Wilson, Sons

Q2 **Quarterly Report** **August 13, 2010**

**Rio de Janeiro, Brazil, August 13th, 2010 –** Wilson Sons Limited (“Wilson, Sons” or the “Company”), traded at the BM&FBovespa under ticker symbol “WSON11”, announces its results for the Second Quarter of 2010 (“2Q10” or “Q2 2010”) and the Fist Half 2010 (“1H10“ or “YTD“). Wilson Sons Limited, through its subsidiaries, is one of Brazil’s largest providers of integrated port and maritime logistics and supply chain solutions. With a business track record of over 170 years, the Company has developed an extensive national network and provides a comprehensive set of services related to domestic and international trade, as well as to the oil and gas industry. Its principal operating activities are divided into the following lines of business: Port Terminals, Towage, Logistics, Shipping Agency, Offshore, and Shipyards.

## Wilson, Sons reports quarterly revenues of USD 141.5M and EBITDA of USD 42.1M for the quarter

- Revenues up 22.7% compared to 2Q09 (Year-to-date up 20.1%), with underlying revenue growth across all major businesses;
- Port Terminals’ quarterly revenues up 28.8% (Year-to-date up 28.5%), with growth in both Container Terminals and Brasco;
- Towage revenues for the quarter up 4.5% (Year-to-date up 8.4%), with strong demand in special operations;
- EBITDA of USD 42.1M for the quarter (Year-to-date at 65.9M), or 29.7% of revenues;
- Net income of USD 31.0M for the quarter (Year-to-date USD 37.3M).

### Cezar Baião, CEO of Operations in Brazil

“Wilson, Sons has seen continued top line growth reflecting strong demand for our integrated business platform of port, maritime, and inland logistics services, mainly servicing international trade and the oil and gas industry.

Brazil’s cabotage trade and increase in imports have underpinned solid demand for our Port Terminals and Towage for the first half of the year.

The Brazilian oil and gas industry continues to flourish, driving exceptional results for Brasco and creating a compelling outlook for our Offshore business.”

### Conference Calls:

**English**
August 20, 2010, Friday
11 am (US EST) / 12 pm (Brasilia) / 4 pm (GMT)

Dial in access: +1 412 858-4600
Conference ID: Wilson, Sons
Replay (available until 08/27/10):
Dial in access: +1 412 317-0088
Replay ID: 442578#

**Portuguese**
August 20, 2010, Friday
9 am (US EST) / 10 am (Brasilia) / 2 pm (GMT)

Dial in access: +55 11 2188-0155
Conference ID: Wilson, Sons
Replay (available until 08/26/10):
Dial in access: +55 11 2188-0155
Replay ID: Wilson, Sons

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The operating and financial information are presented on this report on a consolidated basis and is expressed in US Dollars (“dollars or USD”), in accordance with International Financial Reporting Standards (“IFRS”), except as otherwise expressly indicated. This quarterly earnings report may contain statements that may constitute “forward-looking statements”, based on current opinions, expectations and projections about future events. The accompanying consolidated statements of operations and financial condition were prepared in conformity with applicable IFRS accounting principles.

## Highlights

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **141.5** | 115.4 | 22.7 | 263.0 | 219.0 | 20.1 |
| Operating Profit (USD million) | **31.8** | 28.7 | 10.8 | 46.0 | 52.4 | -12.2 |
| Operating Margin (%) | **22.4** | 24.8 | -2.4 p.p. | 17.5 | 23.9 | -6.4 p.p. |
| EBITDA (USD millions) | **42.1** | 36.1 | 16.7 | 65.9 | 67.3 | -2.0 |
| EBITDA Margin (%) | **29.7** | 31.2 | -1.5 p.p. | 25.1 | 30.7 | -5.7 p.p. |
| Net Income (USD million) | **31.0** | 33.1 | -6.2 | 37.3 | 49.2 | -24.3 |
| Net Margin (%) | **21.9** | 28.7 | -6.8 p.p. | 14.2 | 22.5 | -8.3 p.p. |
| CAPEX (USD million) | **25.5** | 33.3 | -23.3 | 60.7 | 77.8 | -22.0 |

## Net debt (cash)

| (USD million) | 06/30/10 | 03/31/10 | Var. (%) |
|---|---|---|---|
| Net Debt * | **122.4** | 85.8 | 42.6 |

* Cash and therefore the calculation of Net Debt include short-term investments.

## Net Revenues

| (in USD millions) | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Port Terminals | **55.9** | 43.4 | 28.8 | **100.2** | 78.0 | 28.5 |
| Towage | **37.8** | 36.2 | 4.5 | **73.2** | 67.5 | 8.4 |
| Offshore | **8.8** | 10.4 | -15.2 | **19.6** | 18.5 | 5.9 |
| Logistics | **21.7** | 16.9 | 28.0 | **42.2** | 36.3 | 16.5 |
| Shipyard | **13.2** | 4.7 | 179.1 | **19.7** | 11.9 | 65.4 |
| Shipping Agency | **4.2** | 3.6 | 14.3 | **8.0** | 6.7 | 20.9 |
| **Total** | **141.5** | 115.4 | 22.7 | **263.0** | 219.0 | 20.1 |

## Consolidated Income Statement

| (in USD millions) | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues | **141.5** | 115.4 | 22.7 | **263.0** | 219.0 | 20.1 |
| Raw Materials | **-11.1** | -10.5 | -5.6 | **-23.0** | -22.3 | -3.0 |
| Personnel Expenses | **-42.4** | -33.2 | -27.5 | **-84.1** | -61.4 | -36.9 |
| Other Operating Expenses | **-46.0** | -35.7 | -28.9 | **-90.1** | -68.1 | -32.2 |
| EBITDA | **42.1** | 36.1 | 16.7 | **65.9** | 67.3 | -2.0 |
| Depreciation & Amortization | **-10.3** | -7.4 | -39.7 | **-19.9** | -14.8 | -34.0 |
| Operating Profit | **31.8** | 28.7 | 10.8 | **46.0** | 52.4 | -12.2 |
| **Net Income** | **31.0** | 33.1 | **-6.2** | **37.3** | 49.2 | **-24.3** |

