**Operator**

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the conference call for Wilson Sons Limited Second Quarter 2012 results. Today with us we have **Mr. Cezar Baião**, CEO of the Brazilian Subsidiary, **Mr. Felipe Gutterres**, CFO of the Brazilian subsidiary and Investor Relations. 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 slideshow, may be accessed online through the Wilson Sons Investor Relations website, at www.wilsonsons.com.br/ir

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Wilson Sons management and on information currently available to the Company. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that conditions related to macroeconomic environment, industry and other factors could also cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to the CFO of the Brazilian Subsidiary & Investor Relations, Mr. Felipe Gutterres, who will begin the presentation. Mr. Gutterres, you may begin your comments now, sir.

**Felipe Gutterres**

Good afternoon everyone. Thank you for being with us today. I am here with Cezar Baião to comment on Wilson Sons’ results for the second quarter 2012. Please turn over to slide number 4 of our presentation for a brief summary of our consolidated results.

The Company generated USD154 million in Revenues, which was 15% lower than 2Q11. We would like to firstly point out the strong currency movements which had relevant impact in the Company’s revenues and net income. Currently, we have 65% of our Revenues in Reais. Although the quarter saw increases in some services (Towage, Offshore, and Shipping Agency), we had lower results in the Ports, Logistics and Shipyard businesses. The conclusion of some operations in Brasco and in Logistics, together with weaker results in the Tecon Rio Grande Cabotage and Transshipment volumes have shaped the results for the period.

EBITDA is down 12% in the quarter mostly due to Ports and Logistics and to some pre-operational expenses for the new shipyard

Net Income was also impacted by abrupt currency fluctuations within the year, lower operational results in Container Terminals, Brasco and Logistics.

Moving now to the next slide, slide number 5, we present Net Revenues and EBITDA highlights for the year by business.

In **Container Terminals** Revenues and EBITDA are 11% and 27% down, respectively, principally a result of a decline in both Rice and Frozen Chicken volumes for Tecon RG, which contributed to weaker Deep-sea and Cabotage levels. Tecon Salvador continued to show some constraints due to its ongoing expansion works. As a result of ship-owners using their own ports for transshipment these volumes are lower than the comparative, in Rio Grande, for example. Despite the international trade scenario remaining somewhat uncertain, we did see a small increase in the higher-yielding import volumes for both terminals, and some positive Deep-sea full container volumes,

**Brasco** figures dropped as a result of the completion of the Petrobras operation in the public port of Rio de Janeiro in October/2011, which represented roughly 30% of its EBITDA in 1H11. The strong demand from the International Oil Companies and the overall expansion in the pre-salt projects continue to provide the base for our O&G Terminal growth going forward.

**Logistics** EBITDA included the effect of discontinuation of low-margin operations, as the business concentrates efforts on its most profitable operations, such as our bonded-warehouse (EADI Santo André). We recently commenced operations at the new Logistics Centers in Itapevi, another focus that we have.

**Towage** revenues increased 7% in the year taking advantage of the larger operational fleet, and a better price mix. The EBITDA, however, suffered from a one-off cost in the amount of USD 1.7 million related to new accounting treatment for the Towage fuel inventory, accounted for in the 1Q12.

**Offshore** continued to show healthy increases in its revenues and recorded a 23% improvement in YTD comparison as a result of a higher average daily rate due to price renegotiations and the launch of the new vessel Sterna earlier this year. The offshore EBITDA increased 67% in the period.

The **Shipyard** business saw its revenues affected by currency devaluation as most of its activities are priced in Reais, and EBITDA affected by some pre-operational costs for Guarujá II, the expansion of our shipyard in the state of São Paulo.

**Shipping Agency** continues to show strong results basically coming from volumes and prices.

Going to the next chart, slide number 6, here we present with the breakdown of the main events which contributed to the Net Income evolution.

We would like to draw attention to the difference against the comparative caused by the currency impact on the “FX Lossin both quarter and year-to-date. This strong negative effect was, partially offset by a positive movement in the “Recognition of the Deferred Tax Asset” arising due to the expected recoverability of tax credits based on projections of future taxable income.

The company’s EBITDA of USD 12.1 Million lower for the quarter and USD 12.3 Million lower YTD, because of the operational highlights we have already discussed, also contributed to the variation with the comparative period.

