Operator:

Good morning ladies and gentlemen. At this time, we would like to welcome everyone to Wilson Sons Limited 2Q07 results conference call. Today with us we have Mr. Augusto César Baião, CEO; and Mr. Felipe Gutterres, CFO and IR Director.

We would like to inform you that all participants will be in a listen-only mode during the Company's presentation. After Wilson Sons' remarks, there will be a Q&A 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 the operator.

Today's live web cast including both audio and slide show may be accessed through Wilson, Sons website at wilsonsons.com.br/ir. The slide show presented by management today is available on the website, in the investor relations section.

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 conditions, 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, Mr. Augusto César Baião, who will begin the presentation. Mr. Baião, you may begin your conference.

Augusto César Baião:

Thank you. Good afternoon everybody. As everybody know, we announced our 2Q07 results yesterday, and today, right now, we are going to do a brief presentation about the results of 2Q07.

Our revenues went up to US$100 million in the 2Q07 increasing by 37%. On the 1H07 comparison with 2006, we increased our revenue by 21%. The EBITDA went up from US$13.8 to US$16.1 million, which is an increase by 17%. In the 1H07 in comparison with 1H06, we increased our EBITDA by 22%, growing from US$29 million to US$35 million on this 1H07.

Although, we have faced during the last two years some capacity restriction in some of our divisions, most of them were able to increase revenues in comparison of the same period of last year and you are going to see during Felipe's presentation, division by division, what were the results.

In 2006 also, we had some non-recurring items that affect productivity the EBITDA margin of last year, which Felipe will also give you some more details soon. I am going to talk also a little bit about our projects.

Related to towage, we have delivered a brand new tug last week, it will be operating in the port of Sepetiba and for sure, it will help us to increase even more our towage revenue.

Another tug, even stronger than Mercúrius that was delivered last week, will be delivered in the end of September, so, it is also a very important news for our towage fleet.

This all part of the fleet renewable program, new construction that was approved by our Board last year. Related to Tecon Rio Grande expansion, the civil construction of the berth is a little bit delayed. Instead of being ready in the end of December, our third berth will be ready in February 2008 and the two equipment, two post Panamax gantry cranes will be operating, the first one in October and second one in the December 2007.

Both post Panamax cranes will fore sure increase a lot productivity of the Tecon Rio Grande container terminal. Now, I will pass the word to Felipe. As I said, he will give you details about the results of our business divisions.

Felipe Gutterres:

Thank you Cesar. Let me start by port terminals. The volumes were slightly better this quarter compared to the 2Q06, a variation of 2.4%, as you can see in the graph on your left, on slide four, but with a much better mix.

So, we are moving a better mix of containers. We are moving deep sea full containers more than 2Q06 and more than the 1H06. We are moving more deep sea full containers in an amount of 12.2% better than 2Q06 and 12.4% more than in the 1H06.

The total volumes did not grow more because of the shipment, and here I have to make a comment. This kind of cargo is very sensitive to the windows of operation and because we are working very close to our full capacity, the regularity of the windows suffered and some ship owners preferred to concentrate this cargo in our port.

That is why our total volume did not increase in the way that we expected, but we had much better container mix moved during the period. We believe that after the expansion, the shipments should come back to the terminal, once it is best solution for this kind of cargo.

With regards to the cargo flow, I have to call your attention to the fact that even with an adverse exchange rate, some export cargos very important to the terminals increased very significantly, like frozen chicken, tobacco, rice, resin and rubber.

The accessories that are related to the ones provided to the containers also increased very significantly because of some reefer cargo. So, we generated US$2.8 million more than in the same quarter of last year, mainly because of the growth of energy supplied to reefer cargo.

In addition to that, the container terminals recover their margins in the beginning of the 2Q06 and also in the beginning of this year, which also explains the improvement of revenues. I would like also to make a point here and make a comment on the growth of the port terminal activities of our private terminal to the oil and gas industry.

