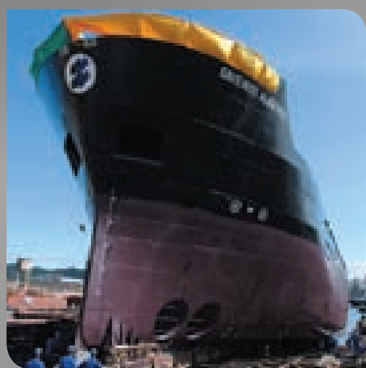
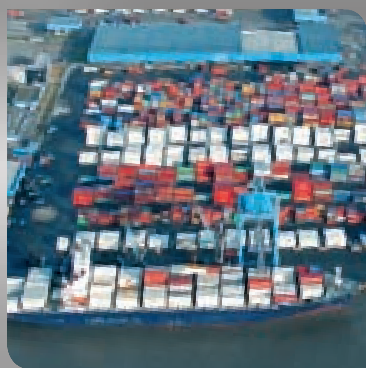
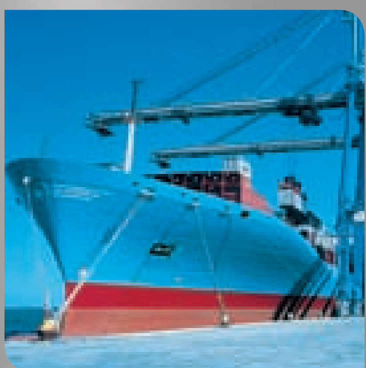
Wilson Sons Limited

Annual Report 2007







Wilson, Sons



Profile

Wilson, Sons (the "Company") began its operations in Brazil in 1837, in the city of Salvador, in Bahia. Ocean Wilsons Holdings Limited, the Company's controlling shareholder since the early part of the twentieth century, has its main operational business in Brazil, as represented by its ownership stake in Wilson, Sons, in addition to holding a portfolio of internationally listed investments and equity funds.

As a Bermuda exempted holding company, Wilson, Sons has its principal activities in Brazil, which are divided into the following six business segments: Port Terminals, Towage, Logistics, Shipping Agency, Offshore, and Non-Segmented Activities.

Having a nationwide geographical reach and 170 years of sector experience, Wilson, Sons is one of the largest providers of integrated port and maritime services, offering a complete set of logistics and supply chain solutions to the Brazilian market, as well as port and maritime services to participants in domestic and international trade.

The Company employs over four thousand staff members and has nearly 30 operational units, located in a number of Brazilian cities, while managing a portfolio of above seven thousand active clients, including shipowners, charterers, oil companies, importers and exporters, among others.

In April 2007, the Company issued an IPO (Initial Public Offering) and had its shares listed on the São Paulo Stock Exchange (Bovespa). A total of 29.7 million BDRs (share deposit certificates, known as Brazilian Depositary Receipts) were placed on the market, which represent a volume of shares equivalent to a free float of 41.7% of the Company's total number of shares, and are currently traded under the ticker code 'WSON11'.

Wilson, Sons Terminais   Wilson, Sons Rebocadores   Wilson, Sons Logística

Wilson, Sons Agência   Wilson, Sons Offshore   Wilson, Sons Estaleiro

Dear Reader,

It is with great pleasure that we present our 2007 Annual Report to clients, investors, staff, business partners, suppliers, communities, and to that public which has an active interest in Wilson, Sons. We have sought to prepare a document both synthetic and inclusive, which faithfully reflects our achievements in recent years, and also presents what our strategies, values, goals, projects, and expectations are.

We hope you enjoy your reading!

1. Container loading at Tecon Rio Grande (RS)
2. Operation under way also at Tecon Rio Grande (RS)
3. The tugboat Taurus

BUSINESS PHILOSOPHY

Mission

To contribute to the development of Brazil's foreign trade while securing operational efficiency, safety and the modernisation of systems and processes, and thereby increasing the country's competitiveness.

Purpose

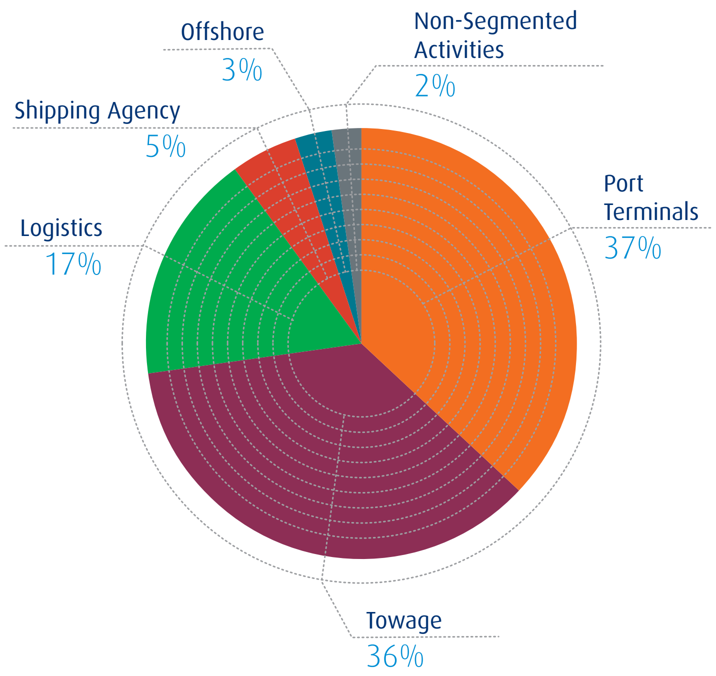
Wilson, Sons provides services to participants in domestic and international trade, related to activities in port terminals and shipping, as well as to logistics and shipping agency.

Principles

- To stimulate the career development of our employees by creating opportunities for advancement, while recognizing their contribution, enthusiasm, and commitment to Wilson, Sons.
- To guarantee customer satisfaction by delivering services with quality, reliability, efficiency, availability, and safety.
- To assure our shareholders adequate returns on their invested capital, while stimulating continuous reinvestment in the Company's businesses, for long-term growth.
- To continuously encourage freedom of expression and provide incentives for creativity and the development of technology.
- To act according to accepted ethical standards of behaviour, with respect to human life, the environment, culture, and the rule of law.

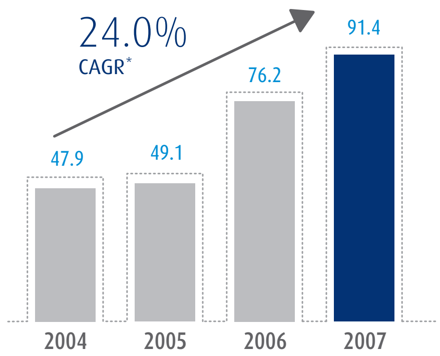
LEADING INDICATORS

Revenue Breakdown



Growth in EBITDA

(US$ million)

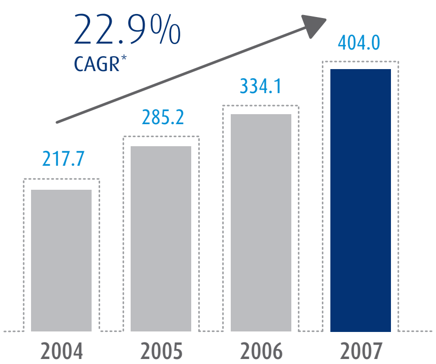


EBITDA

Earnings before interest, taxes, depreciation and amortisation.

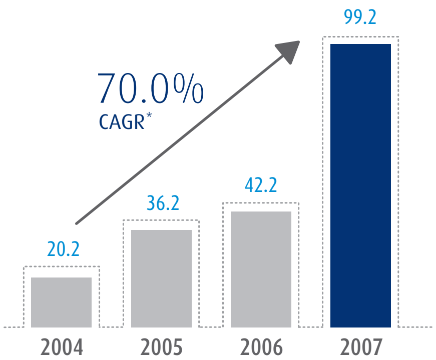
Net Revenues

(US$ million)



Investments – CAPEX

(US$ million)



*CAGR = Compound Annual Growth Rate

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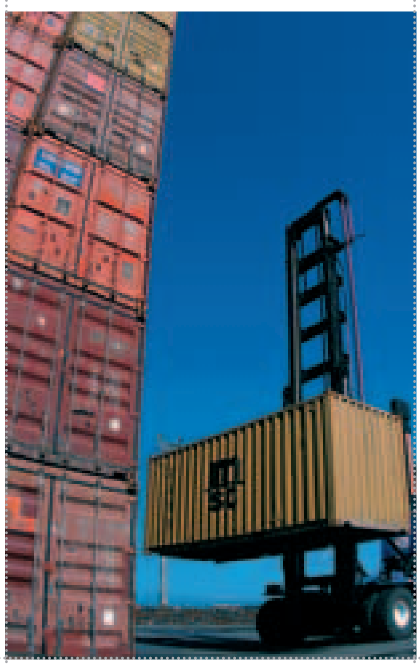
Container unloading operation under way at Tecon Rio Grande (RS)

Container being moved
at Tecon Salvador (BA)



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Efficient and Responsible Growth

"Our IPO, issued in April 2007, marked the beginning of a new phase. This successful transaction enjoyed widespread interest from investors and will enable Wilson, Sons to reach new levels of expansion."

The year 2007 was remarkable for Wilson, Sons. We celebrated 170 years of operations in Brazil and issued an IPO, publicly listing the Company and entering into a new phase of growth, founded upon consistent long-term strategic planning. We have a dynamic, modern business model, proven to be competitive, based on three main pillars: the integration and synergy across our various business segments, a nationwide geographical reach – as we operate along the entire Brazilian coastline – and operational excellence, stemming from the know-how acquired throughout almost two centuries in business.

Our strategy capitalises on the current prospect for growth in our market sector and in Brazil, with the Company's level of expertise. Along with the opportunity for access to funding that our public listing has provided, we intend to, at a minimum, sustain the rhythm of growth set in recent years and expand both the volume and the mix of services we offer, while seeking new business opportunities in Brazil, as well as in other markets within South America.

To reach these goals and create value for our shareholders, we rely, amongst other competitive strengths, upon the commitment, dedication and expertise of our executives and staff – one of the axis of our strategy – to be always attentive to opportunities to improve

A front-view of Wilson, Sons' head office –
in Rio de Janeiro (RJ)

performance and to realise potential synergies. We are recognised in the marketplace for our business agility and efficiency, for our constant improvements in technology, as well as for the ability to anticipate the trends in our market sector. Our challenge is to maintain such a unique performance going forward.

Our achievements stem from ethical and transparent management that values our human capital, in compliance with the best practices in international corporate governance. These practices were put into place even prior to our public listing on the Bovespa, taking into account our controlling shareholder has been a publicly listed company on the London Stock Exchange for over 100 years.

We remain confident and ready to achieve new goals across each of the business segments in which we operate in 2008 and in the years to come. We have coherent, sound business planning and the support from our shareholders and employees. To one and all, we would like to offer our sincere thanks.

Francisco Gros

Chairman of the Board of Directors

MESSAGE FROM THE CEO – BRAZIL

Competence in the winning of new markets

In 2007, Wilson, Sons succeeded in achieving important goals. We expanded our business volume across a number of segments and finished the year posting consistent financial results – growth in EBITDA and in Net Revenues of 19.8% and 20.9%, respectively – thus reflecting our commitment to sustainable value creation, as seen throughout our 170-year history.

Such performance has been accomplished thanks to a combination of results across all our business segments. Two new tugboats went into operation, which enabled us to seek out new niches in the market, to sign a contract with Petrobras to provide support services to offloading activities via our tugboat Volans, and to expand our portfolio of clients in the logistics segment. In addition, we launched our third PSV (Platform Supply Vessel), the Saveiros Fragata, built entirely at Wilson, Sons' own shipyard, and fully equipped with the latest technology available worldwide.

One of the main highlights of the year and a cornerstone in the history of the Company was our public listing through an IPO, which has contributed to the consolidation and strengthening of our business strategy. The proceeds obtained from the issuance of BDRs are to be reinvested, firstly, in port terminals in the south and southeastern regions of Brazil; secondly, in the construction and operation of new vessels to provide support for the oil industry – by applying state-of-the-art technology and producing over 60% of components domestically; and, finally, in the expansion of our towage and shipping agency segments in Brazil. We are also seeking new opportunities to expand our business presence throughout South America.

As from the second half of 2008, our limit capacity at the Rio Grande terminal will increase by 60%. The challenge we now face is to implement our strategy to expand capacity at the Salvador terminal as well. We believe that, in 2008, there will be progress in terms of this proposal and that we shall receive the support from public institutions and regulators, considering the overall

Our overall performance in 2007 and optimistic outlook for the future demonstrate that Wilson, Sons remains committed to the pursuit of excellence and to creating value for its shareholders.

Port operation under way at Tecon Rio Grande and the tugboat Atlas: strength that comes from being an integrated business.

positive impact that such an initiative would have on the Brazilian economy and on the northeastern region of the country, in particular.

Our business has grown in 2007 and we intend to continue our path to growth going forward. With that in mind, we have set up a New Businesses area, designed to identify opportunities in line with our strategic planning, and to develop new projects.

Our overall performance in 2007 and optimistic outlook for the future, combined, demonstrate that Wilson, Sons remains committed to the pursuit of excellence and to creating value for its shareholders. Thanks to the efforts and dedication of over four thousand employees, who gave us their unstinting support, we were able to reach our strategic, operational and social objectives.

Conscious of the importance our people play in sustaining growth at Wilson, Sons, we are constantly improving the area of Organisational and Human Development (DHO), with the aim of creating a positive business environment, while offering each of our employees real opportunities for personal and professional growth. Thus, we have invested heavily in professional qualification and adopted a horizontal organisational model, designed to encourage participation and to promote integration and the exchange of experience between our most seasoned professionals and our talented young staff, all of whom are equipped with excellent academic backgrounds.

One feature of this interaction has been the engagement by Wilson, Sons' employees in the area of corporate social responsibility. In 2007, we organised their initiatives into a single volunteer programme, called "Creating Links", drawing on the support from both the Company and its employees and focusing attention on children and adolescents at risk.

Thanks to the collaboration of our staff, suppliers, business partners, clients and shareholders, we have accomplished our goals. We wish to thank each of them for their confidence in our work and for their kind support.

Cezar Baião
CEO of Operations in Brazil



1. Container quay at Tecon Salvador (BA)
2. Operation being conducted at Brasco's offshore terminal (RJ)
3. Operation under way at Tecon Rio Grande (RS)

The strategy for the next 170 years

The successful completion of the Company's IPO in April 2007 marked the beginning of a new phase of expansion for Wilson, Sons. Our public listing provided us with benefits that include: widespread interest from the investor community; proceeds for new investments; ability to position ourselves to take advantage of possible opportunities for synergic acquisitions; and accelerated capacity for growth.

As a publicly listed company, Wilson, Sons has increased its visibility and become more transparent in the marketplace. Consequently, the Company will be able to reaffirm its ability to generate new businesses, its capacity to sustain growth, as well as its commitment to the constant pursuit of excellence and best practices in corporate governance.

Given the Company's positive track record, one that combines tradition with modernity and dynamism, supported by high growth indicators over recent years, we consider Wilson, Sons to be well-positioned for another 170 years of continued entrepreneurship.

170 years on the path to innovation and growth

In 2007, Wilson, Sons celebrated 170 years of operations, a history marked by innovation and consistent growth across its business segments. The Company's creation and legacy of success can be traced back to the times of the Brazilian Empire, in 1837, in the city of Salvador, in Bahia. The Company initially provided shipping agency and other services related to the trading of coal-fuel for ships, and, by the late nineteenth century, it had expanded its activities to take advantage of the growing international trade between Brazil and England.

Soon, the Company would settle in Rio de Janeiro and diversify its businesses, providing towage and other maritime services as well, such as the loading and unloading of vessels, and, eventually, would expand its geographical coverage to other cities in Brazil, including Blumenau (located in the State of Santa Catarina), Porto Alegre and the port of Rio Grande (both in the State of Rio Grande do Sul).

During the 1950's, Wilson, Sons was acquired by a group of international investors and strengthened its focus on the maritime towage segment. Later, new units would be set up along Brazil's entire coastline, concentrating their focus on the support to the country's foreign trade. After ambitious investments were made, in 1991, the Company revamped its shipyard, which already had capacity to build medium-size vessels, only to become the largest builder of tugboats in Brazil.

Wilson, Sons' shipyard in its early days, located in the city of Santos (SP)

> As one of the market leaders in its industry, Wilson, Sons' development has been guided by solid strategic planning, designed to lead the Company into a new cycle of expansion.

Over the years that followed, Wilson, Sons acquired a great deal of experience, which helped the Company to win, in 1996, the first large public tender in Brazil for the operation of port terminals by a private enterprise – as a result of legislation approved in 1993, known as "Ports Modernisation Law" – and obtain a concession to build and operate a container terminal (Tecon) at the port of Rio Grande.

As the country's first privatised port terminal specialised in containers, and also as the first project finance completed in its industry sector in Brazil, Tecon Rio Grande began operations in March 1997, under a renewable 25-year term concession. The opportunities for business growth and the ability to provide high-quality services to its clients, together, enabled Wilson, Sons to successfully expand its activities, to enter into the logistics business and to begin its operations at the Santo André Dry Port, located in the city of São Paulo's greater metropolitan area.

In the year 2000, the Company obtained a new government concession to operate another container terminal, located in the city of Salvador, in Bahia, known as Tecon Salvador. In the same year, Wilson, Sons' subsidiary company, Brasco, began to provide support services to oil industry operations at a number of port terminals located along Brazil's coastline.

Keen to expand its businesses and access new markets, by 2003, Wilson, Sons developed the ability to fully build, at its shipyard, a PSV (Platform Supply Vessel) and started the Company's operations in the offshore segment as well.

Such entrepreneurial drive has made Wilson, Sons one of the market leaders in its industry and has guided the Company to develop solid strategic planning, which we believe will lead it into a new cycle of expansion. To do this, the Company has boosted its investments particularly in terms of capacity expansion, acquisition of state-of-the-art equipment for port terminals, renewal and increase of its fleet of tugboats, and expansion of its offshore operations.

1. Unloading operation under way for a vessel carrying rail trains from Japan

2. Wilson, Sons' tugboats transporting a central piece of the Rio-Niterói Bridge (RJ)

3. One of Wilson, Sons' old-model tugboats at sea

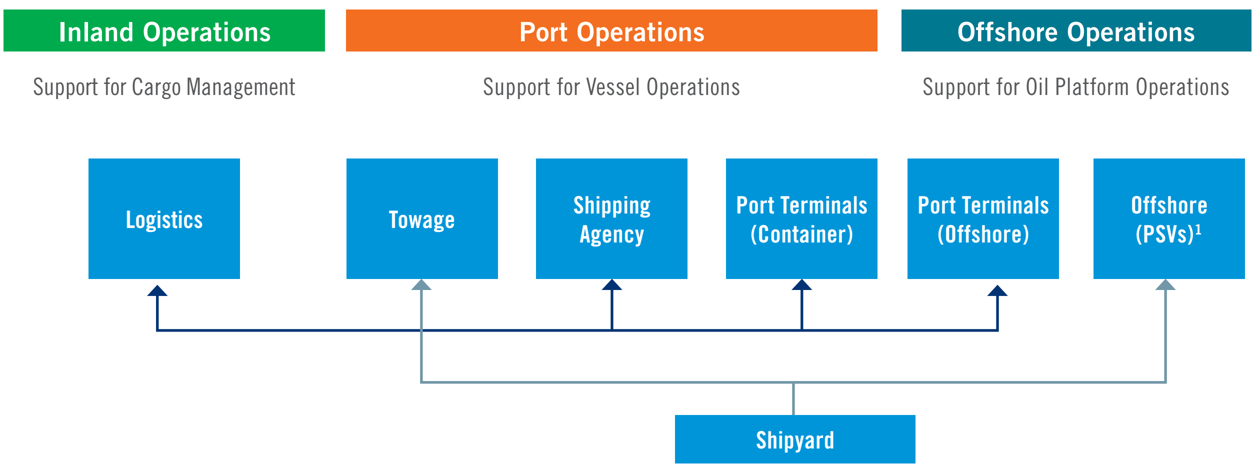
A business portfolio well-positioned to grow along with Brazil

Wilson, Sons has developed a broad portfolio of integrated services in the port and maritime sectors, as well as logistics solutions to meet the demand of its clients, focused on operational efficiency and continuous modernisation and implementation of management systems that ensure high levels of safety, reliability and agility. This model, which enabled the Company's expansion, has also paved the way for the strengthening of its current business structure and provided innumerable competitive advantages, such as:

Know-how and credibility that make the difference – Throughout its 170 years of operations, Wilson, Sons has acquired extensive know-how in its sector, as well as knowledge of the overseas trade commerce, the oil and gas sector, Brazilian regulations and overall market dynamics. This expertise has enabled the Company to deliver services that meet strict standards of quality, suited to the specific conditions of each port terminal where it operates, and to build up a solid reputation in the area of international trade.

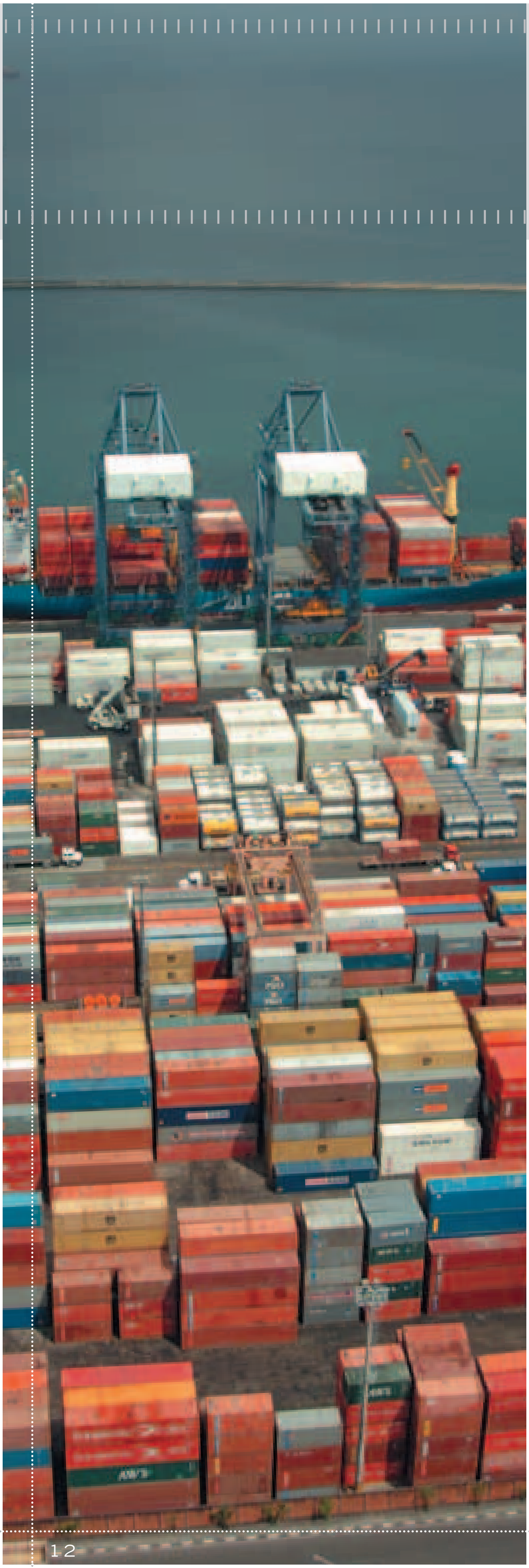
Agility in maintaining its fleet of vessels – The Company has a shipyard with capacity to carry out maintenance of its entire fleet of vessels with agility, a high level of availability and efficient cost management. These are fundamental requirements in a market environment in which availability is essential, and the supply of Brazilian-flag vessels continues to be scarce.

Integration and synergy across different business segments



[1] *Platform supply vessels*

Areas providing support to all Company segments
Human Resources, Information Technology and Management



A view of one of the berths at Tecon Salvador (BA)

Synergy – The Company's extensive know-how, acquired through the provision of traditional port services, such as towage, shipping agency and container terminals, has led to higher efficiency, cost savings and allowed for the development of internal information technology systems, customised for the Company's operations and clients. This know-how is shared throughout all branches within the Company, helping to identify new opportunities and allowing for the creation of specialised services, carrying lower risks. The successful development of the Company's offshore operations proves the importance of its synergic capabilities, by bringing together its expertise in providing towage services and in ship construction.

Geographical coverage on a national scale – Wilson, Sons offers its clients nationwide coverage, a complex infrastructure both on and offshore, which enables the Company to cover shipping routes stretching from Amazonas, in the north of the country, to Rio Grande do Sul, in the south. In addition, the Company draws on extensive knowledge of Brazil's cargo flow. With nearly 30 branch offices fully operational, the Company is present in the major ports in Brazil, as well as in several other locations inland. This coverage ensures greater control over operations, both for the Company, which can offer and coordinate innumerable services and routes, and for its customers, who do not need to hire additional service-providers.

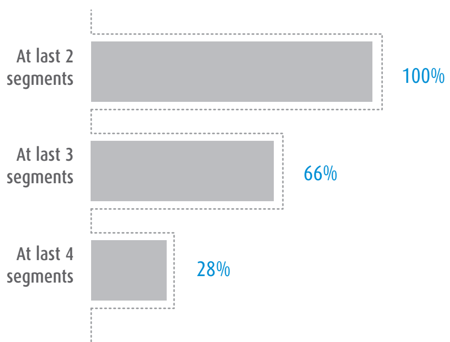
Modern and efficient infrastructure – Wilson, Sons is well known for its use of cutting-edge technology, as well as for its capacity to anticipate market trends and demands. The Company's continuous investments in expansion of its operations, along with improvements to its IT systems, equipment, infrastructure and personnel, Tugboat Jupiter, maneuvering at sea, equipped with firefighting capability

have increased its ability to provide services to clients with quality and efficiency, placing the Company in a position of leadership, in terms of volume, across a number of business segments.

