

**Operator:**

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the conference call for Wilson Sons Limited's Second Quarter and First Half 2009 results. Today with us are Mr. Cezar Baião, CEO of the Brazilian subsidiary; Mr. Felipe Gutterres, CFO of the Brazilian subsidiary, Legal Representative & Investor Relations; and Mr. Arnaldo Calbucci, Towage, Offshore and Shipyard Officer.

We would like to inform you that all participants will be in a listen-only mode during the Company's presentation. After remarks by the Company's management, there will be a question and answer session for industry analysts. At that time, further instructions will be given. Should any participant need assistance during this call, please press \*0 to reach an operator.

Today's live webcast, including both audio and slide show, may be accessed online at Wilson, Sons investor relations website, at [www.wilsonsons.com/ir](http://www.wilsonsons.com/ir). The slide show presented today by the Company's management is also available online at the Company's investor relations website.

Before we proceed, let me mention that forward-looking statements are based on information currently available to Wilson, Sons and reflect the beliefs and assumptions made by the Company's management. These forward-looking statements involve risks and uncertainties because they relate to future events and, therefore, depend on circumstances that may or may not occur. Investors should be aware that conditions related to the macroeconomic environment and other factors could cause Company results to differ materially from those expressed in such forward looking statements.

Now, I'll turn the conference over to the CEO of the Brazilian subsidiary, Mr. Cezar Baião, who will begin this presentation. Mr. Baião, you may begin your comments now.

**Cezar Baião:**

Thank you. Good morning, everyone. Thank you for being with us today. I am here with Felipe and Arnaldo to present Wilson, Sons' results for the second quarter 2009, as well as our comments on the Company's overall performance year-to-date. Now, I would like to invite you to turn over to slide number 3 of this conference call presentation to do a quick overview of our consolidated results.

I begin by saying that, overall, our consolidated results were positive in this quarter and that we achieved these results despite the continued market volatility in Q2 from the ongoing global crisis and its negative impact on international trade flow.

Having said that, our key financials improved. EBITDA and Net Income figures were higher, as illustrated on the bottom portion of this slide, mostly from another solid performance in the offshore and logistics businesses, as well as from resilient results at our core segments. Volumes at port terminals recovered, with impressive results, especially in Rio Grande where we had our best month of June to date. For the third consecutive quarter, special operations exceeded 10% of net revenues in the towage business.

Before we move on to the next slide, where we present the key highlights for each business segment at Wilson, Sons, I would like to call your attention to our resilient operating and financial margins both in 2Q and year-to-date 2009.

If you could please now move to the next slide, slide number 4. Starting by Port Terminals, as I mentioned, volumes at Tecon Rio Grande recovered, despite a relatively weaker product mix, from more empty containers handled. The same occurred at Tecon Salvador, where volumes year-to-date rose to a similar level as observed in First Half 2008. Brasco, our oil & gas terminal, posted better results as well, stemming from new contracts won, which more-than-doubled relative to 2Q08.

In Towage, two state-of-the-art vessels were added to the current fleet in late second quarter 2009. We continued to provide special operations to further diversify our portfolio of towage services, which normally carry better daily rates and accounted for more than 10% of net revenues in our towage business, as I mentioned before.

In the Offshore segment, we had another outstanding quarter from higher number of days in operation and better daily rates. By providing services to Petrobras at long-term contracts and acting in the spot market as well, we were able to deliver higher results, in line with the positive trend from recent quarters that we have already announced.

In terms of our Logistics business, we took advantage of higher value-added services and cargo profile, given better turnover at EADI, our bonded warehouse at Santo André, in the state of São Paulo. We reduced the number of low-margin operations and expanded our client base as well.

As for construction activities at our Shipyard, following the delivery of PSV Petrel in March 2009, we built two new tugboats in Q2, the Andromeda and Vega, and remain on track to meet our shipbuilding targets set for 2009. Also, on next Thursday, we are going to deliver another PSV, Skua, also built in our shipyard.

Lastly, in addition to our efforts to expand capacity at the Guarujá shipyard, we intend to reach the final stages in the structuring of the joint venture to operate vessels and support oil & gas exploration and production activities with Magallanes, a Chilean Company, later in the year.

Now, I will hand it over to Felipe, our CFO, who will comment on our business units.

