For managers we also defined the following additional skills:

- Mobilising leadership
- Developing leadership

Wilson Sons is recognised in theory and in practice as a company that offers development opportunities to all its employees. An evidence of this were the 290 promotions effected in 2015, without considering the segment of offshore support vessels.

#### Attracting talent

To align the strategy to select and recruit people to its values, Wilson Sons evaluated what is the ideal type of professional to help the Company to achieve its goals. Today candidates for a job opening answer

questions that identify the degree of alignment between personal values and corporate culture.

#### Qualification

##### GRI G4 - LA9/LA10/LA11

In Wilson Sons, the policy to incentivise education is defined and well-structured. Employees who wish to qualify can request a scholarship and the Company may pay up to 60% of tuition fee for graduate programs (specializations, MBAs and masters), and 70% for language courses.

Every year, all employees of Wilson Sons undergo in a performance evaluation. And in the case of leadership (starting with supervisors), this result is validated by a Committee of Performance. From this information, Individual Development Plans are generated which outline the gaps that each employee must bridge throughout the year.

In addition, Wilson Sons' businesses have their own training maps with technical training that are necessary to meet the knowledge required for each function. In 2015, there were more than 152 thousand hours of training for Company employees. They also undergo qualification on demand according to research of necessities identified by their managers. The leadership of Wilson Sons participates annually in the Management Development Program to develop and improve behavioural skills.

#### Succession

All key positions of senior leadership in Wilson Sons are mapped, with potential successors identified for each key position. In addition, according to the competence of the developer leadership, all Company managers are encouraged to develop their teams and prepare their own successors.

#### Retention

##### GRI G4 - LA1

The total Company turnover registered significant decrease of 8.2 percentage points between 2014 and 2015, impacted by the current economic scenario and by the evolution of people management practices at Wilson Sons. Retention actions taken by Wilson Sons combine fair remuneration and non-financial recognition.

For the management of its jobs and salaries platform, Wilson Sons has adopted, since 2004, a methodology recognized in the market, targeting both the internal balance of remuneration for positions and the external balance of remuneration in relation to the market.

In the category of variable compensation, the company offers profit sharing in specific formats for managers, administrative and operational professionals. The program is based on profit targets and the annual results.

Wilson Sons also works with other measures to encourage further engagement of all employees. An example is the programme "Reconheço Você", created to highlight the positive attitudes and results which are in line with the values of the Company.

In the "Reconheço Você" program, employees use the intranet to recognise colleagues that show behaviours aligned with the Company's values. The most recognised during the month receive a differentiated identification. At the end of the year, the employee who received the highest number of recognitions from his colleagues during that period receives a tribute from the Company.

In addition of being an instrument for peers and superiors to honor talent in the Company, the program is also an important allie in the assimilation of values by employees, bringing to the day to day something which could been seen as theoretical.

The "Reconheço Você" programme won the first place in the "Ser Humano" prize in 2015, organised by the Brazilian Association of Human Resources (ABRH-RJ). Our programme competed in the category of medium and large companies.

Another highlight is the "Conversa de Carreira", which happens every two years and involves supervisors, coordinators, managers, directors and executives. To develop a sense of purpose, the programme consists of individualised conversation between the subordinated area and head of HR, taking the leader to think of his/her contributions and his/her legacy to Wilson Sons.





TURNOVER

General turnover **24.0** % 2014

General turnover **15.8** % 2015

Manager turnover **13.7** % 2015

Non Manager turnover **16.0** % 2015

Voluntary turnover **5.7** % 2014

Voluntary turnover **3.5** % 2015

Turnover **23.7** % 2014

Turnover **16.1** % 2015

Employee engagement survey

Wilson Sons prioritise the engagement of its employees because the Company believes that this behavior is critical to the results and the good working environment. In 2014, the Company held its second engagement survey to evaluate the evolution in relation to the previous survey and define the guidelines for the next engagement actions. The next survey is scheduled to take place in 2017.