Diversified portfolio of clients – Over the years, Wilson, Sons has acquired the know-how needed to offer complete and tailor-made services. The Company has established long-standing relationships with its clients, based on its national and international reputation and credibility – its top ten clients have been with the Company, on average, for over ten years – and currently manages a portfolio in excess of seven thousand active clients, from all sectors of the economy.

Each of Wilson, Sons' 100 largest customers currently hire services from at least two of the Company's six business segments. Out of those same top 100 clients, at least 66% of them hire services from at least three of Wilson, Sons' business segments, while 28% are served by at least four business segments in which the Company operates.

Portfolio of services provided to the Company's 100 largest clients



Experienced and innovative management team – In line with the Company's tradition of entrepreneurship, its management team is highly-skilled, experienced and committed, with an average track record of 15 years in the Company. These motivated professionals have been at the forefront of a number of recent achievements, such as the structuring of both the Company's offshore and logistics operations. Such initiatives have proven the innovative nature and skills of the management team, and their efforts to identify new business opportunities.

Profitability and financial stability – Wilson, Sons operates in a capital intensive industry, in which a solid, sound financial structure is required. The Company's performance over recent years, combining positive results with consistent returns and cash flow, confirms its ability to consolidate its businesses and to pursue excellence.



1. The PSV Saveiros Pelicano
2. Wilson, Sons' in-house Logistics
3. Tecon Salvador (BA)

Growing and creating value

Wilson, Sons' business strategy focuses on the following drivers:

Continued growth, by expanding the quantity and range of services provided across each business segment, via:

Expansion of operations at port terminals – Confirming its innovative approach to the market and its ability to foresee demand trends in international trade, Wilson, Sons is set to complete the expansion of both quay and yard at its Rio Grande terminal (RS). In the second semester of 2008, a third operational berth is scheduled to be delivered, expanding its capacity to handle containers on the quay by 60%, equipped with modern ship-to-shore (STS) and rubber-tire gantry (RTG) cranes. At its Salvador terminal (Tecon), the Company intends to move ahead in negotiations with public authorities for a future increase in capacity, and to remain alert to new business opportunities, whether seeking new concessions in other Brazilian ports and in South America or focusing on the development of new terminals.

Expansion of the Offshore segment – One of the Company's objectives is to become a leading service-supplier to the offshore segment operating along the Brazilian coast. In addition to the four supply vessels the Company is currently building to serve a contract with Petrobras and three PSVs that already operate for the public oil company, Wilson, Sons intends to engage in bidding processes, in order to diversify its portfolio of equipment and services and to expand the Company's area of coverage.

Gaining market share in Logistics – In order to meet aggressive growth benchmarks, the Company will seek new business opportunities and expand the operation of multimodal terminals, mainly to increase its ability to provide integrated solutions.

Seeking opportunities in other South American markets – Wilson, Sons intends to expand its businesses to other countries in South America, as the Company looks to strengthen its growth prospects. Drawing on extensive knowledge of the sector and a solid position in the domestic market, the Company consistently monitors other strategic partnerships, private acquisitions, bids for concessions, or establishment of new operational units.

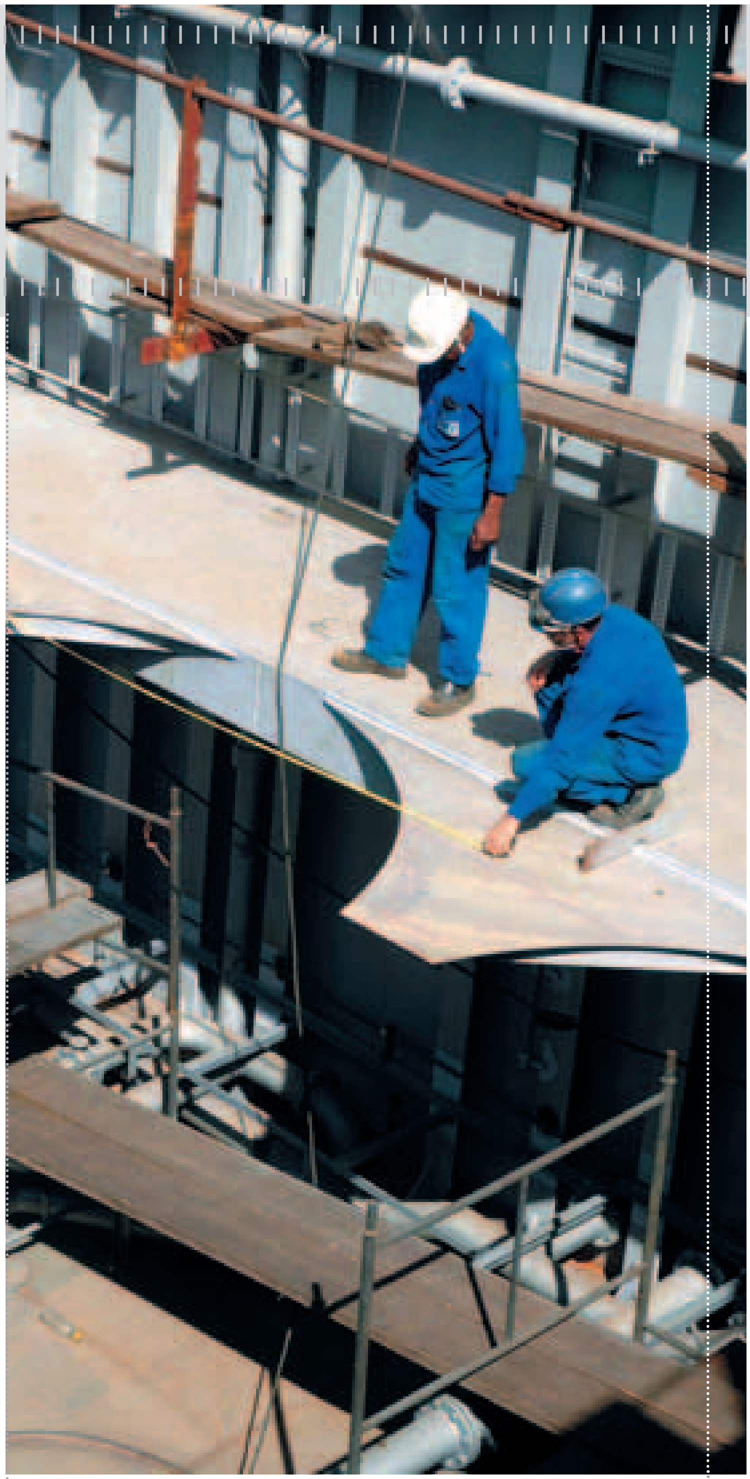
Providing the best and most complete set of services

The strategy is to expand Wilson, Sons' ability to deliver integrated services across a nationwide network, while gaining efficiency in order to achieve cost savings and to improve the relationship with its customers.

Strengthening leadership in the towage market

In order to consolidate its position as the leading provider of towage services in the Brazilian market, the Company intends to identify opportunities to provide additional services and to optimise the distribution and deployment of its fleet, which, in turn, should allow for an increase in the Company's geographical footprint.

Operators measuring the internal structure
at PSV Saveiros Gaivota



Increased economies of scale and synergy

The Company intends to expand its operations through the exchange of know-how and synergies across its business segments. The goal is to seek economies of scale, raise productivity levels and realise savings through administrative and back-office areas, especially at its branch offices. Simultaneously, managers from each business segment will develop new strategies to improve operational quality and explore new alternatives.

Highly-favourable prospects

The Wilson, Sons strategy is supported by a positive momentum for the expansion of its various business segments. In the Oil and Gas (O&G) sector, in which the Company focuses 31.5% of its businesses, the government has demonstrated its willingness to create the conditions needed for private enterprises to invest in infrastructure improvements, which will, in turn, favour the provision of support services. Besides, the O&G industry has seen continued growth in trade flow and oil production, owing to excellent market conditions.

In this context, Wilson, Sons has a highly-positive business track record with O&G customers and expertise in support services, both in operations involving PSVs and in services provided by its Brasco subsidiary, in addition to making its shipyard available for the construction of new vessels. Across other segments in which the Company operates, some of the highlights have been the impressive growth seen in the containerisation process in Brazil, as well as the positive trend in Brazil's foreign trade.

In order to expand its operations and to meet new market demands, Wilson, Sons counts on significant competitive advantages that include: availability of high-performance equipment; a fleet of tugboats equipped with the latest technology; capacity expansion at its port terminals – including one strategically located in the south of the country, focusing on providing integrated, multimodal logistics solutions; and also through continuous investments in information technology.

WILSON, SONS' BUSINESSES

ATTENTIVE TO SEIZE NEW OPPORTUNITIES

Wilson, Sons' business activities are divided into the following six segments, according to the nature and specific features of each service provided: port terminals, towage, logistics, shipping agency, offshore and non-segmented activities. With nationwide coverage, the Company provides a wide range of services to clients in both domestic and international trade.

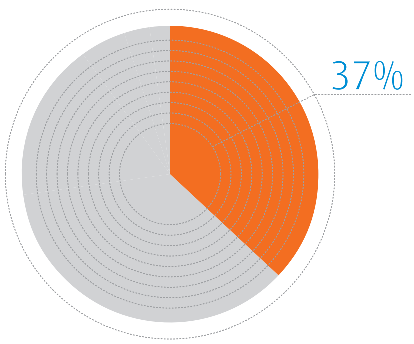
The Company's integrated operational structure allows for considerable gains of scale and the realisation of synergies, by offering flexible, safe and high-quality services to a broad client base.

Diversified portfolio of clients

The Company manages a portfolio of over seven thousand active clients, including domestic and multinational companies. Its 100 largest clients, combined, account for 81% of the Company's total revenues. However, no single customer, alone, accounts for more than 10% of the Company's total revenues.

PORT TERMINALS

Wilson, Sons was the first company in Brazil to obtain a renewable 25-year term public concession to operate containers. Since 1997, the Company has managed its operations at a container terminal located 20 km outside the city of Rio Grande (RS) and 420 km away from the city of Porto Alegre (RS).



Having already operated in public terminals prior to the enforcement of the Ports Modernisation Law, Wilson, Sons currently has three operational units: namely, two container terminals – one located in Rio Grande (RS) and another in Salvador (BA), as both were obtained through public concessions – and one terminal operated to support the Oil and Gas industry, in Niterói (RJ). The Company also provides services in the public port of Fortaleza (CE), mainly for container cargo and bulk.

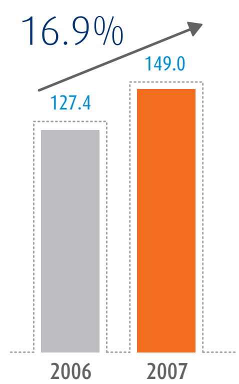
The Company's container terminals, (Tecon Rio Grande and Tecon Salvador), mainly offer loading and unloading services to deep sea and cabotage vessels, as well as warehousing services for import and export cargoes.

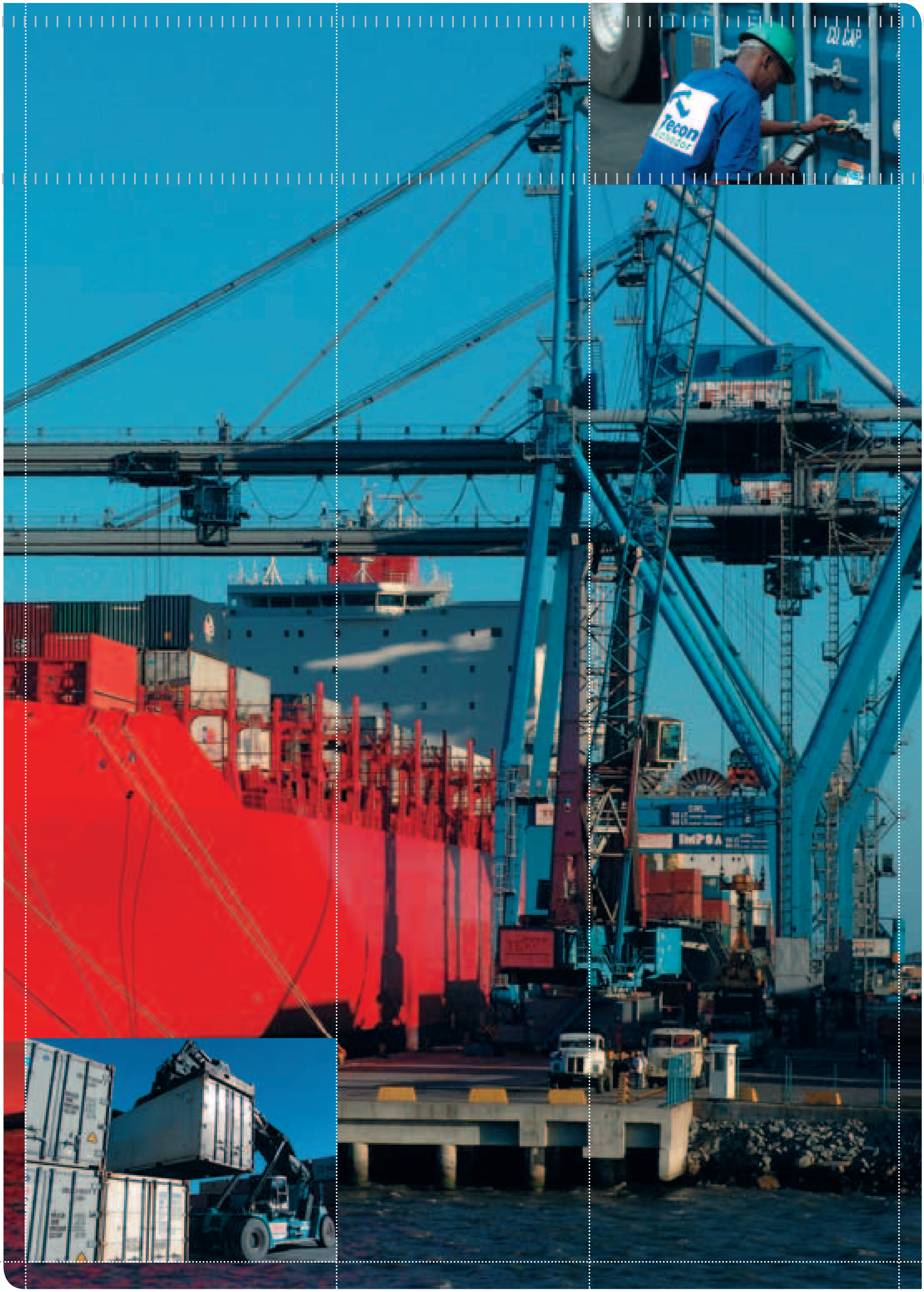
The Company's port terminals serve vessels from all certified ports around the world, in compliance with international safety standards. Its terminals have been certified by the International Ship and Port Facility Security Code (ISPS Code), an International Maritime Organisation requirement. Tecon Rio Grande was, actually, the first terminal in Brazil to obtain this certification.

Wilson, Sons is the third largest Brazilian company in container handling activities and, in 2007, its businesses accounted for 12.3% of the total volume of containers handled in Brazil. Overall, the Company served 889,483 TEUs (Twenty-foot Equivalent Unit, an international standard for measurement of containers and cargo, often used to gauge the capacity of container ships and container terminals).

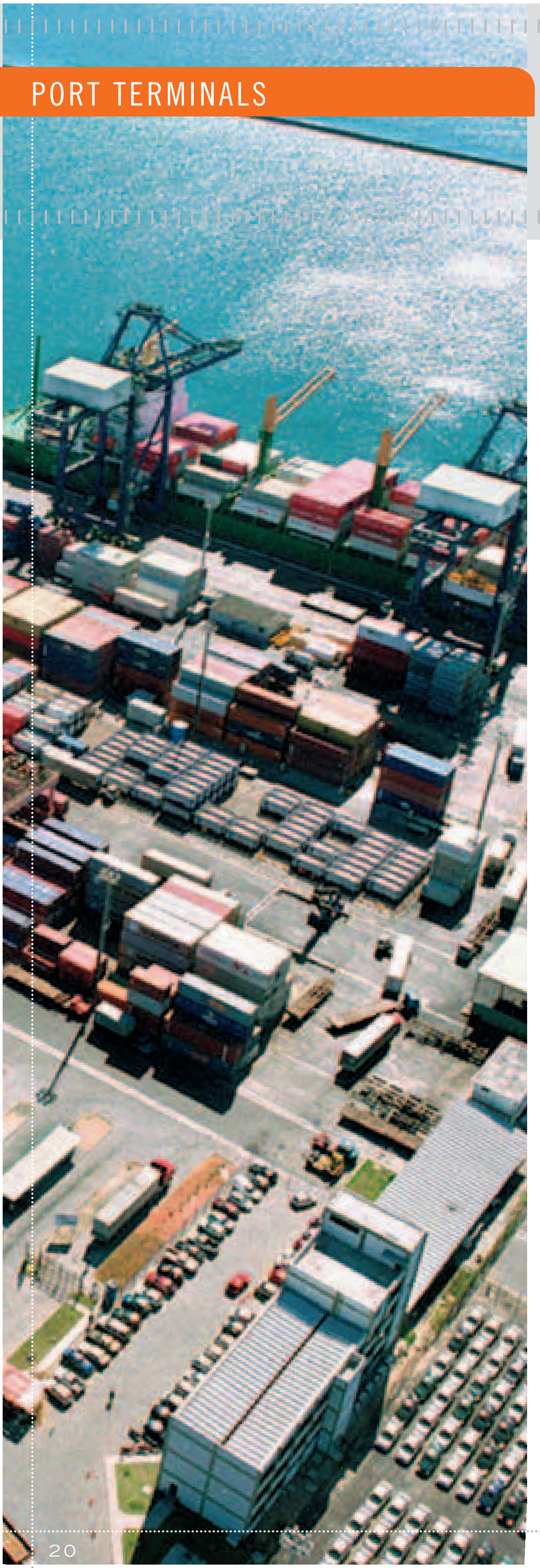
Net Revenues

(US$ million)




Tecon

PORT TERMINALS



Aerial view of Tecon Salvador (BA)

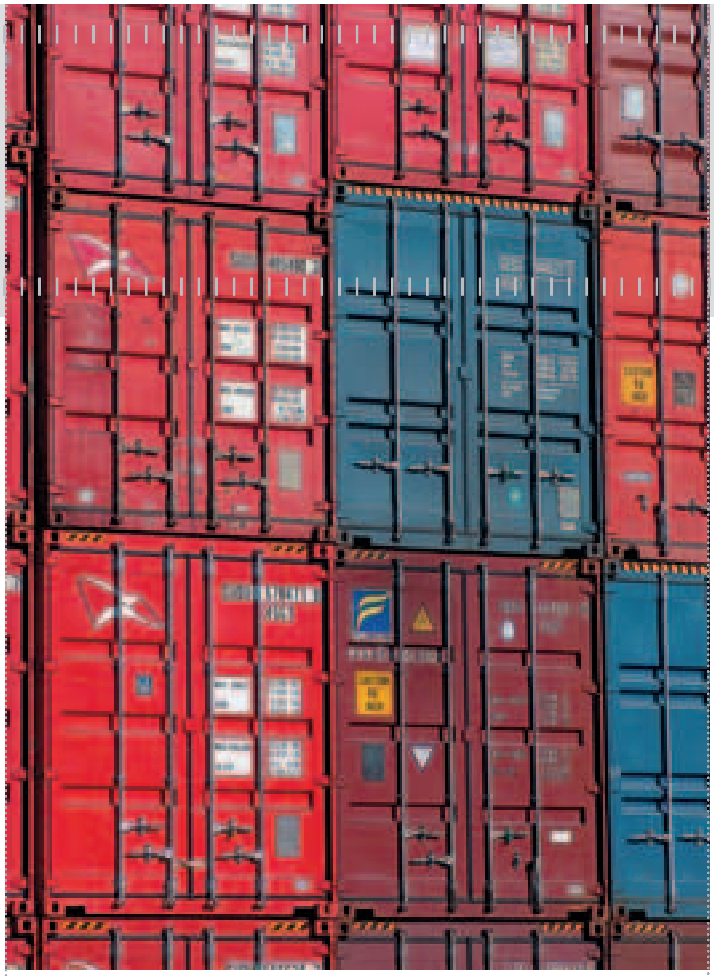
The Company's port terminals segment, responsible for 37% of Wilson, Sons' total revenues in 2007, posted net revenues in excess of US$149 million at year-end, 16.9% higher than in 2006. This increase in revenues is due, mainly, to a better mix in containers served, which meant operating a larger number of full containers and providing higher value-added services in the period.

Over recent years, growth in the market for container handling has been consistent. This is reflected by a worldwide trend of containers used as a form of packaging cargo, in addition to an overall increase observed in the volume of international trade.

Tecon Rio Grande

The Company's Tecon Rio Grande has a total area of 670,000 square meters (m^2), of which 320,000 m^2 consist of paved area, in addition to a 600-meter quay and two berths. In 2007, the terminal handled 622,406 TEUs – an amount equivalent to 69.2% of the total container operations by Wilson, Sons. Such performance makes the Company one of the largest port terminals in South America, according to recent data obtained from CNNT (Centro Nacional de Navegação Transatlântica), Datamar, and ECLAC (Economic Commission for Latin America and the Caribbean).

Located in a strategic region, Wilson, Sons is currently increasing its operating capacity at Tecon Rio Grande. In the second half of 2008, a third berth will become operational, newly equipped with state-of-the-art



Containers

1. Ship-to-Shore gantry cranes, at Tecon Salvador (BA)
2. One of Brasco's employees at work

Ship-to-Shore (STS) gantry cranes. Following this expansion, Tecon Rio Grande's quay area will reach a total of 850 meters and estimated capacity to handle some 670,000 containers, or the equivalent to 1.13 million TEUs per year.

Currently, the main products exported through Tecon Rio Grande include tobacco, meat, frozen chicken, rice, spare parts, and petrochemical products.

The Port of Rio Grande has ideal conditions and is set to also act as a regional transhipment port (a hub port), given the ongoing process of renewal and increase in the size of the new fleet of ships and vessels currently operating worldwide. The Company's geographic position, nearby the Ports of Montevideo and Buenos Aires, in addition to better conditions for berthing and drafting, will enable it to become a major cargo handler in the southern region of Brazil.

Tecon Salvador

Tecon Salvador provides services to ships that operate in the leading routes of international trade, such as Europe, United States and the Far East. Unveiled in the year 2000, the terminal has a total area of 74,000 m^2 of yard and quay space, in addition to its two berths, of 214 and 240 meters in length, respectively, and an additional area of 100,000 m^2 outside the port, used for storage of empty containers.

With capacity to handle 300,000 TEUs per year, Tecon Salvador served a total of 253,535 TEUs in 2007, or an annual average of 37 containers handled per hour.

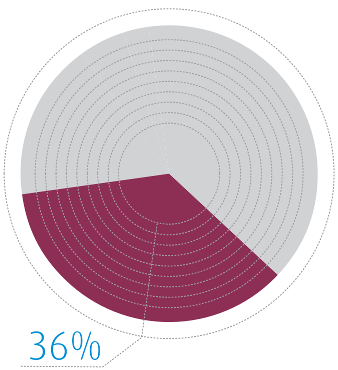
The cargoes most often handled at this terminal are the following: chemical and petrochemical goods, metals, fruit and juice products.

Brasco

Through Brasco, a company that operates a port terminal located on Conceição Island, in the city of Niterói (RJ), Wilson, Sons provides logistics support services and solutions to companies in the oil industry. Among the services rendered are: loading and unloading operations for PSVs (Platform Supply Vessels), storage of materials, equipment and inputs for oil platforms, waste management, container rental and procurement.

TOWAGE

With a track record going back 100 years and a reputation for operational excellence and extensive sector experience, Wilson Sons Rebocadores is the largest provider of towage services operating along Brazil's coastline. The Company has the largest fleet of tugboats, (which are vessels that assist in the movement of ships around ports), currently in operation in South America. Out of its 67 vessels, 30 are fully-equipped with modern azimuth thrusters, capable of moving in all directions, in a 360-degree span, which allows for safer manoeuvres at sea.



The Company provides support services for berthing and un-berthing of vessels in ports, and also special services that call for a high level of efficiency and reliability, such as the support for salvage operations, ocean towage and support for offloading operations as well.

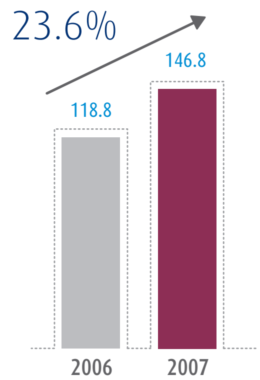
In 2007, the Company's tugboats performed a total of 58,245 manoeuvres (of which, 7.6% were performed in special operations), a volume of services equivalent to a total market share of around 54%.

