Chairman's Statement

Overview

Ocean Wilsons Holdings Limited ("Ocean Wilsons or the Company") is a Bermuda based investment company and through its subsidiary operates as a maritime services company in Brazil. The Company is listed on both the Bermuda Stock Exchange and London Stock Exchange. It has two principal subsidiaries: Wilson Sons Limited and Ocean Wilsons Investments Limited.

Wilson Sons Limited ("Wilson Sons") is an autonomous Bermuda Company listed on the Sao Paulo Stock Exchange (BOVESPA) and Luxembourg Stock Exchange. Ocean Wilsons holds a 58.25% interest in Wilson Sons which is fully consolidated in its accounts with a 41.75% minority interest. Wilson Sons is one of the largest providers of maritime services in Brazil. The Group's activities include harbour and ocean towage, container terminal operation, offshore support services, logistics, small vessel construction and ship agency. The Group has over four thousand employees and operates in nearly thirty locations throughout Brazil.

Ocean Wilsons Investments Limited is a wholly owned Bermuda investment company. The Company holds a portfolio of international investments. The Company has appointed Hanseatic Asset Management LBG, a Guernsey registered and regulated investment group as its investment manager.

Introduction

2008 proved to be a challenging year for the Group with the global economic crisis and falling equity markets. Wilson Sons continued to produce strong operating results with good performances from the towage, port terminal, logistic and offshore businesses. However the fall in global investment markets and depreciation of the Real against the US Dollar created significant losses during the year that adversely affected bottom line earnings. Trading conditions will continue to be difficult in 2009 but the Group remains well placed with ample cash at its disposal to address the challenges and exploit investment opportunities as they arise.

Results

Revenue for the year increased 23% to US$498.3 million (2007: US$404.0 million) whilst operating profit for the year at US$98.3 million was US$39.8 million ahead of 2007, US$58.5 million. Aside from the improvement in underlying results from operations operating profit increased principally due to a reduction in the long-term incentive plan accrual in the period of US$8.1 million and non-recurring fiscal credits of US$22.4 million.

Profit before tax decreased US$271.8 million from US$303.4 million to US$31.6 million principally due to the profit on the disposal of the minority interest in Wilson Sons of US$213.7 million in 2007, losses on the investment portfolio of US$59.5 million and exchange losses on the Real denominated cash balances of US$23.5 million.

Losses per share based on ordinary activities after taxation and minority interests were 75.5 cents (2007: Earnings 729.8 cents).

Wilson Sons Limited

At the close of business on 23 March 2009, the Wilson Sons share price was Real 11.25 resulting in a market value for the Ocean Wilsons Holding of 41,444,000 shares (58.25%) of approximately US$207.7 million.

Investment Portfolio

Investment managers

The Group's investment portfolio is held by Ocean Wilson Investments Limited ("Company") a wholly owned subsidiary registered in Bermuda. The Company has appointed Hanseatic Asset Management LBG a Guernsey registered and regulated investment group as its Investment Manager.

The investment managers receive an investment management fee based on the valuation of the funds under management and an annual performance fee of 10% of the annual performance which exceeds the benchmark and provided that the high water mark has been exceeded. The investment management fee is an annual rate of 1% payable monthly in arrears. The performance fee is measured against an absolute benchmark derived from the one year USD LIBOR, prevailing at the commencement of each calendar year plus 2%. In 2008 no performance fee was payable.

Investment strategy

The Board of the Company determines investment guidelines and restrictions in conjunction with the investment manager, these together with the investment managers reports are reviewed at the Company's board meetings.

The investment strategy agreed with the Company's investment managers is to maximise the total return on assets, by investing in a portfolio of diversified assets including global equities, fixed income and alternative assets with a particular emphasis on emerging markets. Investments are intended to add value over the medium to longer-term through a non-market correlated, conviction based investment style.

Investment portfolio performance

The fall in global equity markets resulted in the value of the trading investment portfolio and cash under management declining 22.5%, from US$274.0 million to $212.4million. The principal causes for the loss of value in 2008 was the portfolio exposure to the Emerging Markets and Natural Resources.

Chairman's Statement

Although falling in value the portfolio outperformed the MSCI World Index (40.7% loss), thanks largely to its significant position in liquidity funds. In response to the uncertainty in world financial markets the Company's investment managers deferred further deployment of the Company's liquid assets and at year end the investment portfolio held US$119.8 million in cash and liquidity funds. During the year the investment managers deployed US$62.1 of the portfolio's cash and liquidity funds in new investments and capital draw downs. Details of the individual investment holdings at 31 December 2008, new investments made during the period and performance, are contained within the Investment Managers report.

Over the eight years that Hanseatic Asset Management has managed the portfolio it has increased in value by 80.3% compared with a loss of 17.9% in the MSCI world index and a 43.2% return from the benchmark in the same period.

Brazil

The impact of the global financial crisis has been slow to arrive in Brazil and to date the effect is less severe than seen in other economies. The first effects were reflected in the fall of the Brazilian stock market "Bovespa" index from its peak of 73,794 in May 2008 to 37,550 at year end, due principally to the fall in world commodity prices and a decrese in investor appetite for emerging markets partly driven by investor liquidity problems. Despite the turmoil in world markets, Brazilian GDP grew over 5% in 2008 however recently exports have fallen sharply and there are signs of a slowing in the Brazilian economy. Forecasters are revising down the outlook for 2009 and there is a risk that Brazil will enter recession in 2009 as domestic demand falls due to increased unemployment and a contraction in domestic credit. The risk of recession in Brazil depends to a large extent on the level of the external crisis and the contraction of credit.

Despite the uncertainties in the world economy the country is better postioned to face the coming economic challenges than in past crises with over US$200 billion of foreign currency reserves. Additionally compared to most developed economies, trade and internal debt levels remain low relative to the size of the economy. Different from previous crises there is no need for government to reduce discretionary spending and government has started easing monetary policy through a reduction in the banks required reserve asset ratio and lowering interest rates although interest rates remain high at 11.25%.

Exchange rates

The Brazilian Real devalued 24% against the US Dollar from R$ 1.77 at 1 January 2008 to R$ 2.33 at the year end. The devaluation of the Brazilian Real against the US Dollar generated a net exchange loss of US$23.6 million (2007: US$7.8 million gain) on the Group's Real-denominated cash balances. On the positive side, sales margins of services denominated in US Dollars benefited as Real denominated costs were lower when converted into US Dollars.

Dividend

In light of the losses on the investment portfolio the Board is recommending a final dividend of 26 cents per share (2007:36 cents) to be paid on the 22 May 2009, to shareholders on the close of business on 10 April 2009 making a total dividend for the year of 30 cents per share (2007: 40 cents per share). For those shareholders receiving dividends in Sterling the US dollar dividend will be converted by reference to the exchange rate applicable to the US Dollar on the dividend record date. Converting the final dividend at current exchange rates and the interim dividend at the interim dividend record date the full year dividend equates to approximately 20.8 pence per share compared with 20.3 pence per share paid in 2007.