**4.729** employees in Brazil

**290** promotions

**100%** of all workers submitted to the performance evaluation





### INCREASE OF DEMANDS

With the increase of the demands of the regulatory and competitive environments observed in recent years the Company expects demands in the long term which can come in the form of regulation or new requirements of customers. Examples are the increase of the demand for quality in the service provision and mitigation of environmental impacts, more safety for employees and assets.

Wilson Sons has structured areas for monitoring the legal obligations and the demands of the market. The Institutional Relations Team is responsible for the relationship with regulatory and governmental spheres, and monitors the expansion of the legal requirements.

### NEW COMPETITIVE SCENARIO

In addition to maintaining the focus on increasing competitiveness in operations, aimed at providing better services to customers and giving priority to the use of its installed capacity, Wilson Sons has a structured management to monitor the market. The Company is always attentive to issues such as changes in national and international infrastructure, the concentration of competitors and customers, and market growth.

The New Business and Competitive Intelligence team conducts studies, and provides market information to support the possible actions and decisions of the Company, such as improvements in existing businesses and search for new opportunities.

### TECHNOLOGY AND INNOVATION

The theme is handled directly by the businesses. They have autonomy to develop projects in accordance with their long term business plans.

### GLOBAL COMPACT

**GRI G4-15**

Wilson Sons values guarantee of human rights, environmental protection and the fight against corruption and encourages improvement of business practices.

The social commitment of Wilson Sons is aligned with the awareness of its role as inducer of good practices and sustainable development of business and the communities in which it is inserted. Wilson Sons was the first company of its segment to become signatory of the Global Compact, a United Nations (UN) initiative for the adoption of social responsibility policies. Known for its contribution to the legitimate interests of society, the Global Compact sets ten principles in the areas of human rights, labour rights, environmental protection and fight against corruption.

The Company is also a founder member of the Brazilian Business Volunteers Board (CBVE), coordinated today by the Integrated Centre of Studies and Programs of Sustainable Development (Cieds), and integrates the Social Responsibility of the Brazilian Institute of Oil, Gas and Biofuels (IBP). As a member of the working group on Business and Human Rights, created by the Ethos Institute, Wilson Sons acts to contribute to the elaboration of a positive agenda on human rights and the promotion of decent work, with the improvement of business practices, public policies and governmental actions.

The initiative aims to enhance the diversity, fighting slave labour, promoting decent work and contributing to the development of mechanisms for complaint and dialogue.

### The principles of the Global Compact

- 1 Support and respect the protection of internationally recognized human rights.
- 2 Make sure they are not complicit in human rights abuses.
- 3 Support the freedom of association and the effective recognition of the right to collective bargaining.
- 4 The elimination of all forms of forced or compulsory labour.
- 5 Effectively abolish child labour.
- 6 Eliminate discrimination in employment.
- 7 Support a precautionary approach to environmental challenges.
- 8 Develop initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.
- 10 Fight corruption in all its forms, including extortion and bribes.

To learn more, visit [www.pactoglobal.org.br](http://www.pactoglobal.org.br)