## Financial Highlights

- Net revenues of USD 141.5M, up 22.7% compared to 2Q09 (YTD up 20.1%), with volumes increasing in Offshore, Logistics, and Shipping Agency.
- Impressive revenue growth at Brasco, 112.3% up compared to 2Q09 (YTD up 84.4%), largely as a result of new contracts and an increase in auxiliary services.
- EBITDA margin was affected by a reduction in high-margin deep -sea volumes and warehousing, cost inflation, and Q209 fiscal credits of USD 1.5M (1H09 of USD 2.2M).
- Capital expenditures of USD 25.5M, principally a result of the Company's fleet expansion in both Offshore and Towage.
- Within the quarter, Wilson, Sons also acquired the remaining 25% Brasco minority for USD 8.7M.

## Net Revenues

- Port Terminals 28.8% up despite a slight quarter-on-quarter decrease in volumes, with the constraint of a strong Real and a comparison against the rebound of 2Q09. (YTD revenues up 28.5%)
- Port Terminals revenues increased as a result of higher cabotage and transhipment volumes in both Rio Grande and Salvador container terminals, and increased activity at Brasco.
- Revenue growth of 4.5% in Towage for the quarter due to demand from grain exports and special operations (YTD up 8.4%).
- Revenue in Offshore down 15.2%, as a result of the formation of Wilson, Sons Ultratug Joint Venture within the quarter.

## Costs and Expenses

- Costs and Expenses increased 25.2% for 2Q10 compared to 2Q09 (YTD up 29.9%), generally suffering from the continued strength in Real relative to the USD reporting currency.
- Raw Material Costs were only marginally up (5.6% in 2Q10).
- Personnel Expenses were negatively impacted by estimated USD 5.3M in 2Q10 and USD 13.5M YTD compared to 2009 due to exchange rate movements: the average BRL/USD exchange rate was 2.07 in 2Q09, 1.79 in 2Q10, 2.19 in 1H09, and 1.80 in 1H10.
- 2009 collective labour agreements effectively increased personnel expenses starting at the beginning of 3Q09 going forward (an increase of USD 2.0M for 2Q10 compared to 2Q09).
- Also impacting Personnel Expenses was the average headcount increase from 4,184 in Q209 to 4,569 in Q210 (increasing expenses by USD 3.1M for the quarter), mainly due to the increase in the number of Logistics operations, Offshore fleet and Shipyard activities.
- Other Operating Expenses were also impacted by a stronger Real in 2Q10 and higher rental costs (an estimated increase of USD 5.7M and USD 1.5M respectively, relative to 2Q09).

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## EBITDA

(USD millions)

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Port Terminals | **19.8** | 14.6 | 36.3 | **32.6** | 25.2 | 29.2 |
| Towage | **12.1** | 16.9 | -28.6 | **24.2** | 30.4 | -20.4 |
| Offshore | **4.9** | 6.2 | -20.2 | **8.7** | 11.1 | -21.4 |
| Logistics | **2.3** | 1.6 | 50.2 | **4.5** | 4.2 | 7.5 |
| Shipyard | **10.5** | 2.5 | 323.4 | **11.9** | 7.2 | 65.7 |
| Shipping Agency | **0.9** | 0.7 | 22.8 | **1.0** | 1.0 | 0.3 |
| Corporate | **-8.4** | -6.3 | -33.9 | **-17.0** | -11.8 | -43.9 |
| **Total** | **42.1** | 36.1 | **16.6** | **65.9** | 67.3 | **-2.1** |

## Operating Profit

(USD million)

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Port Terminals | **16.6** | 11.8 | 41.1 | **26.3** | 19.8 | 32.4 |
| Towage | **8.9** | 14.8 | -39.6 | **18.0** | 26.1 | -31.0 |
| Offshore | **2.9** | 4.8 | -40.6 | **5.1** | 8.4 | -39.4 |
| Logistics | **0.9** | 0.8 | 11.0 | **1.8** | 2.6 | -31.4 |
| Shipyard | **10.5** | 2.5 | 324.1 | **11.9** | 7.1 | 66.4 |
| Shipping Agency | **0.9** | 0.7 | 23.7 | **0.9** | 0.9 | -0.1 |
| Corporate | **-8.9** | -6.7 | -33.1 | **-18.0** | -12.6 | -42.4 |
| **Total** | **31.8** | 28.7 | **10.7** | **46.0** | 52.5 | **-12.2** |

## EBITDA

- Port Terminals EBITDA is up 36.3% for 2Q10, helped by growth in cabotage volumes in both Tecon Salvador and Rio Grande, and increased activity in our oil and gas terminals Brasco.
- The average Real/USD exchange rate in 2Q10 was 1.79, while in 2Q09 was 2.07, reducing overall EBITDA by an estimated USD 1.5M for 2Q10 and USD 2.8M for 1H10 compared to respective 2009 periods.
- Towage EBITDA was negatively affected by a strong Real because the majority of costs are in Real and revenues in USD.
- An increasing percentage of Offshore vessels in long-term contracts and the exclusion of costs related to leased vessels Petrel and Skua with the Joint Venture formation have contributed to movement in margins.
- The Shipyard's Revenues, Operating Profit and EBITDA all include a one-off entry of USD 10.4M, related to the formation of the Wilson, Sons Ultratug joint venture. In the past, profits related to the construction of our own PSV vessels for our Offshore segment were considered intercompany profits and, therefore, did not show on the Shipyard results. Following IFRS consolidation rules, when Wilson, Sons transferred its assets (offshore PSV vessels) to the newly-created JV entity, the Company had to recognize 50% of those profits that were excluded as intercompany profits in the past.
- Excluding the one-time entry discussed above, EBITDA for 2Q10 would have been USD 31.7M (1H10 would have been USD 55.5M).

