Operator:

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the conference call for Wilson Sons Limited 4Q09 and 2009 results. Today with us are Mr. Cezar Baião, CEO of the Brazilian subsidiary, and 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 slide show, may be accessed online through Wilson, Sons investor relations website, at www.wilsonsons.com.br/ir. The slide show presented today by the Company's management is also available on the Company's investor relations website.

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 CEO of the Brazilian subsidiary, Mr. Cezar Baião, who will begin this presentation. Mr. Baião, you may begin your comments now.

Cezar Baião:

OK. Thank you. Good morning, everyone, and thank you for being with us today. I am here with our CFO, Felipe Gutterres, to comment on Wilson, Sons results for the 4Q and full year 2009. Now, I would like to invite you to turn over to slide number three of our conference call presentation for a brief summary of our consolidated results.

I begin by saying that the solid 2009 results once again demonstrate the strength and the resilience of Wilson, Sons business model in this stress test that was the global financial crisis. Despite this global financial crisis and its negative impact especially on international trade flow, our net income, EBITDA and operating margins improved for the full year 2009.

In terms of EBITDA, this increase occurred mostly from solid performance in the offshore business, the good performance of Brasco, our oil and gas terminal, as well as the growth of the special operations as a component of towage revenue. Higher volumes at port terminals also contributed to improve results year on year.

The 4Q09 EBITDA margin shows a fall, largely as a result of difference in non-recurring fiscal credit for the same period in 2008. In terms of net income, the full year 2009 financial revenue of US$34 million includes a foreign exchange gain on investments of US$24 million as a result of the strength of the Brazilian Real.

Moving now to the next slide, slide number four, I will run through the highlights starting with port terminals volume. Port terminals volume increased almost 3% year on year and contributed positive results despite the difficulties and uncertainties deriving from the global crisis.

Brasco posted exceptional revenue growth of 32% for the quarter and 78% for the year against the comparative period for 2008, driven by spot revenue growth, new clients and new contracts. In towage, we continued in our market leading position increasing the percentage of special operations to build EBITDA margin. These special operations normally carry better daily rates and represented more than 14% of towage revenues for the year, also seven new tug boats were delivered in 2009.

In the offshore segment, new PSV Skua was delivered in August, 2009, and we had another solid performance helped by the spot service linked to growing demands in oil and gas, in line with the positive trends of recent quarters.

In terms of our logistics business, we maintained our strategy towards higher margins projects and achieving cost savings by reducing the number of low-margin operations and expanding our client base.

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

Felipe Gutterres:

Thank you, Baião. Let me start with port terminals on slide five. Despite the global crisis, we are glad to report that business volumes at our container terminals showed remarkable resilience to post a year-on-year gain of 2.7% for 2009. Year on year, Tecon Rio Grande operational indicators improved which drove the increase in overall port terminal volumes. Product mix was partly responsible with higher Rio Grande deep sea cargo; mainly resins, tobacco and pulp and paper, but the other part of the story is Rio Grande capacity increase.

Quarter on quarter on Tecon Rio Grande, overall cabotage volumes fell with a significant impact coming from lower rice volumes due to excess regional rains. Offsetting these effects, there was growth in the 4Q09 cabotage over 4Q08 at Tecon Salvador, mostly petrochemical resigns.

Brasco, our oil and gas service terminal in the State of Rio de Janeiro, posted exceptional revenues and EBITDA for both quarter and full year. Oil and gas spot revenue growth as well as new clients and new contracts drove a revenue increase of 78.3% year on year. This now comprises over 15% of port terminal revenues mix. In terms of key financials at port terminals, net revenue performance was mixed and EBITDA declined in the single-digit range but with margins mostly in line in the mid-30s.

Moving now to the next slide, slide number six, we present our results in the towage business. Net revenue growth for the 4Q from special operations and new vessels combined with efforts to reduce costs produced solid EBITDA generation both in the 4Q and full year 2009, both growing by more than two digits.