## MAIN INDICATORS

	2015	2014	2013
<b>CONSOLIDATED RESULTS (US\$ M)</b>			
Net Revenue	508.9	633.5	660.1
Inputs and Raw Material	(55.8)	(100.6)	(-90.8)
Personnel Expenses	(142.6)	(194.9)	208.5
Other Operations Expenses	(141.1)	(178.3)	(-187.9)
Profit (Loss) on Disposal or Impairment	(1.3)	0.3	10.0
EBITDA	168.1	160.1	182.8
Depreciation and Amortisation	(53.2)	(65.1)	-58.7
EBIT	114.9	95.0	124.1
Financial Results	(48.6)	(29.9)	(-40.2)
Income Tax Expense	(39.7)	(42.0)	(-42.3)
Share of Result of Subsidiary <sup>1</sup>	4.8	7.1	2.4
Net Income	31.4	30.1	44.0
<b>MARGINS (%)</b>			
EBITDA Margins	33.0%	25.3%	27.7%
EBIT Margins	22.6%	15.0%	18.8%
Net Margins	6.2%	4.8%	6.7%
<b>FINANCIAL INDICATORS (US\$ M)</b>			
Total Assets	953.2	1,057.4	1,078.8
Equity	434.0	513.3	516.5
Net Debt	235.4	290.3	247.8
Net Debt/ EBITDA	1.4 x	1.8 x	1.4 x
Return on Equity (ROE)	7.2%	5.9%	8.5%
Investments - CAPEX	69.9	111.2	136.9
<b>MARKET INDICATORS</b>			
Share Price Variation WSON (%)	3.0%	3.5%	-3.3%
Dividends Paid (US\$ M)	29.0	27.0	18.1
Number of Shares	71,144,000	71,144,000	71,144,000
Market Capitalization (US\$ M)	593.6	859.8	931.9
<b>OPERATIONS INDICATORS</b>			
Port Terminals - Total number of TEUs ('000)	1,035.1	975.1	937.5
Towage - Number of Maneuvers	58,620	58,543	53,869
Offshore - Number of Owned PSVs	19	19	18
<b>PRODUCTIVITY INDICATORS</b>			
Own Employees <sup>2</sup>	4,729	5,265	5,687
Net Income per employee (US\$ M)	6.6	5.7	7.7
Assets per employee (US\$ M)	201.6	200.8	189.7
<b>INDICATORS OF MATERIAL ISSUES</b>			
Lost time accidents in every 1 million hours worked	1.53	1.80	
Emissions of a thousand tons of carbon dioxide equivalent (CO <sub>2</sub> )	66	66	
Employees undergoing performance evaluation %	100	100	
General turnover %	16.1	24.1	

1 Corresponding to Wilson Sons 50% participation in Wilson Sons Ultratug Offshore ("WSUT")

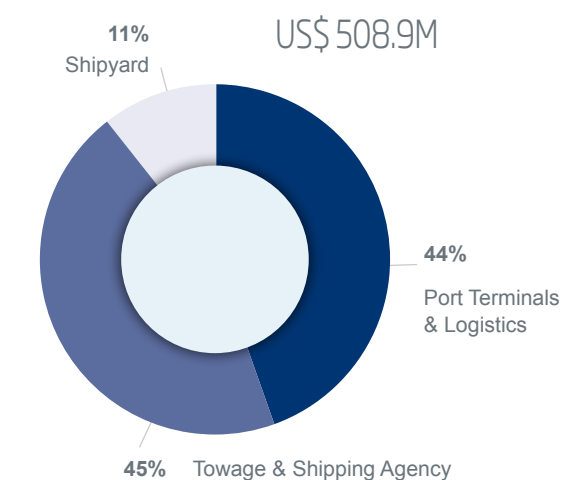
2 Excluding Wilson Sons Ultratug Offshore ("WSUT")

## 2015 ACHIEVEMENTS

### 2015 Net Revenue

The Group's revenue declined 20% to US\$508.9 million (2014: US\$633.5 million) when we analyse the results in US Dollars due to the weaker Real impacting port terminal's revenues, reduced orderbook in the Shipyard and fewer dedicated operations in logistics. However, if we look at the revenues in Reais, the Company's revenue increased 13% in 2015, totalling 1,6821 million (2014: 1,486 million). The demand for towage services is still significant and was in line with the previous year, with the number of harbour towage manoeuvres in the year increasing 0.1% to 58.620 from 58.583 in 2014. Towage revenue increased 1% in 2015 to US\$213.8 million (2014: US\$211.0 million). Towage volumes benefited from increased special operations performed during 2015, as in the case of fire fighting in the Port of Santos and operations in the Port of Açu. Our shipping agency business continued to suffer from the industry trend for liner operators to insource this activity with revenue falling 10% to US\$15.4 million (2014: US\$17.1 million). Shipyard third party revenue decreased 48% to US\$53.9 million (2014: US\$103.4 million), mainly due to the reduced orderbook in the Shipyard during the year, as mentioned before.