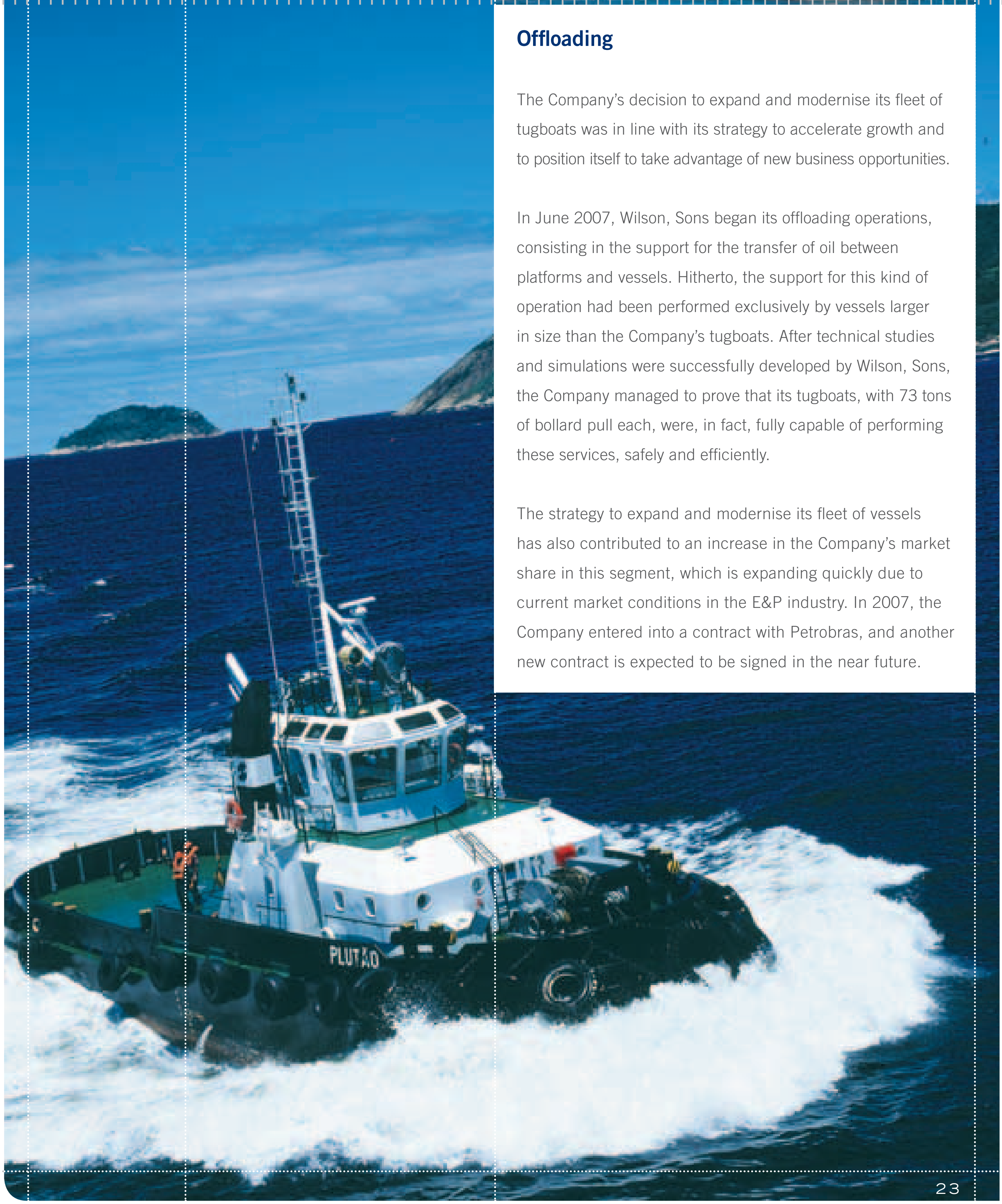
The activities of Wilson, Sons Rebocadores in 2007 accounted for 36% of the Company's total revenues, with net revenues in excess of US$146.8 million, or 23.6% higher if compared to its performance in 2006.

Focusing on safety and reliability, Wilson Sons Rebocadores has grown substantially over recent years, and currently invests in the expansion and modernisation of its fleet. By the end of 2008, three new vessels are scheduled to be delivered. In order to do so, the Company maintains its own shipyard, one of its greatest competitive strengths, given considerable domestic and international demand for vessels and the current prospect for growth in the shipping industry.

Net Revenues

(US$ million)





Offloading

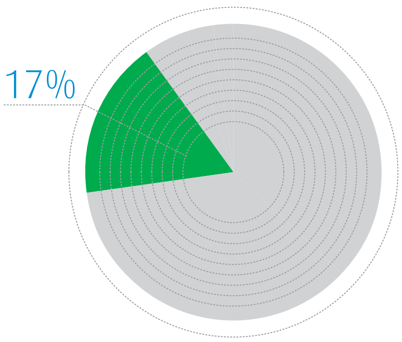
The Company's decision to expand and modernise its fleet of tugboats was in line with its strategy to accelerate growth and to position itself to take advantage of new business opportunities.

In June 2007, Wilson, Sons began its offloading operations, consisting in the support for the transfer of oil between platforms and vessels. Hitherto, the support for this kind of operation had been performed exclusively by vessels larger in size than the Company's tugboats. After technical studies and simulations were successfully developed by Wilson, Sons, the Company managed to prove that its tugboats, with 73 tons of bollard pull each, were, in fact, fully capable of performing these services, safely and efficiently.

The strategy to expand and modernise its fleet of vessels has also contributed to an increase in the Company's market share in this segment, which is expanding quickly due to current market conditions in the E&P industry. In 2007, the Company entered into a contract with Petrobras, and another new contract is expected to be signed in the near future.

LOGISTICS

Wilson, Sons Logística provides transportation, warehousing, and distribution services to local and multinational clients. As a highly-regarded logistics operator, the Company delivers integrated, customised supply chain solutions.



With innovative projects, tailor-made to the needs of each one of its customers, Wilson, Sons Logística currently offers the following services: (i) warehousing, via dedicated or shared warehouses; (ii) bonded warehousing, focusing on the process of customs clearance; (iii) internal handling at its clients' industrial facilities; (iv) distribution; (v) highway transportation; and (vi) multimodal transportation, which may combine road, rail, and maritime transportation services.

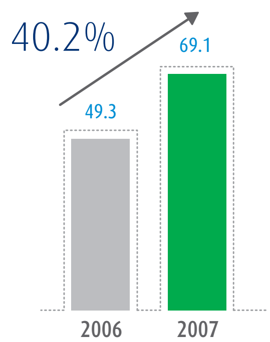
Its project development in logistics focuses consistently on applying technology in the management and follow-up of operations, with specialised systems for the operation and management of warehouses (WMS) and transportation (TMS).

Wilson, Sons Logística's leading customers operate in the following industry sectors: Pulp and Paper, Chemicals and Petrochemicals, Steel, Cosmetics/Pharmaceuticals, Foods, Agro-industry, and Electronics/High Tech.

One of the segment's greatest competitive strengths is represented by its Management Model, developed by the Operational and Strategic Committees. In these committees there is a constant follow-up of performance indicators and ongoing discussions on which Enhancement Projects are to be developed further, which will lead to shared gains, both for Wilson Sons and its clients.

Net Revenues

(US$ million)



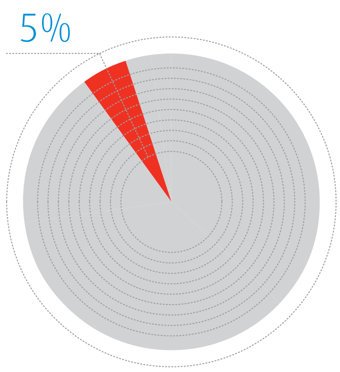
One of the main facilities at Wilson, Sons Logística is the Dry Port, located in Santo André, in the greater metropolitan area of the city of São Paulo. It consists of a bonded unit located outside the primary area (ports and airports), formerly denominated "EADI" (Portuguese language initials for Inland Customs Station), designed to offer services of bonded warehousing, better logistic alternatives and cost savings, when compared with port warehouses.

Over the last four years, revenues in the Logistics segment have increased at an average compound annual growth rate of 47.6%. Responsible for 17% of net revenues in 2007, this business segment posted net revenues of US$69.1 million, 40.2% higher than in 2006.

SHIPPING AGENCY

Wilson, Sons Agência

Wilson, Sons Agência Marítima Ltda. is the oldest and largest independent Brazilian agency – not owned by ship operators – which provides shipping agency services for liner and tramp vessels along Brazil's leading ports.



The Shipping Agency segment acts directly on behalf of shipowners and cargo owners, providing services of commercial representation, control of containers and legal documentation. It also provides operational services to ships that make their vessel calls in Brazilian ports. These activities include forecast of expenses, contracting port services, payment of suppliers and also detailing of costs incurred at the end of their vessel calls.

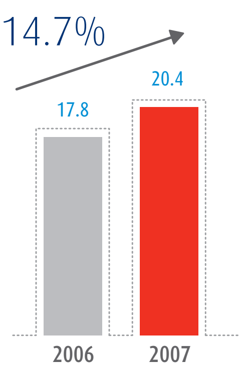
With over 15 branch offices, the Company operates in 42 of Brazil's leading ports and is the independent agency with the largest coverage along the Brazilian coast, from the Port of Rio Grande (RS), located in the south, as far north as Macapá (AP). In 2007, Wilson, Sons served 5,581 vessel calls, which also controlled the handling of 207,515 containers. It represents 5% of total net revenues in the Company, with net revenue figures amounting to US$20.4 million in 2007 (an increase of 14.7% compared to the previous year).

In order to improve its services, Wilson, Sons has set up a Shared Services Centre (SSC), and developed a sophisticated integrated system for the control of operations, which provides better coordination of the flow of information among the Agency's units, shipowners and their clients (importers and exporters).

Located in Rio de Janeiro (RJ), the SSC provides support for the Company's operations by concentrating all management of documents and information, control of containers, costing of ships, and the standardisation of processes, thus enabling its branch offices to achieve higher efficiency.

Net Revenues

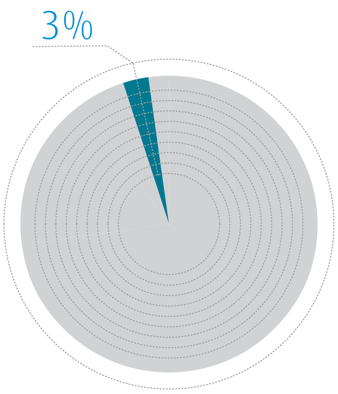
(US$ million)



OFFSHORE

Wilson, Sons Offshore

Wilson, Sons has operated in the Offshore segment since 2003, providing support services to offshore petroleum and natural gas exploration and production platforms.



PSVs are vessels that provide services that include transporting equipment, drilling mud, piping, cement, and other materials, between offshore platforms and terminals that support the oil and gas industry, and the exploration and production platforms in operation off the Brazilian coast.

Estimated growth in the market for maritime support services, in addition to the replacement of foreign vessels by others built in Brazilian shipyards, implemented by Petrobras, have represented an opportunity for business expansion at Wilson, Sons. With its know-how in operations of tugboats and shipbuilding, the Company seized the opportunity and began to build PSVs in its own shipyard.

These have been incorporated to its fleet, thus increasing the Company's range of services provided.

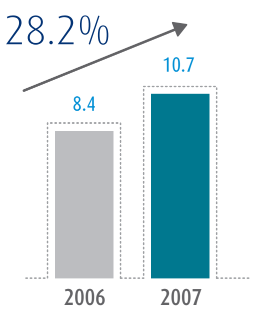
At present, the Company has three PSVs, all operating for Petrobras, under eight-year contracts, two of them specialised in shipping bulk solids, and one in shipping bulk liquids. In 2006, the Company obtained two new bids to operate four other PSVs, to be built at the Wilson, Sons shipyard, with the following delivery schedule: two PSVs by 2008, one in 2009 and another PSV throughout 2010.

In 2007, the Offshore segment posted net revenues of US$10.7 million, exceeding 2006 figures by 28.2%. This increase is largely due to the start of operations of the Company's third PSV, the Saveiros Fragata.

The Offshore segment represents 3% of the Company's net revenues. However, this segment is set to see rapid growth in the coming years, due to the number of PSVs expected to be operational to serve the contract with Petrobras and the positive momentum for new businesses to flourish.

Net Revenues

(US$ million)

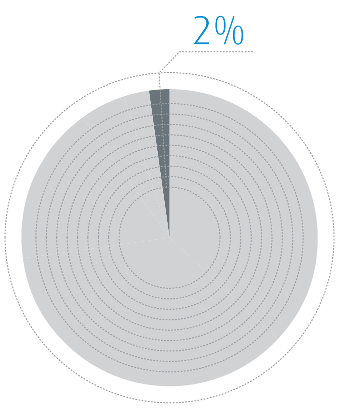



SAVEIROS FRAGATA

NON-SEGMENTED ACTIVITIES

Wilson, Sons Estaleiros

The Company has its own shipyard, the Wilson, Sons Estaleiro, located in the city of Guarujá (SP), and is responsible for the construction of vessels and maintenance of its fleet of tugboats and PSVs (Platform Supply Vessels). With capacity for dry-docking vessels of up to 1,500 tons, the yard is specialised in the construction of tugboats, PSVs, patrol boats, ferry boats and medium-size vessels, as well as being qualified to offer various maintenance and repair services on support vessels.



As the first in its sector in Brazil to receive the ISO 9000 quality certificate, attested to by Lloyd's Register Quality Assurance, and also certified under ISO standards 9001:2000, the Wilson, Sons Estaleiro represents a competitive advantage for the Company, given the constant need for renewal and expansion of the Company's fleet. Wilson, Sons also intends to expand current facilities at its shipyard, to allow for the construction of larger vessels.

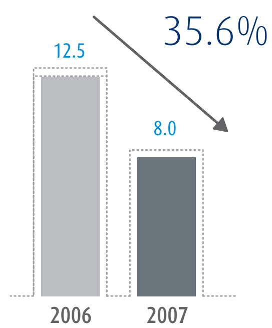
Wilson, Sons owns a 33.3% interest in its subsidiary Dragaport, which provides dredging services. At the end of 2007, a contract was signed for the sale of dredgers to a U.S. company, which represented Dragaport's principal assets.

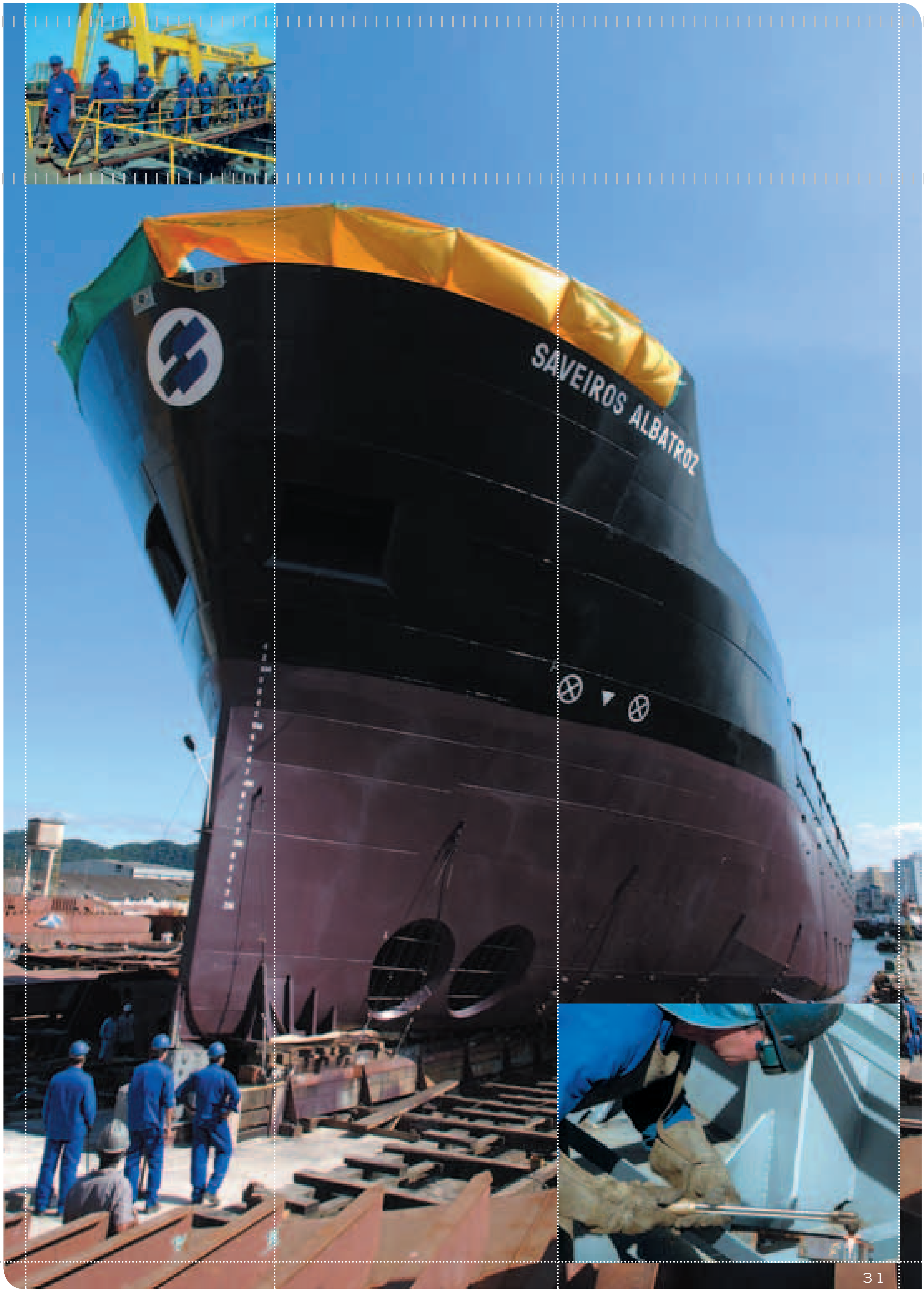
The Non-Segmented Activities unit closed the year 2007 with net revenues of US$8.0 million, lower than the US$12.5 million recorded in 2006.

The slowdown observed in this segment, which includes the services rendered by the shipyard to third parties, the income derived from its ownership interest in Dragaport and the Company's management costs, reflects chiefly the impact of foreign-exchange rate variation and the Company's focus on concentrating its shipyard maintenance services to improving its own fleet.

Net Revenues

(US$ million)




SAVEIROS ALBATROZ

WILSON, SONS' BUSINESSES

New Businesses

Strong economic growth in both the country and in South America, in addition to the Company's growth-oriented strategy, as proven by the successful development of its Offshore and Logistics business segments, have led the Company to set up, in October 2007, a New Businesses area.

It is responsible for monitoring new areas of activity, investments through internationalisation and mergers & acquisitions (M&A), and the use of existing assets, products, know-how, and systems for the development of new applications and markets.

Its management has been entrusted with the whole process of identifying opportunities, including analyses and negotiation of new business contracts.

By the end of 2007, as the New Businesses division at Wilson, Sons became operational, those projects already in the pipeline had been given priority status. Their impact on the Company's performance and growth are intended to be felt throughout 2008. Under the responsibility of the New Businesses area, the following initiatives have been implemented: capacity expansion in port terminals, diversification of cargo operated by the Company, search for opportunities for strategic acquisitions, internationalisation of the Company's activities, and also expansion of its shipyard, allowing for the construction of larger vessels, which represents a strategic advantage, particularly for the Company's Offshore segment.

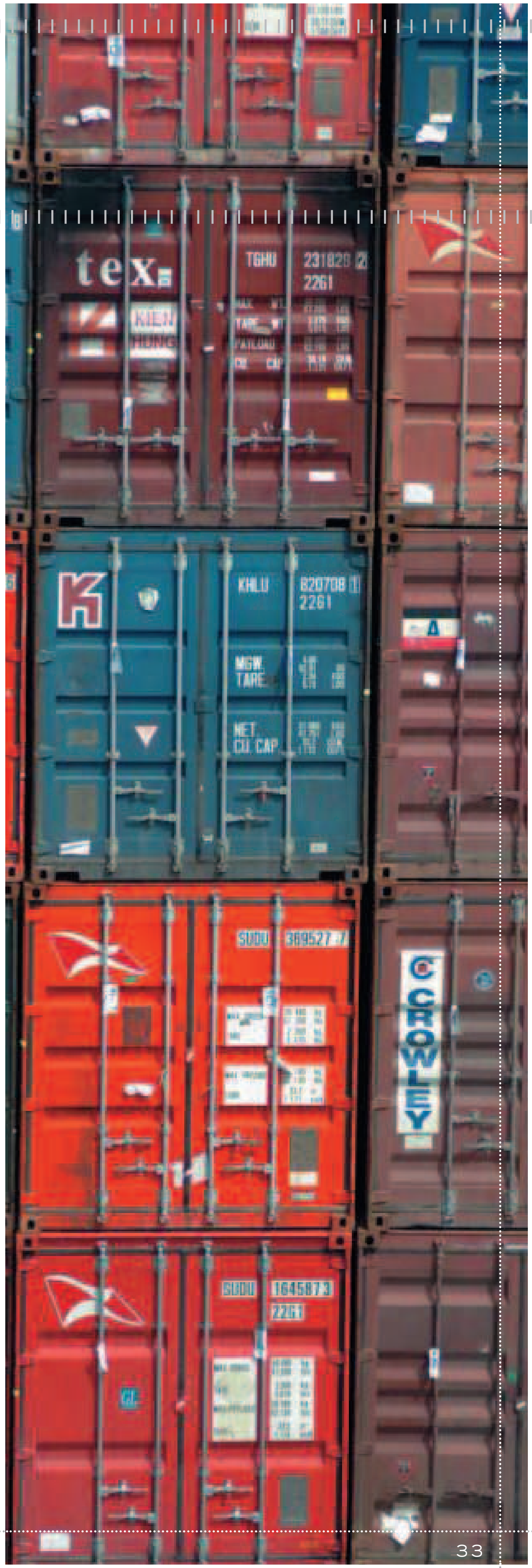
Awards and Achievements

The constant search for perfection, the provision of high quality services, safety, reliability and agility, has led to the Company winning innumerable industry awards and acknowledgements. One in particular stands out: for the second year running, the "Monsanto Logistics Recognition" award was presented to Wilson, Sons Logística, in the category of raw materials and imports. The Company showcased the best performance in the year 2007, in the quality of attention, services, safety and social responsibility category, competing with six other suppliers to the multinational Monsanto.

Wilson, Sons Logística, in partnership with Monsanto Sementes, also received the highest praise from the public at the 2007 International Logistics Forum, the largest and most highly-regarded event in the logistics sector in Brazil. The solutions presented together by Wilson, Sons Logística and Monsanto Sementes won first place out of 30 competitors.

The PSV Saveiros Fragata at sea

A pile of containers



"Wilson, Sons has developed a broad portfolio of integrated port and maritime logistics and supply chain solutions, focused on operational efficiency."

CERTIFICATION – In 2007, a total of five units of Wilson, Sons Logística were certified under the "Sassmaq" system (System of Appraisal of Health, Safety, the Environment and Quality), a requirement for providing logistics services to the chemical industry – as three of these units are located in São Paulo (in the cities of Santo André, in São José dos Campos and in Santos), one in Salvador (BA) and another one in Rio Grande (RS).

Certifications obtained by the Company's business segments: In addition to the ISO 9001 certification, obtained by each of the Company's business segments, its Brasco subsidiary has also been ISO 14001-certified. In addition, the Company's Offshore segment obtained the ISM Code certification (as required by legislation issued by IMO, The International Maritime Organisation).

WILSON, SONS' BUSINESSES

Investments

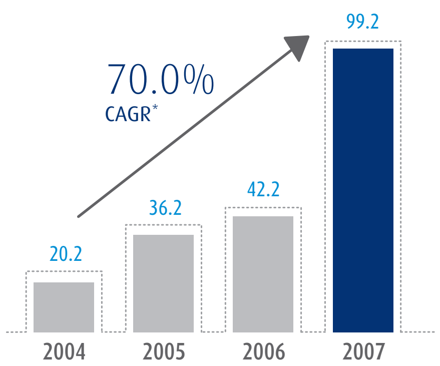
Wilson, Sons' investments in 2007 reached US$99.2 million and surpassed by 135.1% the investments made in the previous year, of US$42.2 million. This impressive increase reflected, mainly, the financing obtained for the construction of vessels and the capacity expansion at the Company's port terminals. The resources were invested, basically, into three business segments, as follows:

1. Offshore – Investments of US$39.9 million in 2007, explained mainly by delivery of the PSV Fragata in April 2007. Its construction alone, required investments of around US$25 million. The new vessel is currently operating for Petrobras, and, by 2010, four other PSVs will come into operation.

2. Towage – In line with renewal of the Company's fleet, two new tugboats became operational.

Growth in Investments – CAPEX

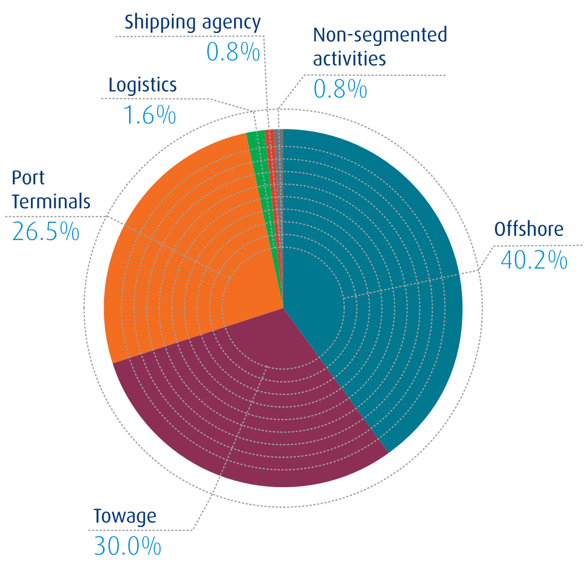
(US$ million)



*CAGR = Compound Annual Growth Rate

3. Port Terminals – Wilson, Sons' investments with respect to port terminals were concentrated in the Tecon Rio Grande (RS), where a third berth is currently being built to expand further its operations. The Company has also invested in the acquisition of equipment for both of its port terminals. The total investments made in the year amounted to US$26.3 million.

CAPEX Breakdown 2007



New Investments

In 2008, Wilson, Sons intends to accelerate its investments, take advantage of numerous business opportunities, and strengthen growth. The Company's strategic expansion plan foresees, for 2008, investments in the order of US$ 100 million, mainly into vessels for the offshore segment, capacity extension in port terminals, and the renewal of the Company's fleet of tugboats.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PEOPLE AT WILSON, SONS

PEOPLE: OUR GREATEST ASSET

Wilson, Sons has made important achievements across all sectors in which it operates, and understands that these are directly linked to the commitment, dedication and talent of its staff. Given its presence in the service sector, the Company acknowledges the importance of respecting, valuing, recognising and investing in its professionals.

Fully aware that our people represent a competitive strength and that the development and growth of the organisation will come about, to a great extent, as a result of the efforts made by these professionals and staff, the Company's HR department is now called Organisational and Human Development (DHO, in Portuguese), and focuses on the process of organisational development, through new tools and methodologies, tailor-made to meet the specific needs of managing people and their careers.