The Company's target dividend payout in respect of each financial year is to pay the Company's full dividend to be received from Wilson Sons in the period plus a percentage of the average capital employed in the investment portfolio to be determined annually by the Board.

Dividends will continue to be set in US Dollars and paid twice yearly. Shareholders will continue to receive dividends in Sterling by reference to the exchange rate applicable to the US Dollar on the dividend record date, except for those shareholders that elect to receive dividends in US Dollars.

The Board of Directors may review and amend the dividend policy from time to time in light of our future plans and other factors. The payment of dividends cannot be guaranteed and maybe discontinued or varied at the discretion of the Board.

Depository receipts

On 4 December 2008 shareholders at a Special General Meeting approved the revised set of bye laws for the Company permitting the Board to sanction the issue of depository receipts. Each depository receipt will represent one share. Their advantage is that the depository receipts can be settled through electronic trading such as CREST which permits uncertified transfers of most securities listed on the London Stock Exchange.

The Company is in the final stages of establishing depository receipts and currently awaiting final regulatory approval in Bermuda. We expect to make a further announcement to shareholders in the near future.

Long term incentive plan

Ocean Wilsons Holdings Limited implemented a cash settled phantom option scheme that was approved by shareholders at the Special General Meeting held on 19 April 2007. The scheme is for selected senior management and the options provide for the option holder to receive on exercise the difference between the option price and the market value of Wilson Sons per OWHL share at the time of exercise.

The maximum liability under the plan is US$25.1 million based on the Wilson Sons IPO offer price. No further options will be granted under the scheme. An accrual of US$3.3 million has been included in the accounts at 31 December 2008 for benefits accruing under the plan (2007: US$10.0 million). The decrease in the accrual is due to the fall in the Wilson Sons Limited share price from Real 25.95 per share at 31 December 2007 to Real 10.95 at 31 December 2008 which is reflected in the fair value of the scheme.

Charitable donations

In line with our policy to support local causes the Group made contributions of US$74,000 (2007: US$138,000) during the year. The emphasis of the Group's actions continues to be community based projects helping disadvantaged children and adolescents. The Group's principal contributions in 2008 were:

Task Brasil – Casa Jimmy project to improve the lives and supports the needs of children and pregnant teenage girls living on the streets of Brazil. The institution is located in Santa Teresa, Rio de Janeiro.
Website: www.taskbrasil.org.uk

Escola de Gente – raising awareness and promoting social inclusion for all parts of the community. Located in Barra da Tijuca, Rio de Janeiro.
Website: www.escoladegente.org.br

NACCI – Nucleo de Apoio cancer infantil – provides services to support children's cancer treatment. The institution operates principally in the state of Bahia.
Website: www.nacci.org.br

Creche Flor da Primavera – provides care for low income working mothers
www.crecheflordaprimavera.blogspot.com

Through our corporate programme 'Criando Lacos" (Creating ties), the Group provides financial support and promotes employee involvement in social initiatives.

Outlook

The world is facing a difficult and uncertain economic environment in 2009. However the Group is well placed to meet the challenges with a healthy balance sheet in both our Brazilian and investment businesses.

Ocean Wilsons Investments Limited remains well placed with ample cash resources at its disposal to exploit opportunities as they arise.

Wilson Sons is looking to expand and to invest in its core businesses. Management intends to move forward with the expansion project at our container terminal in Salvador (Bahia), and continues to hold discussions with the public authorities and regulators in that direction. We are also exploring possibilities to expand our shipyard operation to service the internal and external demand for offshore support vessels, an area management believes it has a key strategic advantage. Towage remains well positioned to meet the challenges from the current global crisis and increased competition throughout 2009 and to reinforce its leadership position. Management remain focused on cost control and margin improvement across the range of businesses and to deliver another strong performance in 2009.

Management and staff

On behalf of your Board, I would like to thank our management and staff for their continuous efforts and support during the year and for delivering a successful performance.

J. F. Gouvêa Vieira
Chairman
24 March 2009

Financial Review

Revenue

Group revenue for the year increased 23% to US$498.3 million (2007: US$404.0 million) principally due to increases in the port operations, shipyard, offshore and logistics businesses. Revenue in the second half 2008 at US$248.4 million was in line with the first half, US$249.8 million. All Group revenue is derived from Wilson Sons operations in Brazil.

Operating profit

Operating profit for the year increased by US$39.8 million to US$98.3 million (2007: US$58.5 million). This improvement was driven mainly by higher turnover, movement in the share based payment expense and non recurring fiscal credits in the period.

The share based payment expense for the year was a US$8.1 million credit, US$20.7 million lower than prior year (2007: US$12.6 million charge). As both the Ocean Wilsons and Wilson Sons long term incentive schemes are cash settled phantom option schemes, International Accounting Standards require that the fair value is determined at each accounting date. The fall in the Wilson Sons Limited share price from Real 25.95 per share at 31 December 2007 to Real 10.95 at 31 December 2008 resulted in a significant decrease in the fair value of the two incentive schemes at the reporting date, generating a significant credit to the income statement in the period.

Non recurring fiscal credits relating to prior periods recognised in the year were US$22.4 million against US$5.9 million in 2007. The Group does not expect to recognise significant fiscal credits relating to prior periods in future reporting periods.

Operating profit also benefitted from the higher turnover as outlined in the Wilson Sons operating review. Raw materials increased from US$40.5 million to US$86.5 million reflecting the increase in shipyard sales.

Investment revenues

Investment revenue in 2008 fell US$20.4 million to US$6.8 million from US$27.1 million in 2007, primarily due to exchange losses on Brazilian Real denominated cash balances of US$23.5 million (2007: US$7.8 million gain). Interest from bank deposits in the period were US$23.6 million (2007: US$16.9 million). The increase in interest receivable resulted mainly from the higher average cash balances held throughout the year. Included in investment revenue is a US$4.2 million profit on the disposal by Wilson Sons of its interest in Barcas S/A Transportes Marítimos.

Other gains and losses

Other losses of US$59.5 million (2007 US$11.7 million gain) arise from the Group's portfolio of trading investments and resulted from the decrease in the fair value of trading investments held at year end of US$65.4 million, (2007: US$11.6 million gain) reflecting the volatility in World Equity markets in the second half of 2008.

Finance costs

Finance costs in 2008 increased by US$6.5 million to US$14.1 million from US$7.6 million in 2007. The increase was principally attributable to unrealised exchange losses on foreign currency borrowings, increased interest on bank overdrafts and loans and higher other interest charges. Other interest charges arise mainly from monetary correction on other tax balances.