## FINANCIALS AND ECONOMIC INDICATORS



In addition to third party revenue recognised in the income statement the shipyard invoiced US\$49.1 million of intercompany sales in the year (2014: US\$45.6 million).





The shipyard orderbook for 2016 consists of six tugboats for Wilson Sons and four Offshore Support Vessels for third party. Revenue at our terminal and logistics business fell 25% to US\$225.9 million (2014: US\$302.0 million). Logistics revenue declined 32% to US\$49.9 million (2014: US\$73.4 million). Terminal revenue at US\$176.0 million was US\$52.6 million lower than prior year (2014: US\$228.6 million). Revenue at Brasco, our offshore oil and gas support base, fell as a result of the impact of the higher average USD/BRL exchange rate, which directly contributed to weaker results in US dollars. During the year, two important operations were completed and vessel turnarounds reduced 33%. Container terminal revenue declined due to the higher average USD/BRL exchange rate and a less favourable sales mix despite higher container volumes handled at Tecon Rio Grande and Tecon Salvador, increasing 6% to 1.035.180 TEU's (2014: 975.116 TEU's). All Group revenue is derived from Wilson Sons operations in Brazil.

#### Operating profit

Operating profit at US\$114.9 million was US\$ 19.9 million higher than prior year (2014: US\$95.0 million), benefited by the Dollar appreciation and the consequent impact generated in costs and expenses. Group operating margins for the year increased to 22.6% (2014: 15%). The rise in operating margins was principally due to lower depreciation and amortisation expense in the period, declined raw material consumption and reduced orderbook in the shipyard and the reduction in the Company's headcount. Depreciation and amortisation decreased US\$11.9 million to US\$53.2 million from US\$65.1 million in 2014 as a result of a larger asset base offset and by R\$ exchange rate devaluation. Raw materials and consumables used in the year were

US\$44.8 million lower at US\$55.8 million (2014: US\$100.6 million) principally due to operating material, denominated in BRL, being impacted by Dollar appreciation, reduced shipyard activities for third-parties and implementation of monitoring improvements. The decrease in logistics margins was mainly attributable to restructuring costs associated with the closing of some in-house logistic operations such as labor-related contingencies and write-off of assets. We continue to increase our market share position for the bonded warehousing and other operations despite the overall market contraction (lower import volume, higher exchange rate) and competition predatory prices. Employee expenses were US\$52.3 million lower at US\$142.6 million (2014: US\$194.9 million) mainly due to a reduced headcount, mostly in the cases of Logistics, Brasco and Terminals and the positive impact of the higher average USD/BRL exchange rate when converting BRL expenses into USD. Other operating expenses fell from US\$178.3 million to US\$141.1 million in 2015 mainly as a result of lower freights, rentals and outsourced services mainly due to the discontinuation of Logistics clients in-house operations.

#### Share of results of joint ventures

The share of results of joint ventures is Wilson Sons' 50% share of net profit for the period mainly from our offshore joint venture, which declined US\$2.3 million from US\$7.1 million in 2014 to US\$4.8 million in the current year, due to the reduction of 1.5% in the number of days in operation with own vessels and mainly due to 4 days in which our vessels were offhire in the end of 2015. During the period, the offshore joint venture repaid US\$3.5 million in intergroup loans.

#### Finance costs

The Group's finance charge for the year increased to US\$45.4 million (2014: US\$23.6 million), mainly due to the increase in foreign exchange losses on loans, in the total of US\$32.6 million (2014: US\$8.0 million). The exchange rate effect is related to loans of subsidiaries in Dollars that have BRL as functional currency. Other costs are related mainly to interest expenses on bank loans of US\$11.8 million (2014: US\$12.5 million), which decreased due to the decline in the debt amount.