It is important to remember that these impressive results were produced against the backdrop of the global economic crisis and its subsequent impact on general demand for international trade.

Special operations finished 2009 at 14.3% of towage net revenues which helped EBITDA margins that increased from 37% in 2008 to 42.1% in 2009.

Turning over to slide seven, I address now the offshore business unit, with solid net revenue growth in the 4Q and full year 2009, the offshore business produced EBITDA growth of 49% for the full year, thereby reaffirming the positive annual EBITDA. Growth in the offshore financials was positively impacted mostly by a larger fleet in operation with total of seven PSVs, platform supply vessels. Three PSVs assigned to long-term contracts and four others which operated at high margin spot rates.

Out of these seven vessels, two are owned by Magallanes and were charted by Wilson, Sons. Full year margins reduced from 60% in 2008 to 51% in 2009 mainly because of softer 2009 spot margins. Reduction in the quarter comparative margins were also impacted by the exceptional 4Q08 spot margins which were built on favorable daily rates and utilization.

Moving now to the next slide, slide number eight, now we focus on Logistics results. 2009 EBITDA increased 6.5% year on year as the Company continued to focus on higher margin in-house logistic operations, a strategy built on value-added operations with new and existing clients.

Despite winning new projects and a broadened scope of services rendered to existing clients, a break in the number of trips and the number of operations, net revenues were down for both quarter and full year, with a reduction in the 4Q09 EBITDA also impacted by the costs associated with the startup operations.

Moving now to slide nine, on shipping agency, shipping agency net revenues and EBITDA increased in the 4Q and full year 2009, but were lower year on year. Some of the positive highlights in the quarter included the higher number of vessel calls as well as greater diversification of the service base. Year on year, the 2009 volumes are lower mainly from the loss of a major client in the 3Q08 as a result of corporate takeover and the in-house provision of agency function by the acquirer. Cost reduction initiatives have been affected to protect margins and we maintain our focus on optimizing our current business structure.

Turning over to slide 10, we discuss here our non-segmented activities, including the construction services provided by the shipyard to third parties as well as all costs related to management of the Company. The slide presents a breakdown of items which combined had a net negative impact in the 4Q and full year 2009 results. The two main reasons are lower revenues and lower raw material costs related to third-party construction activities at the shipyard in Guarujá that was concentrated in 2008.

With that, I finish our comments on each of Wilson, Sons business and on the next couple of slides, we will take a closer look at the main growth drivers which contributed to the Company's EBITDA and net income results, as well as some key capital expenditure and leverage indicators.

Going to slide 11, now with respect to our key consolidated financials, Wilson, Sons delivered US$128.4 million of consolidated EBITDA for the year as illustrated in the bottom portion of this slide, 2009 year-on-year growth of 4.6% despite the effect of the global financial crisis, especially in respect of trade flow conditions. More impressive again is the growth of 21.5% year on year in EBITDA if we exclude the non-recurring fiscal credit that was considered 2008 and 2009.

The main factors responsible for this improved annual performance were higher percentage weight of special operations into towage net revenues, resilient product mix driving volume growth at port terminals, revenue and EBITDA growth at Brasco, solid performance in the offshore business helped by spot service linked to demand in oil and gas, and focus on more profitable operations in the logistic business. The 4Q09 EBITDA results decreased 29.7% largely as result of the impact of 2008 non-recurring fiscal credit.

Going to slide 12, as in the case of consolidated EBITDA and margins, 4Q and year-to-date 2009 net income also improved. The items highlighted here on these step charts provide you with some perspective on the Company's bottom line drivers. On an annual basis, declining net revenues were completely offset by positive growth in net financial results, mainly explained by the net positive impact from FX changes on cash investments denominated in Reais.

Besides that, the Company posted significant lower raw material costs. These cost drivers derived mainly from declining operating material costs due to higher imported materials for third parties shipbuilding activities in 2008. Lower raw material costs given a decrease in few costs of towage, logistic and port terminals and reduced other operating expenses mostly from lower freight volumes giving our focus on high margins logistic operations.