Employees of Wilson, Sons – Rio de Janeiro (RJ)

Given the specific features of the Company's business sector, the staff at Wilson, Sons recognises as one of its principal attributes the integration and exchange of experiences, between seasoned professionals, working for over 15 years with the Company, and a talented young staff. This alignment of interests allows for the exchange of experience and drives team-performance.

Respect for the Company's staff is fostered via a work environment that seeks to raise the quality of life and career development of each one. Creativity is greatly encouraged and valued, as seen by the creation of multi-function working teams that generate opportunities for exchange of experience and synergy among various areas within the Company.

In recent years, growing investments have been made in qualification, development and retention rate. A salary rewards policy has been set up and the target process modified. A managerial development programme has also been implemented, along with other programmes.

In 2008, DHO will introduce the concept of internal consultancy throughout the Company's business segments, which will bring DHO and management closer.

The Business Culture at Wilson, Sons

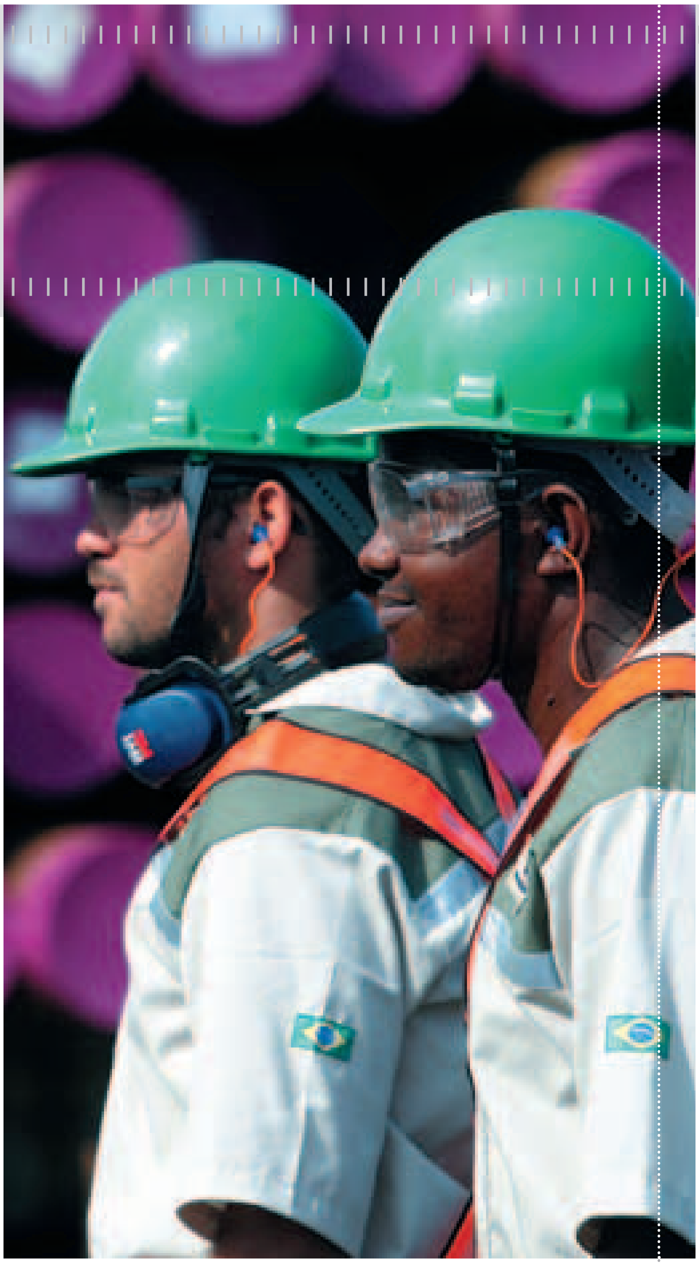
Traditionally modern and entrepreneurial – These qualities, often attributed to the Company, are fully identified with the prevailing business culture at Wilson, Sons. In its selection processes, in addition to technical qualification, the Company looks for professionals who share its values and business philosophy, which privileges talent, responsibility, entrepreneurship, drive for self-development and strong ethical principles.

Among its strengths, the culture at Wilson, Sons is known for encouraging its professionals to get ahead, for promoting a friendly work environment, each a major factor for higher talent retention rates. Wilson, Sons' employees enjoy a great deal of autonomy and are encouraged to identify their needs and competences, which generate a highly-positive return for the team.

Management Programmes

Supporting the Company's management in developing its human resources, DHO sponsors the following:

> Wilson Son's profit sharing programmes offer variable pay through employee compensation packages, based on the Company's performance and results.


Tally Clerk in logistics operation at Wilson, Sons

Programme for the Development of Core Competences

The pursuit of excellence calls for a well-trained, motivated team. For this reason, Wilson, Sons encourages the staff to be constantly seeking new qualifications and career enhancement.

The Company manages and provides, amongst other initiatives, partial financing for undergraduate courses, MBAs, Masters' degrees, language courses, and has set up programmes for managerial development, aimed at improving qualification for leadership. In 2007, this programme focused on strategies to help create high performance teams.

Sharing in Profits and Results

Wilson, Sons offers profit sharing programmes, which are determined via mutual agreement. The goal of these programmes is to enable all eligible employees to receive variable compensation packages that recognise and reward productivity.

Training Programme

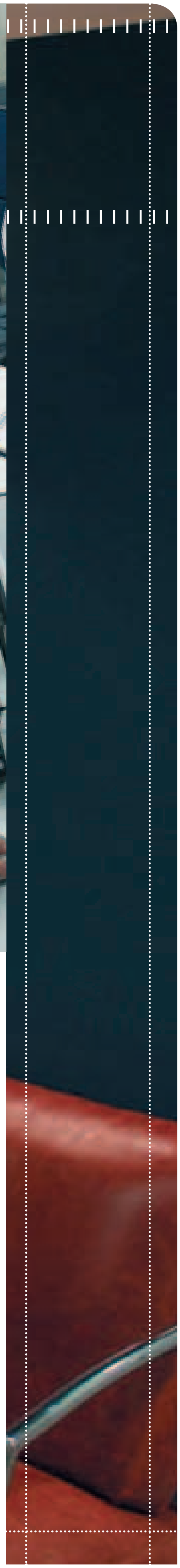
To create high-performance teams and enable our employees to enjoy equal opportunities for professional growth, the Company offers programmes for training and qualification. Over recent years, the Company's budget destined for training activities has increased by 300%. In the last fiscal year alone, 241,110 hours of training were devoted to 487 courses, serving a total of 2,060 participants.

Managing staff performance, retention and succession

Annually, a formal appraisal is made to measure the performance of employees holding various management positions, including those in operational areas. In addition, the Company has adopted specific incentives to retain employees who show high performance, strong commitment and organisational skills. Wilson, Sons also has a programme that identifies potential successors for key positions in the Company. The objective of this programme is to qualify these potential successors, to prepare them for future challenges.

MANAGEMENT AND CORPORATE GOVERNANCE

Management, ethics and transparency



Wilson, Sons is committed to the best international practices of corporate governance, efficient and responsible management that ensures the Company's sustainable growth, while generating value for its shareholders.

The Company seeks to establish solid business relationships with its customers, based on trust. Given the very nature of its activities, the Company's actions are guided by clear ethical principles, respect for the rights of its shareholders and by fair treatment of all its stakeholders.

Fully compliant with the policy of full disclosure, Wilson, Sons seeks to foster a solid business relationship with its clients, based on mutual trust, and, in addition, to respect the rights of its shareholders and guarantee equal treatment of all its stakeholders.

Transparency and responsible management

Operating within a sector of the economy still not widely known by the capital markets, Wilson, Sons has developed and implemented a policy of Full Disclosure (total transparency) and strives to disseminate information to allow for a clear understanding of its operations by the public and a fair and impartial analysis of the Company's businesses.

Wilson, Sons has had its shares listed on the Bovespa as BDRs, a condition that, initially, prevented the Company from adhering into the "Novo Mercado" listing segment, the most selective level of corporate governance in the marketplace. However, the Company's Byelaws voluntarily guarantee rights and corporate governance practices similar to those provided in the "Novo Mercado", such as 100% tag-along rights for minority shareholders and arbitration before the London Court of International Arbitration, among others.

Board of Directors

According to the Company's Byelaws, the Board of Directors is made up of a minimum of five members. At present, the Board has seven members, one of them an independent member, with a mandate of up to three years, as re-election is permitted. The Board is responsible for making business decisions, overall guidelines, plans of action, and long-term investment guidance.

Members of the Board of Directors

Mr. Francisco Gros- – Mr. Gros graduated in Economics (B.A.) at the University of Princeton, U.S.A., in 1964. He has been with the Company since 2003 and currently holds executive positions in several other companies as well. He serves as vice-chairman of the board of directors at OGX and Globex-Ponto Frio, and acts as member of the board to several other companies (including Lojas Renner S.A., Fosfertil S.A., Energias do Brasil – EDP, AGCO, and Wellstream). He also served as a member of the board at Petrobras from 2000 to 2002, and as its chief executive officer in 2002. He was a member of the Energy Crisis Management Committee ("GCE") and president of the Committee for Restructuring the Electricity Sector in 2001. From March 2000 to December 2001, he acted as president of the National Economic and Social Development Bank (BNDES). Between November 1993 and February 2000, he served as managing director (M.D.) at Morgan Stanley's investment banking division. He has presided over the Central Bank on two occasions – in 1987 and from 1991 to 1992. He was president of Aracruz Celulose S/A from 1987 to 1989. From July 1985 to February 1987, he served as director of BNDES and vice-president of BNDESPAR. From 1981 to 1985, he was executive director of Unibanco, responsible for its capital markets division. From 1977 to 1981, he also served as general-superintendent and director of CVM (the Brazilian S.E.C.).

1. Wilson, Sons' head office in Rio de Janeiro (RJ)
2. Partial view of the PSV Saveiros Gaivota internal structure
3. Container yard at Tecon Rio Grande (RS)



Mr. William Henry Salomon – Mr. Salomon received his undergraduate and postgraduate degrees in Law from Magdalene College, in Cambridge, England. Mr. Salomon trained as a merchant banker with Brown Shipley & Co Ltd and at ReaBrothers Limited. In 1987, Mr. Salomon joined Finsbury Asset Management, which was merged in 1995 into ReaBrothers Group, of which Mr, Salomon became Chairman. Subsequently, Close Brothers Group acquired ReaBrothers Group, where Mr. Salomon became Deputy Chairman of the investment division. In 1999, Mr. Salomon established Hansa Capital, of which he is currently Senior Partner. He has been a Director of a variety of UK and internationally listed companies and is currently Chairman of the New India Investment Trust, as well as a Director of Hansa Trust. In addition, Mr. Salomon is Deputy Chairman of Ocean Wilsons Holdings Limited (OWHL), and a Director of Hanseatic Asset Management LBG.

Mr. José Francisco Gouvêa Vieira – Mr. Gouvêa Vieira received a Law degree from the Catholic University of Rio de Janeiro, in 1972, and completed his Master's degree at the same institution, in 1973. He holds a Master's degree in Law from Columbia University, New York, awarded in 1978. He has been managing partner at the law firm Gouvêa Vieira Advogados since 1971 and has been with the Company since 1991. He has served as Chairman of the Board of Directors (1997) at Wilson, Sons de Administração e Comércio (1992), at Ocean Wilsons Holdings Limited (1997) and at Ocean Wilsons (Investments) Limited (1997). He also serves as member of the board of directors to a number of companies, such as Lafarge Brasil S.A., PSA Peugeot, Citroen do Brasil Automóveis Ltda., ARNO S.A., among others.

Mr. Augusto Cezar Tavares Baião – Mr. Baião graduated in Economics from the Catholic University of Rio de Janeiro (PUC RJ). Having joined Wilson, Sons in 1994, he currently acts as CEO of operations in Brazil and as member of the board of directors. From 1982 to 1989, he served as Open Desk Manager at JP Morgan, and as Finance Director of Grupo Lachmann Agência Marítima between 1989 and 1994. He currently holds one of the vice presidency positions at the National Union of Shipping Companies (SYNDARMA), and acts as adviser to the board of directors at the Brazilian Association of Public-Use Container Terminals (ABRATEC).

Mr. Felipe Gutterres – Mr. Gutterres graduated in Economics from the Federal University of Rio de Janeiro and holds a postgraduate degree in Business (Executive MBA) from COPPEAD. From 1994 to 1998, Mr. Gutterres held various executive positions at Shell Brasil S.A. He joined the Company in 1998 and currently serves as CFO of operations in Brazil, member of the board of directors, and legal representative & investor relations.

1. PSV Saveiros Fragata
2. Logistics operation
3. Tugboat Marte operating at sea

Mr. Claudio Marote – Mr. Marote received a Law degree from Faculdade de Direito de Curitiba. He also holds diplomas from the following institutions: International Maritime Law from Lloyds of London, England; Executive Development Program of the Kellogg Institute from Northwestern University, Evanston, Illinois, U.S.A.; Structures and Economic Systems - FDC, Paraná; and in Brazilian Policies and Strategies from the Association of Graduates of the Higher War College, in Santos, São Paulo. He joined the Company in 1964 and has held various executive positions, from branch manager to regional director, to superintendent-director. He began his professional career in 1956 at Agência Marítima Intermares Ltda., a subsidiary of the Bunge Born Group. At present, he acts as a member of the Company's board of directors and is a partner at CMMR - Intermediação Comercial Ltda.

Mr. Pedro Pullen Parente* – Mr. Parente is the CEO of Rede Brasil Sul (RBS). He was elected independent member to the Company's Board of Directors in 2007. He graduated in Electronic Engineering at the University of Brasilia in 1976 and served in various governmental positions, in the economics area, such as Chief Minister of the Civilian Cabinet, from 1999 to 2002; Acting Minister of Mines and Energy, in March 2001; Minister of Planning, Budget and Management, in 1999; and Executive Secretary of the Ministry of Finance, between 1995 and 1999. He served as consultant to the International Monetary Fund, from 1993 to 1994. At present, he serves as member of the board of directors of America Latina Logística S.A. and of Suzano Petroquímica S.A. He is also a member of the Centre for Latin American Studies at the George Washington University.

*Mr. Parente left the Company's Board of Directors on May 8th, 2008, and was replaced, on that same date, by Mr. Paulo Fernando Fleury.

Policies of Disclosure and Negotiation

Wilson, Sons has established its Disclosure and Relevant Information Policy, as well as a Share Dealing Policy, to provide a clear and objective set of rules, designed to assure privacy, to avoid inadequate use of privileged information, and to comply with best practices and standards for negotiation of equity shares.

All Company's controlling shareholders, members of the Board of Directors, as well as any other parties who come across or become aware of privileged information regarding Wilson, Sons must act according to and in line with the Company's Policies of Disclosure and Negotiation, based upon the following principles and objectives:

Investor Relations team – Rio de Janeiro (RJ)

- To provide shareholders and investors with complete, thorough information;
- To assure broad and immediate disclosure of any Relevant or Material Information concerning the Company;
- To provide equal access to public information for all shareholders and investors;
- To guarantee that Relevant or Material Information concerning the Company is fully and properly disclosed to the public;
- To uphold best practices in corporate governance.

Auditing and Compliance

In 2008, the Company intends to set up an Internal Audit & Compliance Committee, to raise awareness among its employees to the importance of their full compliance with the Company's code of ethics and conduct, as well as to identify possible conflicts of interest and implement standards for the preservation and use of privileged information.

Investor Relations

By setting up the Investor Relations (IR) area in 2007, the Company has reinforced its commitment to transparency and respect for the rights of its shareholders. The new area has qualified professionals, who take a pro-active attitude, seeking to improve communication with investors and also to tangibly express the reality of the Company's businesses to shareholders, to the capital markets and to the regulatory authorities.

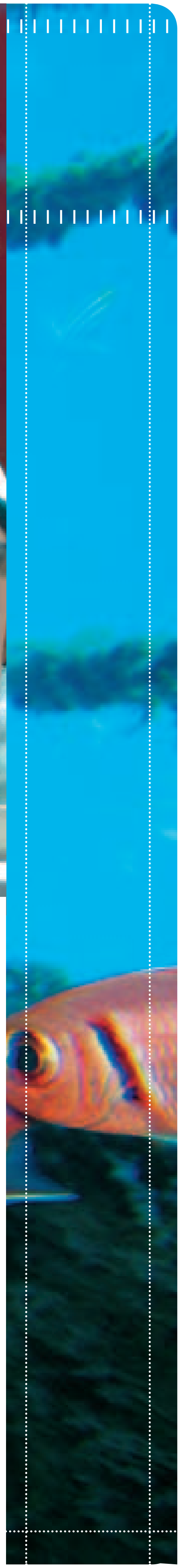
In addition to the publication of periodical reports about the Company's performance, responding to investors promptly and understanding its shareholder base, the IR team also works to ensure accessibility to Company management for shareholders and potential investors. In this way, Wilson, Sons' IR team takes on ever-growing strategic importance for the Company.

The area is also responsible for management and maintenance of its IR website, aimed at the public interested in the Company's performance and presented in both Portuguese and English. Its dynamic content is prepared with a view to meeting the needs of all types of investors. Periodically, the IR website publishes press releases, Company balance sheets and financial statements, quarterly presentations, and a calendar of the Company's main corporate events.

Come and visit Wilson, Sons online, at www.wilsonsons.com/ir.

WILSON, SONS AND SOCIETY

Commitment to Sustainability



Wilson, Sons is committed to ethics and the quality of life of its employees, their families, the community and society as a whole.

In its actions, the Company strives to protect the environment, seeks the best relationship with its surrounding communities, and acts with respect for social and human rights. The principle behind its social initiatives is to promote improvement in the quality of life and to stimulate the exercise of citizenship and development, by focusing on enhancement of educational and cultural quality provided to the young.



1. Initiative by the volunteer programme Creating Links
2. Children at Casa Jimmy
3. Interaction among children and staff sponsored by Creating Links, during event at NGO Viva São Gonçalo, in Rio de Janeiro (RJ)

> "By respecting the environment and the social and human rights, the Company focuses on enhancement of the educational and cultural quality provided to the young."

Health, Safety and the Environment

Focused on the sustainable development of its activities, Wilson, Sons devotes special attention to the issues of health, safety and the environment. Environmental preservation is one of the priorities of its strategic policy and the Company has spread the concept of responsibility and accountability for the preservation of the environment amongst its employees and contracted partners.

The Company takes all possible measures to prevent environmental damage in its activities, and makes advance assessments of potential effects while new products and services are being developed. In 2007, an Environmental Committee was set up to ensure the provision of safe, quality services and for the laying down of internal policies regarding risk-assessment, pollution-fighting drills and emergency action-plans for each business segment.

This Committee also holds courses and training on the environment and safety, which have been attended by 90% of the Company's employees (seamen) who crew the vessels. In 2007, the Company completed a preliminary study of environmental risks in its main business segments, benchmarking companies that stand out in terms of their environmental management skills.

Committed to an effort to contribute to environmental preservation, Wilson, Sons made available seven of its retired tugboats to the Association of Diving Companies in the State of Pernambuco, between 2002 and 2007. The vessels were sunk in order to help in the recovery of marine ecosystems, acting as a live laboratory for universities to carry out studies of marine biology. These were the first shipwrecks in the country authorised by Brazil's Navy Authority Department (DNH – Departamento de Hidrografia e Navegação da Marinha do Brasil), and by the Harbourmaster's Department, followed by IBAMA (Brazil's environmental protection agency).

Commitment to Citizenship

Aware of the importance of its participation in laying down the groundwork for a better and fairer world, Wilson, Sons has concentrated its investments in projects involving young people in situations of social risk, in various Brazilian cities.

In order to strengthen its corporate actions and spread a culture of conscientiousness and accountability among its employees, the launching of the volunteer programme "Creating Links" in 2007 sought to unite efforts in favour of social causes. Implemented initially at its Head Office, in the city of Rio de Janeiro (RJ), the programme will also be implemented in 2008 along the Company's branch offices, located throughout the country.

Criando Laços

Visit at Wilson, Sons' memory centre,
located in the Company's Head Office

The objective of this initiative (Creating Links) is to stimulate the development of social actions and projects, to deepen the relationship with the communities where the Company is active, and to encourage the personal and professional development of its employees.

Highlighted below, some of the institutions sponsored by the Company:
Rio de Janeiro: Task Brasil (www.taskbrasil.org.uk);
Escola de Gente (www.escoladegente.org.br);
Instituto Reação (www.institutoreacao.org.br);
São Paulo: Instituto Anglicano (www.institutoanglicano.org.br);
Recife: Lar do Neném Orphanage (www.lardonenen.com.br);
São Francisco do Sul: APAE (http://saofranciscodosul.apaebrasil.org.br/);
Salvador: Casa da Criança Orphanage (http://www.projetocasadacrianca.com.br/unidade.php?cod=13).

Wilson, Sons Memory Centre – As a way of preserving its history and contributing to the conservation of Brazil's culture, the Company set up the Wilson, Sons Memory Centre, an archive that contains some 4,000 items, which include documents and materials that portray Brazilian history of the industry in which the Company is active.

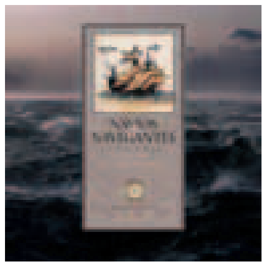
Centro de Memória Wilson.Sons

The Company, in addition to sharing information from its sector, also sponsors books on themes related to international trade, such as "The Gold and Silver Route" (published in 1995), "Brazilian Boats" (2004), "The Wilson, Sons Saga (1997), "Ships and Sailors" (2005), "Brazil by Sea" (2006) and "Centennial Companies - The Secret of Longevity" (2007).

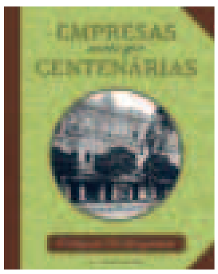
Books sponsored by the Wilson, Sons Memory Centre:

Embarcações brasileiras
(Brazilian Boats)

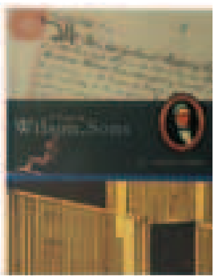
Brasil pelos mares
(Brazil by Sea)



Navios e navegantes
(Ships and Sailors)



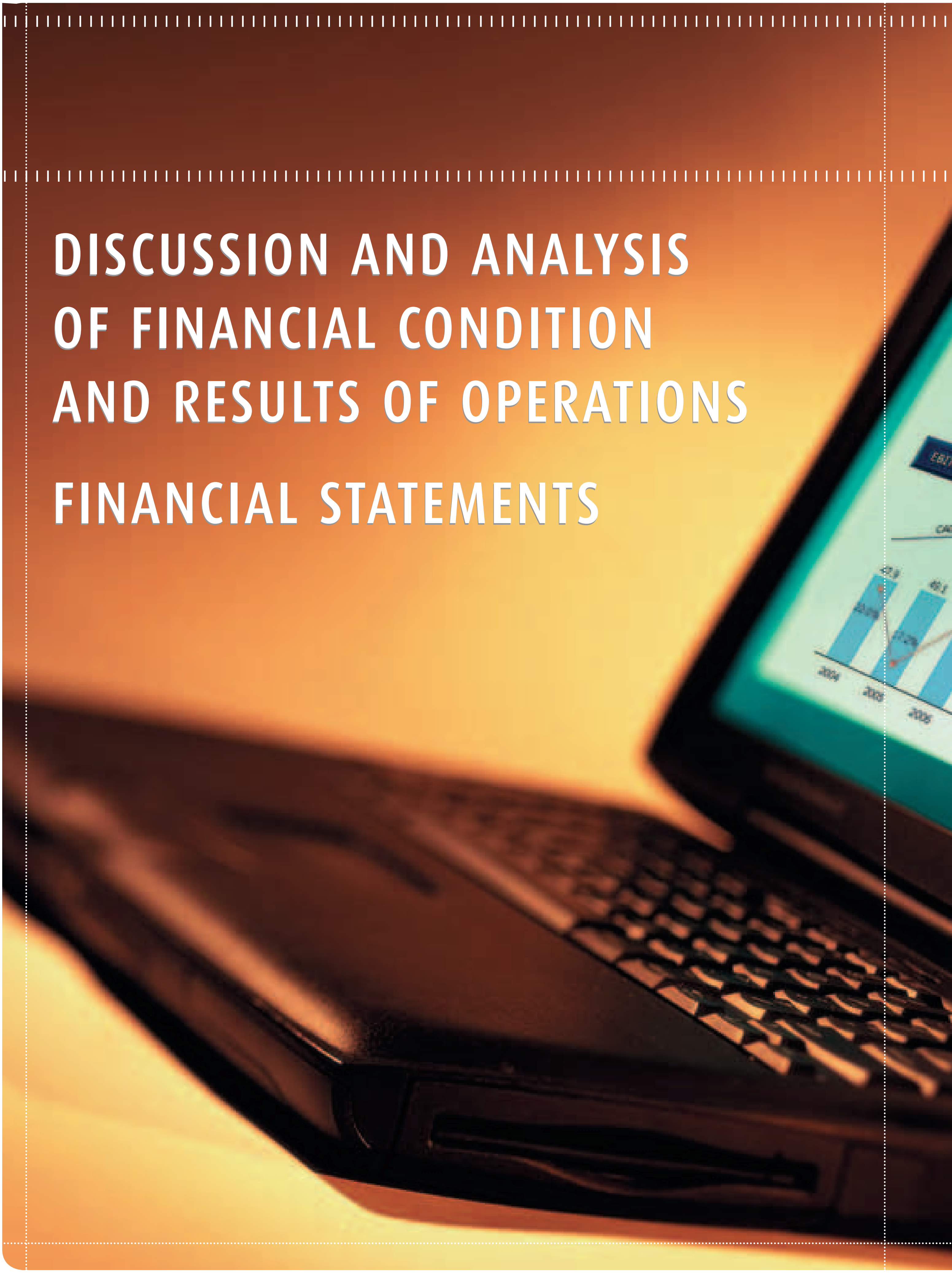
Empresas mais que centenárias
(Centenarian Companies –
The Secret of Longevity)



A saga da Wilson, Sons
(The Wilson, Sons Saga)

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL STATEMENTS



The following comments present the financial condition and operating results of Wilson, Sons, and should be read in conjunction with Audited Financial Statements and Related Notes. More detailed information concerning changes to the Company's financial and equity results is available online at www.wilsonsons.com, or also at CVM's website, www.cvm.gov.br.