Please turn to slide 7 for some brief information on our investment activities.

**CAPITAL EXPENDITURES** for the quarter totalled USD 45 Million and included the following:

* USD 10.8 Mn for the Guarujá II Shipyard construction, which is expected to be operational by the end of 2H12.
* USD 8.1 Mn related to civil works for the expansion of Tecon Salvador, including berth reinforcement and retro-area paving. The expansion is also scheduled to be finalized by the end of 2H12;
* USD 15.1 Mn related to Offshore expansion and Towage fleet renewal.

The Company invested USD 88 million in the first semester of 2012.

The majority of the Company’s **Debt**, 73%, is provided by BNDES and Banco do Brasil as agents for the Fundo da Marinha Mercante. Additionally, 92% of our debt is denominated in US dollars and 92% of it is long-term, 58% have maturity longer than 5 years.

Net Debt of USD 406.2 million at quarter-end is still at a comfortable 2.7 times Net Debt/EBITDA in the trailing twelve months, with an average cost of 3.75%.

Going to the next chart, on slide number 8 we here demonstrate the Company’s ability to generate cash flow from its operations.

In the first graph you can see that the Company continues strongly cash generative, which combined to new loans, comfortably accommodates the investments of the period and the Debt Service. In other words, we can consider that the Cash Absorption in the period was mainly Dividend Payments.

As for EBITDA, excluding Gain & Loss and the Long Term Incentive Plan, Wilson Sons’ delivered more or less the same EBITDA as last year, which was one of the highest posted by the Company in the first semester, on last 5 years.

At this time, I would like to pass the call on to Cezar Baião.

**Cezar Baião**

Thank you Felipe and good morning everyone.

Moving to slide 10, we present updated pictures of the ongoing expansion of Tecon Salvador, which by the end of this year will almost double the terminal capacity from 300,000 TEU to 530,000 TEU per year.

In slide 11 we have more detailed pictures of the expansion works in Salvador. The first picture is a recent shot of the Secondary Quay where reinforcing works continue.

In the other three recent pictures, we note the actual status of the paving and leveling of the retro-area. Some work and finishing is needed as the part of the expansion schedule remains a challenge particularly due to seasonal heavy rain which delayed the reinforcement, leveling and paving of the terminal.

Moving on to slide number 12.

Here we can see that the civil works related to Guarujá II Shipyard are in full swing and we expect the site to be operational at the end of 2H12. The expansion will increase the Company’s naval construction capacity from today’s 4,500 to 10,000 tons of processed steel per year.

The dry-dock is currently being completed, and there are new buildings under construction to support the shipyard business growth and development. The picture on the bottom left corner illustrates the construction of the buildings where the production of blocks for vessels will take place prior to being mounted in the dry-dock.

Wilson Sons Shipyard strategy contemplates the construction for the expansion of both Offshore and Towage fleets, as well as the maintenance of the Company’s fleet together with construction for third parties.

On Slide 13, there is an image of the new Logistics Centre in Itapevi-SP, which began operating in early July. It is 16,000m² of warehouse area.

The next slide, 14, this slide illustrates more detailed pictures of the Logistics Centre, which is already operating at roughly 30% capacity.

After its first month of operation the Logistics Centre already had important clients such as Ansell, BMW, GE and L'Occitane.

The most common cargoes are: industrial clothing, motorcycles, equipment and parts for medical diagnostics, and cosmetic products.

Moving now to slide 15, here, finally, we can see the new PSV Batuíra which was delivered this month and has already begun operating with Petrobras.

Moving to slide 16.

An unstable economic environment produced challenges and we are closely watching the impacts on Brazilian trade flow and the currency devaluation. That said, there are a number of business highlights that we can expect in the near term.

* The completion of Tecon Salvador and Guarujá II Shipyard in the end of this year;
* The expansion of the bonded area of the EADI in Santo André-SP. We have shifted part of the Logistics operations to our new Logistics Centre in Itapevi to give way for the expansion of the bonded-warehouse activities;
* The new PSV Batuíra entered operations last week. Shipyard revenues will benefit from the increase in construction capacity allowing the construction of 4 PSVs for delivery in 2013, and the ROVSV scheduled for delivery to Fugro in early 2014.