#### Foreign exchange losses on monetary items

Exchange losses on monetary items of US\$15.8 million (2014: US\$16.7 million) arise from the Group's foreign currency monetary items and principally reflect the depreciation of the BRL against the USD during the period. The depreciation of the BRL of 47% during the year was above the previous year, in which the devaluation was 13%. Exchange losses on monetary items were lower in 2015 largely due to the decrease in our net exposure to BRL denominated assets and the exchange rate fluctuations that occurred in the year.

#### Exchange rates

The Group reports in USD and has revenue, costs, assets and liabilities in both BRL and USD. Therefore movements in the USD/BRL exchange rate can impact the Group both positively and negatively from year to year. During 2015 the BRL depreciated 47% against the USD from R\$2.66 at 1 January 2015 to R\$3.90 at the year end (2014: 13% depreciation). The principal effects from the depreciation of the BRL against the USD on the income statement are:

	2015	2014
Exchange losses on monetary items (i)	15.8	16.7
Exchange loss on foreign currency borrowings	32.6	8.0
Deferred tax on retranslation of fixed assets (ii)	27.0	15.9
Deferred tax on exchange variance on loans (iii)	-25.0	-8.0
Total	50.4	32.6





These impacts are related to: (i) result of Balance Sheet translations of R\$ denominated Net Monetary Assets, such as net accounts receivable and payable, cash & cash equivalents; (ii) negative impact on deferred taxes principally a result of the Company's Fixed Assets and US\$ loans. When the R\$ appreciates, net future tax deduction allowable for net assets and loans will represent a greater amount when converted to the US\$ reporting currency; (iii) negative FX impact on investments and loans due to US\$ denominated debt in subsidiaries with R\$ reporting currency.

#### Taxation

Income tax expense for the year at US\$39.7 million was in line with prior year (2014: US\$42.0 million) and this represents an effective tax rate for the period of 56% (2014: 58%). The corporate tax rate prevailing in Brazil is 34%. The difference in the effective tax rate is due to expenses that are not included in determining taxable profit (principally foreign exchange losses on monetary items) and deferred tax of US\$1.6 million during this period (2014: US\$9.1 million). In the consolidated financial statements, a tax loss of one entity in the Group cannot be offset against a tax liability of another entity in the Group as there is no legally enforceable right to offset tax assets and liabilities between Group companies.

#### Profit for the year

After deducting profit attributable to non-controlling interests of US\$1.20 million (2014: US\$1.5 million), profit attributable to equity holders of the parent is US\$30.2 million (2014: US\$28.6 million).

#### Earnings per share

Basic earnings per share for the year were 42.43 cents (2014: 40.21 cents) and Diluted earnings per share were 40.74 cents (2014: 38.67 cents).

#### Cash flow

Net cash inflow from operating activities for the year at US\$154.5 million is significantly higher than 2014, US\$117.9 million. Capital expenditure of US\$68.0 million was lower than the prior year (2014: US\$107.5 million) when we had investments made in the expansion of the Brasco Caju oil and gas support terminal and the expansion of the warehouse at Tecon Salvador. New loans to finance capital expenditure of US\$31.9 million were raised in the period (2014: US\$64.1 million) and capital repayments of US\$49.9 million (2014: US\$38.1 million) made on existing loans. At 31 December 2015 the Group had US\$131.1 million in cash and cash equivalents including short term investments (2014: US\$109.5 million) of which US\$83.3 million was denominated in Brazilian Real (2014: US\$70.3 million).

#### Balance sheet

At 31 December 2015 the equity attributable to shareholders was US\$432.9 million, a decrease of US\$77.6 million from 2014 (US\$510.5 million). The principal movements in the year were profits for the period of US\$30.2 million, less dividends paid of US\$29.0 million and a negative currency translation adjustment of US\$52.3 million. The currency translation adjustment arises from exchange differences on the translation of operations with a functional currency other than USD.

