



**OPERATOR:** Now, we will open the floor for the question and answer session. If you do have a question or comment, please press star one. Mr. Kevin Litwoop from Simon would like to make a question.

**KEVIN LITWOOP:** *[unintelligible]*, Felipe. Good morning to you. It's Kevin Litwoop from Simon in London. Can I say first of all thank you very much for the clarity of the future capital expenditure proposals, which is very welcome. Obviously, it's a very large number relative to your current size, 1.8 billion US dollars. Can I ask where would you expect the funding of that 1.8 billion of capital expenditure in the next six years to come from? What would you see as being the proportion from existing cash flow from your debt facilities and possibly from equity?

**SPEAKER:** Ok, Kevin, good afternoon. I think Felipe can answer your first question related to the funding of these 1.8 billion dollars.

**SPEAKER:** Hi, Kevin. *[unintelligible]* you can see that we have *[unintelligible]* financing facilities amounting to almost 450 million dollars that we will use for this 1.8 billion dollars investment. We can count on FMM as a main source for the shipbuilding and the shipyard investments, we have a long history of utilization of the very competitive financing available to the *Fundo de Marinha Mercante* and we also use for the financing, leasing and other financing *[unintelligible]* for ports, harbors and logistics, and we expect to continue to be able to do so. Naturally, as you mentioned, our business operations have great cash generation that will be also for the financing. So you can see there is already a large level of security of the *[unintelligible]* financing of this 1.8 billion dollar investment plan.

**KEVIN LITWOOP:** Is there enough cash generation going forward do you think to make up the shortfall?



**SPEAKER:** We will use our cash generation as well, but if you consider that FMM that is up to 85% of the total investment for the shipbuilding and shipyard and it accounts for almost 80% of our new investments that we are expecting to have, it will not demand a lot of equity from outside.

**KEVIN LITWOOP:** Ok! Thank you very much, that's very kind.

**OPERATOR:** Remembering, if you do have a question or comment, please, press star one. Remembering, if you do have a question or comment, please, press star one. Mr. Kevin Litwoop from Simon would like to make a question.

**KEVIN LITWOOP:** Hi, sorry, it's Kevin Litwoop still from Simon. The stock provision right back, where exactly are you writing *[unintelligible]*, which is the division or is it going into the corporate's charge.

**SPEAKER:** Do you mean the 5.8 million Dollars related to the *phantom* stock options, Kevin?

**KEVIN LITWOOP:** Yes, indeed, yes.

**SPEAKER:** Ok, the breakdown of the 5.8, I definitely have something that already is believed but it was in one of the main business units with 2.6 in the corporate *[unintelligible]* and the remaining balance, 5.2, in the other business units, mainly...

**KEVIN LITWOOP:** Is that spread evenly over the other divisions?

**SPEAKER:** Yes, but mainly concentrated in ports, harbors and towage.



**KEVIN LITWOOP:** Ok, ok.

**SPEAKER:** And this happens because our ship freights during this first quarter decreased in relation to December 31, 2010.

**KEVIN LITWOOP:** Yeah, yeah. Ok. Thanks a lot.

**SPEAKER:** Thank you.

**OPERATOR:** Remembering, if you do have a question or comment, please, press star one. This will be the last instruction, if you do have a question or comment, please, press star one. Please, wait a moment while we are collecting the questions. At this time we end the question and answer session. I would like to turn the floor back over to Mr. Cesar Baião for any closing remarks.

**SPEAKER:** This 1.8 billion dollars capex plan is an investment in the long term goals of our business and will continue to facilitate the company's goal to be the first choice of our stakeholders. The dedication of our team and the demand for our services have again delivered a solid quarter of results and we would like to once more thank them and our stakeholders for the confidence they placed in Wilson Son's management team. Thank you all.

**OPERATOR:** Wilson Sons Ltda. conference is finished. Have a nice day.