Profit before tax

Group profit before tax for the year fell US$271.8 million to US$31.6 million from US$303.4 million in 2007 principally due the gain of US$213.7 million on the disposal of the minority interest in Wilson Sons Limited through the IPO of that business and the losses on the trading investment portfolio of US$59.5 million (2007 US$11.7 million gain).

Taxation

The US$38.6 million tax charge (2007: US$25.7 million) for the year represents an effective tax rate for the period of 122% (2007: 8%). The corporate tax rate prevailing in Brazil is 34%. The difference in the effective tax rate principally reflects losses or income arising in our Bermudian companies that are not subject to income or capital gains tax and hence no carry forward. In 2008 the effective tax rate was adversely impacted by the loss from our Bermudian investment portfolio of US$59.5million and 2007 benefitted from the profit on the sale of the minority interest in Wilson Sons US$213.7 million. Adjusting for income and expenses arising in jurisdictions with no income or capital gains tax the effective tax rate in 2008 is 45% (2007: 35%). Additionally the 2008 tax charge is impacted by an IFRS deferred tax adjustment arising on the retranslation of the non-current assets caused by the devaluation of the Real against the US Dollar. This effect is partly offset by the deferred tax gain on exchange losses on loans. In 2007 the appreciation of the Real generated an IFRS deferred tax credit partially offset by a deferred tax charge for exchange gains on loans.

Earnings per share

Basic losses per share for the year were 75.5 cents, compared with 729.8 cents earnings per share in 2007.

Cash flow

Net cash flow from operating activities for the year at US$52.1 million was US$4.1 million lower than prior year (2007: US$56.2 million).

Net cash used in investing activities for 2008 absorbed US$63.7 million (2007: US$73.3 million inflow) and included capital expenditure of US$90.2 million on vessel construction and Tecon Rio Grande (2007: US$92.3 million), net proceeds on disposal/purchase of trading investments US$3.4 million inflow (2007: US$187.9 million outflow) and interest received US$23.6 million (2007 US$16.9 million). 2007 also included the US$324.7 million inflow from the disposal of the minority interest in Wilson Sons.

The Group raised new loans in the period to finance asset construction of US$49.1 million (2007: US$54.9 million) and made repayments on existing loans of US$13.4 million (2007: US$16.7 million).

At 31 December 2008 the Company and its subsidiaries had US$205.3 million in cash and cash equivalents (31 December 2007: US$227.6 million) of which US$128.8 million was in US Dollar denominated assets and US$75.4 million in Brazilian Real denominated assets.

Balance sheet

At the year end the Group's net equity (equity attributable to ordinary shareholders of the Company) amounted to US$424.6 million (2007 US$478.8 million). This decrease is attributable to the loss in the period after minority interests, dividends paid to shareholders and the devaluation of the Brazilian Real. This translates into net assets per share excluding minority interests of US$12.01 per share (31 December 2007: US$13.54). Of this trading investments of US$210.0 million equates to US$5.94 per share. Trading investments together with your Group's share of the Wilson Sons cash resources held outside Brazil of US$63.1 million equates to US$7.72 per share.

Minority interests increased from US$134.3 million at the beginning of the year to US$139.5 million principally due to the Wilson Sons Limited profit in the period. During the year Wilson Sons Limited purchased the minority interest in Tecon Salvador S.A from the IFC (International Finance Corporation) for US$5.1 million.

Debt

The Group's consolidated borrowings (including obligations under finance leases) increased US$37.7 million at 31 December 2008 to US$189.5 million, (31 December 2007: US$151.8 million). US$181.0 million of Group debt is held in US Dollars term loans or linked to the US Dollar with long maturity profiles for debt repayments. During 2008 the Group made capital repayments on existing loans in accordance with debt repayment schedules of US$13.4 million (2007: US$16.7 million) and raised new loans of US$49.1 million (2007 US$54.9 million) to finance vessel construction and the expansion of Tecon Rio Grande.

Keith Middleton
Finance Director

Investment Managers Report

Hanseatic Asset Management LBG that manages the Group's Investment portfolio reports as follows:

Background

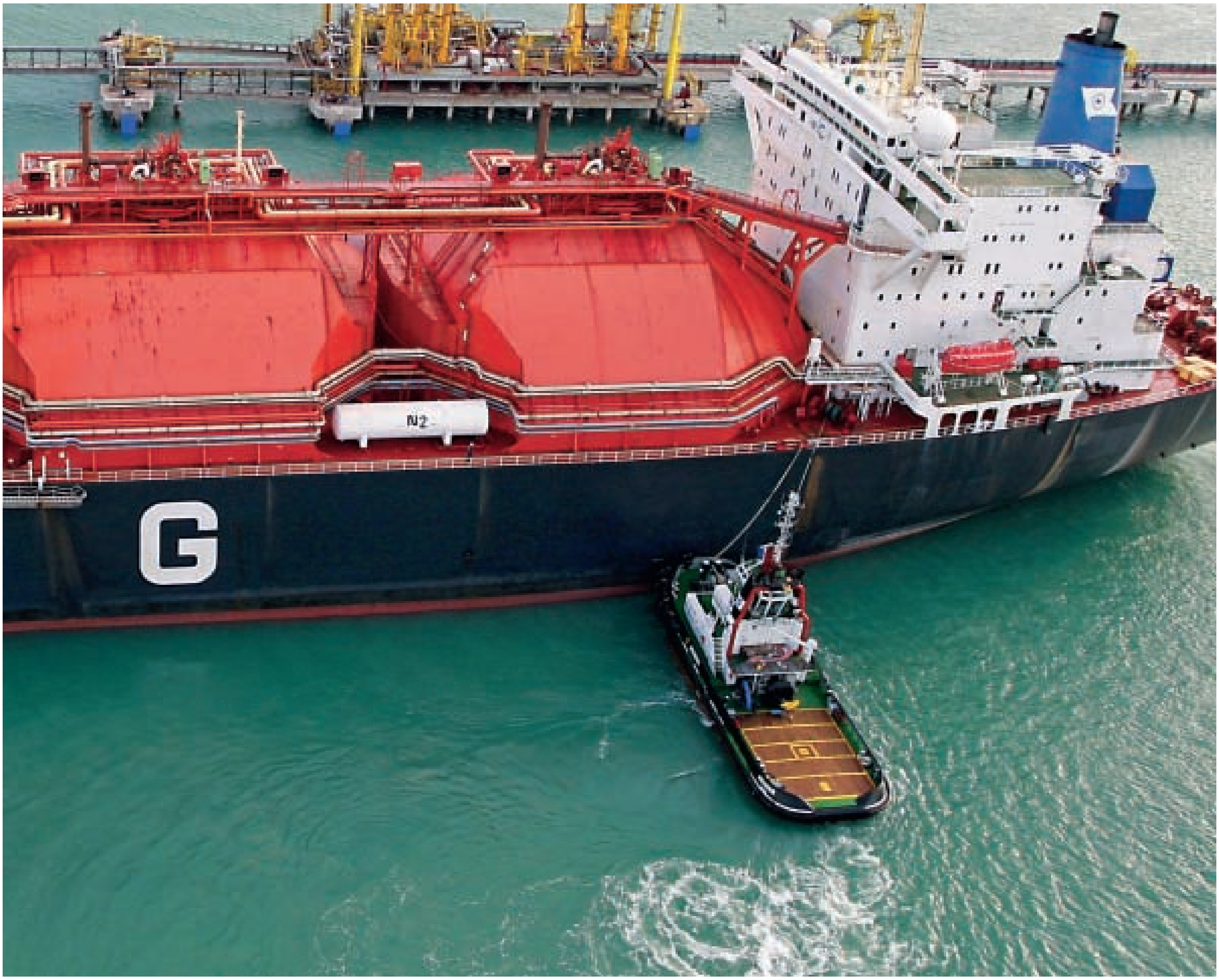
2008 was the worst year for equity investment since the 1930's. A catalogue of collapse and disappearance, or in more fortunate cases, emergency rescues of household names in the financial services sector together with a frenetic process of 'deleveraging' destroyed wealth across all markets. Ultimately, this process can trace its roots to a profound underestimation of risk inherent in property values and the banking sector, a legacy of the excessive easing of monetary policy following the burst "dot-com" bubble. It was compounded by the complexity of financial products, the opaqueness of bank balance sheets and incompetence in the regulatory and credit rating agencies. Few prisoners were taken in such an environment. Only the US dollar and government bonds offered any protection of value.