One of the main pillars that serve as the foundation for Wilson, Sons' business strategy is the Company's focus on providing high-return services. In 2007, the Company recorded important achievements, as it expanded business volume across each of the segments in which it operates and finished the year with consistent results.

The following pages contain comments on the consolidated results and financial performance of the Company, outlined and presented by business segments.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Port Terminals

Wilson, Sons develops and operates its port terminals segment by means of (a) management of container port terminals (Tecon Rio Grande and Tecon Salvador), (b) management of terminals to support the oil industry, and (c) on a smaller scale, by its operations in public ports. These activities are divided as follows: (i) port operations for the loading and unloading of vessels, and (ii) warehousing and auxiliary services.

Net Revenues

Net revenues increased by 16.9% in 2007, from US$127.4 million in 2006 to US$149.0 million at year end. In addition to an increase in volume of deep sea and cabotage services in 2007, an improved result directly related to the impact from foreign exchange rate variation, bearing in mind that 48% of its revenues are denominated in Brazil's currency, the Real.

Operating Income

Operating income increased by 8.8%, from US$39.4 million in 2006 to US$42.8 million in 2007. This performance in 2007 is attributed to a better mix in revenues, from higher pricing and value-added services, in addition to a recovery in margins throughout the year and increase in the number of contracts with the oil and gas industry.

EBITDA

EBITDA reached US$49.6 million in 2007, which represented growth of 10.6% compared to US$44.8 million in the year 2006. In the same period, there was a reduction in EBITDA margin of 1.9 p.p., from 35.2% in 2006 to 33.3% in 2007.

Towage

Wilson, Sons offers the following services related to towage activities: (i) harbour towage services, (ii) ocean towage, (iii) assistance in salvage, and (iv) support for maritime operations in the offshore industry.

Net Revenues

Net revenues were up by 23.6%, from US$118.8 million in 2006 to US$146.8 million in 2007, following the increase, throughout 2007, of special operations and growth in the volume of port manoeuvres. In the same year, services to ships with greater deadweight generated higher revenues per manoeuvre.

Operating Income

Operating income increased by 50.5%, from US$31.4 million in 2006 to US$47.2 million in 2007. Operating margin was also higher in the period, from 26.4% in 2006 to 32.1% in 2007 (or a rise of 5.7p.p), the result of strong performance in this sector seen throughout the year.

EBITDA

EBITDA reached US$53.7 million, an increase of 45.6% over the US$36.9 million in 2006. Similarly, EBITDA margin also increased, by 5.5 p.p., up from 31.0% in 2006, to 36.6% in 2007.

1. A ship berthed at Tecon Rio Grande (RS)
2. Containers at Tecon Rio Grande (RS)
3. A truck also at Tecon Rio Grande (RS)

Logistics

Wilson, Sons develops and provides unique logistics solutions for management of its clients' supply chain and product distribution, through the integration of various services, including: (i) warehousing, (ii) bonded warehousing, (iii) distribution, (iv) road transportation, (v) multi-modal transportation, and (vi) NVOCC – Non Vessel Operating Common Carrier.

Net Revenues

Net revenues increased by 40.2% in 2007, from US$49.3 million in 2006 to US$69.1 million. This expansion was made possible mainly by the winning of contracts with major clients in multi-modal operations, followed by an increase in the scope of existing operations, expansion of 8.8% in the number of trips completed, and higher volumes of imported goods traded.

Operating Income

Operating income in the logistics segment increased by 9.1%, from US$4.2 million in 2006 to US$ 4.6 million in 2007. In addition to the commencement of new operations in 2007, the Dry Port at Santo André also benefited from growth in the volume of imports, which had a direct impact on income in the period.

EBITDA

EBITDA in the year 2007 amounted to US$5.3 million, growth of 7.8% over 2006 figures, explained mainly by the reasons mentioned previously under the operating income section. EBITDA margin remained unchanged, at 7.6%.

Shipping Agency

Wilson, Sons acts as the legal representative to ship operators, and offers the following services in the shipping agency segment: (i) commercial representation, (ii) documentation services, (iii) control of containers, (iv) control of demurrage (overstay), and (v) services to ships.

Net Revenues

Net revenues reached US$20.4 million in 2007, an increase of 14.7% over 2006 figures, of US$17.8 million. The main events that led to this result were the increases in (i) BL fee; (ii) Container Fee, and (iii) the number of containers handled, in spite of the reduction in the number of liner calls completed in the period, due to loss of a client's decision to make all shipping agency operations in-house.

Operating Income

Operating income fell from US$8.5 million in 2006 to US$4.2 million in 2007, as a result of the re-assessment of a number of provisions and impact of foreign-exchange rate fluctuations, which reduced income obtained in the period.

EBITDA

EBITDA in the year 2007 amounted to US$4.5 million, which represented a reduction of 50.4%, compared to US$9.1 million recorded in the previous year.



1. PSV Saveiros Albatroz
2. Tecon Rio Grande (RS)
3. Welder at Wilson, Sons' shipyard, in Guarujá (SP)

Offshore

In the Offshore segment, Wilson, Sons provides support services for the exploration and production of oil and gas, through the operation of PSVs that carry equipment, mud for drilling, piping, provisions, cement and any other necessary materials, between the offshore platforms and the operating base.

Net Revenues

Net Revenues increased by 28.2%, from US$8.4 million in 2006 to US$10.7 million in the year 2007, reflecting the start of operations of the Company's third PSV, the Fragata. The positive impact was, however, attenuated by the absence in 2007 of non-recurring extra services delivered only in the first quarter of 2006, to support offshore operations.

Operating Income

Operating income from Offshore services in 2007 amounted to US$1.8 million, 67.1% higher than 2006 figures.

EBITDA

EBITDA amounted to US$4.5 million in 2007, 37.65% higher than EBITDA figures in 2006, of only US$3.2 million. In the same period, EBITDA margin increased by 2.8 p.p., from 38.8% in 2006 to 41.6% in 2007.

Non-Segmented Activities

This business segment includes the services rendered to third parties by the Company's shipyard, as well as from the Company's 33.3% ownership interest in dredging company Dragaport, and total administrative costs, relative to all of the Company's business segments.

Net Revenues

Net revenues were reduced from US$12.5 million in 2006 to R$8.0 million in 2007. In general terms, this reduction may be explained, mainly, by: (i) lower number of dredging operations completed in 2007 and (ii) higher quantity of services rendered to third parties by the shipyard in 2006.

Operating Income

Operating income was 37.6% lower in 2007, from US$20.6 million negative in 2006 to US$28.3 million negative in 2007, explained mainly by (i) foreign-exchange effects, (ii) collective bargaining agreement, and (iii) higher revenues at the shipyard in 2006, as compared to performance in 2007.

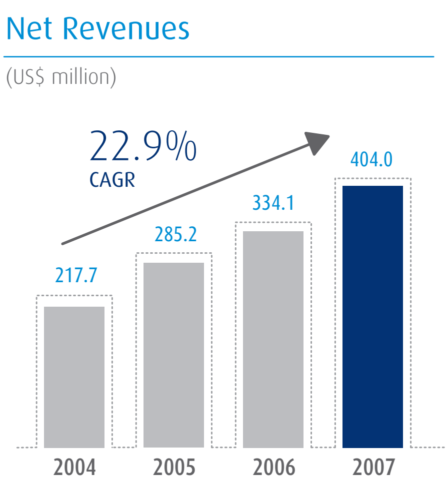
EBITDA

EBITDA in 2007 amounted to US$26.1 million negative, as compared to US$22.7 million negative for the same period in the previous year.

Consolidated

Net Revenues

Consolidated net revenues reached US$404.0 million in 2007, 20.9% higher than 2006 figures, of US$334.1 million. The US$69.9 million rise in net revenues is due mainly to (i) growth in operations at Port Terminals, as the Company managed to offer higher value-added services in the period; (ii) performance in the Towage segment, as a result of growth in the volume of special operations delivered; (iii) growth in the Logistics segment, mainly from the larger number of operations provided to its major clients, thus increasing the number of existing operations, higher volume of imports and also from the expansion of the number of trips completed.



Operating Income

Operating income in 2007 increased by 13.0% when compared to 2006, from US$64.0 million to US$72.3 million. The increase of US$8.3 million derived, mainly, from growth in Terminals and Towage. In the Terminals segment, the positive impact is mainly due to a better mix of services and pricing. Similarly, the Towage segment achieved growth in operating income because of the increase in the quantity and value of its special operations.

Over the course of the years 2006 and 2007, there was a series of one-off events that impacted Wilson, Sons' operating income, and it is, therefore, important to exclude this for the analysis of its overall financial results.

By excluding non-recurring effects seen in 2007; namely from provisions made (-US$13.3 million), the sale of dredgers (+US$3.4 million), a tax credit from final judicial rulings (US$1.7 million) and excess taxation (+US$5.9 million); and in 2006; from the sale of ownership interest in WRC (+US$2.0 million) and higher ownership interest in Brasco (+US$1.4 million); therefore, 2007 operating income would amount to US$74.6 million, or 25.2% higher than 2006 figures, of US$59.6 million, duly adjusted.

Net Revenues (US$ million)

	2007	2006	Var. (%)
Port Terminals	149.0	127.4	16.9
Towage	146.8	118.8	23.6
Logistics	69.1	49.3	40.2
Shipping agency	20.4	17.8	14.7
Offshore	10.7	8.4	28.2
Non-Segmented Activities	8.0	12.5	-35.6
Total	**404.0**	**334.1**	**20.9**

Operating Income (US$ million)

	2007	2006	Var. (%)
Port Terminals	42.8	39.4	8.8
Towage	47.2	31.4	50.5
Logistics	4.6	4.2	9.1
Shipping agency	4.2	8.5	-51.1
Offshore	1.8	1.1	67.1
Non-Segmented Activities	-28.3	-20.6	-37.6
Total	**72.3**	**64.0**	**13.0**



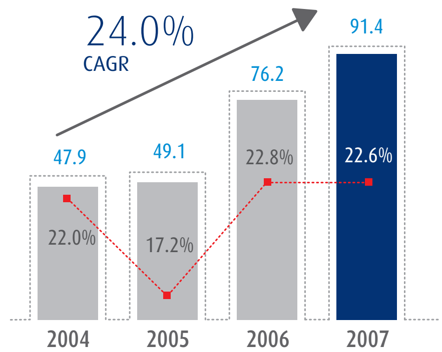
1. Tecon Salvador (BA)
2. The tugboat Titan
3. Fork-lift handling a pallet at EADI, the Santo André Dry Port (SP)

EBITDA

EBITDA reached US$91.4 million in 2007, an amount 19.8% higher than that of 2006, of US$76.2 million. After excluding all non-recurring events in 2007 and in 2006, EBITDA for 2007 would reach US$93.7 million, 25.4% higher than 2006 adjusted figures, of US$74.7 million.

Growth in EBITDA and EBITDA Margin

(US$ million)



EBITDA (US$ million)

	2007	2006	Var. (%)
Port Terminals	49.6	44.8	10.6
Towage	53.7	36.9	45.6
Logistics	5.3	4.9	7.8
Shipping agency	4.5	9.1	-50.4
Offshore	4.5	3.2	37.6
Non-Segmented Activities	-26.1	-22.7	15.3
Total	**91.4**	**76.2**	**19.8**

Financial Revenues and Expenses

As of December 31st, 2007, the Company's total revenues from financial investments increased by US$9.8 million, when compared to 2006. Such an increase was due, mainly, to investment of proceeds obtained from the Company's initial public offering, issued in late April 2007, from cash flow generation, and it was also affected by gains resulting from conversion in accordance with IFRS (International Financial Reporting Standards) accounting method.

Financial Revenues and Expenses (US$ million)

	2007	2006	Var. (%)
Financial Revenues	19.2	9.4	104.1
Financial Expenses	-7.6	-6.4	17.9
Net Revenues	**11.6**	**3.0**	**284.4**

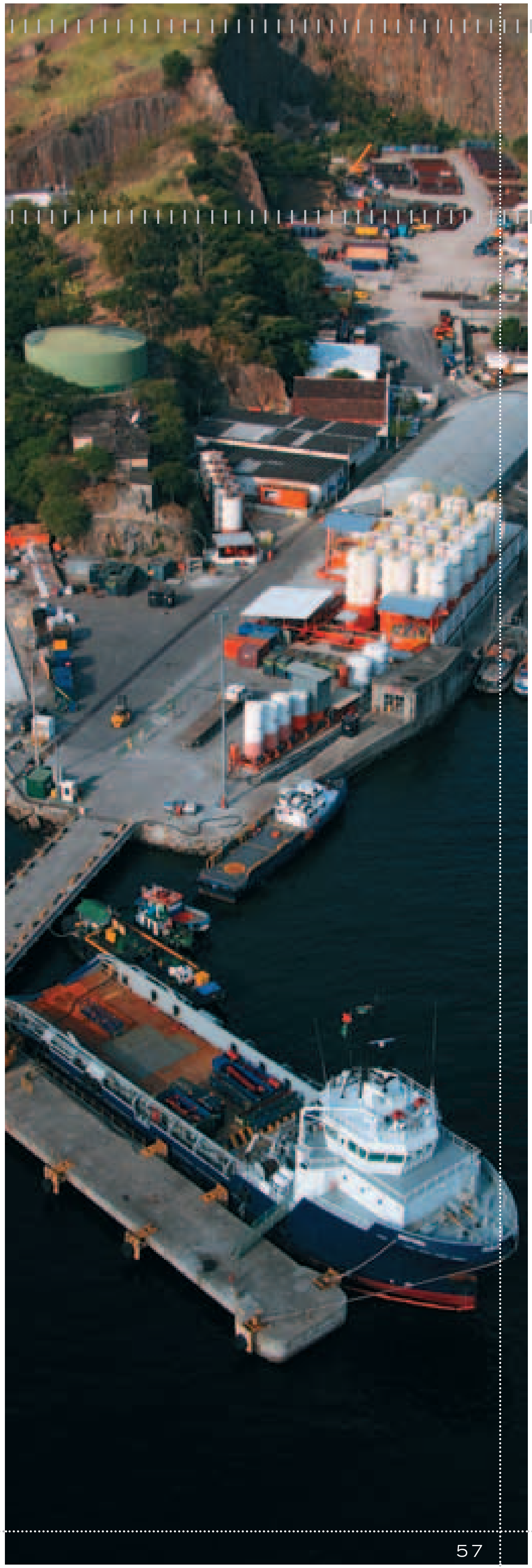
Net Earnings

Net earnings increased by 32.9%, from US$43.5 million on December 31st, 2006 to US$57.8 million, as of December 31st, 2007.

Investments

In the year 2007, total investments amounted to US$99.2 million, amount 135.1% higher than in 2006, when figures reached of US$42.2 million, mainly due to: construction of PSVs, renewal of the Company's fleet of tugboats, port terminal construction, and procurement of equipment.

Aerial view of Brasco's offshore terminal – in Niterói (RJ)



Investments (US$ million)

	2007	2006	Var. (%)
Port Terminals	26.3	14.2	84.7
Towage	29.8	7.8	279.3
Logistics	1.6	1.1	38.4
Shipping agency	0.8	0.5	63.6
Offshore	39.9	15.7	154.6
Non-Segmented Activities	0.8	2.8	-70.0
Total	**99.2**	**42.2**	**135.1**

Indebtedness

In the period ending on December 31st, 2007, the Company's total indebtedness increased by 35.7%, amounting to US$52.5 million, mainly due to additional funds made available by Brazil's development bank BNDES for the construction of tugboats and PSVs.

Net Debt (US$ million)

	2007	2006
Short Term	14.7	14.9
Long Term	134.7	95.2
Total Indebtedness	149.5	110.2
(-) Cash-in-hand and financial investments	-197.7	-54
(=) Debt / Net Cash	**-48.2**	**55.6**

Total Debt (US$ million)

	2007	2006
Denominated in R$	0.1	0.8
Denominated in US$	149.4	109.4
Total Debt	**149.5**	**110.2**

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Directors of
Wilson Sons Limited
Hamilton, Bermuda

We have audited the accompanying consolidated financial statements of Wilson Sons Limited ("the Group"), which are comprised of the consolidated balance sheets as of 31 December 2007 and 2006, and the related consolidated income statements, statements of changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes all expressed in United States dollars, the presentation currency of the Group.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Wilson Sons Limited

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2007 and 2006 and the consolidated results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards, expressed in United States dollars.

International Financial Reporting Standards vary in certain significant respects from accounting practices adopted in Brazil. The application of the latter would have affected the determination of equity and financial position as of 31 December 2007 and 2006 and the determination of net income for the years then ended to the extent summarized in Note 35.

Our audits also comprehended the convenience translation of the presentation currency amounts (United States dollar) into Brazilian real amounts and, in our opinion, such convenience translation has been made in conformity with the basis stated in Note 2. The translation of the consolidated financial statement amounts into Brazilian reais has been made solely for the convenience of readers in Brazil.

DELOITTE TOUCHE TOHMATSU

Rio de Janeiro, Brazil
17 March 2008

CONSOLIDATED BALANCE SHEETS

AS OF 31 DECEMBER 2007 AND 2006

				Convenience translation	
		2007	2006	2007	2006
	Notes	US$000	US$000	R$000	R$000
NON-CURRENT ASSETS				**1.7713**	**2.1380**
Goodwill	**12**	13,132	13,132	23,261	28,076
Other intangible assets	**13**	2,041	2,053	3,615	4,389
Property, plant and equipment	**14**	252,105	175,785	446,554	375,828
Deferred tax assets	**20**	12,713	8,289	22,519	17,722
Available for sale investment	**15**	6,466	5,346	11,453	11,430
Other non-current assets		11,123	7,810	19,701	16,698
Total non-current assets		297,580	212,415	527,103	454,143
CURRENT ASSETS					
Inventories	**16**	7,379	7,061	13,070	15,096
Trade and other receivables	**17**	72,755	52,812	128,871	112,912
Cash and cash equivalents	**18**	197,688	54,597	350,165	116,729
Total current assets		277,822	114,470	492,106	244,737
TOTAL ASSETS		575,402	326,885	1,019,209	698,880

Exchange rates:
2007 – R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

AS OF 31 DECEMBER 2007 AND 2006

	Notes	2007 US$000	2006 US$000	Convenience translation 2007 R$000	Convenience translation 2006 R$000
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	26	9,905	8,072	17,545	17,258
Capital reserves		146,334	24,577	259,201	52,546
Unrealized gain in investments		2,341	2,381	4,147	5,091
Retained earnings		141,912	97,567	251,368	208,598
Translation reserve		15,807	8,573	27,999	18,329
Equity attributable to equity holders of the parent		316,299	141,170	560,260	301,822
Minority interests		5,254	3,830	9,306	8,189
Total equity		321,553	145,000	569,566	310,011
NON-CURRENT LIABILITIES					
Bank loans	19	134,744	95,216	238,672	203,572
Deferred tax liabilities	20	10,807	9,089	19,142	19,432
Provisions	21	12,484	5,913	22,113	12,640
Obligations under finance leases	22	1,441	1,098	2,552	2,348
Total non-current liabilities		159,476	111,316	282,479	237,992
CURRENT LIABILITIES					
Trade and other payables	23	78,042	52,505	138,236	112,256
Current tax liabilities		742	1,756	1,315	3,754
Obligations under finance leases	22	869	581	1,539	1,242
Bank overdrafts and loans	19	14,720	14,945	26,074	31,952
Derivative financial instruments	24	-	782	-	1,673
Total current liabilities		94,373	70,569	167,164	150,877
Total liabilities		253,849	181,885	449,643	388,869
TOTAL EQUITY AND LIABILITIES		575,402	326,885	1,019,209	698,880

Exchange rates:
2007 - R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

				Convenience translation	
		2007	2006	2007	2006
	Notes	US$000	US$000	R$000	R$000
REVENUE	4	**404,046**	**334,109**	**715,687**	**714,325**
Raw materials and consumables used		(40,464)	(53,886)	(71,674)	(115,208)
Personnel expenses	5	(116,180)	(83,077)	(205,790)	(177,619)
Depreciation and amortization expense		(19,066)	(15,100)	(33,772)	(32,284)
Other operating expenses	6	(160,866)	(122,888)	(284,942)	(262,735)
Profit on disposal of property, plant and equipment	7	4,819	401	8,536	857
Profit on disposal of joint venture		-	2,965	-	6,339
Release of surplus on acquisition of interest in subsidiary	8	-	1,433	-	3,064
OPERATING PROFIT		**72,289**	**63,957**	**128,045**	**136,739**
Investment income	10	19,238	9,425	34,076	20,151
Result on disposal of investment	9	-	(2,822)	-	(6,033)
Finance costs	10	(7,565)	(6,414)	(13,400)	(13,713)
PROFIT BEFORE TAX		**83,962**	**64,146**	**148,721**	**137,144**
Income tax expense	11	(26,165)	(20,669)	(46,346)	(44,190)
PROFIT FOR THE YEAR		**57,797**	**43,477**	**102,375**	**92,954**
Attributable to:					
Equity holders of parent		56,151	42,671	99,460	91,231
Minority interests		1,646	806	2,916	1,723
		57,797	43,477	102,376	92,954
Earnings per share					
Basic and diluted	26	**94.4c**	**71.8c**	**167.3c**	**153.4c**

Exchange rates:
2007 – R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

								Attributable		
			Capital reserves			**Unrealized**		**Currency**	**to equity**	
		Share	**Share**		**gain in**	**Retained**	**translation**	**holders of**	**Minority**	
	Note	**capital**	**premium**	**Others**	**investments**	**earnings**	**Reserve**	**the parent**	**interests**	**Total**
		US$000	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**
BALANCE AT JANUARY 1, 2006		8,072	-	22,546	1,856	65,190	6,576	104,240	1,313	105,553
Gains on available for sale investment		-	-	-	525	-	-	525	-	525
Currency translation adjustment		-	-	-	-	-	1,997	1,997	187	2,184
Profit for the year		-	-	-	-	42,671	-	42,671	806	43,477
Total income and expenses for the year		-	-	-	525	42,671	1,997	45,193	993	46,186
Increase in minority interest		-	-	-	-	-	-	-	1,524	1,524
Dividends	**26**	-	-	-	-	(8,263)	-	(8,263)	-	(8,263)
Transfer to capital reserves		-	-	2,031	-	(2,031)	-	-	-	-
BALANCE AT DECEMBER 31, 2006	**26**	8,072	-	24,577	2,381	97,567	8,573	141,170	3,830	145,000
Gains on available for sale investment		-	-	-	(40)	-	-	(40)	-	(40)
Currency translation adjustment		-	-	-	-	-	7,234	7,234	655	7,889
Profit for the year		-	-	-	-	56,151	-	56,151	1,646	57,797
Total income and expenses for the year		-	-	-	(40)	56,151	7,234	63,345	2,301	65,646
Transfer to capital reserves				3,806		(3,806)		-	-	-
Subscription to capital on IPO with premium arising on the issue of shares		1,833	117,951	-	-	-	-	119,784	-	119,784
Dividends	**26**	-	-	-	-	(8,000)	-	(8,000)	(877)	(8,877)
BALANCE AT DECEMBER 31, 2007	**26**	9,905	117,951	28,383	2,341	141,912	15,807	316,299	5,254	321,553

Exchange rates:
2007 – R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

(continues)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

Convenience translation

	Note	Share capital	Capital reserves Share premium	Others	gain in investments	Unrealized Retained earnings	translation Reserve	Attributable Currency holders of the parent	to equity Minority interests	Total
		R$000	R$000	R$000	R$000	R$000	R$000	R$000	R$000	R$000
BALANCE AT JANUARY 1, 2006		18,894	-	52,773	4,345	152,590	15,393	243,995	3,073	247,068
Gains on available for sale investment		-	-	-	1,122	-	-	1,122	-	1,122
Currency translation adjustment		-	-	-	-	-	4,270	4,270	400	4,670
Profit for the year		-	-	-	-	91,231	-	91,231	1,723	92,954
Total income and expenses for the year		-	-	-	1,122	91,231	4,270	96,623	2,123	98,746
Increase in minority interest								-	3,258	3,258
Dividends	**26**	-	-	-	-	(17,666)	-	(17,666)	-	(17,666)
Transfer to capital reserves		-	-	4,342	-	(4,342)	-	-	-	-
Translation adjustment to Real		(1,636)	-	(4,569)	(376)	(13,215)	(1,334)	(21,130)	(265)	(21,395)
BALANCE AT DECEMBER 31, 2006	**26**	17,258	-	52,546	5,091	208,598	18,329	301,822	8,189	310,011
Gains on available for sale investment		-	-	-	(71)	-	-	(71)	-	(71)
Currency translation adjustment		-	-	-	-	-	12,814	12,814	1,158	13,972
Profit for the year		-	-	-	-	99,460	-	99,460	2,916	102,376
Total income and expenses for the year		-	-	-	(71)	99,460	12,814	112,203	4,074	116,277
Transfer to capital reserves		-	-	6,742	-	(6,742)	-	-	-	-
Subscription to capital on IPO with premium arising on the issue of shares		3,247	208,925	-	-	-	-	212,172	-	212,172
Dividends	**26**	-	-	-	-	(14,170)	-	(14,170)	(1,553)	(15,723)
Translation adjustment to Real		(2,960)	-	(9,012)	(873)	(35,778)	(3,144)	(51,767)	(1,404)	(53,171)
BALANCE AT DECEMBER 31, 2006	**26**	17,545	208,925	50,276	4,147	251,368	27,999	560,260	9,306	569,566

Exchange rates:
2007 - R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

				Unaudited Convenience translation	
		2007	2006	2007	2006
	Notes	US$000	US$000	R$000	R$000
NET CASH FROM OPERATING ACTIVITIES	**32**	**58,364**	**43,099**	**103,380**	**92,148**
INVESTING ACTIVITIES					
Interest received		11,398	5,706	20,190	12,200
Proceeds on disposal of property, plant and equipment		8,700	2,110	15,410	4,511
Purchases of property, plant and equipment		(92,583)	(42,873)	(163,995)	(91,662)
Net cash inflow arising on disposal of joint venture and associate		-	3,464	-	7,406
Net cash inflow arising from acquisition of subsidiary		-	1,723	-	3,684
Net cash used in investing activities		(72,485)	(29,870)	(128,395)	(63,861)
FINANCING ACTIVITIES					
Subscription to capital (IPO)		119,784	-	212,172	-
Dividends paid		(8,000)	(7,577)	(14,170)	(16,200)
Repayments of borrowings		(22,590)	(16,099)	(40,014)	(34,420)
Repayments of obligations under finance leases		(633)	(3,421)	(1,119)	(7,314)
New bank loans raised		54,882	20,955	97,212	44,802
Increase in bank overdrafts		5,927	640	10,500	1,366
Net cash generated by (used in) financing activities		149,370	(5,502)	264,581	(11,766)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**135,249**	**7,727**	**239,566**	**16,521**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**54,597**	**43,152**	**116,729**	**101,006**
Effect of foreign exchange rate changes		7,842	3,718	13,891	7,949
Translation adjustment to Real		-	-	(20,021)	
(8,747)					
CASH AND CASH EQUIVALENTS AT END OF YEAR		**197,688**	**54,597**	**350,165**	**116,729**

Exchange rates:
2007 – R$1.7713/ US$1.00
2006 - R$2.1380/ US$1.00

The accompanying notes are an integral part of the consolidated financial statements.