Moving now to slide 13, I give you some color on the capital expenditure investment that grew 59.9% year on year, mostly due to ongoing investments in fleet expansion as the shipyard delivered seven tugboats and two platform supply vessels during the year. New equipment acquired for the startup operations in the logistics business also figured in the increase capital investment during the year.

On the next slide, I would like to conclude our presentation with a summary of the Company's cash and debt position. So, on slide 14 you can see cash and debt; 91% of which is denominated in USD increased to US$268 million as a result of debts brought down under facilities provided by BNDES as agent for the Fundo de Marinha Mercante. 90% of debt is funded through the FMM. For this part linked to USD, the loans carry fixed interest rates between 2.6% and 5% a year.

Cash increased to US$189.3 million as a result of drop downs in continue operational cash movements. 92% of total debt was due in the long term, while net debt as a proportion of EBITDA represents 51.3% at only US$78.7 million.

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

Mark Jason, Invesco:

Hi. Good morning. My first question would be relating to the non-segmented activities. I wanted to get a better understand of what this is. It seems that in terms of your EBITDA was a large loss in that segment that compared to a much smaller loss last year, so could you please give me a better understanding of what is going on there?

Felipe Gutterres:

Just to clarify what is included in non-segmented activities, so we have shipyard activities and the costs related to management of the Company included in non-segmented activities. So, in 2008 we had a higher concentration of ship building for third parties than we had in 2009, so in 2008 it generated a profit that offset partially the management costs that are included in the 2008 results. In 2009, we did not have the same amount of results from the construction for third parties, so obviously we had this effect in 2009.

Besides that, we had an increase in phantom stock options in 2009 because of the recovery of the share price that was also included in non-segmented activities because of the concentration of management costs in this segment.

Mark Jason:

Could you give us a better understanding of the phantoms stock-option program? I just wanted to get a better understanding of what we expect to see in the following quarters, how does its work and a little bit more detail there?

Felipe Gutterres:

Yes. The phantom stock option was basically when you have a price that is fixed and then some assumptions on the exercise of these phantom stock options. So, when you have to create these provisions, following the IFRS, you have to use a binomial equation following these assumptions on this exercise of each range of share price.

And you have to account for the difference between the floor price defined that was the IPO price and the assumptions for the exercise price, and you account that year on year, actually, in our case, in a quarterly basis.

Mark Jason:

OK. Thank you very much.

Rachel Smith, ZR Investments:

Hi, I would like to know what is the status of the shipyard expansions in Santos and Rio Grande do Sul.

Cezar Baião:

Yes, I mean, in Santos we are just waiting for the final environmental license. We have got already preliminary environmental license but there were some pending items that we are solving, but we expect that in the next six months we will get the final environmental license for this expansion in our shipyard in Santos, which right after the final environmental license we will start the construction.

In Rio Grande, this expansion is a little bit more delayed in comparison with the Santos one, but we do believe that up to the end of this year, 2010, we will get the final authorizations, including environmental licenses, to also start the construction of the new shipyard in Rio Grande.

Rachel Smith:

OK. Thank you.

Cezar Baião:

Just to add some more things, our expansion in Guarujá, Santos, will be big enough to double our actual capacity of our shipyard.

Rachel Smith:

OK. Thank you.

Vanessa Ferraz, HSBC:

Hi, my question is regarding the partnership with Magallanes. I was wondering what the status is of this partnership right now and what should be the amount they would pay to you as soon as you close the deal?

Felipe Gutterres:

OK, I will answer this. We are in the process of getting the approvals from BNDES, Banco do Brasil and Petrobras for having the JV effective. So, you know, obviously we have an amount already agreed but we cannot disclose that because it will be adjusted by the investments of each company during this period, till the end of this transaction. But we think that we will have that until end of the 1H10.

Vanessa Ferraz:

OK. Thank you.

Mark Jason, Invesco:

Yes, just to get a better understanding of the non-segmented activities, and you mentioned that related to prior year you had some additional revenues coming in from the shipyards, so if I understood correctly then this year you had more costs associated with building ships for yourself. Does that make sense or is that how it really went?