**Felipe Gutterres:**

Thank you, Baião. Let me start by port terminals, on slide 5. One of the most positive highlights from this quarter were operational indicators, which showed signs of improvement, as illustrated at the bottom left-hand side of this slide. Volumes were higher at both Tecon Rio Grande and Salvador, relative to 2Q08 figures, and recovered from a significant decline in 1Q09 as well.

This, combined with higher results at Brasco, were positive indicators which counterbalanced the continued negative impact from the current economic downturn. Export volumes were resilient in Q2, especially for products such as apple, rice, petrochemical resins, and wood pulp. Warehousing-related activities, however, declined in

2Q09, due to the impact from a stronger dollar on imports, but remained in line year-to-date.

In terms of key financials at port terminals, EBITDA declined by 12% in 2Q09 and by 11% in 1H09. But when we exclude the net effect from fiscal credits in 2Q08, in the amount of USD 2.1 million, 2Q09 adjusted results were in line with the previous-year quarter and year-to-date figures.

Moving now to the next slide. Here, we present our results in the Towage business. The combination of revenues derived from special operations and the ability to deliver higher volumes relative to the previous quarter, 1Q09, played a significant role in mixed-to-positive results in the second quarter, still marked by significant market volatility.

Despite lower 2Q09 volumes relative to 2Q08, the number of harbour manoeuvres improved in 2Q09 relative to the first quarter of 2009, which represented a positive signal in terms of volume recovery. Growth in special operations generated strong results, in line with our strategy of focusing on this market segment.

Better margins helped mitigate adverse market conditions, as towage financials managed to end higher in the second quarter and almost 11% better year-to-date, in terms of EBITDA growth, with positive EBITDA margin growth as well, at 45% and higher.

Turning over to slide 7. Now we focus on Logistics results for 2Q09 and 1H09. Although having reduced the number of operations, logistics results improved in 2Q09, mainly from higher-margin, in-house operations. Results were positively impacted by warehousing-related activities and by the strategy to favour value-added operations with new and existing clients.

Despite declining net revenues in the quarter, impacted by the net effect from FX variation on revenues denominated in Brazilian Reais, the Company took advantage from the winning of new clients, from added-value cargo profile, and also from higher turnover at our dry port. In addition, an important cost reduction programme in place yielded positive efficiency gains at our operations, both in terms of headcount optimization and fuel cost reduction.

EBITDA results nearly doubled, relative to 2Q08 results, with solid growth year-to-date as well, by +51.4%, while EBITDA margin reached 11.6% in the first half, against 6.2% in the same period of last year.

Moving now to slide 8. Operating results in Shipping Agency were lower in the quarter and in the first half of the year, due to the negative impact from the loss of a major shipping agency client and as a result of the current global crisis, which reduced business volumes in general.

Therefore, aimed at protecting margins in the long run, we focused on measures designed to raise productivity in current business processes in the shipping agency business. Some examples of that included: centralizing processes at our shared services centre; revising business processes, aimed at capturing shared gains in light of new IT solutions; and conducting a business structure review.

Now turning over to slide 9, I will give some color on Offshore. Our Offshore business delivered another solid performance both in Q2 and year-to-date 2009 and results were in line with the positive trend from previous quarters.

Solid growth in operating margins and EBITDA derived from the combination of a larger fleet, higher number of days in operation and better daily rates. Out of 6 PSVs, 2 have been allocated to operate at spot rates, under medium-term contracts and very positive terms. In early 2Q09, PSV Petrel, owned by Magallanes and chartered by Wilson, Sons, became fully operational.

As highlighted by Baião during his opening remarks, we intend to have a final structure set up in partnership with Magallanes for the creation of a joint venture by late 2009. As indicated on previous earnings calls, we intend to remain focused on expanding our presence in the offshore business.

Moving now to the next slide, number 10. We discuss here our Non-Segmented Activities. Just to remind you, this includes services provided by the shipyard to third parties as well as all costs related with management of the Company, serving each of our business segments.

Here on this slide we present a breakdown of items which, combined, had a net positive impact on 2Q09 and 1H09 results. In addition to lower revenues derived from shipbuilding activities and declining raw material costs at our shipyard, results in non-segmented activities were mostly impacted by the net positive effect from exchange rate variation on personnel and other operating expenses, predominately denominated in Brazilian Reais. Just as a reminder, the average FX rate in the first half of 2008 was R\$ 1.69 to the US Dollar, as compared to R\$ 2.19 in the first semester of 2009.