NOTES FOR THE ACCOUNTS FOR THE YEARS

ENDED 31 DECEMBER 2007 and 2006

1. GENERAL INFORMATION

Wilson Sons Limited (the "Group" or "Company") is a Company incorporated in Bermuda under the Companies Act 1981. The address of the registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The Group is one of the largest providers of integrated port and maritime logistics and supply chain solutions. Throughout our 170 years in the Brazilian market, we have developed an extensive national network and provide a variety of services related international trade, particularly in the port and maritime sectors. Our principal activities are divided into the following segments: operation of port terminals, towage services, logistics, shipping assistance and support to offshore oil and natural gas platforms.

These financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US Dollars are included in accordance with the policies.

2. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments and share based payments liability.

New Standards and Interpretations effective in the current period

In the current year, the Group has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group's financial instruments and management of capital (see note 30).

Four Interpretations issued by the International Financial Reporting Interpretations Committee - IFRIC are effective for the current period. These are: IFRIC 7 - Applying the Restatement Approach under IAS 29 (Financial Reporting in Hyperinflationary Economies); IFRIC 8 - Scope of IFRS 2; IFRIC 9 - Reassessment of Embedded Derivatives; and IFRIC 10 - Interim Financial Reporting and Impairment. The adoption of these Interpretations has not led to any changes in the Group's accounting policies.

At the date of authorization of these financial statements, the following Standards and Interpretations which have not been applied in these Financial Statements were in issue but not yet effective:

- IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009); and
- IFRIC 11 IFRS 2: Group and Treasury Share Transactions (effective for annual periods beginning on after 1 March 2007);and
- IFRIC 12 Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008); and
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

The directors anticipate that all of the above Standards and Interpretations will be adopted in the Group's financial statements for the period in which they are effective and that the adoption of those Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards

Convenience translation

The financial statements were originally prepared in US Dollars, and also have been translated into the Real, the Brazilian currency. The exchange rates used for the purposes of this convenience translation were the PTAX exchange rates ruling as at the closing dates of the consolidated financial statements, as published by the Brazilian Central Bank. On 31 December 2007 and 2006 the applicable exchange rates were R$1.7713 and R$2.1380, respectively. The difference between the applicable exchanges rates, on each of the closing dates, generates impacts of translation on the beginning balances of the financial statements and on the changes therein through the subsequent year end. The effect of this difference was disclosed in the Brazilian Currency (Real) Consolidated Statement of Changes in Equity and respective notes as “Translation adjustment to Real”. This convenience translation to the Real was carried out with the sole objective of providing the user of the financial statements a view of the numbers in the currency of the country in which the Group carries out its operations.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority’s share of changes in equity since the date of the combination.

Foreign currency

The functional currency for each Group entity is determined as the currency of the primary economic environment in which it operates. Transactions other than those in the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at year end exchange rates.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity.

On consolidation, the income statement items of entities with a functional currency other than US Dollars are translated into US Dollars, the Group’s presentational currency, at average rates of exchange. Balance sheet items are translated into US Dollars at year end exchange rates. Exchange differences arising on consolidation of entities with functional currencies other than US Dollars are classified as equity and are recognized in the Group’s translation reserve.

Equity in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group’s share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the financial statements of the relevant entity and classified according to their nature.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interests in the joint venture.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Taxation

Tax expense for the year comprises current tax and deferred tax.

Current tax is based on assessable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows. Deferred tax is not provided:

- In respect of tax payable on undistributed earnings of subsidiaries, associates and joint ventures where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future;
- On the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; nor is deferred tax provided on subsequent changes in the carrying value of such assets and liabilities, for example where they are depreciated; and
- On the initial recognition of any goodwill.

Deferred tax assets are recognized only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

A company will normally have a legally enforceable right to set off a deferred tax asset against a deferred tax liability when they relate to income taxes levied by the same taxation authority and the taxation authority permits the company to make or receive a single net payment. In the consolidated financial statements, a deferred tax asset of one entity in the Group cannot be offset against a deferred tax liability of another entity in the Group as there is no legally enforceable right to offset tax assets and liabilities between Group companies.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method as follows.

Freehold Buildings:	25 years
Leasehold Buildings:	Period of the lease
Floating Craft:	20 years
Vehicles:	5 years
Plant and Equipment:	5 to 20 years

Assets in the course of construction are carried at cost, less any recognized impairment loss. Costs include professional fees for qualifying assets. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

Borrowing costs are not capitalized but are expensed in the period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Docking costs are capitalized and depreciated over the period in which the economic benefits are received.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Where a change in the percentage of interests in a controlled entity do not result in a change of control, goodwill is calculated as the difference between the consideration paid for the additional interest and the book value of the net assets in the subsidiary at the time of the transaction.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and expected changes to selling prices and costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value money and the risks specific to the cash generating unit. Growth rates are based on management's forecasts and historical trends. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Impairment of tangible and other intangible assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labors costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Share-based payments

The Group has applied the requirements of IFRS 2 Share Based Payment. Cash settled long-term incentive plans are measured at fair value at the balance sheet date. A liability equal to the portion of the services received is recognised at the current fair value determined at each balance sheet date. Any increase or decrease in the liability is recognised in the income statement.

Fair value is measured by use of a binomial model. The fair value calculated by the model has been adjusted, based on management's best estimate, for the effects of behavioural considerations.

Revenue

Revenue is measured at fair value and represents amounts receivable for goods and services provided in the normal course of business net of trade discounts and other sales related taxes. If the Group is acting solely as an agent, amounts billed to customers are offset against relevant costs.

Revenue from construction contracts is recognized in accordance with the Group's accounting policy on construction contracts (see above).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognized when the shareholders rights to receive payment have been established.

Operating profit

Operating profit is stated before investment income, finance costs and income tax.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease, or if lower the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals payable under finance leases are charged to income on a straight-line basis over the term of the relevant lease.

Financial instruments

1. Financial Assets

Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value trough profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at “fair value through profit or loss” (FVTPL), “held to maturity” investments, “available for sale” (AFS) financial assets and “other financial assets”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group does not have any financial assets classified as at FVTPL and “held to maturity” on 31 December 2007.

The accounting policies related with the financial assets of the group are described below:

a) Available for sale financial assets

- Available for sale investments: For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

b) Other financial assets

- Cash and Cash Equivalents: Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These short-term investment comprise quotas of investments funds, bank deposit certificates and committed operations acquired for the Group principally for the purpose of selling in the near term. These investments are stated at fair value, with any resultant gain or loss recognized in profit or loss.
- Trade Receivables: Trade receivables and other amounts receivable are stated at the fair value of the amounts due, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognized in the income statement.

2. Financial Liabilities

Financial liabilities are classified as either financial liabilities “as FVTPL” or “other financial liabilities”.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in the profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability, fair value is determined in manner described in note 30.

Other financial liabilities are measured at fair value, net of transaction cost. Other financial liabilities are subsequently measured at amortization cost, using the effective interest method, with interest expense recognized on an effective yield basis.

The accounting policies related with the financial liabilities of the group are described below:

a) Financial liabilities at FVTPL:

- Derivatives: The Group may use derivative financial instruments to reduce exposure to foreign exchange movements. Derivatives are measured at each balance sheet date at fair value. The Group does not have “hedge accounting” and the gains and losses arising from changes in fair value are included in the income statement for the period within investment revenue or finance costs. The Group does not have any outstanding derivatives on 31 December 2007.

  Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value, with gains or losses reported in the income statement. The Group does not have embedded derivatives on 31 December 2007 and 2006.

b) Other financial liabilities

- Bank Borrowings: Interest-bearing bank loans, overdrafts and obligations under finance leases are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.
- Trade Payables: Trade receivables and other amounts receivable are measured at fair value, net of transaction cost.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, which are described above, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements.

Legal cases

In the normal course of business in Brazil, the Group is exposed to local legal cases. Provisions for legal cases are made when the Group's management, together with their legal advisors, consider the probable outcome is a financial settlement against the Group. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation based upon legal advice received. For labor claims the provision is based on prior experience and managements' best knowledge of the relevant facts and circumstances.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was US$13.1 million (R$23.2 million). Details of the impairment loss calculation are provided in note 12.

Fair value of derivatives and other financial instruments

As described in Note 30, the Company may use derivatives contracts to manage foreign currency risk. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Cash settled share based payment schemes

The fair value of cash settled share based payments is determined using a binomial model. The assumptions used in determining this fair value include the life of the options, share price volatility, dividend yield and risk free rate. Expected volatility is determined by calculating the volatility of the Group's share price over a historical period. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of behavioual considerations. Expected dividend yield are based on the Groups dividend policy. In determining the risk free rate the Group utilises the yield on a zero coupon goverment bond in the currency in which the excercise price is expressed. Forfeiture rates are applied and historical distributions to fair valuations in computing the share based payment charge. The Group uses forfeiture rates in line with management's best estimate of the percentage of awards which will be forfeited, based on the proportion of award holders expected to leave the Group.

Any changes in these assumptions will impact the carrying amount of cash settled share based payments liabilities.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method. Estimated useful lives are determined based on prior experience and managements' best knowledge.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organized into six operating activities; Towage, port terminals, ship agency, offshore, logistics and non segmented activities. These divisions are the basis on which the Group reports its primary segment information.

Segment information relating to these businesses is presented below.

	2007							
	Towage Year ended US$	Port terminals Year ended US$	Ship agency Year ended US$	Offshore Year ended US$	Logistics Year ended US$	Non segment activities Year ended US$	Elimination Year ended US$	Consolidated Year ended US$
Revenue	146,838	148,995	20,392	10,710	69,052	8,059		404,046
Intersegment sales	-	-	-	-	-	66,949	(66,949)	-
	146,838	148,995	20,392	10,710	69,052	75,008	(66,949)	404,046
Result								
Operating profit	47,201	42,840	4,155	1,841	4,568	(28,316)	-	72,289
Intersegment operating profit	-	-	-	-	-	4,033	(4,033)	-
	47,201	42,840	4,155	1,841	4,568	(24,283)	(4,033)	72,289
Investment income	-	-	-	-	-	19,238	-	19,238
Finance costs	(2,752)	(2,464)	(23)	(1,313)	(412)	(601)	-	(7,565)
Profit before tax	44,449	40,376	4,132	528	4,156	(5,646)	(4,033)	83,962
Income tax								(26,165)
Profit for the year								57,797
Other information								
Capital expenditures	(21,082)	(26,266)	(849)	(41,965)	(1,582)	(839)	-	(92,583)
Depreciation and amortization	(6,480)	(6,724)	(348)	(2,618)	(714)	(2,182)	-	(19,066)
Balance Sheet								
Assets								
Segment assets	121,422	171,027	5,682	77,417	18,289	181,565	-	575,402
Liabilities								
Segment liabilities	(72,072)	(57,439)	(6,774)I	(73,904)	(9,307)	(34,353)	-	(253,849)

2006

	Towage Year ended US$	Port terminals Year ended US$	Ship agency Year ended US$	Offshore Year ended US$	Logistics Year ended US$	Non segmented activities Year ended US$	Elimination Year ended US$	Consolidated Year ended US$
Revenue	118,817	127,436	17,778	8,356	49,250	12,472		334,109
Intersegment sales	-	-	-	-	-	18,489	(18,489)	-
	118,817	127,436	17,778	8,356	49,250	30,961	(18,489)	334,109
Result								
Operating profit	31,363	39,391	8,499	1,102	4,186	(20,584)	-	63,957
Intersegment operating profit	-	-	-	-	-	313	(313)	-
	31,363	39,391	8,499	1,102	4,186	(20,271)	(313)	63,957
Investment income	-	-	-	-	-	9,425	-	9,425
Loss on disposal of investments	-	-	-	-	-	(2,822)	-	(2,822)
Finance costs	(2,152)	(1,231)	-	(919)	(200)	(1,912)	-	(6,414)
Profit before tax	29,211	38,160	8,499	183	3,986	(15,580)	(313)	64,146
Income tax								(20,669)
Profit for the year								43,477
Other information								
Capital expenditures	(7,848)	(14,221)	(519)	(15,680)	(1,143)	(3,462)	-	(42,873)
Depreciation and amortization	(5,498)	(5,430)	(573)	(2,138)	(715)	(746)	-	(15,100)
Balance Sheet								
Assets								
Segment assets	103,133	132,893	8,158	43,063	11,173	28,465	-	326,885
Liabilities								
Segment liabilities	(63,886)	(46,268)	(7,434)	(42,039)	(3,548)	(18,710)	-	(181,885)

2007

	Towage Year ended R$	Port terminals Year ended R$	Ship agency Year ended R$	Offshore Year ended R$	Logistics Year ended R$	Non segmented activities Year ended R$	Elimination Year ended R$	Consolidated Year ended R$
Revenue	260,094	263,915	36,120	18,971	122,312	14,275		715,687
Intersegment sales	-	-	-	-	-	118,587	(118,587)	-
	260,094	263,915	36,120	18,971	122,312	132,862	(118,587)	715,687
Result								
Operating profit	83,607	75,882	7,360	3,261	8,091	(50,156)	-	128,045
Intersegment operating profit	-	-	-	-	-	7,144	(7,144)	-
	83,607	75,882	7,360	3,261	8,091	(43,012)	(7,144)	128,045
Investment income	-	-	-	-	-	34,076	-	34,076
Finance costs	(4,875)	(4,364)	(41)	(2,326)	(730)	(1,064)	-	(13,400)
Profit before tax	78,732	71,518	7,319	1,295	7,361	(10,000)	(7,144)	148,721
Income tax								(46,346)
Profit for the year								102,375
Other information								
Capital expenditures	(37,343)	(46,525)	(1,504)	(74,337)	(2,802)	(1,484)	-	(163,995)
Depreciation and amortization	(11,478)	(11,910)	(616)	(4,637)	(1,265)	(3,866)	-	(33,772)
Balance Sheet								
Assets								
Segment assets	215,075	302,940	10,065	137,129	32,395	321,605	-	1,019,209
Liabilities								
Segment liabilities	(127,661)	(101,743)	(11,999)	(130,906)	(16,485)	(60,849)	-	(449,643)

	2006							
	Towage Year ended R$	Port terminals Year ended R$	Ship agency Year ended R$	Offshore Year ended R$	Logistics Year ended R$	Non segmented activities Year ended R$	Elimination Year ended R$	Consolidated Year ended R$
Revenue	254,031	272,458	38,009	17,865	105,297	26,665		714,325
Intersegment sales	-	-	-	-	-	39,529	(39,529)	-
	254,031	272,458	38,009	17,865	105,297	66,194	(39,529)	714,325
Result								
Operating profit	67,054	84,218	18,171	2,356	8,949	(44,009)	-	136,739
Intersegment Operating profit	-	-	-	-	-	669	(669)	-
	67,054	84,218	18,171	2,356	8,949	(43,340)	(669)	136,739
Investment income	-	-	-	-	-	20,151	-	20,151
Loss on disposal of investment	-	-	-	-	-	(6,033)	-	(6,033)
Finance costs	(4,601)	(2,632)	-	(1,965)	(427)	(4,088)	-	(13,713)
Profit before tax	62,453	81,586	18,171	391	8,522	(33,310)	(669)	137,144
Income tax								(44,190)
Profit for the year								92,954
Other information								
Capital expenditures	(16,779)	(30,403)	(1,110)	(33,524)	(2,444)	(7,402)	-	(91,662)
Depreciation and amortization	(11,755)	(11,609)	(1,225)	(4,571)	(1,529)	(1,595)	-	(32,284)
Balance Sheet								
Assets								
Segment assets	220,499	284,125	17,442	92,069	23,888	60,857	-	698,880
Unallocated corporate assets								
Liabilities								
Segment liabilities	(136,588)	(98,921)	(15,894)	(89,879)	(7,586)	(40,001)	-	(388,869)

Financial expenses and respective liabilities were allocated to reporting segments where interest arises from loans used to finance the construction of fixed assets in that segment.

Financial income arising from bank balances held in Brazilian operating segments, including foreign exchange variation on such balances, were not allocated to the business segments as cash management is performed centrally by the corporate function.

Geographical Segments

The Group's operations are located in Brazil. All the Group's sales are derived in Brazil. The Group earns income on Cash and Cash Equivalents invested in Bermuda and incurs expenses on its activities in that country.

4. REVENUE

An analysis of the Group's revenue is as follows:

	2007 US$	2006 US$	2007 R$	2006 R$
Sales of services	400,570	332,764	709,530	711,449
Revenue from construction contracts	3,476	1,345	6,157	2,876
	404,046	334,109	715,687	714,325
Investment income	19,238	9,425	34,076	20,151
Total	423,284	343,534	749,763	734,476

5. PERSONNEL EXPENSES

	2007 US$	2006 US$	2007 R$	2006 R$
Salaries and benefits	90,176	64,537	159,729	137,981
Social securities and charges	21,677	17,704	38,396	37,851
Pension costs	1,729	836	3,063	1,787
Long term incentive plan (note 25)	2,598	-	4,602	-
Total	116,180	83,077	205,790	177,619

Pension's costs are for defined contribution retirement benefit schemes for all qualifying employees of its Brazilian business. Group contributions to the scheme are at rates specified in the rules of the plan. The assets of the scheme are held separately from those of the Group in funds under the control of independent managers.

6. OTHER OPERATING EXPENSES

	2007 US$	2006 US$	2007 R$	2006 R$
Service cost	48,082	54,404	85,168	116,313
Rent of tugs	26,666	20,655	47,234	44,162
Freight	29,062	6,705	51,478	14,335
Other rentals	12,057	8,262	21,357	17,664
Utilities	10,362	8,675	18,354	18,548
Container movement	9,065	7,973	16,057	17,046
Insurance	5,338	5,041	9,455	10,778
Maintenance	7,063	7,005	12,510	14,976
Provision for contingencies	6,094	1,091	10,794	2,333
Provision for doubtful receivables	2,911	573	5,156	1,226
Other expenses	4,166	2,504	7,379	5,354
Total	160,866	122,888	284,942	262,735

7. PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

In December 2007, the Joint Venture Dragaport Ltda., in which the Group has a shareholding of 33.33%, disposed of its Dredgers to Great Lakes Dredge & Dock Company, LLC for US$25,665 (R$45,460). The Group booked its share of the revenue at US$8,555 (R$15,153), against the cost of these assets of US$5,162 (R$9,143). The disposal was intended to meet the strategic objective of optimizing the operations of the Group. The gain on other disposals of property, plant and equipment was reported in the amount of US$1,426 (R$2,526).

8. ACQUISITION AND DISPOSAL OF SUBSIDIARY AND JOINT VENTURES

Acquisition of subsidiary

In March 2006, the Group acquired from third parties the outstanding 60% shareholding of its then 40% owned affiliated onshore base manager and logistics business Brasco Logística Offshore Ltda. The consideration paid was US$1.2 million (R$2.6 million). Immediately following this acquisition, the Group sold an interest of 25% in this Company for a consideration of US$0.5 million (R$1.1 million). The excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired over the cost of the acquisition of US$1.4 million (R$3.1 million) was recognized in the income statement. Prior to this reorganization the Group's interest in the acquired entity had been proportionately consolidated.

Disposal of joint venture

On April 7, 2006, the Group sold its 50% shareholding in WR Operadores Portuários for US$4.2 million (R$8.1 million).

9. LOSS ON DISPOSAL OF INVESTMENT

The loss on disposal of investments in the amount of US$2,822 (R$6,033) relates to the write-off in 2006 of an accounts receivable by Wilson Sons Limited from Ocean Wilsons Investments Limited.

10. INVESTMENT INCOME AND FINANCE COSTS

	2007 US$	2006 US$	2007 R$	2006 R$
Interest on investments	11,396	5,707	20,185	12,202
Exchange gain on investments	7,842	3,718	13,891	7,949
Total investment income	19,238	9,425	34,076	20,151
Interest on bank loans and overdrafts	(6,415)	(5,467)	(11,363)	(11,689)
Exchange gain on loans	1,075	792	1,904	1,693
Interest on obligations under finance leases	(313)	(489)	(555)	(1,045)
(Losses) with derivatives - book value	(412)	(1,243)	(729)	(2,657)
Gains from adjustments to fair value - derivatives	-	18	-	38
Other interest	(1,500)	(25)	(2,657)	(53)
Total finance costs	(7,565)	(6,414)	(13,400)	(13,713)

11. INCOME TAX

	2007 US$	2006 US$	2007 R$	2006 R$
Current				
Brazilian taxation				
Corporation tax	21,700	14,621	38,437	31,260
Social contribution	8,055	5,942	14,268	12,704
Total Brazilian current tax	29,755	20,563	52,705	43,964
Deferred tax				
Charge for the year in respect of deferred tax liabilities	11,760	2,382	20,831	5,092
Credit for the year in respect of deferred tax assets	(15,350)	(2,276)	(27,190)	(4,866)
Total deferred tax	(3,590)	106	(6,359)	226
Total income tax	26,165	20,669	46,346	43,964

Brazilian corporation tax is calculated at 25 percent of the taxable profit for the year.

Brazilian social contribution tax is calculated at 9 percent of the taxable profit for the year.

The charge for the year is reconciled to the profit per the income statement as follows:

	2007 US$	2006 US$	2007 R$	2006 R$
Profit before tax	83,962	64,146	148,721	137,144
Tax at the standard Brazilian tax rate of 34% (2007/2006 – 34%)	28,547	21,810	50,570	46,629
Tax effect of expenses/income that are not included in determining taxable profit	1,574	(1,921)	2,783	(4,333)
Effect of different tax rates in other jurisdictions	(3,956)	780	(7,007)	1,668
Income tax expense	26,165	20,669	46,346	44,190
Effective rate for the year	31%	32%	31%	32%

The Group earns its profits primarily in Brazil. Therefore the tax rate used for tax on profit on ordinary activities is the standard composite rate of the Corporation Tax and Social Contribution in Brazil of 34%.

12. GOODWILL

	2007 US$	2006 US$	2007 R$	2006 R$
Cost and carrying amount attributed to Tecon Rio Grande	13,132	13,132	23,261	28,076

For the purposes of testing goodwill for impairment the Group prepares cash flow forecasts for the relevant cash generating unit (Tecon Rio Grande) derived from the most recent financial budget for the next year and extrapolates cash flows for the remaining life of the concession based on an estimated annual growth of between 7% and 9% per cent. This rate does not exceed the average long-term historical growth rate for the relevant market.

13. OTHER INTANGIBLE ASSETS

Cost	**US$**	**R$**
At 1 January 2006	2,971	6,954
Exchange differences	50	107
Translation adjustment to Real	-	(602)
At 31 December 2006	3,021	6,459
Exchange differences	359	634
Translation adjustment to Real	-	(1,106)
At 31 December 2007	3,380	5,987
Amortization		
At 1 January 2006	683	1,599
Charge for the year	278	594
Exchange differences	7	15
Translation adjustment to Real	-	(138)
At 31 December 2006	968	2,070
Charge for the year	315	559
Exchange differences	56	97
Translation adjustment to Real	-	(354)
At 31 December 2007	1,339	2,372
Carrying amount		
31 December 2007	2,041	3,615
31 December 2006	2,053	4,389

Intangible assets arose from the acquisition of the concession of the container and heavy cargo terminal in Salvador, Tecon Salvador, in 2000 and the purchase of the remaining 50% rights of the concession for EADI Santo Andre (bonded warehouse).