Felipe Gutterres:

It makes sense, but when we have this situation, it is intercompany costs and revenue so it is not included here. But you are right because we used our shipyard more to build for ourselves than to build for third parties, so we did not generate good results as we generated in 2008 in this non-segmented activities from the shipyards.

Cezar Baião:

Because we mostly built for ourselves.

Mark Jason:

OK. So, in terms of the building this year, how many ships did you turn out and what should we expect for next year?

Felipe Gutterres:

We delivered seven tugboats and two supply vessels in 2009. In 2010, two PSVs and four tugboats.

Cezar Baião:

Which, again, are going to be mostly to ourselves.

Mark Jason:

OK. Thank you.

Pedro Valente, BTG Pactual:

Hi, guys. Could you just clarify how the offshore segment is going to look like in 2010? You have some PSVs leaving the spot markets and going to the long-term contracts and you are going to also have some ships coming from the joint venture, I was just wondering what we can see for 2010 compared to 2009.

Cezar Baião:

Yes, Pedro, most of ours, today's PSVs that are operating in the spot market will be in the spot market only up to May. From May on they will be transferred to the Petrobras contract, in the long-term contract which is, as you know, I mean, we have been telling the market that the long-term contract rates are lower than the spot market today.

Pedro Valente:

Can you say how much lower? Just so we can have…

Cezar Baião:

It is going to be much lower. Today the spot market is around US$26,000 to US$30,000 a day and it is going to be US$16,000.

Pedro Valente:

OK. Thank you very much.

Mark Jason, Invesco:

Yes, the follow up on the last question. Can you give us a kind of an idea of where should we see the offshore segment next year just given the difference in the spot rate versus the Petrobras contract?

Cezar Baião:

As I just said, I mean, today we have three or four PSVs running on the spot market and they will be after May transferred to the long-term contract of Petrobras. Besides that, we are also receiving during the year two more PSVs that will also go to the long-term contract of Petrobras.

Mark Jason:

So do you expect to see a decline in revenues next year?

Cezar Baião:

Yes, in 2010, yes.

Mark Jason:

And then, even further in 2011 because you are only starting in May with the Petrobras contract.

Cezar Baião:

Yes, but we are receiving more PSVs, so although we are having some PSVs leaving the spot market and going to the long-term contract with Petrobras, we are receiving more new PSVs, new PSVs will be adding to our fleet, so we are going to have on one hand a reduction in rate, but our fleet will be bigger.

Mark Jason:

OK. Thank you.

Vanessa Ferraz, HSBC:

Hi, guys. Just another follow up from Invesco's question, in the PSVs business in 2010 we should see revenues falling 50% of what you have right now, is it not? I mean, after the partnership we should see revenues being booked as 50% of what you have right now. So it is not that we can compare revenues in the PSV business, in the offshore business, in 2010 and 2009, it is impossible to compare both revenues, am I right?

Felipe Gutterres:

Yes. When we have the JV effective, we will have to consider, to account only 50% of the revenues in result and probably we will have that in the 2H of this year, not in the 1H, and obviously the comparison with 2009, you will have to consider that.

Vanessa Ferraz:

OK. Thank you.

Operator:

This concludes the question and answer session for today's conference call. At this time, I would like to turn the floor back over to Mr. Cezar Baião for his closing remarks.

Cezar Baião:

Yes. Thank you. Again, we believe that our positive results in the year 2009 reaffirmed our commitment to sustainable business performance. We also believe that we remain on track to build our business volume and to strengthen our long-term growth strategy.

Finally, as always, we would like to thank our clients, shareholders and employees for their contribution and their confidence in Wilson, Sons management team. I am quite positive that we share the same vision for the Company's future. Thank you.

Operator:

Thank you. This concludes today's conference call for Wilson, Sons Limited 4Q09 and 2009 results. You may disconnect your lines at this time, and have a great day.