## Net Income

(USD million)

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Operating Profit | **31.8** | 28.7 | 10.8 | **46.0** | 52.4 | -12.2 |
| Financial Revenues | **5.2** | 12.6 | -58.9 | **4.1** | 16.2 | -74.5 |
| Financial Expenses | **-2.9** | -1.3 | -121.9 | **-5.8** | -3.7 | 55.1 |
| Income Tax | **-13.0** | -6.9 | -88.0 | **-17.1** | -15.6 | 9.1 |
| **Net Income** | **31.0** | 33.1 | **-6.2** | **37.3** | 49.2 | **-24.3** |

## Net Income

- Net income for the quarter declined 6.2% to USD 31.0M as a result of a decrease in financial revenues and an increase in financial expenses.
- The impact on Net Income of the Shipyard's one-time entry, discussed above, is USD 6.9M.
- In addition to the Shipyard's impact this quarter, there is also a one-time pre-tax profit of approximately USD 10.0M generated by the formation of the Joint Venture with Magallanes. This profit was the result of the difference between the value of the contribution of Magallanes participation to the Joint Venture versus Wilson, Sons' participation in the new entity.
- Excluding both one-time effects discussed above, Net Income for 2Q10 would have been USD 14.1M (1H10 would have been USD 20.4M).
- Financial Revenues were below 2Q09 largely as a result of a stable Real in 2Q10 contrasted with a strengthening Real throughout 2Q09 and the subsequent effects on the valuation of monetary items denominated in Real (mainly cash).
- Financial expenses of USD 2.9M are a direct result of larger total debt.
- Income tax 88.0% up due to a deferred income tax liability of USD 7.0M this quarter and a deferred income tax asset of USD 6.9M for 2Q09.

## CAPEX

| CAPEX (USD million) | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Port Terminals | **5.5** | 6.6 | -16.6 | **21.3** | 19.9 | 6.6 |
| Towage | **7.5** | 17.0 | -56.0 | **16.6** | 30.9 | -46.4 |
| Offshore | **7.0** | 7.6 | -8.8 | **15.2** | 20.3 | -25.3 |
| Logistics | **3.5** | 1.8 | 91.5 | **5.2** | 5.9 | -12.8 |
| Shipyard | **0.1** | 0.2 | -43.1 | **0.4** | 0.6 | -26.8 |
| Shipping Agency | **0.1** | 0.0 | 118.1 | **0.1** | 0.0 | 159.5 |
| Corporate | **1.9** | 0.0 | n/a | **1.9** | 0.0 | n/a |
| **Total** | **25.5** | 33.3 | **-23.3** | **60.7** | 77.8 | **-22.0** |

- Towage and Offshore capital expenditures continue as a result of fleet expansion at the Company's Guarujá shipyard. PSV Talha-Mar is the substantial ongoing PSV construction with works on PSV Torda increasing. Tugboat Lyra was completed in the quarter with special-operations-equipped Regulus completing shortly after the quarter-end, continuing the increase in the fleet's towage potential.
- Port Terminals capital expenditure includes civil works for Tecon Rio Grande together with purchase of other equipment across the business.
- Logistics investments in the quarter are principally equipment for new client in-house logistics operations.
- Corporate expenditures include license purchase of ERP system.

## Debt and Cash Profiles and Cash Position

| Net Debt (USD million) | 06/30/10 | 03/31/10 | 12/31/09 | 09/30/09 | 06/30/09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Short Term | **22.0** | 23.4 | 22.0 | 19.5 | 20.1 | -6.1 |
| Long Term | **248.5** | 258.2 | 245.9 | 181.5 | 177.7 | -3.8 |
| Total Debt | **270.4** | 281.6 | 268.0 | 201.0 | 197.9 | -4.0 |
| (-) Cash and Equivalents | **-148.1** | -195.8 | -189.3 | -146.2 | -151.4 | -24.4 |
| **(=) Net Debt (Cash)*** | **122.4** | 85.8 | 78.7 | 54.8 | 46.5 | **42.6** |

* Cash and therefore the calculation of Net Debt includes amounts placed on short term investments.

| Debt Profile (Currency, in USD million) | 06/30/10 | 03/31/10 | 12/31/09 | 09/30/09 | 06/30/09 | Chg. (%) |
|---|---|---|---|---|---|---|
| BRL Denominated | **26.9** | 23.6 | 18.7 | 15.8 | 12.6 | **14.2** |
| USD Denominated | **243.5** | 258.0 | 182.3 | 182.0 | 175.3 | **-5.6** |
| **Total Debt** | **270.4** | 281.6 | 201.0 | 197.9 | 187.9 | **-4.0** |

| Debt Profile (Source of capital, as % of Total) | 06/30/10 | 03/31/10 | 12/31/09 | 09/30/09 | 06/30/09 | Chg. (%) |
|---|---|---|---|---|---|---|
| FMM | **81.5** | 83.6 | 86.0 | 88.2 | 87.4 | **-2.1 p.p.** |
| Others | **18.5** | 16.4 | 14.0 | 11.8 | 12.6 | **2.1 p.p.** |

* Including leases

| Cash Profile (USD million) | 06/30/10 | 03/31/10 | 12/31/09 | 09/30/09 | 06/30/09 | Chg. (%) |
|---|---|---|---|---|---|---|
| BRL Denominated | **78.5** | **108.0** | **106.0** | **81.9** | **84.8** | -27.3 |
| USD Denominated | **69.6** | **87.8** | **83.3** | **64.3** | **66.6** | -20.7 |
| **Cash and Equivalents** | **148.1** | 195.8 | 189.3 | 146.2 | 151.4 | **-24.4** |

- Debt Schedule: 91.9% of total debt is long term, 90.0% of total debt is US Dollar-denominated, while 81.5% of total debt is provided by the FMM through BNDES and Banco do Brasil as agents.
- Net Debt: The relatively deleveraged net debt position reached USD 122.4M, as a result of continued capital expenditures and the drawdown of debt in respect of loan financing facilities.
- Cash and cash equivalents finished the quarter at USD 148.1M, principally due to the payment of the annual dividend of USD 22.6M, the acquisition of the 25% minority interest in Brasco (USD 8.7M) and ongoing capital investments.