Intangible assets are amortized over the remaining terms of the concessions at the time of acquisition which, for Tecon Salvador, is 25 years, and for EADI Santo Andre is 5 years.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$	Floating craft US$	Vehicles, plant and equipment US$	Assets under construction US$	Total US$
Cost or valuation					
At 1 January 2006	30,424	108,921	79,576	11,072	229,993
Additions	11,493	5,358	7,150	18,872	42,873
Acquisition of subsidiary	-	-	1,962	-	1,962
Disposal of joint venture's fixed assets	-	-	(2,186)	-	(2,186)
Transfers	-	12,617	-	(12,617)	-
Exchange differences	1,434	665	1,799	-	3,898
Disposals	(369)	(1,202)	(1,559)	-	(3,130)
At 31 December 2006	42,982	126,359	86,742	17,327	273,410
Additions	7,989	1,929	23,046	59,619	92,583
Transfers	11,866	31,051	(11,866)	(31,051)	-
Exchange differences	3,915	1,806	4,876	-	10,597
Disposals	(198)	(7,261)	(2,935)	-	(10,394)
At 31 December 2007	66,554	153,884	99,862	45,896	366,196
Accumulated depreciation					
At 1 January 2006	7,698	50,298	24,347	-	82,343
Charge for the year	1,829	7,700	5,293	-	14,822
Acquisition of subsidiary	-	-	1,140	-	1,140
Disposal of subsidiary	-	-	(886)	-	(886)
Exchange differences	127	348	1,152	-	1,627
Disposals	(162)	(281)	(978)	-	(1,421)
At 31 December 2006	9,492	58,065	30,068	-	97,625
Charge for the year	2,364	9,820	6,567	-	18,751
Transfers	3,271	-	(3,271)	-	-
Exchange differences	1,880	803	1,545	-	4,228
Disposals	(133)	(4,367)	(2,013)	-	(6,513)
At 31 December 2007	16,874	64,321	32,896	-	114,091
Carrying amount					
31 December 2007	49,680	89,563	66,966	45,896	252,105
31 December 2006	33,490	68,294	56,674	17,327	175,785

	Land and buildings R$	Floating craft R$	Vehicles, plant and equipment R$	Assets under construction R$	Total R$
Cost or valuation					
At 1 January 2006	71,213	254,952	186,263	25,916	538,344
Additions	24,572	11,455	15,287	40,348	91,662
Acquisition of subsidiary	-	-	4,195	-	4,195
Disposal of joint venture	-	-	(4,674)	-	(4,674)
Transfers	-	26,975	-	(26,975)	-
Exchange differences	3,066	1,422	3,846	-	8,334
Disposals	(789)	(2,570)	(3,333)	-	(6,692)
Translation adjustment to Real	(6,167)	(22,078)	(16,130)	(2,244)	(46,619)
At 31 December 2006	91,895	270,156	185,454	37,045	584,550
Additions	14,151	3,417	40,821	105,606	163,995
Transfers	21,018	55,001	(21,018)	(55,001)	-
Exchange differences	6,935	3,199	8,635	-	18,769
Disposals	(351)	(12,861)	(5,199)	-	(18,411)
Translation adjustment to Real	(15,761)	(46,337)	(31,808)	(6,353)	(100,259)
At 31 December 2007	117,887	272,575	176,885	81,297	648,644
Accumulated depreciation					
At 1 January 2006	18,019	117,732	56,989	-	192,740
Charge for the year	3,910	16,463	11,316	-	31,689
Acquisition of subsidiary	-	-	2,437	-	2,437
Disposal of subsidiary	-	-	(1,894)	-	(1,894)
Exchange differences	272	744	2,463	-	3,479
Disposals	(346)	(601)	(2,091)	-	(3,038)
Translation adjustment to Real	(1,561)	(10,195)	(4,935)	-	(16,691)
At 31 December 2006	20,294	124,143	64,285	-	208,722
Charge for the year	4,187	17,394	11,632		33,213
Transfers	5,794	-	(5,794)		-
Exchange differences	3,330	1,422	2,737	-	7,489
Disposals	(236)	(7,735)	(3,566)	-	(11,537)
Translation adjustment to Real	(3,480)	(21,292)	(11,025)	-	(35,797)
At 31 December 2007	29,889	113,932	58,269	-	202,090
31 December 2007	87,998	158,643	118,616	81,297	446,554
31 December 2006	71,601	146,013	121,169	37,045	375,828

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$9.9 million (R$17.5 million) (2006: US$5.6 million (R$12.0 million)) in respect of assets held under finance leases.

Land and buildings with a net book value of US$303 (R$537) (2006: US$ 294 (R$ 629)) and tugs with a net book value of US$3,287 million (R$5,822) (2006: US$3,500 (R$7,484)) have been given in guarantee of various legal processes.

The Group has pledged assets having a carrying amount of approximately US$38.6 million (R$68.3 million) (2006: US$40.6 million (R$86.8 million)) to secure loans granted to the Group.

At 31 December 2007, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting US$16.2 million (R$28.7 million) (2006: US$2.2 million (R$4.7 million)). This figure comprises principally assets under construction at Tecon Rio Grande.

15. AVAILABLE FOR SALE INVESTMENTS

	2007	2006	2007	2006
	US$	US$	R$	R$
Fair value	6,466	5,346	11,453	11,430

The available for sale investment is the Group's investment in Barcas S.A Transportes Marítimos.

16. INVENTORIES

	2007	2006	2007	2006
	US$	US$	R$	R$
Operating materials	5,066	7,061	8,973	15,096
Raw materials for construction contracts (external customers)	2,313	-	4,097	-
Total	7,379	7,061	13,070	15,096

17. TRADE AND OTHER RECEIVABLES

	2007	2006	2007	2006
	US$	US$	R$	R$
Accounts receivable for services rendered	43,043	28,614	76,242	61,177
Provision for doubtful receivables	(4,208)	(933)	(7,454)	(1,995)
Income Tax recoverable	2,383	1,304	4,221	2,788
Prepayments and recoverable taxes and levies	31,537	23,827	55,862	50,942
Total	72,755	52,812	128,871	112,912

The average credit period taken on services ranges from zero to 30 days (2006:30 days).

Interest of 1 percent per month plus an average fine of 2 percent per month is charged on overdue balances.

The aging list of accounts receivable for services rendered are shown below as follows:

	2007	2006	2007	2006
	US$	US$	R$	R$
From 0 to 30 days	37,110	23,123	65,733	49,439
From 31 to 90 days	467	1,459	827	3,119
From 91 to 180 days	1,258	3,099	2,228	6,624
More than 180 days	4,208	933	7,454	1,995
Total	43,043	28,614	76,242	61,177

Within the range from 0 to 30 days there is US$4,353(R$7,711) overdue on 31 December 2007 (US$3,602 (R$7,702) on 31 December 2006).

A provision for doubtful receivables was recognized decreasing the amount of accounts receivable. The valuation provision is established whenever a loss is detected, which, based on past experience, for accounts receivable overdue more than 180 days.

Movement in the allowance for doubtful debts:

	US$	R$
At 1 January 2006	537	1,257
Increase in allowance	573	1,226
Exchange difference	(177)	(379)
Translation adjustment to Real	-	(109)
At 31 December 2006	933	1,995
Amounts written off during the year	(344)	(610)
Increase in allowance	3,255	5,766
Exchange difference	364	644
Translation adjustment to Real	-	(342)
At 31 December 2007	4,208	7,453

The directors believe that no further credit provision is required for the allowance for doubtful debts.

As a matter of routine, the Group reviews taxes and levies impacting its businesses with a view to ensuring that payments of such amounts are correctly made and that no amounts are paid unnecessarily. In this process, where it is confirmed that taxes and/or levies have been overpaid, the Group takes appropriate measures to recover such amounts. During the year ended 31 December 2007, the Group received a response to a consultation to tax officials confirming the exemption of certain transactions to taxes which the Group had been paying through that date. This response permits the Group to recoup such amounts paid in the past provided the Group takes certain measures to demonstrate that it has met the requirements of tax regulations for such recovery. During 2007, the Group was able to meet such requirements and recognized US$5.9 million (R$10.5 million) as a credit in the Consolidated Income Statement for that year. The Group expect to recover further such amounts in the future, but it is not practicable to quantify them.

18. CASH AND CASH EQUIVALENT

Cash and cash equivalent comprise bank accounts and short term investments that are highly liquid and readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash equivalents denominated in United States dollars represent principally investments in certificates of deposit placed with major financial institutions.

The breakdown of cash and cash equivalents is as follows:

	2007	2006	2007	2006
	US$	US$	R$	R$
Cash and cash equivalents in United States dollars	125,650	-	222,564	-
Cash and cash equivalents in Brazilian Reais	72,038	54,597	127,601	116,729
Bank deposits and cash in hands	19,714	6,504	34,919	13,907
Short term investments	52,324	48,093	92,682	102,822
Quotas of investment funds	4,935	31,443	8,741	67,225
Bank deposit certificates and committed operations	47,389	16,650	83,941	35,597
	197,688	54,597	350,165	116,729

Private investment funds

The Group has investments in private investment funds that are consolidated in these financial statements. These private investment funds comprise certificates of deposit and equivalent instruments with final maturities ranging from January 2008 to November 2011.

The securities included in the portfolio of the private investment funds have daily liquidity and are marked to market on a daily basis against current earnings. These private investment funds do not have significant financial obligations. Any financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses.

19. BANK OVERDRAFTS AND LOANS

	Interest rate - %	2007	2006	2007	2006
		US$	US$	R$	R$
Unsecured Borrowings					
Bank overdrafts		43	809	76	1,730
Santander	CDI + 0.16% p.m	43	809	76	1,730
Secured Borrowings					
Bank loans		149,421	109,352	264,670	233,794
BNDES	1.5% to 5% p.y	125,736	78,417	222,717	167,655
IFC	5.33% to 9.48% p.y	23,685	30,935	41,953	66,139
149,464	110,161	264,746	235,524		

The breakdown of bank overdrafts and loans by maturity is as follows:

	2007 US$	2006 US$	2007 R$	2006 R$
Within one year	14,720	14,945	26,074	31,952
In the second year	15,863	14,216	28,099	30,394
In the third to fifth years inclusive	34,939	32,170	61,885	68,779
After five years	83,942	48,830	148,688	104,399
Total	149,464	110,161	264,746	235,524
Total current	14,720	14,945	26,074	31,952
Total non-current	134,744	95,216	238,672	203,572

Analysis of borrowings by currency:

	$Real	$Real linked to US Dollars	US Dollars	Total	$Real	$Real linked to US Dollars	US Dollars	Total
2007	**US$**	**US$**	**US$**	**US$**	**R$**	**R$**	**R$**	**R$**
Bank overdrafts	43	-	-	43	76	-	-	76
Bank loans	-	125,736	23,685	149,421	-	222,717	41,953	264,670
Total	43	125,736	23,685	149,464	76	222,717	41,953	264,746
2006								
Bank overdrafts	809	-	-	809	1,730	-	-	1,730
Bank loans	-	78,417	30,935	109,352	-	167,655	66,139	233,794
Total	809	78,417	30,935	110,161	1,730	167,655	66,139	235,524

Bank loans of US$125.7 million (R$222.7 million) (2006: US$78.4 million (R$167.7 million)) were arranged at fixed interest rates. The remainders of borrowings were arranged at floating rates.

The directors estimate the fair value of the Group's borrowings as follows:

	2007	2006	2007	2006
	US$	US$	R$	R$
Bank overdrafts	43	809	76	1,730
Bank loans	149,138	109,304	264,169	233,691
BNDES	125,736	78,417	222,716	167,655
IFC	23,402	30,887	41,453	66,036
Total	149,181	110,113	264,245	235,421

The other main characteristics of the Group's loans are as follows:

$Real denominated loans linked to the US dollar are monetarily corrected by the movement in the US dollar/$Real exchange rate and bear interest of between 1.5% and 5.0% per annum. These loans are to finance the construction of new tugs and platform supply vessels. The amounts outstanding at 31 December 2007 are repayable over periods varying up to 20 years.

US dollar denominated loans bear interest between six month LIBOR per annum, and six month LIBOR plus 4.15%. The majority of these loans are project finance to fund the expansion of the container terminal at Tecon Rio Grande and have no recourse to other companies in the Group. The amounts outstanding at 31 December 2007 are repayable over periods varying up to 7 years.

Undrawn borrowing facilities

At 31 December 2007 the Group had available US$11 million of undrawn committed borrowing facilities in respect of which all conditions had been met. This loan will fund the 2007 and 2008 capital expenditure of Tecon Salvador.

Guarantees

The loans from BNDES are guaranteed by Tug Boats, Platform Supply Vessels and receivables from Petrobras in three of five financing contracts.

Loans from IFC are guaranteed by the Groups shares in Tecon Salvador and Tecon Rio Grande, the projects cash flows and equipments and building (building only for Tecon Rio Grande). These guarantees cover more than 100 percent of the loans.

Covenants

The subsidiaries Tecon Rio Grande and Tecon Salvador have specific restrictive clauses in their financing contracts with financial institutions related, basically, to the maintenance of liquidity ratios. At 31 December 2007, the Group is in accordance with al clauses of these contracts.

20. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognized by the Group and movements thereon during the current and prior reporting year.

	Accelerated tax depreciation US$	Exchange variance on loans US$	Timing differences US$	Tax losses US$	Non-Monetary items US$	Total US$
At 1 January 2006	(8,178)	(10,357)	7,499	1,636	8,624	(776)
(Charge)/credit to income	(2,398)	(461)	(1,808)	(816)	5,377	(106)
Exchange differences	-	(187)	188	81	-	82
At 31 December 2006	(10,576)	(11,005)	5,879	901	14,001	(800)
(Charge)/credit to income	(4,283)	(6,396)	970	(933)	14,232	3,590
Charge to investment reserve	-	-	(1,206)	-	-	(1,206)
Exchange differences	-	(197)	343	176	-	322
At 31 December 2007	(14,859)	(17,598)	5,986	144	28,233	1,906

	Accelerated tax depreciation R$	Exchange variance on loans R$	Timing differences R$	Tax losses R$	Non-Monetary items R$	Total R$
At 1 January 2006	(19,141)	(24,243)	17,553	3,829	20,185	(1,817)
(Charge)/credit to income	(5,127)	(985)	(3,865)	(1,745)	11,496	(226)
Exchange differences	-	(400)	402	173	-	175
Translation adjustment to Real	1,658	2,099	(1,521)	(330)	(1,748)	158
At 31 December 2006	(22,610)	(23,529)	12,569	1,927	29,933	(1,710)
(Charge)/credit to income	(7,587)	(11,329)	1,719	(1,653)	25,209	6,359
Charge to investment reserve	-	-	(2,135)	-	-	(2,135)
Exchange differences	-	(349)	608	310	-	569
Translation adjustment to Real	3,877	4,037	(2,156)	(331)	(5,133)	294
At 31 December 2007	(26,320)	(31,170)	10,605	253	50,009	3,377

Certain tax assets and liabilities have been offset on an entity by entity basis. After offset, deferred tax balances are presented in the balance sheet as follows:

	2007 US$	2006 US$	2007 R$	2006 R$
Deferred tax liabilities	(10,807)	(9,089)	(19,142)	(19,432)
Deferred tax assets	12,713	8,289	22,519	17,722
Total	1,906	(800)	3,377	(1,710)

At the balance sheet date the Group has unused tax losses of US$11,802 (R$20,905) (2006: US$7,414(R$15,851)) available for offset against future profits. No deferred tax asset has been recognized in respect of the US$11,802 (R$20,905) (2006: US$4,586 (R$9,805)) due to the unpredictability of future profit streams. As of 31 December 2006, a tax asset of US$2,828 (R$6,046) had been recognized in respect of part the remainder of the then existing losses.

Deferred tax arises on Brazilian property, plant and equipment held in US dollar functional currency businesses. Deferred tax is calculated on the difference between the historical US Dollar balances recorded in the Groups accounts and the $Real balances used in the Group's Brazilian tax calculations.

Deferred tax on exchange gains arises from exchange gains on the Groups US Dollar and $Real denominated loans linked to the US Dollar that are taxable on settlement of the loans and not in the period in which the gains arise.

21. PROVISIONS

	US$	R$
At 1 January 2006	4,317	10,106
Additional provision in the year	1,180	2,523
Utilization of provision	(89)	(190)
Exchange difference	505	1,080
Translation adjustment to Real	-	(879)
At 31 December 2006	5,913	12,640
Additional provision in the year	6,094	10,794
Exchange difference	477	845
Translation adjustment to Real	-	(2,166)
At 31 December 2007	12,484	22,113
Included in non-current liabilities	12,484	22,113

The breakdown of classes of provision is described below as follows:

	2007	2006	2007	2006
	US$	US$	R$	R$
Civil cases	6,221	2,691	11,019	5,753
Tax cases	3,282	335	5,813	716
Labor claims	2,981	2,887	5,281	6,171
Total	12,484	5,913	22,113	12,640

In the normal course of business in Brazil, the Group continues to be exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal advisers. There are no material claims outstanding at 31 December 2007 which have not been provided for and which the Group's legal advisers consider are more likely than not to result in a financial settlement against the Group.

The mainly probable and possible Group's claims are described below as follows:

Civil and Environmental cases: Indemnification for damages caused by floating crafts accidents. These claims are pleas regarding environmental damages.

Labor claims: These lawsuits litigate about salary differences, overtime worked without payments, labor risks and indemnities for work accidents.

Tax cases: Brazilian taxes that the Group considers inappropriate and litigates against the government.

In addition to the cases for which the Group booked the provision for contingencies there are other tax, civil and labor disputes involving the amount of US$21,081 (R$37,341), whose probability of loss was estimated by the legal advisers as possible.

22. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2007	2006	2007	2006
Amounts payable under finance leases	US$	US$	US$	US$
Within one year	1,240	619	869	581
In the second to fifth years inclusive	1,994	1,328	1,441	1,098
	3,234	1,947	2,310	1,679
Less future finance charges	(924)	(268)	N/A	N/A
Present value of lease obligations	2,310	1,679		
Less : Amounts due for settlement within 12 months (shown under current liabilities)			(869)	(581)
Amount due for settlement after 12 months			1,441	1,098

	Minimum lease payments		Present value of minimum lease payments	
2007	2006	2007	2006	
Amounts payable under finance leases	R$	R$	R$	R$
Within one year	2,196	1,323	1,539	1,242
In the second to fifth years inclusive	3,532	2,839	2,552	2,348
	5,728	4,162	4,091	3,590
Less future finance charges	(1,636)	(573)	N/A	N/A
Present value of lease obligations	4,092	3,589		
Less : Amounts due for settlement within 12 months (shown under current liabilities)			(1,539)	(1,242)
Amount due for settlement after 12 months			2,552	2,348

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 5 years.

For the year ended 31 December 2007 the average effective borrowing rate was 14 percent per year (2006:21 percent per year). Interest rates are fixed at contract date.

All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. The interest rates ranges from 12.85% to 15.95%.

Leases are denominated in Brazilian Real.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

23. TRADE AND OTHER PAYABLES

	2007	2006	2007	2006
	US$	US$	R$	R$
Suppliers	59,076	39,785	104,642	85,060
Other taxes	9,204	6,723	16,303	14,373
Accruals and other payables	9,762	5,997	17,291	12,823
Total	78,042	52,505	138,236	112,256

The average credit period for trade purchases is 20 days (2006: 20 days).

The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe.

Construction Contracts

Contracts in progress at the balance sheet date:

	2007 US$	2006 US$	2007 R$	2006 R$
Contracts in progress at the balance sheet date:				
Amounts due to contract customers included in trade and other payables	(5,291)	-	(9,372)	-
Contract costs incurred plus recognized revenues less recognized losses to date	3,496	-	6,192	-
Less progress billings	(8,787)	-	(15,564)	-
Net liability	(5,291)	-	(9,372)	-

24. DERIVATIVES

The Group may engage in forward and swap operations to mitigate and manage the exposure to change in foreign exchange rates of loan agreements denominated in foreign currency.

The Group may enter into derivatives contracts such as forward contracts and swaps to hedge risks arising from exchange rate fluctuations. There were no such contracts on 31 December 2007. The contracts outstanding on 31 December 2006 were denominated in Reais at the notional value equivalent to US$2,038 (R$4,293).

At 31 December 2006 the fair value of forward and swap operations was US$ 782 (R$1,673) reported under liabilities as Derivative Financial Instruments. Since the transactions with derivatives ended in the reporting period, the results are reported under Finance Costs (Note 10).

25. CASH-SETTLED SHARE-BASED PAYMENTS

On April 9, 2007, the board of Wilson Sons Limited approved a stock option plan (the "Long-Term Incentive Scheme"), which allows for the grant of phantom options to eligible employees to be selected by the board over the next five years. The options will provide cash payments, on exercise, based on the number of options multiplied by the growth in the price of a BDR of Wilson Sons Limited between the date of grant (the Base Price) and the date of exercise (the "Exercise Price"). The plan is regulated by the laws of Bermuda.

The movements of the accrual relating to the plan during 2007 follow:

	2007 US$	2006 US$	2007 R$	2006 R$
Liability at 1 January	-	-	-	-
Charge for the year	2,598	-	4,602	-
Liability at 31 December	2,598	-	4,602	-

Details of the share options outstanding during the year as follow:

	2007 Number of share options
Outstanding at the beginning of the year	-
Granted during the year	3.903.760
Forfeited during the year	(66.000)
Outstanding at the end of the year	3.837.760

Fair value of the recorded liability in the amount of US$2,598 (R$4,602) was determined using the Binomial model based on the assumptions note below:

	2007
	Number of share options
Weighted overage option price	R$23,77
Expected volatility	25%
Expected life	10 years
Risk free rate	10.81%
Expected dividend yield	2.00%

Expected volatility was determined by calculating the historical volatility of the Group's share price. The expected life used in the model has been adjusted based on management´s best estimate for exercise restrictions and behavioral considerations.

26. EQUITY

Share Capital

	2007	2006	2007	2006
	US$	US$	R$	R$
Authorized				
71,144,000 ordinary shares of 8 1/3 p each				
(2006: 5,012,000 ordinary shares of £1 each)	9,905	8,072	17,545	17,258
Issued and fully paid				
71,144,000 ordinary shares of 8 1/3 p each				
(2006: 5,012,000 ordinary shares of £1 each)	9,905	8,072	17,545	17,258

In February 2007, the Group carried out a twelve for one share split increasing the number of shares from 5,012,000 to 60,144,000 and issued a further more 11,000,000 shares in April 2007, totaling 71,144,000 shares.

Dividends

Amounts recognized as distributions to equity holders in the year:

	2007	2006	2007	2006
	US$	US$	R$	R$
Final dividend for the year ended 31 December 2006				
of zero (2005: 19.3c (R$41.3)) per share	-	963	-	2,059
Interim dividend for the year ended 31 December 2006				
of 11.2c(R$19.9) ((2005:145.7c(R$311.5)) per share	8,000	7,300	14,170	15,607
Total	8,000	8,263	14,170	17,666

Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2007	2006	2007	2006
Earnings	US$	US$	R$	R$
Dividends	8,000	8,263	14,170	17,666
Undistributed earnings	48,151	34,408	85,290	73,565
Net income for the period	56,151	42,671	99,460	91,235
Weighted average number of ordinary shares (*)	59,469,423	59,469,423	59,469,423	59,469,423
Earnings per share	94.4c	71.8c	167.3c	153.4c

(*) Consistent with paragraph 64 of IAS 33 – "Earnings per Share" the increase in number of shares resulted from the IPO process was retrospectively reflected in the prior year.

27. SUBSIDIARIES

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Wilson Sons de Administração e Comércio Ltda. Holding company	Brazil	100%	Consolidation
Saveiros Camuyrano Serviços Marítimos S.A. Towage	Brazil	100%	Consolidation
Wilson, Sons S.A., Comércio, Indústria, e Agência de Navegação Ltda. Shipyard	Brazil	100%	Consolidation
Wilson Sons Agência Marítima Ltda. Ship Agency	Brazil	100%	Consolidation
Sobrare-Servemar Ltda. Towage	Brazil	100%	Consolidation
Wilport Operadores Portuários Ltda. Stevedoring	Brazil	100%	Consolidation
Wilson, Sons Logística Ltda Logistics	Brazil	100%	Consolidation
Wilson, Sons Terminais de Cargas Ltda. Transport services	Brazil	100%	Consolidation
EADI Santo André Terminal de Carga Ltda. Bonded warehousing	Brazil	100%	Consolidation
Vis Limited Holding company	Guernsey	100%	Consolidation
Tecon Rio Grande S.A. Port terminal	Brazil	100%	Consolidation
Tecon Salvador S.A. Port terminal	Brazil	90%	Consolidation
Brasco Logística Offshore Ltda. Port operator	Brazil	75%	Consolidation

The Group also has 100% of ownership interest in two private investment funds denominated Hydrus Fundo de Investimento Multimercado and Rigel Fundo de Investmento em Cotas de Fundos de Investimentos. These funds are administrated by UBS Pactual bank and their policies and objectives are determined by the Group's treasury (Note 18).

Brasco Logistica Offshore Ltda. was proportionally consolidated as a joint venture until it was acquired as a subsidiary in March 2006 (Note 8). On April 7, 2006 the Group disposed of its 50% interests in WR Operadores Portuários, a stevedoring and port operator.

On October 1, 2007, with the objective of simplifying the Group's organizational structure, Companhia de Navegação das Lagoas and Companhia de Navegação das Lagoas do Norte, subsidiaries of Wilson Sons Limited, were merged into Saveiros, Camuyrano Serviços Marítimos S/A, also a subsidiary of Wilson Sons Limited. This merger does not alter the shareholding in Saveiros, Camuyrano Serviços Marítimos S/A and it will not affect any shareholder rights or the rights of bearers of Brazilian Depositary Receipts in Wilson Sons Limited.

28. JOINT VENTURES

The following amounts are included in the Groups' financial statements as a result of proportionate consolidation of joint ventures.

