Operator:

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the Wilson, Sons Limited 4Q07 and 2007 results conference call. Today with us we have Mr. Cezar Baião, CEO; Mr. Felipe Gutterres, CFO and Legal Representative – Investor Relations of the Brazilian subsidiary, 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 Wilson, Sons remarks, 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 the operator.

Today's live webcast, including both audio and slide show, may be accessed through Wilson, Sons website at www.wilsonsons.com/ir. The slide show presented by management today is available on the website, in the investor relations section.

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 conditions, industry and other factors could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to the CEO of Wilson, Sons Brazilian subsidiary, Mr. Cezar Baião, who will begin the presentation. Mr. Baião, you may begin your conference.

Cezar Baião:

Thank you. Good afternoon, everybody. I would like to start this presentation saying that we are happy with our performance in this last quarter of 2007 and also for the whole year of 2007. We believe we delivered a strong result, even considering the adverse foreign exchange environment. In addition to that I would like to call your attention to the main drivers that have been leading the Company to the good results we had in the last quarter and also in 2007. Wilson, Sons increased volumes, focused its efforts on more profitable services, got new clients, recovered margins and sold the Dragaport dredge. All these factors combined explained the performance of the Company.

As you can see at the top of the slide number three, our revenues jumped 28.7% in the quarter and 21% in the year, when it reached US$117 million against US$91 million in the same period of 2006. Operating profit remained the same when compared to the quarter of 2006, and 13% higher in the year.

Our EBITDA reached US$25.3 million, almost 7% higher than the year before. For the 2007 EBITDA grew almost 20%, from US$76.2 million to US$91.4 million. Net income was also strong: US$17.4 million in the quarter and almost US$58 million for the whole year, respectively 39% and 32.9% bigger than the same period of 2006.

Passing to the next slide, slide number four, I would like to share with you some important events that happened after our last release. Dragaport sold its dredges, Macapá and Boa Vista, to Great Lakes Dock and Co., a north-American dredging company, generating a net profit of US$3.4 million for Wilson, Sons.

Talking about Tecon Rio Grande expansion, the third berth is going to be concluded in four to six months from now, and the two post-Panamax Gantry cranes and four RTGs are going to be delivered in the 2Q08.

Related to our offshore division, we have four PSVs under construction; two are going to be delivered in 2008, one in 2009 and another one in 2010. Besides that, we are also building, in our shipyard, four PSVs to a Chilean company in a contract of more or less US$100 million that will be delivered until 2011.

Related to price increase, our most important movements were in port terminals and towage, where we increased price with the objective of recovering margins.

Now, I will pass the ball to Felipe, who will give you more details about each of our divisions.

Felipe Gutterres:

Thank you, Cezar. Good afternoon. Talking about port terminals, the volumes were 3% better this quarter compared to the 4Q06, and the trend of more deep-sea full containers continues. Deep-sea full containers grew 12.2% in the quarter and 10.2% in the year compared to 2006. As we have already addressed during our last calls, the volumes did not grow more because of the shipment in Rio Grande, which moved to Montevideo due to the lack of window space, as we reached capacity in Tecon Rio Grande. We strongly believe that after the expansion we will be very competitive and this type of cargo should come back to the terminal.

With regards to the cargo flow, I have to call your attention to the fact that the export cargos that float to our ports continue to grow consistently. Just to give an example, tobacco grew 67% this quarter and generated a cumulative growth of 30% in the year. Frozen chicken grew 24%, rice 27% and spare parts 16% in the year of 2007.

Revenues increased 11.4% in the quarter, as you can see in the right side of the slide, and 17% in the year. The main explanations for that are better mix of containers moved, rebuilt of the specialized terminal that serves the oil and gas industry, Brasco, margin recovery and higher cabotage volumes that we served in both terminals.

Just to give an idea, Brasco, our port terminal that serves the oil and gas industry, accounted for 8.1% of the total revenue of this business unit in this quarter against 5.6% in the same period of last year. In 2007, it accounted for the same 8.1% against only 3.6% in 2006. The number of contracts served by Brasco jumped from 2.4 in 2006 to 4.1 in 2007.

In terms of EBITDA, terminals posted a result 19.6% lower than the same quarter of 2006, and this in part is explained by additional costs in current view of restriction of capacity, since the investments are not operational yet; 7% increase in the number of employees in the terminals; in fact, impact of the foreign exchange devaluation of 17%; and because of some non-recurring effects such as phantom stock options to executives of this segment booked in the amount of US$0.6 million, provisions for contingencies and fiscal credit from the recoup of the overpaid taxes in the past in the amount of US$2.9 million.

The 2007 EBITDA was 10.6% higher than 2006, reaching US$49.6 million, and the adjusted EBITDA, excluding the non-recurring effects, was US$13.9 million in the quarter and US$48.9 million in the year.