## Corporate Costs

| Corporate (USD millions) | 2Q10 | 2Q09 | Chg. ($) | 1H10 | 1H09 | Chg. ($) |
|---|---|---|---|---|---|---|
| Net Revenues | **0.0** | 0.1 | -0.1 | **0.0** | 0.1 | -0.1 |
| Raw Materials | **0.0** | 0.0 | 0.0 | **0.0** | 0.0 | 0.0 |
| Personnel Expenses | **-5.4** | -5.2 | -0.2 | **-11.7** | -9.2 | -2.5 |
| Other Operating Expenses | **-3.0** | -1.2 | -1.8 | **-5.4** | -2.8 | -2.6 |
| Profit on Disposal of PPE | **0.0** | 0.0 | 0.0 | **0.0** | 0.0 | 0.0 |
| **EBITDA** | **-8.5** | -6.3 | **-2.1** | **-17.1** | -11.9 | **-5.2** |

- The Company's Corporate activities include head office and group support functions together with any business costs not associated with the six key business areas that follow.
- Corporate expenses increased by USD 2.1M for 2Q10 (YTD up USD 5.2M) compared to the same periods of 2009, generally suffering from the strength in Brazilian Real relative to the reporting currency of USD (estimated increase of USD 1.1M for 2Q10 and USD 1.5M for 1H10).
- Personnel expenses increased slightly, by USD 0.2M.USD.
- Other Operating Expenses increased by USD 1.8M for 2Q10 and USD 2.6M for 1H10 compared to the same periods of 2009, impacted by a payout for settlement of legal proceedings.

## Port Terminals

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **55.9** | 43.4 | 28.8 | **100.2** | 78.0 | 28.5 |
| Operating Profit (USD million) | **16.6** | 11.8 | 41.1 | **26.3** | 19.8 | 32.4 |
| Operating Margin (%) | **29.8** | 27.2 | 2.6 p.p. | **26.2** | 25.4 | 0.8 p.p. |
| EBITDA (USD million) | **19.8** | 14.6 | 36.3 | **32.6** | 25.2 | 29.2 |
| EBITDA Margin (%) | **35.5** | 33.5 | 1.9 p.p. | **32.5** | 32.4 | 0.2 p.p. |

## Volume indicators (TEUs '000)

| **Tecon Rio Grande** | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Deep Sea | **110.7** | 135.3 | -18.2 | **218.4** | 237.8 | -8.2 |
| Full | **66.5** | 70.6 | -5.8 | **126.3** | 130.0 | -2.9 |
| Empty | **44.2** | 64.8 | -31.8 | **92.2** | 107.8 | -14.5 |
| Cabotage | **10.5** | 10.0 | 5.4 | **20.5** | 18.8 | 8.9 |
| Full | **6.8** | 7.5 | -9.6 | **13.3** | 13.7 | -2.6 |
| Empty | **3.7** | 2.4 | 51.6 | **7.2** | 5.1 | 39.9 |
| Others* | **49.3** | 30.2 | 63.5 | **85.6** | 51.1 | 67.7 |
| Full | **46.5** | 25.5 | 82.2 | **80.3** | 43.7 | 83.6 |
| Empty | **2.9** | 4.7 | -38.8 | **5.3** | 7.3 | -27.6 |
| **Total** | **170.5** | 175.5 | **-2.8** | **324.6** | 307.7 | **5.5** |

| **Tecon Salvador** | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Deep Sea | **34.4** | 38.9 | -11.4 | **66.2** | 68.2 | -2.8 |
| Full | **30.8** | 31.0 | -0.7 | **60.0** | 58.1 | 3.3 |
| Empty | **3.6** | 7.9 | -53.8 | **6.2** | 10.1 | -38.5 |
| Cabotage | **23.3** | 19.6 | 18.9 | **40.3** | 34.6 | 16.5 |
| Full | **10.7** | 5.7 | 87.6 | **19.1** | 10.8 | 76.7 |
| Empty | **12.6** | 13.9 | -9.2 | **21.2** | 23.8 | -10.9 |
| Others* | **6.2** | 4.0 | 54.6 | **11.0** | 5.9 | 85.6 |
| Full | **4.9** | 3.7 | 33.1 | **9.1** | 5.2 | 76.1 |
| Empty | **1.3** | 0.3 | 290.8 | **1.9** | 0.8 | 149.2 |
| **Total** | **63.9** | 62.5 | **2.3** | **117.6** | 108.7 | **8.2** |
| **Port Terminals** | **234.5** | 238.0 | **-1.5** | **442.1** | 416.4 | **6.2** |

* Shifting, Transhipment and Inland Navigation

## Net Revenue Breakdown*

| (% of total Container Terminal Revenues) | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Container Terminals (%) ** | 66.4 | 67.3 | -0.9 p.p. | 65.2 | 61.5 | 3.7 p.p. |
| Warehousing (%) | 12.8 | 12.0 | 0.8 p.p. | 14.0 | 17.4 | -3.4 p.p. |
| Other Services (%) *** | 20.8 | 20.7 | 0.1 p.p. | 20.8 | 21.1 | -0.3 p.p. |
| **Total (%)** | **100.0** | 100.0 | | **100.0** | 100.0 | |