	2007 US$	2006 US$	2007 R$	2006 R$
Current assets	6,764	3,880	11,981	8,295
Non-current assets	1,843	5,226	3,264	11,173
Current liabilities	(6,485)	(4,023)	(11,488)	(8,601)
Non-current liabilities	(63)	(1,760)	(111)	(3,763)
Income	25,800	24,026	45,699	51,368
Expenses	(18,654)	(16,160)	(33,041)	(34,550)

The Group has the following significant interests in joint ventures

	Place of incorporation and operation	Proportion of ownership interest	Method used to account for investment
Consorcio de Rebocadores Baia de São Marcos Towage	Brazil	50%	Proportional consolidation
Allink Transportes Internacionais Limitada Non-vessel operating common carrier	Brazil	50%	Proportional consolidation
Consorcio de Rebocadores Barra de Coqueiros Towage	Brazil	50%	Proportional consolidation
Dragaport Engenharia Dredging	Brazil	33%	Proportional consolidation

On December 1, 2007, with the objective of simplifying the Group's organizational structure, Dragaport Ltda., a subsidiary of Wilson Sons Limited, was merged into Dragaport Engenharia Ltda., also a subsidiary of Wilson Sons Limited. This merger does not affect any shareholder rights or the rights of bearers of Brazilian Depositary Receipts in Wilson Sons Limited.

29. OPERATING LEASE ARRANGEMENTS

The Group as lessee

	2007 US$	2006 US$	2007 R$	2006 R$
Minimum lease payments under operating leases recognized in income for the year	10,666	8,498	18,893	18,169

At 31 December 2007, the minimum amount due by the Group for future minimum lease payments under cancellable operating leases was US$7,753 (R$13,733) (2006: US$6,172 (R$13,196)).

Lease commitments for land and buildings with a term of over 5 years are for the minimum contractual lease obligations between Tecon Rio Grande and the Rio Grande port authority, and between Tecon Salvador and the Salvador port authority. The Tecon Rio Grande concession expires in 2022 and the Tecon Salvador concession in 2025. The Tecon Rio Grande guaranteed payments consist of two elements; a fixed rental, plus a fee per 1,000 containers moved based on forecast volumes made by the consortium. The amount shown in the accounts is based on the minimum volume forecast. Volumes are forecast to rise in future years. If container volumes moved through the terminal exceed forecast volumes in any given year additional payments will be required.

Tecon Salvador guaranteed payments consists of three elements; a fixed rental, a fee per container moved based on minimum forecast volumes and a fee per ton of non- containerized cargo moved based on minimum forecast volumes.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2007 US$	2006 US$	2007 R$	2006 R$
Within one year	1,148	855	2,033	1,828
In the Second to fifth year inclusive	1,531	1,995	2,712	4,265
Total	2,679	2,850	4,745	6,093

Non-cancellable lease payments represent rental payments by the Group for the bonded warehouse used by EADI Santo Andre. The unexpired lease term at 31 December 2007 is 2 years and 4 months and rental payments are updated by a Brazilian general inflation index.

30. FINANCIAL INSTRUMENTS AND RISK ASSESSMENT

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowing disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earning as disclosed in Note 18 and 26, respectively.

b) Significant accounting polices

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability are disclosed in note 2 to the financial statements.

c) Categories of financial instruments:

	Fair value		Book value	
	2007 US$	2006 US$	2007 US$	2006 US$
Financial assets:				
Cash and cash equivalents	197,688	54,597	197,688	54,597
Available for sale investments (AFS)	6,466	5,346	2,921	2,921
Trade and other receivables	72,755	52,812	72,755	52,812
Total	276,909	112,755	273,364	110,330
Financial liabilities:				
Bank loans and overdrafts	149,181	110,113	149,464	110,161
Obligations under finance leases	2,310	1,679	2,310	1,679
Trade and other payables	78,042	52,505	78,042	52,505
Derivatives financial instruments (FVTPL)	-	782	-	764
Total	229,533	165,079	229,816	165,109

	Fair value		Book value	
	2007 R$	2006 R$	2007 R$	2006 R$
Financial assets:				
Cash and cash equivalents	350,165	116,729	350,165	116,729
Available for sale investments (AFS)	11,453	11,430	5,174	6,245
Trade and other receivables	128,871	112,912	128,871	112,912
Total	490,489	241,071	484,210	235,886
Financial liabilities:				
Bank loans and overdrafts	264,244	235,422	264,746	235,524
Obligations under finance leases	4,091	3,590	4,091	3,590
Trade and other payables	138,236	112,256	138,236	112,256
Derivatives financial instruments (FVTPL)	-	1,673	-	1,633
Total	406,571	352,941	407,073	353,033

d) Financial risk management objectives

The Group's Financial department monitors and manages financial risks related to the operations and coordinates access to domestic and international financial markets. These risks are market risk (currency and interest rate variation), credit risk, and liquidity risk. The primary objective is to keep a minimum exposure to those risks and this objective is mainly accomplished by using derivatives contracts (swaps and forwards), assessing and controlling the credit and liquidity risks.

e) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currency (Brazilian Reais). Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2007	2006	2007	2006
	US$	US$	US$	US$
Amounts denominated in Brazilian Reais	97,911	70,942	174,809	128,854

	Liabilities		Assets	
	2007	2006	2007	2006
	R$	R$	R$	R$
Amounts denominated in Brazilian Reais	173,430	151,674	309,639	275,490

The Group may enter into derivatives contracts such as forward contracts and swaps to hedge risks arising from exchange rate fluctuations.

Foreign currency sensitive analysis

The Group is mainly exposed to the currency of Brazil (Brazilian Real).

The following table details the Group's sensitivity to a 10% increase and decrease in the US Dollar against the respective foreign currencies. 10% is the sensitivity rate when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analyses includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit for the year and in other equity resulting from to the Brazilian Reais strengthening against the respective currency. For a 10% weakening in the US Dollar there would be equal and opposite impact on the profit for the year and on other equity, and the balances below would be negative.

	Real currency impact			
	2007	2006	2007	2006
	US$	US$	R$	R$
Profit for the year	14,284	6,334	25,301	13,542
Equity	17,414	7,895	30,845	16,880

Reasons for foreign currency impact:

This is mainly attributable to the exposure outstanding on Real receivables and payables at year end in the Group.

In management's opinion the sensitivity analyses is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

f) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. BNDES charges fixed interest rates on loans for construction of vessels. Since these rates are considerably low, the Group understands that there is hardly a market risk for this part of the debt. As for the financing of Port Operations the Group's strategy for interest rate management has been to maintain a balanced portfolio of fixed and floating interest rates in order to optimize cost and volatility. The Company's interest rate risk management strategy may use derivative instruments to reduce debt cost attributable to interest rate volatility. As of December 31, 2007 the Company had no outstanding interest rate swap contracts.

The group has part of its equity reserves linked to "DI" (Brazilian interbank interest rates) and part linked to fixed deposits in US dollar.

Interest rate sensitivity analysis

If interest rates in US dollar had been 1% lower and all other variables held constant, post-tax profit for the year would decrease by US$1.1 million (in 2006 the profit would be US$0.2 million higher). This is mainly attributable to the Group's exposure to interest rates on its US dollar denominated investment from 2007 on. If interest rates had been 1% higher, with all other variables held constant, post-tax profit would have been US$1.1 million higher (in 2006 the profit would have been US$0.2 million lower), arising mainly as a result of a higher return on US dollar denominated investment.

If interest rates in US dollar had been 1% lower, equity reserves in USD dollar would decrease by US$1.1 million (in 2006 there were no equity reserves in US dollar) because these are short maturity investments that need to be rolled over weekly or monthly, therefore following closely market conditions. Equity reserves would increase by US$1.1 million (in 2006 there were no equity reserves in US dollar) because of the same highly liquid nature of the investments if interest rates in US dollar had been 1% higher.

If interest rates in Real had been 3% lower and all other variables held constant, equity reserves in Real would decrease by US$1.0 million (2006 - US$0.9 million).

If interest rates in Real had been 3% higher and all other variables held constant, equity reserves in Real would increase by US$1.0 million (2006 - US$0.9 million).

g) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

h) Credit Risk

The Group's credit risk can be attributed mainly to balances such as cash and cash equivalents and trade accounts receivable. The accounts receivable in the balance sheet are shown net of the provision for doubtful receivables. The valuation provision is established whenever a loss is detected, which, based on past experience, evidences impaired possibility of recovering cash flows.

The Group's sales policy is subordinated to the credit sales rules set by Management, which seeks to mitigate any loss from customers' delinquency.

i) Fair value of financial instruments

The Group's financial instruments are recorded in balance sheet accounts at 31 December 2007 and 31 December 2006 at amounts compatible with those practiced in the market at those dates. These instruments are managed though operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of an ongoing monitoring of rates agreed versus those in force in the market and confirmation as to whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

The Group does not make speculative investments in derivatives or any other risk assets. The determination of estimated realization values of Company's financial assets and liabilities relies on information available in the market and relevant assessment methodologies. Nevertheless, a considerable judgment was required when interpreting market data to derive the most adequate estimated realization value. Eventually, the following estimates do not necessarily indicate the amounts that can be realized in the present foreign exchange market.

j) **Criteria, assumptions and limitations used when computing market values**

Cash and Cash equivalents

The market values of the bank current account balances are consistent with book balances. The book value of short-term financial investments was calculated on market quotations.

Available for sale financial assets

The investment available for sale is in Barcas S.A. Transportes Marítimos. Such company does not have any market quotation, and its fair value is calculated in accordance with criteria and assumptions set by Group management.

Trade and other receivables/payables

In the Group management's view, the book balance of trade and other accounts receivable and payables approximates fair value.

Bank Overdrafts and Loans

Market values of loans arrangements were calculated at their present value determined by future cash flows and at interest rates applicable to instruments of similar nature, terms and risks or at market quotations of these securities.

Fair value of BNDES/FINAME financing arrangements is identical to book balances since there are no similar instruments, with comparable maturity dates and interest rates.

As regards the loan arrangement with the IFC, fair value was obtained at the rate of the latest loan arrangement using the Libor rate.

Derivatives

Market value is determined at quotations reported by the financial institutions issuing the instruments. The assumptions utilized by financial institutions are made based on quoted market rates adjusted for specific features of the instrument.

31. RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates, joint ventures and others investments are disclosed below.

	Current assets US$	Non-current assets US$	Current liabilities US$	Non-current Liabilities US$	Revenues US$	Expenses US$
Associates:						
1. Gouvêa Vieira Advogados	-	-	-	-	-	144
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	102
3. Codan Services Limited	-	-	-	-	-	12
Joint ventures:						
4. Allink Transportes Internacionais Ltda.	1	-	-	6	352	1
5. Consórcio de Rebocadores Barra de Coqueiros	71	34	-	137	62	246
6. Consórcio de Rebocadores Baía de São Marcos	65	1,753	-	3,649	7,023	-
7. Dragaport Ltda.	-	-	-	-	297	-
8. Dragaport Engenharia Ltda.	-	378	-	2,220	-	162
Others		-	-	-	-	-
9. J&R Grant (International) Limited	-	-	-	-	-	12
10. Porto Campinas Ltda.	-	814	-	-	-	-
11. International Finance Corporation	-	-	8,313	15,372	-	2,450
Year ended December 31, 2007	137	2,979	8,313	21,384	7,734	3,129
Year ended December 31, 2006	4,120	1,218	1,609	30,935	11,821	15,974

	Current assets R$	Non-current assets R$	Current liabilities R$	Non-current liabilities R$	Revenues R$	Expenses R$
Associates:						
1. Gouvêa Vieira Advogados	-	-	-	-	-	255
2. CMMR Intermediação Comercial Ltda.	-	-	-	-	-	181
3. Codan Services Limited	-	-	-	-	-	21
Joint ventures:						
4. Allink Transportes Internacionais Ltda.	2	-	-	11	623	2
5. Consórcio de Rebocadores Barra de Coqueiros	126	61	-	244	110	436
6. Consórcio de Rebocadores Baía de São Marcos	116	3,106	-	6,464	12,440	-
7. Dragaport Ltda.	-	-	-	-	526	-
8. Dragaport Engenharia Ltda.	-	670	-	3,932	-	287
Others						
9. J&R Grant (International) Limited	-	-	-	-	-	21
10. Porto Campinas Ltda.	-	1,442	-	-	-	-
11. International Finance Corporation	-	-	14,725	27,229	-	4,340
Year ended December 31, 2007	244	5,279	14,725	37,880	13,699	5,543
Year ended December 31, 2006	8,809	2,604	3,440	66,139	25,273	34,152

1. Dr J. F. Gouvea Vieira is a managing partner in the law firm Gouvea Vieira Advogados. Fees were paid to Gouvea Vieira Advogados for legal services.
2. Mr C. M. Marote is a shareholder and Director of CMMR Intermediação Comercial Limitada. Fees were paid to CMMR Intermediação Comercial Limitada for consultancy services.
3. Mr C. F. A. Cooper is a partner in Conyers, Dill and Pearman the owners of Codan services. Fees were paid to Codan services for company secretarial services.
4. Mr A. C. Baião is a shareholder of Allink Transportes Internacionais Limitada. Allink Transportes Internacionais Limitada is 50% owned by the Group and rents office space from the Group.

5-8. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation. The proportion of ownership interest in each joint venture is described on note 28.

9. J & R Grant Limited is owned by the parent of Wilson Sons Limited, Ocean Wilsons Holdings Limited. J & R Grant is an agent for the Brazilian subsidiaries of Wilson Sons Limited.

32. NOTES TO THE CASH FLOW STATEMENT

	2007 US$	2006 US$	2007 R$	2006 R$
Profit before tax	83,962	64,146	148,722	137,144
Less: Investments revenues	(19,238)	(9,425)	(34,076)	(20,151)
Add: Finance costs and disposal of investment	7,565	9,236	13,400	19,747
Operating profit from operations	72,289	63,957	128,046	136,740
Adjustments for:				
Depreciation of property, plant and equipment	18,750	14,822	33,212	31,689
Amortization of intangible assets	316	278	560	594
Gain on disposal of property, plant and equipment	(4,819)	(401)	(8,536)	(857)
Profit on disposal of joint venture	-	(2,965)	-	(6,339)
Release of surplus on acquisition of interest in subsidiary	-	(1,433)	-	(3,064)
Increase in provisions	6,571	1,596	11,639	3,412
Operating cash flows before movements in working capital	93,107	75,854	164,921	162,175
Increase in inventories	(318)	(392)	(563)	(838)
Increase in receivables	(19,475)	(8,180)	(34,496)	(17,489)
Increase in payables	24,681	1,548	43,717	3,312
Increase in other non-current assets	(3,313)	(2,153)	(5,868)	(4,603)
Cash generated by operations	94,682	66,677	167,711	142,557
Income taxes paid	(29,673)	(17,156)	(52,560)	(36,680)
Interest paid	(6,645)	(6,422)	(11,771)	(13,729)
Net cash from operating activities	58,363	43,099	103,380	92,148

33. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2007 US$	2006 US$	2007 R$	2006 R$
Short-term employee benefits	5,368	3,955	10,383	8,456
Post-employment benefits	2,702	1,412	5,226	3,019
Share-based payment	-	212	-	453
	8,070	5,579	15,609	11,928

34. INITIAL PUBLIC OFFERING OF SHARES (IPO)

On June 1, 2007, Wilson Sons Limited and its controlling shareholder, Ocean Wilsons Holdings Limited (the “Company” and the “Selling Shareholder”, respectively) concluded the Initial Public Offering consisting of a primary and secondary offering of Brazilian Depositary Receipts (the “BDRs”), representing common shares issued by the Company in accordance with the regulations of the Brazilian Securities Commission (the “CVM”) with sales made to international investors as defined by international regulations applicable to such operation.

The Initial Public Offering has been duly approved by the Company and the Selling Shareholder as per the respective corporate approvals dated on April 9, 2007.

Each BDR represents one common share issued by the Company and/or held by the Selling Shareholder. The BDRs have been issued by Banco Itaú S.A., as depositary. The Company is listed and trades its BDRs on the São Paulo Stock Exchange (the “Bovespa”) under the type Patrocinado Nível III and under the symbol “WSON11”.

The shares represented by the BDRs are deposited with The Bank of New York (Luxembourg) S.A., as custodian and have been listed for trading on the EURO MTF market, the exchange regulated market operated by the Luxembourg Stock Exchange.

Under the primary offering 11,000,000 BDRs issued by the Company have been traded under the offering price of US$11.74/BDR (R$23,77/BDR). The net proceeds from the primary offering amount to approximately US$117,951 (R$208,925).

35. SUMMARY OF DIFFERENCES BETWEEN INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") AND ACCOUNTING PRACTICES ADOPTED IN BRASIL ("BR GAAP")

The consolidated financial reports were prepared according to International Financial Reporting Standards ("IFRS"), which differ significantly from accounting practices adopted in Brazil:

a) Reconciliation of differences between total Capital and Reserves according to IFRS and BR GAAP

	Note	R$ thousands 2007	R$ thousands 2006
Total Capital and Reserves under IFRS		569,566	310,011
Differences between accounting practices:			
Unrealized Gain on Investment	(i)	(8,121)	(7,637)
Reversal of gain on negative goodwill	(ii)	(4,475)	(4,475)
Accumulated amortisation of goodwill	(ii)	(10,855)	(7,487)
Fixed assets:	(iii)		
Costs		(24,131)	(21,067)
Accumulated depreciation		11,149	7,944
Financial leasing obligation		4,091	3,642
Capitalized interest – cost	(iv)		
Cost		18,784	24,655
Accumulated amortization		(8,281)	(5,873)
Pre-Operational Expenses	(v)		
Cost		4,841	4,841
Accumulated amortization		(2,790)	(2,587)
Conversion effects	(vi)	151,991	75,039
Other		5,522	4,959
Deferred income tax and social contribution	(ix)	(44,965)	(30,546)
Minority Interests	(vii)	(9,950)	(8,189)
Total Capital and Reserves under BR GAAP		652,376	343,230

b) Reconciliation of differences in Profit for the year between IFRS e BR GAAP

	Note	R$ thousands 2007	R$ thousands 2006
Profit for the year under IFRS		102,376	94,654
Differences between accounting practices:			
Goodwill amortization	(ii)	(3,577)	(5,440)
Financial lease	(iii)	613	(4,037)
Capitalised interest	(iv)	(8,672)	(3,176)
Pre-operational expenses	(v)	(260)	(303)
Conversion and exchange rate variation effect	(vi)	15,435	2,956
Subscription to capital on IPO	(viii)	(6,128)	-
Other	-	(1,314)	(503)
Deferred Income tax and social contribution	(ix)	1,327	4,157
Minority Interests	(vii)	(2,902)	(1,723)
Profit for year under BR GAAP		96,898	86,585
Profit per share, under BR GAAP (R$/shares*)		1.63	1.46

(*)Consistent with paragraph 64 of IAS 33 – "Earnings per Share" the increase in number of shares resulted from the IPO process was retrospectively reflected in the prior year's computation of Profit per share.

c) **Description of differences between accounting practices:**

(i) **Unrecognized gain on investment**

For IFRS purposes, the assets held for sale are reported at their fair value and the gain there on taken to Equity until it is realized. For BR GAAP, the asset is carried at cost.

(ii) **IFRS 3 - Goodwill and negative goodwill**

• Reversal of Gain on Negative goodwill

Represented by the reversal of recognition in the IFRS income statement of the negative goodwill generated with the incorporation of certain subsidiaries, Mangaratiba Participações Ltda. and Sobrare Participações Ltda., but reported in the BR GAAP financial statements under non-current liabilities. For IFRS purposes, the negative goodwill is recognized in the result of the period in which it arose.

• Goodwill on company acquisition

Refers to goodwill recognized on the acquisition of the minority shareholding in Tecon Rio Grande S.A.. Under BRGAAP, the goodwill on acquisition of a company is calculated based on the difference between the actual amount paid and the cost of the share of assets acquired ("historic value"), and is amortized in five years as permitted by applicable legislation. Goodwill is recognized similarly for IFRS, as foreseen in the scope exception IFRS 3 - business combination. Nevertheless, for IFRS purposes, the goodwill is not subject to amortization, but is periodically tested for deterioration in value ("impairment").

(iii) **Financial Leasing Obligations**

Under IAS 17 - Leases, the cost of fixed assets acquired under lease contracts characterized as "financial lease" is recognized in fixed assets, and depreciated over the life expectancy of the asset, which differs from the term of lease under which the asset is acquired. Under BRGAAP, payments on leasing contracts are charged as lease expenses in operational results.

(iv) **Capitalized Interest Cost**

In accordance with IAS 23 - Loan Costs, the Group chose not to follow the ("benchmark treatment") of capitalizing the interest and exchange variation on loans obtained to fund the acquisition of vessels and/or equipment during the periods in which they are constructed. Under BRGAAP, these amounts are capitalised at the cost of fixed assets.

(v) **Pre-Operational Expenses**

Under IFRS, pre-operational expenses are not capitalized in fixed assets, but are recognized directly in the results of the period in which they are incurred. Under accounting practices adopted in Brazil, the Group allocates to deferred assets the pre-operational expenses that cannot be capitalised as fixed assets for each project but which benefit future periods.

(vi) **Conversion effects - Measurement and presentation of accounting balance and exchange effects**

As mentioned in the accounting practices of the Group, under IFRS, the companies using the U.S. dollar as their functional currency, convert non-monetary accounts such as total equity from local currency (the Real) into U.S. dollars at historic exchange rates, and other assets and monetary liabilities at current rates ruling at the end of each period. Consequently, the effects of gains and losses on monetary assets and liabilities exposed to currencies other than the U.S. dollar are reported on the related lines of the Income Statement as exchange gain or loss for the year.

Under BR GAAP, the effects of exchange variations on assets and liabilities exposed to currencies other than the Real are charged to income statement currently. Such exchange variances are not translatable into U.S. dollars, except insofar as they relate to balances stated other than in U.S. dollars or the Real.

(vii) Minority Interests

For IFRS reporting, Minority Interests are included in Capital and Reserves. Under BR GAAP, they are reported separately from Capital and Reserves.

(viii) Subscrition to Capital on IPO

Under IFRS, the cost of subscrition to Capital is deducted from Capital raised.Under BR GAAP, it is written off as an expense of the period in which it is incurred.

(ix) Deferred Income Tax and Social Contribution

As required by IAS 12 - "Income Tax", the Group recognizes the effects of deferred income tax and social contribution on the differences between the account balances measured in accordance with IFRS and the respective amounts measured under tax rules. Under BR GAAP, the Group already recognizes the effects of deferred income tax and social contribution on the differences between the account balances measured in accordance with the accounting procedures adopted in Brazil and the respective balances measured under tax rules. Consequently, for IFRS reporting, in addition to the amounts of tax effects already recognized under BR GAAP, the tax effects of differences between BR GAAP and IFRS are also recognized. These include the amounts resulting from variances between the non-monetary amounts reported in historical U.S. dollars for IFRS purposes and the measurement basis of those same assets in local currency under tax rules, translated into comparable U.S. dollar amounts at balance sheet exchange rates.

(x) Additional disclosures required by BR GAAP

The requirement for the disclosure under BR GAAP differs from that of IFRS. The requirements of BR GAAP in addition to the matters already disclosed in these financial statements are complemented as follows.

• Earnings per share

Under BR GAAP, the net profit per share is calculated on the number of shares in circulation on the balance sheet date, whereas the net profit per share in accordance with IFRS is calculated using the weighted average of the outstanding shares for each period. In the case of the Group, the weighted average outstanding shares for each of the years ended at 31 December 2007 and 31 December 2006 is the same as the number of outstanding shares on the balance sheet date.

• Covenants

The subsidiaries Tecon RG and Tecon S.A. have specific restrictive clauses in their financing contracts with financial institutions related, basically, to the maintenance of liquidity ratios.

• Capital, Reserves and Dividends

The capital consists of ordinary shares with the right to one vote per share.

The legal reserve is set up in each Brazilian subsidiary S.A. Company, on the basis of Brazilian Corporate Law.

Bermuda legislation and the current by laws of Wilson Sons Limited do not require an annual dividends payment, although the bye-laws allow the Board of Directors to present a dividend proposal to shareholders.

Abratec: Brazilian Association of Public-Use Container Terminals.

Bareboat Charter: Agreement whereby the charterer obtains possession, use and control of the vessel for a determined period of time, including the right to appoint the master and crew.

Operational berth: Quayside where vessels berth to load and/or unload cargo.

BDR(s): English-language initials for Brazilian Depositary Receipt(s); Refers to share deposit certificates or receipts issued by a foreign, publicly listed company, each one representing one common share of stock, issued and held in a custody account by a depositary institution in Brazil.

Draft: The name given to the depth of water measured at the lowest point of the keel of a vessel.

Company or Wilson, Sons: Refers to Wilson Sons Limited.

Rubber-Tire Gantry (RTG): A vehicle used for handling containers in the yard, allowing for higher and wider stacking.

Ship-to-Shore (STS): A crane used for loading and unloading containers onto vessels at the quayside.

Hub port: A regional transhipment port.

Offloading: Transfer operation of oil products from production platforms onto shuttle tankers.

Organised Ports: Built and equipped to serve the needs of shipping, passenger transportation and/or the handling and warehousing of goods. Conceded or operated by the Federal Union, whose port traffic and operations are under the jurisdiction of the port authority. The port authority is responsible for the administration of the organised port, and may be the Federal Union itself or a concessionaire entity.

PPRA: Programme for the Prevention of Environmental Risks.

PSV: English-language initials for Platform Supply Vessel; a vessel that provides marine support services to platforms for the exploration and production of oil and gas.

Keel: Mainstay of a vessel, extending from stem to stern in its lower part, acting to prevent sideway drifts and to reinforce the bottom. It constitutes the vessel's spinal cord and most important part, regardless of the size of the vessel.

Salvage: Generically refers to the action of saving and/or rescuing a ship, its equipment, personnel and cargo. In the case of Wilson, Sons, salvage operations imply the Company's role of assistance to salvage of vessels, in situations such as: firefighting, un-grounding and ocean towage.

GLOSSARY OF SECTOR TERMS

Sindamar: Shipping Agency Union of the State of São Paulo.

Syndarma: National Union of Shipping Companies.

Container Terminal (Tecon): Terminal specialised in the handling and storage of containers with a quayside equipped to handle container ships.

TEUs: English-language initials for Twenty-foot Equivalent Unit; the international unit of measurement for containers, equivalent to twenty feet.

Transhipment: Service provided by the port operator, in which cargo is discharged from one vessel and re-loaded onto another vessel.

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