Operator

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the conference call for Wilson Sons Limited 3Q 2013 results. Today with us we have Mr. Felipe Guterres, CFO of the Brazilian subsidiary and Investor Relations and Mr. Arnaldo Calbucci, COO of Towage, Offshore, Shipyards and Ship Agency.

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 morning and thank you for joining us on our call. I am joined by Arnaldo Calbucci to comment on Wilson, Sons' 3Q13 and YTD results. Please turn to slide number 3 of our presentation for a brief summary of our consolidated results

The Company generated USD 169.1 million in Net Revenues in the quarter which was 14% higher than last year with the major contributions coming from:

- Increasing Shipyard revenues from third-parties as a result of the business' new capacity;
- Heavier average deadweights and better volumes in traditional harbour towage;
- Strong deep-sea import volumes generating higher-yield warehousing services in both Tecons; and
- Waste management and spot services in Brasco, our O&G Terminal.

Both quarterly and YTD EBITDA and Net Income are up as a consequence of this better operational performance, especially in O&G Terminals, Towage, and the Shipyards

CAPEX of USD 103.5 million in the first nine months of the year includes the acquisition of the Briclog Oil and Gas Support Terminal which totalled USD 44.0M in this quarter and includes: the right to use the area for 30 years, the acquisition of PPE, and the commencement of civil works. Other contributors to CAPEX were USD 16.5M invested at Tecon Salvador expansion and USD 11.9M for new tugboats.

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

Container Terminals revenues for the first nine months were up 2%. The strong deep-sea import volumes were offset by the devaluation of Brazilian currency which reduces revenues as most of the Container Terminals' revenues are BRL-denominated.

In **Oil & Gas Support Base ("Brasco")** the good results were driven by waste management activities, together with an increase in spot services, and a better price mix.

In **Logistics**, revenue and EBITDA reduction was a result of the end of 4 dedicated operations in the last 12 months (Merck, CSN - Tecar, Gerdau, and Vale).

Towage revenues increased almost 10% mainly as a result of higher harbour manoeuvre volumes, larger vessels attended, and the growth of special operations, especially those related to the support to oil & gas platform assistance. Currently, the Company has 66 tugboats operating in 22 ports along the Brazilian coast.

Shipyards posted strong revenue and EBITDA as shipbuilding activities advanced with the percentage of vessels completed increasing. Currently, the Shipyard's orderbook includes 6 Offshore Support Vessels: 3 for Geonavegação, 2 for WSUT and 1 for Fugro. This orderbook reinforces Wilson Sons' strategy to take advantage of the demand driven by the growth of Brazilian O&G industry.

Offshore Support Vessels revenues improved 13.2% benefiting from the increase of days in operation due to the commencement of operation of PSV-Tagaz (1Q13). Despite this, the average daily rate was negatively impacted by the BRL depreciation as roughly 50% of the daily rate is denominated in BRL.

Now I will highlight some business opportunities we have in the next slide, slide number 5.

Here I would like to call your attention to the Tecon Salvador opportunities to compete for cargoes from other ports after the conclusion of the terminals recent expansion. Cargoes such as coffee, cotton and fruits, which are predominantly produced in Bahia state, had had limited handling in Tecon Salvador due the past capacity constraint. Now, after the expansion, besides the logistical efficiency to handle these cargoes in Tecon Salvador with reduced transit times, the terminal delivers some of the best berth utilisation efficiencies in the country with virtually no ship waiting times helping to reduce costs of whole logistics system that uses the Port of Salvador benefiting importers, exporters and shipping companies.

Going to slide number 6.

This is a picture of our Oil & Gas Terminal Brasco Cajú or Briclog, as it was formerly known. It is operational with 72 metres of quay, but the full potential of the site includes a further investment to complete an additional 428 metres of quay which in total will allow the simultaneous berthing of up to six support vessels. To give some idea of comparative our existing Brasco base in Niteroi currently has three vessel berths. So this project of civil works will substantially improve capacity after completion.

Going to the next chart, chart number 7

From the Company's IPO in 2007 through the beginning of 2013, Wilson Sons completed a large CAPEX cycle of roughly USD 1.0 Projects such as capacity expansion and new equipment in Tecon Rio Grande and Tecon Salvador, the doubling of Guarujá Shipyard capacity, and the construction and maintenance of our fleet of tugboats and offshore support vessels enabled us to increase service levels to our valuable clients.
Given the completion of a large number of significant investments, we expect increased free cash generation going forward.
At this point we will open the call to any questions you might have.

