Felipe Gutterres

Thank you. Good morning everyone. First of all I would like to say thank you for joining us in this conference call. I am here to comment on Wilson Sons' 2Q14 figures. Please turn to slide number 3 of our presentation for a brief summary of our consolidated results

Wilson Sons Net Revenues of US$ 152.2 million in the quarter, was slightly below 2Q14 principally due to the depreciation of the Brazilian Real considering that 62% of the Company's revenues are BRL denominated, lower Shipyard revenues with production impacted by the lack of financing for one client PSV and termination of two dedicated operations in Logistics during the quarter. Nonetheless, Towage business continues to deliver growth in Revenues, through strong volumes and ships with greater deadweight.

EBITDA reached US$ 28.1 million, 37% lower than the comparative, as a consequence of this operational performance and a non-recurring sale of property which positively impacted the comparative by US$8.8M.

Net Income increased in the quarter with joint venture Wilson Sons Ultratug Offshore business results improving to US$2.4 profit from US$1.2 loss in 2Q13. Additionally, the 2Q13 comparative was negatively impacted by strong FX fluctuations.

CAPEX of US$ 61.7 million for the first six months of 2014, as a result of the expansion of the Brasco Cajú Oil & Gas Terminal, as well as the construction of tugboats and the remaining civil works of Tecon Salvador.

Moving now to slide 4, I present Quarter Net Revenues and EBITDA highlights by business.

- Container Terminal revenues were negatively impacted by the devaluation of the Brazilian currency and a worse mix of services rendered through a higher % of transhipment volumes in Rio Grande and reduced import levels at Tecon Salvador.

- Brasco Oil & Gas Support Terminal Revenues and EBITDA decreased from the previous quarter as a result of a reduction in spot activities and the end of a client's operation in Salvador.

- In Logistics, we had a revenue and EBITDA reduction as a result of the end of two dedicated operations during 2Q14. The business continues to focus its strategy on bonded-warehouses and logistics centres. In 2Q14 dedicated operations amounted to 38% of logistics revenues while in 2Q13 the participation of dedicated operations was 55%.

- Towage revenues and EBITDA increased as a consequence of higher harbour manoeuvres and larger vessels attended.

- Shipyard's EBITDA lower than 2Q13 due to the suspension of one client PSV which has yet to close bank finance. Delays in the delivery of certain vessels, a result of the warehouse fire last year also contributing to reduced results. The Shipyard order book currently includes: the completion of one ROVSV for Fugro expected by October 2014, two OSRV´s for Oceanpact, two PSV's for Wilson Sons Ultratug Offshore, and eight tugboats for our towage business. Moreover the shipyard has an additional two OSRV's under option for construction.

- Consistent growth in Offshore Support Vessels reflects a larger operating fleet with own vessel operational days up 33.6% and newer vessels with higher daily rates.

Now moving to slide number 5.

Here we present Wilson Sons Ultratug Offshore's Fleet Evolution.

The segment currently has 19 operating vessels and it has contracts for the construction of a further five PSV's: three in an international third party shipyard, and another two PSVs in Wilson Sons Guarujá Shipyards.

With the new vessels ordered, by the end of 2016, we will boost our capacity to 24 operating vessels, enabling us to take more advantage of growing demand in the Oil and Gas industry, and consequently, contributing to push up Offshore Results in the mid-term.

Moving to slide number 6, you can see that the civil works at Brasco Cajú site is in full swing. Berth reinforcement and retro-area paving are a work-in-progress. The expansion is scheduled to be finalized during the second semester of 2015 and, with the full capacity, the terminal will be able to receive up to six Offshore Support Vessels.

On the next slide I bring your attention to some trends for the 2nd half 2014:

- In the Container terminals, we historically deliver higher volumes in the second half of the year due to the seasonality of some cargo handled such as fruit in Salvador and tobacco in Rio Grande, and a stronger Brazil's international trade flow in the 2nd semester.

- Lower level of Logistic revenues due to the expected ending of one dedicated operation;

- Delivery of 2 new azimuth tugboats with 70 tons of bollard pull; and

- At Shipyard, the ROVSV for Fugro is near to be completed with expected delivery for October 2014. In addition, the construction of two Wilson Sons Ultratug PSV's is expected to begin during the last quarter of the year.

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

Operator

The floor is now open for questions. We have a question.

Unidentified Participant

Can explain a little more respect of the July volumes reported and expectation for the year?

Cezar Baião

Yes. The terminal volume reported up 12.2%, but it has been largely of the back of the Rio Grande shipment. Volumes which are concentrate in the first half due to full seasonal responsible for the majority of this cargo. Speaking about 2014 expectations, we see some opportunity in the cargo shipping cabotage consolidation due to the trend of development of this mode. The current trend should continue to be benefit from the capital of certain times, for shipment cargos although to a less expense in the second half.

Operator

Mr. Sami Karlik from Votorantim Corretora would like to make a question.

Sami Karlik

Hello, well, just a quick question about the logistic segment. I wondering if you could please have -- give us a view about the prospects for the segment. As you mentioned on the earnings release, you were seeing increasing competition close to the port of Santos, what's the strategy of the company for the next year on the logistics? Thank you.

Cezar Baião

Sami, what happened recently that related and it's about the bonded warehouse segments of our logistics. This sector competition increases mainly due to the privatizations of the airport in Sao Paulo state (Campinas and Guarulhos). They, we started to focus in this import cargo, which increased competition in the bonded warehouse, our bonded warehouse located in Santo Andre. And also new container terminals in Santos -- the capacity of the container terminals in Santos increased a lot in the last eight to ten months, which also increased competition for these import cargoes. So, we were talking mean about that, but we due lack this bonded cargo segment, so we are going to keep it, but what we are, as we mentioned before, in the last three or four quarters, we are reducing operations in the client plant. We are reducing this sort of services on the client plant and that's why you have seen in the last year results. Our revenues had been decreased in logistics mainly because we are finalizing those corporate and we don't want to be in this segment anymore so.

Felipe Gutterres

You know our bonded warehouse in Suape should be operational during the third quarter.

Sami Karlik

And can we expect an improvement in revenues in the third quarter?

Cezar Baiao

No, not this year. We cannot think of it.

Felipe Gutterres

In case we will have this ramp up and it takes time.

Sami Karlik

Okay.

Cezar Baião

We can expect higher revenue and mainly coming from our distribution centre and bonded warehousing in Suape more in 2016.

Sami Karlik

Okay, perfect. Thank you very much.

Cezar Baião

Okay Sami.

Operator

We have our webcast question from James Brooks, Edinburgh Partners.

James Brooks

What's the current status of the vessel that did not obtain financing and the shipyard business, is this still in the order book and expected to be deliver to the original client?

Cezar Baião

We are not very positive about this client. We don't see that in the short-term they do sold their finance issues, so we are not count on that on the short-term. But at this time, I would say that the important to mention that we have other clients that are building with us. So, we are building two, two that is for Oceanpact. We are still building, analyzing the ROVSV for Fugro and we are starting to build two -- we are going to make that two PSVs for our JV, Wilson Sons Ultratug Offshore. So, we do have a lot of work in the shipyard.

Operator

This concludes today's Wilson Sons second quarter 2014 results. You may disconnect your lines at this time, and have a nice day.