At this time, I would like to invite you to move to the Q&A portion of today’s Conference Call.

**Operator**

Thank you. The call is now open for questions. If you have a questions please press \*1.

Mr. Matt Neal from INVESCO would like to make a question.

**Matt Neal (INVESCO)**

Hi gentlemen, I have a question in regards to Briclog. I just want to make sure that I have the right information in regards to that project. So, I just want confirm your estimated CAPEX for the berth expansion is a hundred million Reais and that would give you five hundred meters of additional berth, is that correct?

**Cezar Baião**

Yes, that´s correct

**Matt Neal (INVESCO)**

Ok and what can we expect in regards to a timeline for the construction of that expansion and the extra space becoming operational?

**Cezar Baião**

We are forecasting to close the deal up to December, so after that we would start the operations with the existing berths facilities that we have and right after the license we would start to build the new berth. Most probable, we will build this berth in two phases, the first phase we would build two hundred and fifty meters berth and then we would in the second phase complete the five hundred meters berth we would at another two hundred and fifty meters in the second phase.

**Matt Neal (INVESCO)**

Ok, Do you have any estimate when the first two hundred and fifty meters will be completed?

**Cezar Baião**

If we close the deal, in December 2012, in this year, we would take more or less 15 months to have this first two hundred and fifty meters berth

**Matt Neal (INVESCO)**

Ok, all right, in regards to the existing capacity on the side, could you remind me what contract are in place for that capacity and I believe your cliente there is OGX.

**Cezar Baião**

Yes the existing capacity today, the company is only on mainly attending OGX.

**Matt Neal (INVESCO)**

Ok, well, excellent. Thank you very much.

**Cezar Baião**

Thank, you Matt.

**Operator**

Remembering, If you have a question, please press \*1. We have a question from the webcast.

How do the volumes of Tecon Rio Grande and Tecon Salvador compare the growth of the other terminals in Brazil?

**Felipe Gutterres**

Updated figures for the Brazilian TEU throughput show us that Brazil in the first half had growth of 0.4% when compared to 2011 mainly due to factors such as the international economic uncertainty. Each port has some local factors particular to the agriculture, population and industry of its region. That said, we see our total volume against the comparative is lower than the total for Brazil in this period due mainly to the transshipment volumes which migrated from Tecon Rio Grande to Shipowner’s ports. On the positive side Salvador is above the national average growth despite the restrictions due to the current expansion as mentioned earlier in the conference call.

**Operator**

Miss Katlyn Piaf from Etilico would like to make a question.

**Katlyn Piaf (Etilico)**

Hi, I´m Katlyn from Etilico. Just got a question around Brasco, really. I want to understand, obviously you lost the Petrobrascontract in October 2011. Are we assuming there is spare capacity in theBrasco Terminal, and if so is theres any player which can take up that spare capacityThe second question I have is on any update on the Rio Grande shipyard construction

**Felipe Gutterres**

Ok. Regarding Brasco as you know we have end of this contract with Petrobras in the public port. Our main progress is based on our own assets**.** SoBrasco subject to Briclog and the Public Ports Activities, a way of expanding our capacity as well, but not in a way that we think we are more competitive. We are much more competitive when we have our own facility as we have in Brasco and Briclog.But if we have some opportunities to,again, providing these kind of services we will take advantage of that.

**Cezar Baião**

The shipyard in Rio Grande we have no news. We have some pending licenses and pending authorizations to go ahead on the project of our shipyard in Rio Grande.

**Katlyn Piaf (Etilico)**

So there is no indication if that would be by the end of the year or not, so it all depends on the licenses coming through?

**Cezar Baião**

Yes. For Rio Grande yes, but in the Guarujá II shipyard we are delivering an extra capacity by the end of this year. So we are more than doubling our today’s capacity of steel processed per year. We are going to go from 4,500 tons processed per year to 10,000 tons of steel processed per year in Guarujá.

**Katlyn Piaf (Etilico)**

Ok. Thank you.

**Cezar Baião**

Thank you.

**Operator**

Remembering if you have a question please press \*1.

Mr. Richard Saitz from IHS would like to make a question.

**Richard Saitz (IHS)**

Hi, this is Richard from IHS. I would in finding out know how many more platform supply vessels Wilson Sons would be constructing and where those vessels would be built?