Operator

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

Operator

Mr. Colleen Thomas from Cantor Fitzgerald would like to make a question

Colleen Thomas

I have a number of questions. Could you provide some guidance for CAPEX for 2014please, and then, perhaps, some guidance for next years? Talk a little about what is included in that number in terms of maintenance versus growth and perhaps by division. So I just get a feel for absolut levels of CAPEX growth and also for the CAPEX by division, please.

Felipe Gutterres

Ok. In terms of Capital Expenditures, as we have already mentioned, the big investment cycle ended in 2013. So what we will have in terms of future CAPEX is much more what we call organic CAPEX. There will be around 50% or a little bit more than that of maintenance and the remaining balance of growth and will include the new supply vessels we will build for the Offshore business unit that we have, Joint Venture if you wish, and also new vessels for the tug business and some equipment investment for the container terminal. But in 2014 we will have the expansion of Brasco Cajú, or Briclog. So we are talking about a CAPEX around a USD 100 Mn - USD 150 Mn.

Colleen Thomas

So you would say a USD 100 Mn to USD 150 Mn?

Felipe Gutterres

Yes. We are talking about a CAPEX between USD 100 Mn - USD 150 Mn. Not for 2014. 2014 probably we will have a CAPEX around USD 130 Mn – USD 140 Mn.

Colleen Thomas

Thank you. Just moving on. The Logistics division. This fall in revenues this year reported due to the reduction in dedicated operations. On that now come to an end, so all those operations now effectively closed and Logistics is ready to increase revenues?

Felipe Gutterres

In terms of Logistics, as you mentioned, we have the impact and the decrease in revenues coming from the end of this 4 dedicated operations. The main strategy we have in Logistics is the focus on bonded warehouses and Logistics Centres. We have some contracts like that ending in 2014 also. But, after that, our main focus will be the bonded warehouses in São André and Suape and the Logistics Centre in São Paulo. So probably 2014 we will have a down-term in Results in Logistics that will be recovered with a different strategy from 2015 on.

Colleen Thomas

OK. Thank you. Finally, on property and disposals. Obviously, this year you have a quite large inflows from property and disposals. Have you still got a large quite line of disposals to come or will now is that process is nearly complete or complete?

Felipe Gutterres

We don't have a big pipeline of property and disposals at this stage. But we have a land in São Paulo State that we can dispose but we are in the first stages of analyses of this kind of disposal. Don't expect a big disposal in 2014. It depends on the market situation and obviously we have a partner in the plant.

Colleen Thomas
Ok. Thanks very much. It was very clear.

Felipe Gutterres
Thank you.

Operator

Remembering, if you have a questions please press *1.

We have a question from the webcast. Can you explain the share option plan proposal for the Special General Meeting Of shareholders?

Yes, absolutely. The period for emission of employee options under the previous cash settled share option plan of the Company expired in April 2012. It is clear that a normal share option plan has certain advantages and in this respect we are basically putting a stock option plan in place to have top management alignment with the interest of shareholders and the idea is to keep that in place going forward. So this is the main strategy behind this new share option plan. And obviously it is a share xxx stock option plan, or share option plan if you wish, which is different from the phantom stock option plan. So it has also a different account treatment that we think it is more efficiency.

Operator

Mr. Colleen Thomas from Cantor Fitzgerald would like to make a question.

Colleen Thomas

Hi. It is Robin Byde again. Follow up on the container business. Slide number 5, that is very clear, can you talk a little bit about some of the handling charges at the moment. I think historically you said significant above CPI. Can you increase prices above CPI or ex. CPI? What's the pricing environment in the market at the moment? Thank you.

Felipe Gutterres

In terms of pricing environment, obviously after the global crisis in 2008 the environment is not quite easy in Brazil and globally if you take in consideration your main clients are the shipowners so I would say that it's better now than 3 years ago. But, on the other hand we have the impact in Brazil of waging inflation and also the exchange rate. Some of the main terminals in Brazil charge in R$, so in US dollars you have margins decrease when you have the depreciation of R$. So at the end of the day this has to be considered in the price negotiation as well. So I think the environment, in terms of the conditions and situation, of the shipowners is better than 3 years ago but it's something that is always challenging. We have a position as the major operator in Rio Grande and Salvador that give us some room to play this role in a better place. But I would say it's really challenging. At the end of the day is much more a play in terms of volumes and efficiency than a play in pricing power or price increase.

Operator

Remembering, if you have a questions please press *1.

As there are no more questions, Wilson Sons Conference Call is finished. Have a nice day.