* Only considering container terminals

** Deep sea, cabotage, shifting, transhipment, and inland navigation

*** Depot, container stuffing/stripping, energy supply, container reefers monitoring, container movements, and other auxiliary services

## Net Revenue Breakdown

| (% of total Port Terminal Revenues) | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Container Terminals | **74.4** | 84.7 | -10.3 p.p. | 78.3 | 85.1 | -6.8 p.p. |
| Oil & Gas Terminals | **25.6** | 15.3 | 10.3 p.p. | 21.7 | 14.9 | 6.8 p.p. |

## EBITDA Breakdown

| (% of total Port Terminal EBITDA) | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Container Terminals | 77.6 | 87.4 | -9.8 p.p. | 80.6 | 87.2 | -6.6 p.p. |
| Oil & Gas Terminals | 22.4 | 12.6 | 9.8 p.p. | 19.4 | 12.8 | 6.6 p.p. |

## Oil & Gas Services Terminal

| | **2Q10** | **2Q09** | **Chg. (%)** | **1H10** | **1H09** | **Chg. (%)** |
|---|---|---|---|---|---|---|
| Brasco Revenues (USD million) | **14.3** | 6.8 | 112.3 | **21.8** | 11.8 | 84.4 |
| Turnarounds Total (#) | **151** | **153** | -1.3 | **286** | **270** | 5.9 |
| Spot (#) | **18** | **6** | 200.0 | **45** | **12** | 275.0 |
| Regular (#) | **133** | **147** | -9.5 | **241** | **258** | -6.6 |

# Business Highlights

## Port Terminals - Container Terminals

- Container terminal volumes were 1.5% lower for the quarter, as 2Q09 included a rebound effect after the global financial crisis. Year-to-date TEU volumes are up 6.2% despite a continued strong Real subduing exports.
- Full-Empty container mix improved with full containers up 15.4% for the quarter and up 17.8% YTD against the corresponding period of 2009. The change in the mix shows a return to a more regular distribution following the exceptional empty volumes of 2009 during the financial crisis.
- A strong Real for 2Q10 incentivized imports in lieu of exports. Cabotage transportation is benefitting from this trend as import movements are usually concentrated in main ports and then distributed to other ports by cabotage vessels. Cabotage volumes are up 14.3% quarter-on-quarter and 13.9% year-to-date against the respective periods of 2009.
- Tecon Rio Grande deep-sea cargo benefited from improvements in import of parts and machinery, chemicals, and plastics although this was insufficient to outweigh reduced export volumes. Cabotage volume highlights were in chemical resins, aluminium, and machine parts.
- Tecon Salvador saw great improvement in its cabotage volumes, up 18.9% quarter-on-quarter and up 16.5% YTD. Cabotage volumes of chemicals, ores, grains, pulps, and rubber were particularly strong.

## Port Terminals - Brasco

- Brasco, our Oil & Gas Terminals, continued growth following strong demand from oil companies through our Rio de Janeiro, Niterói, Vitória, and São Luis facilities.
- Revenue at Brasco grew 112.3% in the quarter over 2009 (YTD up 84.4%), with EBITDA participation of 22.4% (YTD 19.4%) of total Port Terminals' EBITDA for the quarter.
- Spot turnarounds tripled to 18 in the quarter from 6 in 2Q09, and went from 12 in 1H09 to 45 for 1H10.
- In addition to the increase in turnarounds, the growth in revenues and EBITDA reflects the higher demand both from spot and fixed customers for auxiliary services, such as warehousing, transportation, waste management, and containers rental. The terminals also saw an increase in utilisation of manpower and equipment.

## Towage

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **37.8** | 36.2 | 4.5 | **73.2** | 67.5 | 8.4 |
| Operating Profit (USD million) | **8.9** | 14.8 | -39.6 | **18.0** | 26.1 | -31.0 |
| Operating Margin (%) | **23.6** | 40.8 | -17.2 p.p. | **24.6** | 38.7 | -14.1 p.p. |
| EBITDA (USD million) | **12.1** | 16.9 | -28.6 | **24.2** | 30.4 | -20.4 |
| EBITDA Margin (%) | **31.9** | 46.7 | -14.8 p.p. | **33.0** | 45.0 | -11.9 p.p. |
| # of Manoeuvres | **12,553** | 12,509 | 0.4 | **24,905** | 24,804 | 0.4 |

## Net Revenue Breakdown

| (% of total Towage Revenues) | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Harbour Manoeuvres | **86.6** | 89.2 | -2.7 p.p. | **85.9** | 88.3 | -2.4 p.p. |
| Special Operations | **13.4** | 10.8 | 2.7 p.p. | **14.1** | 11.7 | 2.4 p.p. |

## EBITDA Breakdown

| (% of total Towage EBITDA) | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Harbour Manoeuvres | **74.2** | 83.9 | -9.7 p.p. | **72.6** | 82.3 | -9.7 p.p. |
| Special Operations | **25.8** | 16.1 | 9.7 p.p. | **27.4** | 17.7 | 9.7 p.p. |