For the record, the MSCI World Index declined by 40.7% in US dollar terms. The extent of this decline was magnified by the strength in the US dollar against most currencies. The dollar rose by 4% against the Euro, by 26% against Sterling and by 23% against the Brazilian Real. The Yen was the only major currency to post significant strength against the dollar. This ensured that Japan, at least on a relative basis, was the best performing of the major equity markets. More precisely, it was the least worst, declining by 28.7%.

The Emerging Markets suffered most from the 'deleveraging' environment despite, in many cases, superior economic fundamentals to developed economies. Risks are perceived to be higher and selling pressure is exacerbated by liquidity issues. The MSCI Global Emerging Market Index declined by 54.5% in 2008, the largest annual decline since the creation of this index in 1987. Unlike previous bear markets in this asset class where contagion spread from a currency devaluation or debt default, this collapse in prices reflected a crisis amongst investors rather than underlying fundamentals.

The headlines in 2008 were dominated by a steady flow of unsettling news and developments in the financial services sector, starting with the nationalisation of Northern Rock in the UK and the fire sale of Bear Stearns to JP Morgan. Bad news also came from unexpected quarters. The scale of fallout from the collapse of the Icelandic banking sector, for instance, massively exceeded the tiny population of this remote country. However, it was the collapse of Lehman Brothers in the US, which policy makers abandoned to its fate that truly panicked all and sundry, induced cardiac arrest in the banking system and unleashed a pernicious wave of forced selling. These events were shocking enough, but investor nerves were further frayed by the confusion and indecision shown by policy makers. The about turn over TARP (Troubled Asset Relief Programme), together with the handling of major mortgage companies Fannie Mae and Freddie Mac, all contributed to a crisis of confidence in the world's leaders. To complete this perfect storm for battered investors, it emerged at the end of the year that one of the largest and apparently consistently successful hedge funds run by Bernard Madoff was in fact a case of massive fraud and a further $50 billion of investor assets had been wiped out.

The energy and industrial commodity complex were also severely impacted by this environment. Having nearly reached $150 a barrel in July and with leading analysts forecasting $200 a barrel by year-end, the oil price plummeted to nearer $50. Industrial commodities experienced a similar retracement. From chronic shortages in June, the metals markets had moved into oversupply within weeks. Surging inventories, the prospect of imminent recession and a rising dollar combined to put the bull market in commodities and mining companies into sharp reverse.

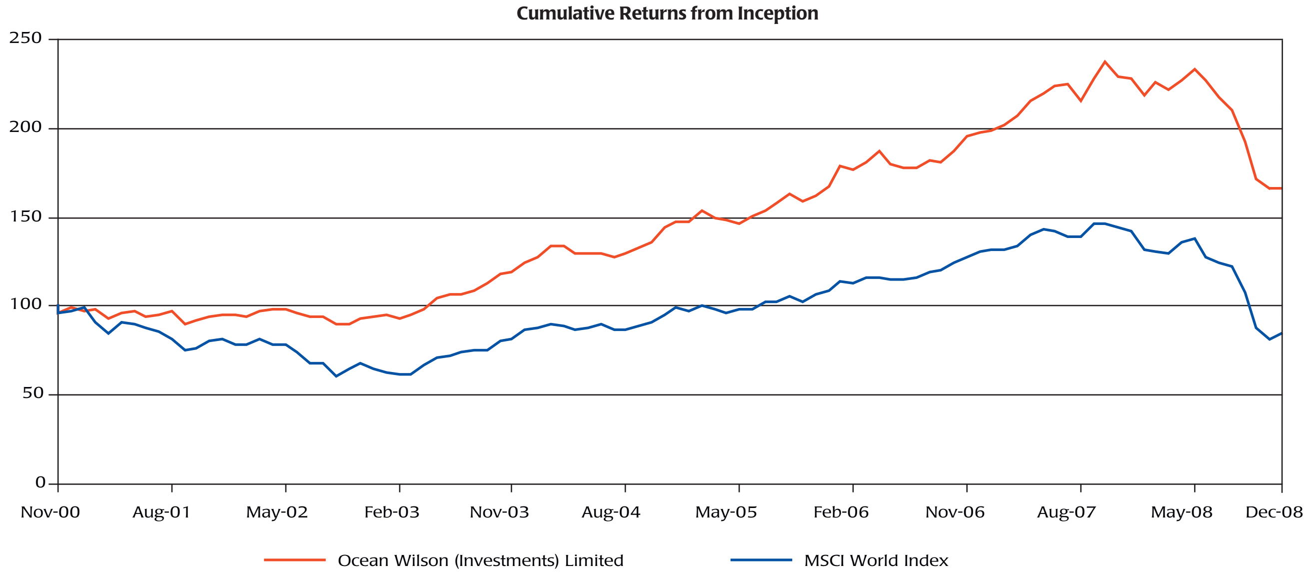


Above: The Tug boat Aquarius operating in the port of Pecem, in the state of Ceara.

Left: The platform supply vessel (PSV) Saveiros Atoba was delivered in 2008. The Group operates 5 PSV's.