The 2Q06, the revenues from this terminal accounted for only 3.7% of the total revenues of this business unit, which reached 10.7% this year. This is basically explained by the number of contracts served by our terminals that jumped from 1.7 to 5.0 this year.

The stronger real also boosted the warehouse activities that accounted for US$4.9 million in the 2Q07, against US$3.3 million in the 2Q06.

In terms of EBITDA, this business unit performed 65% better than last year in the quarter, basically because of better mix of cargo of containers moved, result of the specialized terminals to the oil and gas industry performance; margin recovery; and increase in warehouse and accessory services. For the 1H07, EBITDA increased 46.2%, reaching an EBITDA margin of 31.6%.

If you go to page five, I can give you some information on towage. Towage posted another strong result, even considering that our maneuvers were a little bit lower than last year because we provided services to vessels with higher deadweight, but it is very important here to say that we covered margins to compensate partially the diverse effect that affects rate, and we focused on spot operations that towage has been providing with higher margins.

These spot operations are basically boat towing, platform towing in some all sort of services that we are providing with our tugs as well. All of these effects combined extend the growth of 32% of revenues in the quarter and 23% in the 1H07 compared to last year.

The growth in EBITDA, mainly in EBITDA margin with result of the higher margin of spot services, recovery of the adverse affects rate effects in higher margin services to higher deadweight vessels, as I have already explained.

If you can go to page six, we can analyze the logistics results. The operational figures present consistent growth in transport of containers and significant increase in number of operations, all of these effects combined explain the result of this business unit.

We have to make a remark on our abundant warehouse in Sao Paulo that has been taking advantage of the growing import environment and has been performing very well. We also focused on more profitable services that in addition to the other effect that I have explained, basically explaining the EBITDA performance in the period.

The EBITDA reached US$1.0 million in the 2Q07 and these business unit posted a cumulative EBITDA of US$2.1 million in the 1H07 against US$1.4 million in 2006. This was logistics.

On page seven, I can give you some color on ship agency. The ship agency suffered with a loss of one client that decided to open its own agency, what can be seen a decrease of revenues and also in the vessel calls, looking at the pressure indicators on your left in this slide.

The vessel calls decreased 20.3% in the quarter and 16% in the 1H compared to last year, but this business unit also was able to increase other drivers of revenues, such as issuing of BLs and also the control of containers that increased 5.4% and 14% respectively in the 1H07 compared to the 1H06.

In terms of efficiency with business unit, increased the lot also profitability and basically towards the result of cost savings, exchange of revenues mix, focusing on the issue of BLs and control of containers and also margin recovery, which explained the steady EBITDA this quarter, even with last revenues and adverse impact of rate.

Going into page eight, I will make a comment on offshore, but the main aspect that has to be mentioned in this business unit is the start of operations of our third PSV, Fragata, in this quarter. This can be seen in the operational indicators on the left of the page with higher number of vessels operating and also higher number of days of operations. This basically explains the performance of offshore this quarter compared to last year and also 1H07 compared to last year.

On page nine, I would like to explain the non-segmented activity comparing the 2Q07 to last year and also the 1H07 with last year. And here, I have to call your attention to two main non-recurring effects that are impacting the comparison between 2006 and 2007. The non-recurring factors were mainly the profit on disposal of a port participation that we had in Santa Catarina that was accounted in nonsegmented in 2006 and the profit generated by shipyard in services provided to third party in 2006 that did not happen in 2007.

If we take this effect out, we get a variation of negative EBITDA in the segment of US$7.6 million in the 2Q06 against US$9.9 million negative in 2Q07. This variation is basically explained by the reduction of Dragaport result, our participation in the dredging segment, and also the profit sharing paid to employees in the 2Q07 compared to 2006.

And we are also including in this quarter the approval of the phantom stock option of the top management in this quarter. So, the explanation for the quarter is the same explanation for the 1H07, but in addition to that, 2006 was also impacted by surplus in the acquisition of an interest in our private port terminal to the oil and gas industry, so it is also a non-recurring result that is included in 2006.