Going to the next chart, slide six, I can give you more information on towage. Towage posted another strong result, explained by 4.9% increase in maneuver this quarter; strong growth in spot services — just to remind you, the spot services are comprised of harbor towage, ocean towage, support to salvage and also support to offloading substances to Petrobras. Besides that, our tugs serve the higher deadweight vessels.

Considering 2007 against 2006, volumes increased by 1.5%. The spot and special services accounted for 12.7% of the total revenues in the quarter compared to only 2.7% in the same period of last year. Analyzing the year end, the special services accounted for 7.6% against only 1.4% last year. Revenues increased 25.3% in the quarter and almost 24% in the year.

The growth in EBITDA and also in the EBITDA margin was a result, basically, of the higher margins from special services and higher dead weight vessels in addition to more volumes attended. EBITDA expanded 62.3% in the quarter, reaching US$16.3 million; and analyzing the year, the growth was also very substantial. Towage posted an EBITDA of US$53.7 million, which is the equivalent to an EBITDA margin of 36.6%. Excluding non-recurring effects, the result would be even better: US$54.6 million or 37.2% of EBITDA margin.

Going to logistic, in the next chart, the operational figures present consistent growth of 15.8% in transport of containers and a significant increase in number of operations, that grew 9.1% in the quarter. These two effects combined explain the jump in revenues from US$13.7 million to US$22 million in the 4Q07, which is the equivalent to a growth of 58.2%. The same behavior can be observed in the year end; I would like to call your attention to the performance of our abundant warehouse in São Paulo that continues to be very good and to take advantage of the booming import environment in Brazil.

The EBITDA reached US$1.7 million in the 4Q, and this business unit posted a cumulative EBITDA of US$5.3 million in the year end, delivering a 7.6% of EBITDA margin in 2007.

Going to shipping agency, on slide eight, the shipping agency has been suffering with the loss of one client that decided to open its own agency, and also with the USD depreciation. This business unit was able to increase significantly its revenues this quarter in comparison to 2006 and 14.7% if we analyze year-to-year figures. The increase in revenues was basically explained by increase in the number of containers controlled and increase in the agency of tramp clients. On the other hand, there were some events that had a negative impact in the shipping agency; the most important one was the exchange rate impact.

The USD devaluated 17% comparing the 4Q07 to 4Q06. The shipping agency has almost 100% of its revenues in USD and cost almost 100% in Reais. So, when Real evaluates, this mismatch hurts margins dramatically. Besides that, the Company reevaluated the amount considered as allowance to doubtful accounts and provisions to civil and labor claims, adding US$1.8 million and US$0.4 million, respectively, to its costs.

In addition to that, the result was also impacted by the phantom stock options provisions recalling the business unit. All of these effects combined explain the poor performance of this business unit in the quarter as you can see in the EBITDA graph.

Going to the year end, EBITDA went down to US$4.5 million from US$9.1 million delivered last year. But, excluding some non-recurring effects, the business generated an EBITDA margin of 34.2%.

Going to offshore, on slide nine, the most important remark was the restart of operations of Fragata, our new PSV, to serve Petrobras in a long-term contract, which has margins around 30% higher than the first two PSVs we have in our fleet. This explains the growth in volumes and also in revenues.

On the other hand, the USD depreciation and higher crew cost had been impacting offshore margins, but even with this adverse environment we posted higher EBITDA and EBITDA margins than last year.

Going to slide ten, I can give you more information on non-segmented activities. I have to call your attention to the sale of the dredges by Dragaport in the quarter, as you can see on the left-hand side of the chart. Analyzing the 4Q graph, you can see that the transaction generated US$3.4 million and the Company also reviewed the provisions for phantom stock options, allocating US$0.4 million that was the amount posted and booked in this segment to other business units. The Company also increased provisions for contingencies and took advantages of some savings in expenses in comparison to the same period of 2006.

Going to the year end, the main differences are related to higher bonus paid because of better performance, phantom stock options booked in the amount of US$1.1 million, provisions for contingencies, and exchange rate impact.

On slide 11, we can see the net income for the quarter and the explanations for that. The net income this quarter was 47.7% better than the same period of last year, excluding all the non-recurring effects that were impacting our results in the quarter.

The main explanation for this performance comes from the growth in revenues already explained by Cezar and I during the presentation and savings in raw materials and consumables, as a result of the decrease in some activities that are raw material intensive, such as shipyard for third parties. The result is also impacted by financial income on the cash invested.

Going to slide 12, we analyze the net income for the year end and we have to exclude some non-recurring results to make the correct comparison. After that, we get US$42.4 million for 2006 and US$59.2 million for 2007, which is equivalent to a jump of 39.5% in the period. This can be strongly explained by the improvements in our revenues savings in raw materials and financial income.

On slide 13, we can see capital expenditure and leverage. We are increasing our capital expenditure to support the expansion cycle of the Company. Wilson invested US$35.7 million more than in the same quarter of last year, which represents an increase of 320%, more or less. The unit that we invested the most was towage, which consumed US$19.1 million out of US$46.9 million invested, followed by offshore with something around US$15 million.