## Business Highlights

### Towage

- Towage revenues increased by 4.5% quarter-on-quarter (8.4% YTD) compared to 2009, due to high demand for special operations. Overall volumes for harbour manoeuvres in line with 2Q09, slightly up by 0.4% (0.4% YTD).
- The Company continues to grow its participation in special operations, which increased to 13.4% of net revenues in 2Q10 (14.1% YTD) helped by salvage operations and support to LNG terminals. Special operations EBITDA participation in Total Towage EBITDA is now at 25.8%.
- Price agreements with shipowners for 2010 are still suffering increased competition and weakness in 2009 global demand.
- Towage EBITDA margin was also negatively affected by the Real strength because the majority of costs are denominated in Real and revenues in USD (estimated negative impact of USD 1.1M in 2Q10 and USD 2.9M YTD compared to respective 2009 periods).
- Tax credits in the quarter were USD 1.6M lower than 2009 (YTD USD 3.1M lower) which along with factors outlined above continue to weigh on towage EBITDA margins, at 31.9% for the quarter and 33.0%YTD.
- The continued investment in renovation and expansion of the tugboat fleet saw the addition of tugboat Lyra during the quarter. Following the quarter-end, tugboat Regulus entered operation strengthening the service offering for special operations with specifications designed for support to oil and gas and ocean towage. Further 3 tugboats, at different construction phases, are currently being built at the Company's Guarujá shipyard.

## Offshore

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **8.8** | 10.4 | -15.2 | **19.6** | 18.5 | 5.9 |
| Operating Profit (USD million) | **2.9** | 4.8 | -40.6 | **5.1** | 8.4 | -39.4 |
| Operating Margin (%) | **32.7** | 46.7 | -14.0 p.p. | **25.9** | 45.3 | -19.4 p.p. |
| EBITDA (USD million) | **4.9** | 6.2 | -20.2 | **8.7** | 11.1 | -21.4 |
| EBITDA Margin (%) | **56.0** | 59.5 | -3.5 p.p. | **44.6** | 60.0 | -15.5 p.p. |
| # of PSVs (end of period) * | **9** | 6 | 50.0 | **9** | 6 | 50.0 |
| # of Days in Operation * | **717** | 501 | 43.2 | **1348** | 935 | 44.1 |

* Include the total numbers for the Joint Venture, of which Wilson, Sons owns 50%

### Offshore

- The results for 2Q10 include the effects of the formation of the Wilson, Sons Ultratug joint venture. After the start of the joint venture, the Offshore business reports proportionally, with a 50% participation in the new entity.
- The Offshore business experienced a decrease of 15.2% in revenues compared to 2Q09 as a result of the aforementioned joint venture effect. But year-to-date revenues are up 5.9% as a result of a larger fleet. The joint venture was created to maximize long-term fleet expansion opportunities for offshore vessels supporting oil & gas exploration and production activities.
- PSV Fulmar was added to our fleet in June and assigned to a 8-year long-term contract with Petrobras. Also during the quarter, PSV vessels Pelicano, Atobá, Petrel, and Skua left the spot market and were assigned to 8-year long-term contracts with Petrobras.
- 2Q10 EBITDA margin included the following effects: After the joint venture was formalized, WS Offshore no longer pays charter costs to Magallanes for PSVs Petrel & Skua; however the vessels that entered contracts with Petrobras receive lower daily rates than those in the spot market.
- Two PSVs, in different stages of construction, are currently being built at Wilson, Sons Shipyards.

## Business Highlights

### Shipyards

**Shipyard**

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **13.2** | 4.7 | 179.1 | **19.7** | 11.9 | 65.4 |
| Operating Profit (USD million) | **10.5** | 2.5 | 324.1 | **11.9** | 7.1 | 66.4 |
| Operating Margin (%) | **79.4** | 52.3 | 27.2 p.p. | **60.3** | 60.0 | 0.3 p.p. |
| EBITDA (USD million) | **10.5** | 2.5 | 323.4 | **11.9** | 7.2 | 65.7 |
| EBITDA Margin (%) | **79.4** | 52.3 | 27.1 p.p. | **60.5** | 60.4 | 0.1 p.p. |

- The Shipyard's Revenues, Operating Profit and EBITDA all include a one-off entry of USD 10.4M, related to the formation of the Wilson, Sons Ultratug joint venture. In the past, profits related to the construction of our own PSV vessels for our Offshore segment were considered intercompany profits and, therefore, did not show on the Shipyard results. Following IFRS consolidation rules, when Wilson, Sons transferred its assets (offshore PSV vessels) to the newly-created JV entity, the Company had to recognize those profits that were excluded as intercompany profits in the past.
- 2Q10 Shipyard revenues were up 179.1% (YTD up 65.4%), and quarterly EBITDA increased 323.4% against Q209 (YTD up 65.7%).
- Excluding the one-time entry discussed above, Net Revenues, Operating Profit, and EBITDA for 2Q10 would have been USD 2.8M, USD 0.1M, and USD 0.1M respectively.
- Following the formal close of the joint venture, 50% of shipyard construction for the joint venture is now considered third-party revenues with the remaining 50% construction cost considered intercompany and therefore reflected directly as asset investments of Wilson, Sons.
- Intercompany shipyard activities for the Wilson, Sons' fleet of wholly-owned tugboats is also not reflected in these consolidated financial numbers but appear as assets excluding the shipyard margin in the balance sheet of the company.

### Shipping Agency

**Shipping Agency**

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | 4.2 | 3.6 | 14.3 | 8.0 | 6.7 | 20.9 |
| Operating Profit (USD million) | 0.9 | 0.7 | 23.7 | 0.9 | 0.9 | -0.1 |
| Operating Margin (%) | 20.5 | 19.0 | 1.6 p.p. | 11.6 | 14.0 | -2.4 p.p. |
| EBITDA (USD million) | 0.9 | 0.7 | 22.8 | 1.0 | 1.0 | 0.3 |
| EBITDA Margin (%) | 21.5 | 20.0 | 1.5 p.p. | 12.6 | 15.2 | -2.6 p.p. |
| # of Vessel Calls | 1,766 | 1,659 | 6.4 | 3,437 | 3,093 | 11.1 |
| BLs Issued | 15,697 | 14,231 | 10.3 | 29,364 | 26,693 | 10.0 |
| # of Containers Controlled | 28,722 | 25,786 | 11.4 | 55,073 | 51,188 | 7.6 |

- Shipping Agency revenues increased by 14.3% compared to 2Q09 (YTD increase of 20.9%) due to the increase in the number of vessel calls up 6.4% (YTD up 11.1% ) and bills of lading (BLs) issued (up 10.3% in the quarter, YTD up 10.0%) generally benefitting from both higher domestic and international shipping demand.
- The volume of containers controlled increased 11.4% in comparison with same quarter last year (YTD up 7.6%).