Investment Managers Report

Performance



Annual performance (time weighted return)

	Since inception (1 Nov 2000)	2008	2007	2006	2005	2004
Fund performance	80.34%	−26.80%	16.98%	19.40%	13.23%	18.86%
MSCI	−17.89%	−40.71%	9.04%	20.07%	9.49%	14.72%
Performance benchmark	43.18%	6.22%	7.33%	6.84%	3.10%	4.20%

The portfolio's exposure to the Emerging Markets and Natural Resources, which had driven strong performance in previous years, were the principal causes of loss of value in 2008. Approximately 17% of the Fund's assets were invested in Emerging Markets and the Far East. The MSCI Emerging Market Index declined by 54.5% and the MSCI Far East ex-Japan declined by 52.0%. Between them, the holdings in Emerging Markets and the Far East accounted for 11.0% of the portfolio's decline (41.1% of the total), with a further 6.5% of value lost in the global Nature Resources theme (24.2% of the total decline).

Despite the extent of losses in these two areas, the portfolio outperformed the MSCI World Index thanks largely to its significant cash/cash equivalents position (56.5% of the portfolio at period end). Furthermore, in a year where there were virtually no hiding places in global equity markets, good relative performance at the underlying fund level in most regions (including Far East, Japan, North America and United Kingdom) helped to offset the negative impact of exposure to the Emerging Markets and Natural Resources.

Above: The tug boat Corona. The Group operates a fleet of 68 tug boats in Brazil.

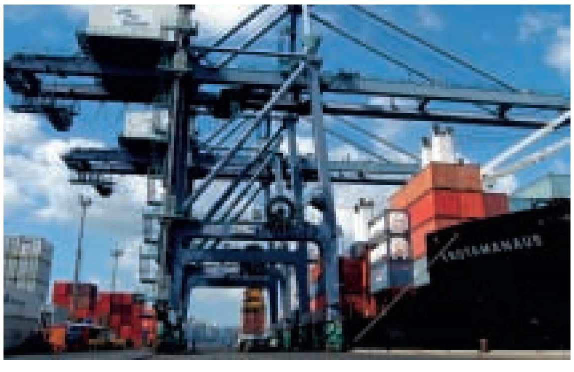
Left: The platform supply vessel (PSV) Pelicano supporting pipe laying operations off the coast of Espirito Santo.

Investment Managers Report

As at 31 December 2008, the portfolio's (excluding cash) largest holdings were as follows:

Investment portfolio (excluding cash)	Market Value $000	% of NAV
Goldman Sachs Funds Plc - USD Liquid Reserves #	41,057	19.55
Morgan Stanley Funds Plc - USD Liquidity #	39,843	18.97
JP Morgan USD Liquidity Fund #	36,858	17.55
Lansdowne UK Equity Fund Ltd	6,848	3.26
Oaktree CM Value Opportunities (Cayman) Fund Ltd	4,681	2.23
Ashmore Global Special Situations Fund IV, LP	4,563	2.17
Ashmore Local Currency Debt Portfolio	3,723	1.77
JO Hambro Japan Fund	3,522	1.68
SR Global Fund Emerging Markets Portfolio	3,517	1.67
BlackRock World Mining Trust Plc	3,308	1.58
Top 10 Investments	147,920	70.43
BlackRock Middle East & North Africa Opps. Fund	3,212	1.53
BlackRock Agriculture Fund	3,206	1.53
Findlay Park American Smaller Companies Fund	3,189	1.52
Orbis SICAV - Japan Equity	3,162	1.51
Prusik Asia Fund Plc	3,135	1.49
Investec Global Energy Fund	2,829	1.35
Jupiter European Opportunities Trust Plc	2,808	1.34
Finsbury Growth & Income Trust Plc	2,528	1.20
BlueBay European Credit Opportunity Fund	2,432	1.16
SR Global Fund Asia Portfolio	2,348	1.12
Top 20 Investments	28,850	13.75
Harbinger CP Special Situations Fund	2,086	0.98
Aberdeen Global Asia Pacific	2,002	0.94
Pacific Alliance China Land Ltd	1,965	0.93
Close Far East Equity Fund	1,899	0.90
Jupiter Financial Opportunities Fund	1,661	0.78
CLSA MezzAsia Capital, LP	1,619	0.76
EFG-Hermes MEDA Fund	1,598	0.75
Neptune Russia & Greater Russia Fund	1,588	0.75
R/C Global Energy and Power Fund IV, LP	1,244	0.59
Hupomone Capital Fund, LP	1,134	0.58
Top 30 Investments	16,796	7.96
Other Investments (32)	16,429	7.86
Total Trading Investments	**209,994**	**100.00**

Note: # cash equivalent funds offering daily liquidity.

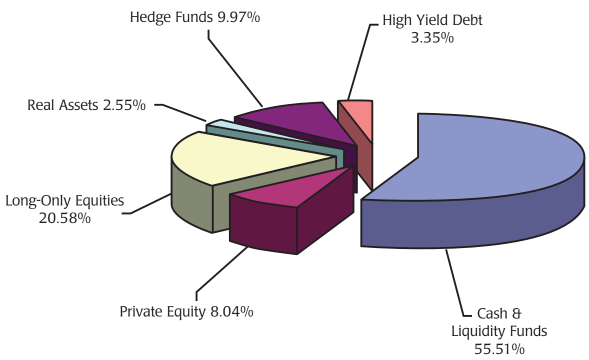


Above: Tecon Rio Grande in Rio Grande, Rio Grande do Sul. In October 2008 the third berth was completed as part of the expansion of Tecon Rio Grande.

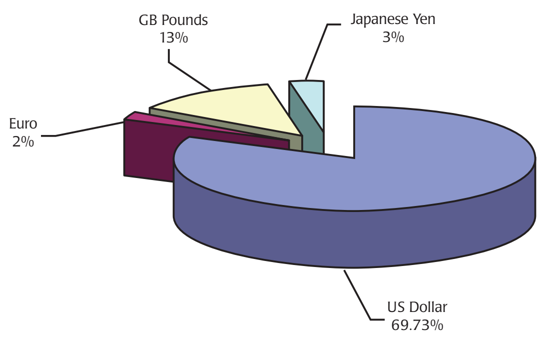
Left: Tecon Salvador in Salvador, in the state of Bahia.