#### CAPEX

Investments totalled US\$69.9 in 2015 against US\$111.2 million in 2014. The IFRS CAPEX in 2015 is 37.1% lower as the comparative includes investment for the expansion of the Brasco Caju oil & gas terminal and Tecon Salvador warehouse expansion, described previously. New towage vessels and port terminals equipment were the principal CAPEX items in 2015.

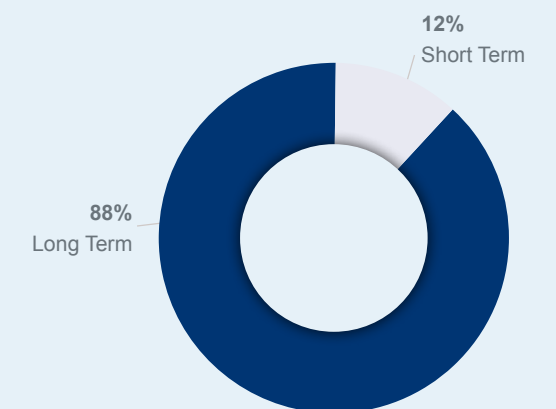
## DEBT PROFILE AND CASH POSITION

### Net debt and financing

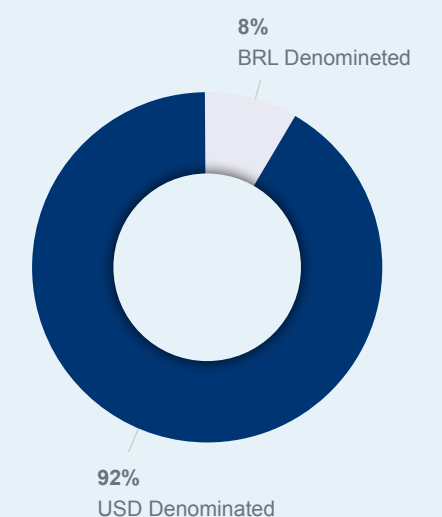
All debt at the year-end was held in the subsidiaries of Wilson Sons Limited Group and has no recourse to the parent company, Wilson Sons Limited. The Group's borrowings are long-term with defined repayment schedules repayable over different periods up to 18 years. At 31 December 2015, 92% of the Group's borrowings are USD denominated or linked to the USD with a favourable weighted average interest rate of 3.0%. A significant portion of the Group's pricing is denominated in US Dollars and acts as a natural hedge to our long-term exchange rate exposure. At 31 December 2015, 88% of our debt was non-current. At 31 December 2015, the Group had net debt of US\$235.4 million (2014: US\$290.3 million).

The Group's borrowings are used principally to finance vessel construction and the development of our terminal business. The Group's main sources of financing are the Fundo da Marinha Mercante "FMM", a Brazilian Government fund dedicated to funding vessel construction in Brazil and the International Finance Corporation. The FMM is funded by a levy on inbound freight to Brazil and the BNDES and Banco do Brasil act as lending agents for the FMM. The Group's reported borrowings do not include US\$262.2 million of debt from the Company's 50% share of borrowings in our offshore vessel joint venture.

### By Term



### By Currency







## SOCIAL RESPONSIBILITY

Through donations and voluntary actions, Wilson Sons participates in projects aimed at the respect and appreciation of life, as well as the preservation of corporate history and the history of the sectors in which it operates.

### Corporate History

The Company maintains a Corporate History Centre, with documents and records related to over 179 years of trajectory of the organisation. The Corporate History Centre was officially opened in 2006 and has already supported and supports publications that preserves the history of the international trade sector.

The iconographic and documentary collection consists of approximately of 6000 catalogued items, which serve as a source of information for employees, students and researchers in general.

The content can be accessed by staff through an internal portal or in person at the offices of Wilson Sons in Rio de Janeiro. The Corporate History Centre is also open to the public. To have access for information just send the request to [centro.memoria@wilsonsons.com.br](mailto:centro.memoria@wilsonsons.com.br).

## VOLUNTEERS

Wilson Sons, aware of the importance of corporate volunteering and the need for communication with the communities in which it operates, keeps a program called Criando Laços. The initiative has a Steering Committee and Work Groups at branch offices and financial support from the Company.