**Cezar Baião**

We are building four new PSVs, those four new PSVs will be delivered next year and they are being build in our shipyard, in Guarujá. Next year we are going to delivery four new PSV´s.

**Richard Saitz (IHS)**

And don´t you have any other plans beyond that?

**Cezar Baião**

Yes we do have. We are also building a vessel to Fugro and that will be delivered in early 2014 and most probably we going to build also more PSVs to be delivered in 2014.

**Richard Saitz (IHS)**

Don´t you have any specific contractor for those others PSVs or are they are going to be speck market?

**Cezar Baião**

Those four new PSVs that we are building to be delivered in 2013, all the four we have contract with Petrobras.

**Richard Saitz (IHS)**

Are you interested in building offshore supply vessels for other companies,aside from ORV vessels?

**Cezar Baião**

Yes. With this new extra capacity that we are delivering up to December of this year we will be able to construct vessels for third parties.

**Richard Saitz (IHS)**

Ok. Thank you very much for answering my question. I really appreciate it.

**Cezar Baião**

Thank you.

**Operator**

Miss Katlyn Piaf from Etilico would like to make a new question.

**Katlyn Piaf (Etilico)**

It´s Katlyn again. A quick question on the shipyard business just want to understand **the** increase in competition there. We´re hearing competition is increasing in the sector, and the second question was the results from the terminal business, struggled due to the FX Rate and also due to frozen chicken volumes and rice volumes being down. I just want to understand what your outlook is and do how d you think that sector will perform in the second half of the year.

**Cezar Baião**

Ok. The shipyard competition, talking about the specific segment of building offshore vessels we don´t see any increase in competition in this specific segment. Brazil has been expanding each capacity of shipyards, but not specific to build offshore vessels. More focused in big rigs, big FPSOs and tankers. Not specific for offshore support vessels. So we don´t see any problem ahead, we are still very positive about the construction market in Brazil focusing on Offshore supply vessels.

**Felipe Gutterres**

With regard to terminal results we have to consider: one, that we are in the middle of the extension of Tecon Salvador. We are not taking advantage of our full capacity there**.** Even taking advantage ofthe new capacity we are adding, we could not take advantage of the new capacity, because of that we did not take advantage of project cargo as we had last year. Besides that we had the Transshipment movement coming from our port to the shipowners’ port. Transshipment is not a cargo of very high value added, not a very profitable volume so we did not see any big impact from the transshipment. But in terms of volumes it impacts negatively the movement, and besides that there are the impacts of: rice, frozen chicken, that we believe we will normalize in the next month. We are working hard to attract new cargos to Tecon Rio Grande, for example. We have a challenging environment in terms of the growth of state, etc, but we are really working hard to attract cargo, not only from the Rio Grande do Sul, but from Argentina, Uruguay and Santa Catarina. So it´s our main focus. In terms of Brasco, we´ve already explained, about the Petrobras contract and our main strategic focus for this period.

**Katlyn Piaf (Etilico)**

Ok. Thank you.

**Operator**

If you have a question please press \*1. Remembering, If you have a question please press \*1. There are no questions. I would like to have the word over to Mr. Cezar Baião for final consideration. Please Mr. Baião, you may proceed.

**FINAL MESSAGE**

**Cezar Baião**

To close I wish to once again thank our staff for their contribution to this date as our business would not be possible without their commitment, trust and hard work. Let’s not forget that this year we celebrate 175 years of operation in Brazil. It is also a year to celebrate exciting expansion projects such as in Tecon Salvador, the Guarujá II Shipyard and the Itapevi Logistics Centre in São Paulo. To our shareholders I would like to restate that we continue to employ the maximum financial discipline to deliver our growth strategy. Based on this principle we are therefore committed to the continued improvement of our processes, investments and results, while always alert to new opportunities.

While this quarter’s results are lower than expectations we are confident in our long term plan, our projects, our investments, but above all the people that work with us. So it is without doubt that I say that I look forward to continuing the growth that we have shown for many years by delivering our projects, and with the utmost attention to the health safety and security of our employees and all with whom we work.

Thank you.

**Operator**

Thank you. Wilson Son’s conference is finished. Have a nice day.