Investment Managers Report

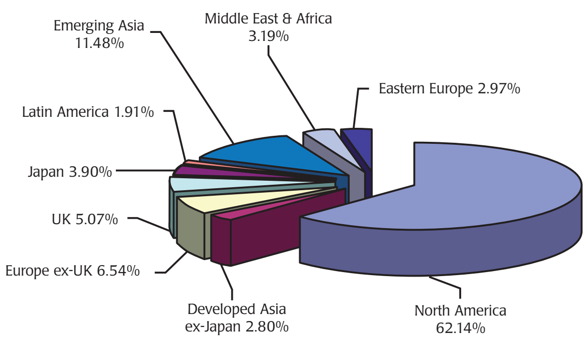
Asset Class Allocation (including cash) as at 31 December 2008



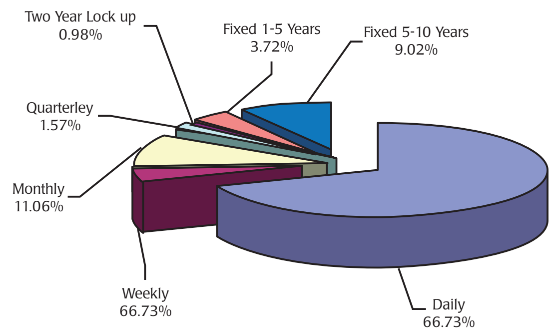
Currency Exposure (by denomination) as at 31 December 2008



Geographical Distribution as at 31 December 2008



Underlying Liquidity as at 31 December 2008



Portfolio activity

At the beginning of the year, the portfolio had cash and liquidity funds of $167.7m available for investment. During 2008, $62.1m of this cash and liquidity funds was deployed. Of this, $31.9m was for "new investments", $16.1m was for "follow-on investments" (additions to pre-existing holdings) and there were draw downs of capital in the portfolio's "fixed term investments" of $14.1m.

As at 31 December 2008, the portfolio's cash and liquidity funds totalled $119.8m. In response to the dramatic collapse in financial markets in the second half of 2008, the Investment Adviser decided to defer further deployment of OWIL's liquid assets and consequently is in a position of strength to evaluate new opportunities.

Above: The bonded warehouse, Eadi Santo Andre in Santo Andre, Sao Paulo. The bonded warehouse concession was extended for a further 10 years in November 2008.

Left: Logistic operations.

Investment Managers Report

Purchases – New Investments
Ten new investments, totalling $31.9m, were made in 2008, as detailed below:

Aberforth Smaller Companies Trust Plc invests in small UK quoted companies and will normally consist of investments in over 80 companies.

Ashmore Local Currency Debt Portfolio invests in a diversified portfolio of emerging markets local currency and local currency denominated assets. Investments are mainly in shorter duration bonds, loans and derivatives of sovereign and corporate issuers and to a lesser extent, special situations. See 'Switches' below.

Atlantis China Fund invests in equity and equity related investments of companies operating in The People's Republic of China. The Fund focuses on small and mid-cap Chinese equities.

BlackRock Middle East and North Africa Opportunities Fund is a hedge fund, investing in the securities of companies operating in the Middle East and North Africa.

EFG-Hermes Middle East & Developing Africa Fund invests in equity and equity-related securities of listed companies across the 'MEDA' region.

Gazprom ADR represents four ordinary shares in Gazprom, Russia's largest company. The Company extracts, transports, stores and sells natural gas.

GLG Emerging Equity Fund is a hedge fund investing, in emerging as well as frontier markets. Due to the lead manager's resignation, OWIL redeemed its holding in the Fund (at a small gain). See 'Sales' below.

Harbinger Capital Partners Special Situations Fund is a hedge fund, investing globally in medium to long term investments including special situation equities, distressed/high yield debt and private loans/notes.

Jupiter Financial Opportunities Fund invests in investments in financial services companies and, to a lesser extent, property related companies.

Neptune Russia & Greater Russia Fund invests in Russian (and to a much lesser extent Ukraine and the 'Stans') liquid blue chips.

Purchases – Follow-on Investments
In addition, seven additional investments were made to pre-existing (prior to 2008) holdings during the period. These additions, totalling $16.1m, were into the following holdings: (i) BlackRock Agriculture Fund, (ii) BlackRock World Mining Trust Plc, (iii) Finsbury Growth & Income Trust Plc, (iv) Investec Global Energy Fund, (v) Jupiter European Opportunities Trust Plc, (vi) Prusik Asia Fund Plc and (vii) VinaCapital Vietnam Opportunity Fund Ltd.

Fixed Term Investments – New Investment Commitments
Two new investment commitments, totalling $10m, were made to fixed term investments in 2008, as detailed below:

Oaktree Capital Management Value Opportunities (Cayman) Fund Ltd ($5m commitment) invests in distressed debt and other value investments across the capital structure. Oaktree conduct thorough proprietary research and insist upon buying debt at a discount to its true value. The Fund is a feeder into Oaktree Value Opportunities Fund, LP (a Cayman Islands Exempted Limited Partnership) and is structured as an open-ended 'evergreen' entity. 50% of the commitment has an 18 month lock-up with the balance locked up for three years. The Fund's small capital base should allow for an opportunistic, flexible and trade-oriented approach.

Riverstone/Carlyle Global Energy and Power Fund IV, LP ($5m commitment) invests globally in the energy and power industry. The Fund will make equity investment in the $250-450m range, making both controlling and strategic minority investments. The Fund will focus on four sectors of the energy market: (i) Exploration & Production, (ii) Midstream, (iii) Oilfield Services and (iv) Power (generation, transmission and distribution). The Fund has a life of ten years (ending in December 2018).

Switches
Two switches, totalling $41.2m, were made in 2008, as detailed below:

Ashmore Emerging Market Liquid Investment Portfolio – the switch from Ashmore Emerging Market Liquid Investment Portfolio, a dollar based fund, into the Local Currency Debt Portfolio (the local currency denominated equivalent) reflected the Investment Adviser's view that these local currencies will have to reflect the strength of their economies through their currencies eventually and the majority of the gains on the dollar have been made.

In August, the holding in *Lehman Brothers USD Liquidity Fund* was liquidated and the proceeds transferred to *JP Morgan USD Liquidity Fund*. JP Morgan USD Liquidity Fund aims to offer a high level of security coupled with instant access and a competitive yield. Permissible investments include: government, agency and sovereign debt, repurchase agreements, time deposits, commercial paper, asset-backed securities, mortgage-backed securities and investment grade corporate bonds. In common with the other liquidity fund holdings, JP Morgan USD Liquidity Fund is a separate legal entity and the assets of the Fund are segregated from those of the bank.

Above: The Group's shipyard in Guaruja, in the state of Sao Paulo.

Left: As part of the corporate programme "Criando Lacos" employees performing work at Casa Jimmy in Rio de Janeiro.

Investment Managers Report

Sales

Three sales, totalling $8.9m, were made in 2008, as detailed below:

GLG Emerging Equity Fund – following the resignation of the lead manager.

Lansdowne European Equity Fund – the redemption (made in June) reflected disappointment with Fund's performance, together with the belief that the deteriorating economic prospects for Europe had not been fully discounted into equity prices.

UTS Energy Corporation – consolidation of natural resources exposure in favour of the Investec Global Energy Fund.