Going to the next slide, slide 11. Now, with respect to our EBITDA results, 2Q09 EBITDA increased by 16.5% and some of the main factors responsible for such improved performance included: solid results in the offshore business, linked to growing demand from the oil & gas industry; volume recovery at port terminals, amidst continued market volatility; growth at Brasco; higher daily rates from special operations, which exceeded 10% of net revenues in towage; results in shipbuilding activities; and the focus on value-added logistics operations.

Achieving higher EBITDA in 2Q09 and 1H09, relative to 2008 figures, was a remarkable achievement, amidst the adverse economic environment, especially given the fact that the global crisis began in the second half of 2008 and continues to put pressure on international trade flow.

Nevertheless, our EBITDA results improved and confirmed the upward growth trend from previous quarters. In fact, 2Q09 EBITDA had its third consecutive quarter at double-digit growth rates year-over-year and ended 1H09 at USD 67.3 million, a 27.9% rise relative to 1H08 results.

Going to the next slide. 2Q09 and 1H09 Net Income improved as well, as illustrated on these step-charts. The items highlighted here provide you with some added perspective on the Company's bottom-line drivers.

Declining net revenues resulting from an unfavorable business environment were offset by positive growth in net financial results, partially explained by the net positive impact from FX changes on cash investments denominated in Reals, and by lowering costs. The charts here show in detail each of these cost drivers: raw material costs declined from relatively higher costs in 2Q08 associated with a concentration of PSV construction activities for third parties and lower fuel costs in logistics and towage; lower personnel expenses, mostly due to the positive net impact from FX changes on costs linked to the Brazilian Real, as the value of the US Dollar ranged from the R\$1.69 level in 1H08, to the R\$2.19 level in 1H09; and also by a relative decline in other operating expenses, explained by lower freights and rentals in logistics and towage given current market conditions, which generally pressured business volumes.

On the next slide, number 13, we will conclude our presentation by sharing with you some comments on the company's Capex figures and leverage indicators. CAPEX figures rose significantly in 2Q09 and 1H09, mostly due to investments made in fleet expansion in the towage and offshore businesses, as well as in terms of new equipment for port terminals and logistics, illustrated in detail here on the upper right-hand corner, of this slide.

At the bottom-half portion of this slide, Leverage indicators provide a continuing view of our debt amortisation schedule and net cash holdings. As of June 2009, cash balance declined mainly as a result of new investments and USD16 million in dividends paid to shareholders for fiscal year 2008. Also on June 30, 2009, total debt reached USD 188 million. 91% of total debt was due in the long term, while 97% of debt was denominated in US Dollars.

The Company's net debt position reached USD 36.6 million, mainly impacted by a decline in the company's cash holdings as a result of higher capital expenditure in the period.

At this time, I would like to invite you to move to the Q&A portion of today's conference call.

**Fernando Abdalla, Itaú Securities:**

Good morning. Could you give us an update on your expectations regarding the pre-salt and how it could impact your offshore and shipyard businesses? Thank you.

**Cezar Baião:**

Hi, Fernando, it is Baião again. Like I mentioned before, the pre-salt fields are much further away from the Brazilian coast. The fields are in the range between 200 km and 300 km from the coast, which means that to produce and explore those fields, any oil company will need much more vessels, because of the really long distance from the coast, where those fields are located. So, because the Oil & Gas industry will need much more vessels, this is, for sure, very positive to our offshore business, and also, even more than that, very good and important to our shipyard activity. So, one of the reasons why we are also doubling our capacity in our shipyards is to focus on the high demand from the pre-salt fields.

**Fernando Abdalla:**

OK, thank you.

**Operator:**

Ladies and gentlemen, this concludes the Q&A session for this conference call. At this time, I would like to turn the call back over to Mr. Cezar Baião for his closing remarks.

**Cezar Baião:**

OK. We would like to point out that Wilson, Sons' resilient performance and positive results in the second quarter 2009 and year-to-date 2009 are a clear indication of our commitment with sustainable, long-term growth.

While always alert to the risks inherent in today's global market environment, we welcome the challenges ahead of us and believe to be well-positioned to do so. We, therefore, intend to keep the course towards volume recovery, market leadership and profitability going forward.

Finally, as always, we would like to thank our clients, shareholders, and employees once again for their confidence in Wilson, Sons' management team and in our vision for the company's future.

**Operator:**

Thank you. This concludes today's conference call on Wilson, Sons Limited 2Q09 and 1H09 results. You may disconnect your lines at this time, and have a nice day.

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