### Logistics

**Logistics**

| | 2Q10 | 2Q09 | Chg. (%) | 1H10 | 1H09 | Chg. (%) |
|---|---|---|---|---|---|---|
| Net Revenues (USD million) | **21.7** | 16.9 | 28.0 | **42.2** | 36.3 | 16.5 |
| Operating Profit (USD million) | **0.9** | 0.8 | 11.0 | **1.8** | 2.6 | -31.4 |
| Operating Margin (%) | **4.3** | 5.0 | -0.7 p.p. | **4.3** | 7.3 | -3.0 p.p. |
| EBITDA (USD million) | **2.3** | 1.6 | 50.2 | **4.5** | 4.2 | 7.5 |
| EBITDA Margin (%) | **10.8** | 9.2 | 1.6 p.p. | **10.7** | 11.6 | -0.9 p.p. |
| # of Trips | **30,222** | 17,376 | 73.9 | **47,287** | 28,328 | 66.9 |
| # of Operations | **23** | 20 | 15.0 | **23** | 20 | 15.0 |

- The number of operations increased with robust domestic demand combined with favourable contract renewals and additions since the comparative period.
- Logistics' EBITDA is up 50.2% compared to the corresponding quarter of 2009 (YTD up 7.5%) with mineral, pharmaceutical, petrochemical, steel, and transport operations all posting improved performances.
- New in-house contracts in the steel and mining industries will begin in Q3 2010 and continue to foster Wilson, Sons' growth strategy for the logistics business.

WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE PERIODS ENDED JUNE 30, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

| | | | | | Convenience Translation | | | |
|---|---|---|---|---|---|---|---|---|
| | Three-month period ending | | Six-month period ending | | Three-month period ending | | Six-month period ending | |
| | June 30, 2010 US$ | June 30, 2009 US$ | June 30, 2010 US$ | June 30, 2009 US$ | June 30, 2010 R$ | June 30, 2009 R$ | June 30, 2010 R$ | June 30, 2009 R$ |
| REVENUE | 141,547 | 115,380 | 262,972 | 218,977 | 254,997 | 225,176 | 473,744 | 427,356 |
| Raw materials and consumables used | (11,102) | (10,509) | (22,957) | (22,295) | (19,999) | (20,510) | (41,357) | (43,511) |
| Personnel expenses | (42,378) | (33,244) | (84,099) | (61,425) | (76,345) | (64,878) | (151,505) | (119,877) |
| Depreciation and amortization expense | (10,314) | (7,384) | (19,859) | (14,815) | (18,581) | (14,410) | (35,776) | (28,913) |
| Other operating expenses | (46,020) | (35,701) | (90,062) | (68,108) | (82,905) | (69,674) | (162,247) | (132,920) |
| Profit (loss) on disposal of property, plant and equipment | 18 | 126 | 33 | 109 | 33 | 246 | 60 | 213 |
| Investment income | 5,197 | 12,636 | 4,129 | 16,162 | 9,363 | 24,661 | 7,439 | 31,542 |
| Finance costs | (2,867) | (1,291) | (5,803) | (3,742) | (5,164) | (2,520) | (10,454) | (7,303) |
| Capital gain in joint venture transaction | 9,957 | - | 9,957 | - | 17,937 | - | 17,937 | - |
| PROFIT BEFORE TAX | 44,038 | 40,013 | 54,311 | 64,863 | 79,338 | 78,091 | 97,841 | 126,587 |
| Income tax expense | (12,997) | (6,912) | (17,052) | (15,623) | (23,414) | (13,489) | (30,719) | (30,490) |
| PROFIT FOR THE PERIOD | 31,041 | 33,101 | 37,259 | 49,240 | 55,924 | 64,602 | 67,122 | 96,097 |
| Profit for the period attributable to: | | | | | | | | |
| Owners of the company | 30,776 | 32,778 | 36,750 | 48,684 | 55,446 | 63,970 | 66,205 | 95,010 |
| Non controlling interests | 265 | 323 | 509 | 556 | 478 | 632 | 917 | 1,087 |
| | 31,041 | 33,101 | 37,259 | 49,240 | 55,924 | 64,602 | 67,122 | 96,097 |
| OTHER COMPREHENSIVE INCOME AND LOSS | | | | | | | | |
| Exchange differences arising on translation of foreign operations | (1,046) | 9,500 | (1,230) | 9,946 | (1,885) | 18,540 | (2,216) | 19,410 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 29,995 | 42,602 | 36,029 | 59,186 | 54,038 | 83,142 | 64,906 | 115,507 |
| Total comprehensive income for the period attributable to: | | | | | | | | |
| Owners of the company | 29,854 | 41,617 | 35,772 | 57,955 | 53,784 | 81,220 | 64,443 | 113,103 |
| Non controlling interests | 141 | 985 | 257 | 1,231 | 254 | 1,922 | 463 | 2,404 |
| | 29,995 | 42,602 | 36,029 | 59,186 | 54,038 | 83,142 | 64,906 | 115,507 |
| Earnings per share for continuing operations | | | | | | | | |
| Basic and diluted (cents per share) | 43.26c | 46.07c | 51.66c | 68.43c | 77.93c | 89.92c | 93.06c | 133.54c |