Fixed Term Investments – Outstanding Commitments

Investment	Original commitment $000	Drawdowns during 2008 $000	Outstanding as at 31 Dec 2008 $000
Ashmore Global Special Situations IV, LP	5,000	4,000	–
CLSA MezzAsia Capital, LP	3,000	668	271
Herald Ventures II, LP #	991	193	253
Hupomone Capital Fund, LP	3,000	1,800	1,200
NYLIM Jacob Ballas India Fund III, LLC	5,000	1,096	3,904
Oaktree CM Value Opportunities Fund Ltd *	5,000	5,000	–
R/C Global Energy and Power Fund IV, LP *	5,000	1,307	3,693
Total	26,991	14,064	9,321

Notes:

(i) # sterling commitment expressed in US dollars.

(ii) * commitment entered into during 2008.

Market outlook

With hindsight, there are some clear lessons from the events of 2008, which will have a key impact on future developments. Firstly, the abundance of credit and inflated real estate values that made the current crisis possible can be directly attributed to policy response in the post "dot-com" crash of 2000-2002. The determination of policy makers and central bankers then to avoid a recession at all costs has set the world up for a much more severe and debilitating hangover now the party has ended. More recently, policy has been flawed. Reactive, incoherent and made up on the hoof, it has so far compounded rather than alleviated the situation. More specifically, the consequences of allowing Lehman Brothers to fail were seriously miscalculated. The scale and speed of the 'deleveraging' that followed greatly amplified the magnitude of the ensuing economic and financial meltdown. Globalisation has ensured that there is no corner of the world economy that has not been affected.

A prolonged period of dislocation now seems inevitable as a transition occurs in the world economy. The era of debt fuelled consumption in the US and the stimulative impact that had on manufacturing bases in the developing economies is now in abeyance. A lack of income growth, the need to rebuild savings and severe constraint in the supply of credit create powerful headwinds for growth. What has been described as the "debt supercycle" – essentially putting off painful adjustment to sustain growth in the here and now – may or may not be over for good, but it is clearly in hibernation for the foreseeable future.

With the private sector marginalised, governments are likely to assume growing importance in the world economy. Over time, this will produce unintended consequences, new distortions and excesses. However, more immediately it is likely to dominate the investment landscape. The scale of fiscal policy response will be more analogous to wartime than that has been seen in previous peacetime financial crises. Ultimately, a new cycle of soaring government leverage is likely to replace leverage amongst consumers and in financial services.

In the near term, a severe recession in the world economy is unfolding. Synchronisation during the upswing implies synchronisation in the downswing, which will intensify its extent and duration. A worse than average recession is in prospect. In some countries such as the UK, where the banking sector is so significant in relation to the economy, commentators have talked of depression. On average, it is estimated that the GDP of industrialised economies will contract by 5%. In Eastern Europe, however, the contraction is likely to be much more severe than that. In Asia, declining export markets in the US will hit the manufacturing sector hard and it will take time to transition to more domestically led growth. The US faces a period of stagnation as the fiscal initiatives in areas such as infrastructure are offset by declining consumption. The Euro area will be badly affected, as the Euro creates policy inflexibility and there will be a high cost associated with the stewardship of the ailing East European economies.

Initially, deflation will be a much greater concern than inflation. The most severe wealth shock since the 1930's Depression, a paralysed banking system and very weak energy and commodity prices are all deflationary forces. Looking further ahead, a combination of ballooning budget deficits, quantitative easing of monetary policy, declining currencies, the disappearance of competition as companies fail in each sector, together with the expansion of the state sector, have the potential to create inflationary pressures. The very low yields that governments can currently borrow at look a dangerous trap for frightened investors.

Despite the overwhelmingly negative economic background, there is however potential for market rallies. For one thing, by any historical measure significant value has been re-established in equities. Dividend yield, price-to-book and market capitalisation-to-GDP ratios are at levels associated with major bear market troughs such as 1973-74. Cash offers no return and investor sentiment is at a very low ebb. However, the depressing reality for investors is that market rallies in the current environment are likely to be short lived. They are likely to be aborted by pent up redemptions, deferred debt reduction and nervous investors eager to book any sort of profit. Two major bear markets during the first decade of the 21st century have done much to undermine confidence in long term equity investing. Patience will be a key requirement in the year ahead. The longer term outlook for the key themes in the portfolio are still strongly positive. Natural resources overshot on the upside due to leveraged speculation. However, these exaggerated swings are self-correcting. Supply will contract markedly at current uneconomic levels and stabilise prices. Long term demand trends remain up due to the demographic profile of the developing world. Population growth and industrialisation are major unfolding forces in those countries. Generally speaking, the Emerging Markets have entered this recession with sounder economic fundamentals than in previous downturns. With the exception of some over-reaching Oligarchs in Russia, leverage is not as pervasive in either the private or state sectors as in the West. Recovery in the world economy may be some way off, but when it does occur, the Emerging Markets will have further enhanced their share of it.

In summary, the world faces a difficult recession in 2009. Deflationary forces will negatively impact corporate earnings and until the 'deleveraging' process has fully run its course stock markets will struggle. In the longer term, inflationary pressures may intensify as a consequence of the fiscal and monetary stimulus occurring. Equities offer better wealth protection under such circumstances. The Emerging Markets are set to continue increasing their share of world GDP. Ocean Wilsons Investments Limited remains well placed with ample cash at its disposal to exploit such opportunities and generate good returns in the medium term.

Hanseatic Asset Management LBG
March 2009

Wilson Sons Limited Operating Review

We have summarised the following highlights from the Wilson Sons 2008 Earnings Report released on the 24 March 2008. The full report is available on the Wilson Sons Limited website: www.wilsonsons.com.

Wilson Sons Limited, through its subsidiaries in Brazil, is one of the largest integrated operators of port and maritime logistics in the Brazilian market, with 170 years of experience, offering a comprehensive range of services with emphasis on the port and shipping sector. The principal operating segments of the business are port terminals, towage, logistics, shipping agency and offshore.

Highlights

- Net revenue grew by 23.3% to US$498.3 million from US$404 million in 2007.
- EBITDA increased by 34.7% from US$91.4 million to US$122.7 million.
- Capital expenditure of US$93.5 million in the year principally on the expansion of the Tecon Rio Grande container terminal, and further vessel construction for our offshore and tug boat fleets.
- Net debt of US$5.2 million at 31 December 2008. 92% of all debt is long-term with 98% US Dollar or linked to the US Dollar.

2008 presented a number of challenges ranging from operational and financial targets, international trade flow uncertainty and a slowdown in export volumes late in the year. The adverse business environment became more critical with the onset of the latest global financial crisis, which deepened late in the third quarter of 2008. Wilson Sons met these challenges diligently, while delivering in 2008 positive year-over-year results, demonstrating the operational and financial strengths of our business model.