Analyzing the year of 2007, the capital expenditure increased dramatically, 135%, reaching US$99.2 million. And in terms of leverage, Wilson, Sons raised funds for ship constructions from BNDES, which explains the US$25 million increase in debt and posted a net cash of US$48.2 million in December.

Now I would like to pass the floor back to Cezar Baião.

Cezar Baião:

OK, Felipe, thank you. To finish this presentation, I would like to leave you with some messages. As you can see on the top of slide 14, our revenue has been growing at a CAGR of 23% since 2004. in terms of EBITDA, we have been improving our results at a CAGR of 24% also since 2004. These results have been delivered even considering the adverse environment of the exchange rate. Just to make a remark, since January 2004 the USD has devaluated 37% against the Brazilian Real. We are in the middle of our expansion cycle; comparing to 2006, we more than doubled our investments and we will invest more in 2008.

I am very happy with the positive trends of our business model and I am sure that the strong results delivered in the period and our continuous growth are evidences of Wilson’s ability to deal effectively with this environment. I take this opportunity to thank all our employees that worked really hard to generate these great results we posted in 2007 and also to the management that is totally committed to the profitability of the group and to increase shareholder’s value.

So, thank you very much and now we are happy to answer questions that you might have.

Andrew West, Harding Loevner:

Good morning, gentlemen. Nice set of results. I am wondering if you are prepared to offer any sort of outlook for 2008 regarding volumes and any or all of your operations. I am particularly interested in any view on the pricing outlook at the ports.

Felipe Gutterres:

OK. Thank you for your question. We normally do not give guidance on volumes and revenues for the next years. But obviously we are expanding the capacity by 60% and we should fulfill this capacity in three to four years. So, obviously we expect higher volumes in our port terminals.

In terms of price increase, I will ask Cezar to answer.

Cezar Baião:

Before that one on price issue, I would also like to add on what Felipe just said. Related to our offshore division, we will be delivering two new PSVs during this year. So, for sure, our revenue coming from the offshore division will increase substantially during 2008.

Related to price increase, in the end 2007 we started negotiations with some owners or most of the owners and I would say that for our total port terminal division, we managed to increase price in the average of 15% in USD.

Did we answer all of your questions?

Andrew West:

Well, you do not have to answer all of them, just the ones you are willing to.

Cezar Baião:

Maybe I am missing something.

Andrew West:

No. I was just hoping to sort of hear your outlook about, well, if not your own, what do you think the trends are in the economy? It sounds like with the currency it is easier to get inbound cargo than outbound, although maybe that is not the case at your ports.

I know that the offshore business has been great, so I am just wondering about the trends that you might see in regular towing maneuvers and volumes going to your ports, that sort of thing.

Cezar Baião:

We are still very positive in our towage segment, I mean, related to towage we have a huge demand that in 2008 this will keep growing, new port terminals are coming, I would say that there are at least five new greenfield ports projects in Brazil and all of them will require tugs.

Just for example, Porto do Açu in the north of Rio de Janeiro is coming two years from now and they will need tugs. There are one or two gas terminals that for sure will require very powerful units and, because of that, we are very positive with the towage market in Brazil for the next years.

Besides that, the vessels are still growing in terms of size, which for us is very good, bigger vessels require more tugs and more powerful tugs and that is why we are still investing deeply in our towage fleet.

Felipe Gutterres:

Just to add something, our main drivers are the domestic economy that accounts for 22% of our revenues; oil and gas with 32% and trade flow that accounts for the remaining balance. So, if you look at the trade flow growth in Brazil since 2004, it has been growing at a CAGR of 20%. The domestic economy has been growing from 3% to 5% in the period and we expect it will be growing in the future, and oil and gas in Brazil is booming. After Tupi and Jupiter, the investments will be huge and the investments in exploration and production are also huge at this stage and we will take advantage of that.

Andrew West:

Great. Thank you very much.

Operator:

We do have a question from the Internet from Andrew Stevens, MSE Investments. The question is: are there any perspectives related to shipyard expansion?

Arnaldo Calbucci:

For sure we have some alternatives to increase the capacity of our shipyards. Our idea is to double the capacity of the shipyard giving us the opportunity to participate in the booming market of the oil industry and the growing of the towage market also.

Our capacity at the moment is limited to eight PSVs and nine tugboats every three years and we expect to double this capacity.

Operator:

Thank you. This concludes the question and answer session. At this time I would like to turn the floor back to Mr. Cezar Baião for any closing remarks.

Cezar Baião:

OK. Once again thank you everybody. I would like to reinforce that the management is totally committed with the profitability of the Group and also to increase shareholder's value. So, again, thank you everybody.

Operator:

Thank you. This concludes today's Wilson, Sons conference call. You may disconnect your lines, and have a wonderful day.