*Exchange rates*
*06/30/10 – R$1.8015/ US$1.00*
*12/31/09 – R$1.7412/ US$1.00*
*06/30/09 – R$1.9516/ US$1.00*

WILSON SONS LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2010 AND DECEMBER 31, 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation)

| | 2010 US$ Unaudited | 2009 US$ | 2010 R$ Unaudited | 2009 R$ |
|---|---|---|---|---|
| NON-CURRENT ASSETS | | | | |
| Goodwill | 15,612 | 15,612 | 28,125 | 27,184 |
| Other intangible assets | 2,084 | 2,239 | 3,753 | 3,899 |
| Property, plant and equipment | 470,085 | 438,878 | 846,859 | 764,174 |
| Deferred tax assets | 22,986 | 25,499 | 41,410 | 44,398 |
| Other non-current assets | 7,006 | 10,521 | 12,620 | 18,319 |
| Total non-current assets | 517,773 | 492,749 | 932,767 | 857,974 |
| CURRENT ASSETS | | | | |
| Inventories | 21,786 | 20,687 | 39,248 | 36,021 |
| Trade and other receivables | 137,654 | 105,499 | 247,986 | 183,695 |
| Short term investments | - | 11,116 | - | 19,355 |
| Cash and cash equivalents | 148,067 | 178,136 | 266,742 | 310,170 |
| Total current assets | 307,507 | 315,438 | 553,976 | 549,241 |
| TOTAL ASSETS | 825,280 | 808,187 | 1,486,743 | 1,407,215 |
| EQUITY AND LIABILITIES | | | | |
| CAPITAL AND RESERVES | | | | |
| Share capital | 9,905 | 9,905 | 17,844 | 17,247 |
| Capital reserves | 91,484 | 146,334 | 164,810 | 254,797 |
| Profit reserve | 1,981 | 1,981 | 3,569 | 3,449 |
| Retained earnings | 307,502 | 243,303 | 553,964 | 423,640 |
| Translation reserve | 15,087 | 16,065 | 27,179 | 27,972 |
| Equity attributable to owners of the company | 425,959 | 417,588 | 767,367 | 727,105 |
| Non controlling interests | - | 5,891 | - | 10,257 |
| Total equity | 425,959 | 423,479 | 767,367 | 737,362 |
| NON-CURRENT LIABILITIES | | | | |
| Bank loans | 241,250 | 237,271 | 434,612 | 413,136 |
| Deferred tax liabilities | 13,645 | 16,140 | 24,581 | 28,102 |
| Provisions for contingencies | 11,173 | 9,831 | 20,127 | 17,118 |
| Obligations under finance leases | 7,219 | 8,653 | 13,006 | 15,067 |
| Total non-current liabilities | 273,287 | 271,895 | 492,326 | 473,423 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 102,555 | 89,927 | 184,753 | 156,581 |
| Current tax liabilities | 1,518 | 838 | 2,735 | 1,460 |
| Obligations under finance leases | 4,182 | 3,902 | 7,534 | 6,793 |
| Bank overdrafts and loans | 17,779 | 18,146 | 32,029 | 31,596 |
| Total current liabilities | 126,034 | 112,813 | 227,051 | 196,430 |
| Total liabilities | 399,321 | 384,708 | 719,377 | 669,853 |
| TOTAL EQUITY AND LIABILITIES | 825,280 | 808,187 | 1,486,743 | 1,407,215 |

*Exchange rates*
*06/30/10 – R$1.8015/ US$1.00*
*12/31/09 – R$1.7412/ US$1.00*
*06/30/09 – R$1.9516/ US$1.00*

WILSON SONS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2010 AND 2009
(Amounts expressed in thousands, unless otherwise noted – Brazilian Real amounts are the result of a Convenience Translation) - Unaudited

| | 2010 US$ | 2009 US$ | 2010 R$ | 2009 R$ |
|---|---|---|---|---|
| NET CASH FROM OPERATING ACTIVITIES | 47,106 | 42,308 | 84,861 | 82,568 |
| INVESTING ACTIVITIES | | | | |
| Interest received | 4,163 | 4,754 | 7,500 | 9,278 |
| Proceeds on disposal of property, plant and equipment | 341 | 319 | 614 | 623 |
| Purchases of property, plant and equipment | (68,295) | (71,203) | (123,033) | (138,961) |
| Redemptiom on short term investment | 11,116 | - | 20,025 | - |
| Net cash flow arising on disposal of joint venture and associate | (8,614) | - | (15,518) | - |
| Proceeds on the Joint venture trasaction | (3,788) | - | (6,824) | - |
| Net cash used in investing activities | (65,077) | (66,130) | (117,236) | (129,060) |
| FINANCING ACTIVITIES | | | | |
| Dividends paid | (24,544) | (16,007) | (44,216) | (31,239) |
| Repayments of borrowings | (9,465) | (8,268) | (17,051) | (16,136) |
| Repayments of obligation under finance leases | (1,912) | (1,585) | (3,444) | (3,093) |
| New bank loans raised | 22,924 | 8,560 | 41,299 | 16,706 |
| Bank overdrafts raised | 1,482 | 1,102 | 2,671 | 2,151 |
| Net cash used in financing activities | (11,515) | (16,198) | (20,741) | (31,611) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (29,486) | (40,020) | (53,116) | (78,102) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 178,136 | 180,022 | 310,170 | 420,711 |
| Effect of foreign exchange rate changes | (583) | 11,409 | (1,051) | 22,266 |
| Translation adjustment to Real | - | - | 10,739 | (69,381) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 148,067 | 151,411 | 266,742 | 295,494 |

*Exchange rates*
*06/30/10 – R$1.8015/ US$1.00*
*12/31/09 – R$1.7412/ US$1.00*
*06/30/09 – R$1.9516/ US$1.00*