In 2015, the voluntary actions mobilised the participation of 342 employees in actions directed to children, youth and the elderly. Today, the volunteer programme is present in Rio Grande (RS), São Francisco do Sul, Paranaguá (PR), Santo André (SP), Rio de Janeiro (RJ), Niterói (RJ) and Salvador (BA). The beneficiaries of the voluntary initiatives totalled 2,117 people last year.

## SUPPORT AND SPONSORSHIP

### DE PEITO ABERTO

[www.depeitoaberto.com.br](http://www.depeitoaberto.com.br)

Conceived by a group of professional athletes and sports enthusiasts, the Open Heart Incentive to Sport (De Peito Aberto Incentivo ao Esporte) is a civil society organization of public interest (OSCIP) non-profit organization, which was created in order to meet the need to contribute to the sport, education, health and culture, promoting the integration of public and private institutions, conceptualizing new ideas, establishing professional relationships and making athletes aware. Wilson Sons sponsors the Sport and Citizenship Salvador Project coordinated by this entity, serving 100 children and adolescents from 7 to 17 years who are enrolled in regular school.

### BRIGADA MIRIM DA ILHA GRANDE

[www.brigadamirim.org.br](http://www.brigadamirim.org.br)

Founded in 1989 on the initiative of residents of Ilha Grande, off the coast of Rio de Janeiro, the organization provides work, health, education and citizenship for the youth. Operating between tourists

and locals, the mission of the brigade is to preserve nature and make people aware of the importance of taking care of the place.

### ESCOLA DE GENTE

[www.escoladegente.org.br](http://www.escoladegente.org.br)

Located in Barra da Tijuca, in Rio de Janeiro, acts for the inclusion of vulnerable groups in society, especially people with special needs. Their actions involve courses for companies and institutions, enabling young people and making them multipliers of the concept and practice of social inclusion.

### PASSAPORTE DA CIDADANIA

[www.pastoraldomenor.com.br](http://www.pastoraldomenor.com.br)

Project linked the Pastoral of the Child, with a focus on children and young people involved with drugs. It is a mobile service platform comprised of a bus adapted and equipped to receive young people.

### SONHAR ACORDADO

The NGO Daydreaming is an international, non-profit organization that works with institutions, orphanages, homes and hospitals, and that seeks to transform the lives of children through a friendship with youth volunteering.

### INSTITUTO REAÇÃO

The Institute Reaction is a non-governmental organisation that promotes human development and social inclusion through sport and education, by promoting Judo from the sports initiation through to high performance. The proposal is to use the sport as an instrument of social and educational transformation, forming black belts on and off the mat.

### ESTÚDIO ESCOLA DE ANIMAÇÃO

School of Animation Studio (EEA) is a training project on animation language for students of the public network that is in its 4th Edition. The project aims to spark the interest of young people in the language of animation, either as form of public expression or as a field of professional performance.

### BRASIL DE TUHÚ

Brazil of Tuhu is a program for music education that aims, through different platforms, to be reference of content to be worked in the classroom, especially for public school educators.

### GRUPO DE TRABALHO DE DIREITOS HUMANOS ETHOS

This working group has as focus of performance improvement and sharing of good business practices, as well as its spreading to the entire market, the production of materials and reference guides to support the companies activities, the spread of these contents in workshops and seminars and the influence on public policies, through dialogue and cooperation with the Government.

### COMISSÃO DE RESPONSABILIDADE SOCIAL DO IBP

The Commission has as activities and tasks the exchange, dissemination, implementation and consolidation of concepts, methodologies, techniques, experiences and practices aimed at promoting Social Responsibility Management as a path for sustainable development within the oil and gas industry.





# Global Reporting Initiative (GRI) Index

This panorama presents standard content guidelines for GRI Sustainability Report. These contents are distributed as follows.

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[www.wilsonsons.com.br/ir](http://www.wilsonsons.com.br/ir)



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