If we take this nonrecurring effect that accounted for US$4.5 million plus US$1.4 million, US$5.9 million in the 1H06 and also consider the negative results of Dragaport and the approval of the phantom stock option and profit sharing, you have the explanation of the non-segmented activity performance during the period.

It is important to remind you that in these non-segmented activities, we consider administration cost, our participation in the dredging company, where we have 33%, and also our shipyard activities.

Going to page 10, you can see the result of the entirely Company in another way, so as mentioned our revenues increased 37% in the 2Q07 compared to last year and 22% in the 1H07 compared to last year. So, our revenues jumped from US$150.0 million to US$183.0 million in the 1H07.

In terms of EBITDA, the EBITDA reached US$16.1 million in 2Q07 against an EBITDA of US$13.8 million in the 2Q06. Looking at the 1H07 EBITDA, in the graph on your right, on top of the page, you can see that in terms of EBITDA margin, the EBITDA margin is basically steady, but if you exclude the non-recurring effects, you can see that in reality, the EBITDA margin increased from 12.7% to 16.1%, which is exactly equivalent to this jump from US$9.3 million EBITDA in the 2Q06 to US$16.1 million in the 2Q07.

Going to the first half, the explanations are basically the same and the increase would be from an EBITDA of US$25.8 million to an EBITDA of US$35.3 million equivalent to 19.3% of EBITDA margin against 17.2% posted last year.

The next page, we can talk a little bit more about profits. The profits increased very significantly during the period, improved 61.4% compared to 2Q06, excluding the non-recurring results that increased the 2Q06 numbers. Profit in this quarter jumped from US$5.7 million to US$9.2 million. This result, as already explained, is consequence of focusing more profitable services, new clients and also margin recovery.

Moving to page 12, you can see the profit performance for the 1H07. The profit improved 39% in the 1H07 compared to 1H06, from US$15.3 million to US$21.2 million and explanations for that are basically the same that we discussed, business unit by business unit, focus on more profitable services, more volumes, margin recovery, cost savings and others that basically these are the main effect.

On the page 13, the next slide, I can give you some highlights in terms of capital expenditure and leverage. We are increasing our capital expenditure to support expansion cycle of the Company. We have currently invested US$3.0 million more than the same quarter of last year. The unit where we invested the most in the quarter was towage that consumed US$5.5 million in the total of US$14.1 million, followed by port terminals with US$3.8 million.

Analyzing the 1H07, the capital expenditure increased dramatically, increased 45% reaching US$27.0 million and in the 1H07 the main investments were in offshore port terminals and towage. In terms of leverage, Wilson, Sons raised around US$20.0 million for the offshore in the period and has around US$175.0 million in cash, including the IPO proceeds.

Now I would like to make this place available for Q&A.

John Smith, Washington Investments:

Can you give us a color of what kind of investments the Company forecasts for 2007 and 2008?

Augusto César Baião:

We are investing in our towage fleet. In 2007, we are going to deliver two new tugs, one we just delivered last week and another one we are going to deliver in September, and next year we are going to deliver another two tugs which will help a lot to increase our towage revenue.

We are going also to deliver another PSV, a platform supply vessel, in 2008, which will increase our fleet from three vessels to four vessels in 2008. Our terminal in Salvador, we will have some more equipments, which will increase the capacity of the container terminal in Salvador by 10%, and our expansion in Tecon Rio Grande will be ready by February 2008, which will increase the capacity of our terminal by 60% in Rio Grande. Those are the main investments that the Company is doing for the next 20 months.

Operator:

There appears to be no further questions at this time. I would like to turn the floor back over to Augusto César Baião, Wilson Sons' CEO for closing comments.

Augusto César Baião:

OK. I just would like to thank you everybody to be with us during this conference call and I would also like to finalize this presentation by saying that we are very positive that we will achieve the results we have planned for 2007. For sure, we are on track. Thank you everybody.

Felipe Gutterres:

Thank you.

Operator:

Thank you, and this concludes today's Wilson Sons 2Q07 conference call. You may disconnect your lines and have a pleasant day.