Wilson, Sons Terminais

Port operations

Wilson Sons port terminals operates two container terminals, located in Rio Grande, Rio Grande do Sul and Salvador in Bahia, Brazil (Tecon Rio Grande and Tecon Salvador). Both terminals, offer assistance in port operations for loading and unloading of vessels, storage, and auxiliary services. The Company also operates Brasco, located in Rio de Janeiro, which provides support services to the oil and gas industry.

Net revenue increased by 14.4%, from US$149.0 million in 2007 to US$170.5 million in 2008. Building on strong results throughout the first three quarters of 2008, total net revenues at port terminals declined moderately in 4Q2008, negatively affected by the stronger US Dollar, since its revenue base is predominately denominated in Brazilian Reais. Container volumes at 865,114 were 3.8% lower than 2007. In October 2008, the third berth expansion at Tecon Rio Grande was delivered, increasing operating capacity by 60%. This had an immediate impact in terms of new liner services calling at the terminal and a decrease in call cancelations by ship owners (from longer "port stays" being offered).

Operating profit at US$50.9 million for 2008 was 25% ahead of 2007, (US$40.8 million) due to higher-margin services provided, mostly from warehousing activities, a better mix of deep-sea containers handled, and the benefit from non-recurring fiscal credits reclaimed.

Wilson, Sons Rebocadores

Towage

Wilson Sons offers harbour towage, ocean towage, salvage support and maritime support to the offshore oil and gas industry.

Towage net revenue at US$147.1 million was in line with 2007, US$146.8 million. Net revenues were lower in 4Q08, relative to 2007, as a result of the deepening of the global crisis, and a decrease in the number of harbour manoeuvres. Revenues were further negatively affected by the adverse foreign exchange impact on Brazilian Real denominated revenues and by a reduction in the number of special operations performed in the quarter. Full year 2008 revenues were mostly in line with the previous-year figures and special operations represented 9.1% of towage net revenues for the year 2008, a 1.5% point increase over 2007.

Operating profit increased by 7%, from US$45.4 million in 2007 to US$48.6 million in 2008. Margins benefitted from a high margin deal to support LNG activities in Pecém, the stronger US Dollar against the Brazilian Real (as the majority of towage revenues are denominated in US Dollars, whereas most costs are in Reais), and from the benefit derived from non-recurring fiscal credits. These items offset the adverse impact of lower volumes in the fourth quarter.

Two new tugboats were added to the Company's fleet in 2008, one of which replaced an older unit, the tugboat 'Corona'. Overall, the entire fleet increased to 68 units.

Logistics

Wilson Sons develops and provides differentiated logistics solutions for the management of the supply chain of our clients and the distribution of products, including a number of logistics services, such as, storage, customs storage, distribution, highway transportation, multimodal transportation and NVOCC – Non Vessel Operating Common Carrier.

Net revenue from our Logistics business grew 29% from US$69.1 million in 2007 to US$89.3 million in 2008. Fourth quarter revenues declined 7% relative to 2007 principally due to the strengthening of the US Dollar in late 2008, as almost all revenue is Real denominated. Revenue from the Company's bonded warehouse (EADI), located in Santo André, improved mainly due to an increase in the value of goods stored, longer storage time and the strengthening of the US Dollar versus the Real.

Operating profit increased by 15%, from US$4.6 million in 2007 to US$5.3 million in 2008 due to improved results from the EADI Santo Andre and an increase in the range of services offered to existing clients.

Shipping agency

Wilson Sons acts as the ship owners' representative as well providing the following services to ship owners, commercial representation, cargo documentation, container control and vessel support.

Net revenue declined 14% from US$20.4 million in 2007 to US$17.6 million in 2008. Despite challenging market conditions, higher bill of lading fees and agency fees partially offset the negative impact from the decline in container volumes caused by the loss of a major agency client.

Operating profit was in line with 2007. The reversal in the doubtful debts provision and increased revenue from the strengthening US Dollar against the Brazilian Real, (revenues are principally US Dollar denominated) offset the negative impact from the loss of a major client in 2008.

Offshore

Wilson Sons operates platform supply vessels (PSVs), to transport equipment and supplies to and from offshore oil and gas installations.

Net revenue increased by 102%, from US$10.7 million in 2007 to US$21.6 million in 2007 due to the larger fleet size (a total of 5 PSVs, 2 of which having operated at spot rates) and better pricing. Pricing improved due to the strengthening of the US Dollar against the Real, annual correction on our long term contacts and premium pricing from the two vessels operating in the spot market. The improvement in revenue was reflected in improved operating margins with 2008 operating margins improving to 37% from 17% in 2007. Operating profit increased 350% from US$1.8 million to US$8.1 million. The Company's offshore business continued to achieve high levels of growth and maintained its position as the Company's third largest business segment, in terms of EBITDA generation.

In November 2008 Wilson Sons announced that it was negotiating with Magallanes Navegacao Brasileira S.A., owned by the Ultratug Group from Chile, to create a joint venture to operate offshore support vessels. The proposed joint venture would merge the offshore operations in Brazil of the two companies into a 50/50 joint venture, to include OSVs (Offshore Support Vessels) currently under construction, as well as OSVs in operation. Through the joint venture, Wilson Sons will gain additional expertise and economies of scale from an expanded offshore operation, while taking advantage of growth opportunities in Brazil's offshore oil and gas industry.

Non Segmental

Non-segmented activities include shipyard and our joint venture dredging company Dragaport and unallocated corporate costs.

All revenue in 2008 is derived from shipbuilding activities as in 2007 Dragaport sold its 2 Dredges. Revenue increased from US$8.1 million in 2007 to US$52.2 million in 2008 due to the construction of platform supply vessels for third parties. Construction contracts are accounted for upon completion of each phase of the contract.

Unallocated corporate costs accounted for as non-segmented activities, remained fairly stable, as measured on a year-over-year basis.

Directors and Advisers

Directors
J F Gouvêa Vieira* (Chairman)
W H Salomon* (Deputy Chairman)
K W Middleton
F Gros*
C F A Cooper*
*Non-executive

Secretary
Malcolm S Mitchell

Profiles of Non-executive Directors
Dr J F Gouvêa Vieira is aged 59 and joined the Group in 1991. He is the managing partner of the Brazilian law firm of Gouvêa Vieira Advogados.
He is the Chairman of Lafarge Brazil S.A. and a member of the Consultative Board of PSA Peugeot Citroen do Brasil, Violy & Co (New York), Lentikia Asset Management, Wilson Sons Limited, Concremat Engenharia S.A. and a number of other Companies.

W H Salomon is aged 51 and joined the Group in 1995. He is managing partner of Hansa Capital Partners LLP and a number of other investment companies. He is also a non-executive director of Hansa Trust PLC and Wilson Sons Limited.

F Gros is aged 67 and joined the Group in 2003. He is Chairman of Wilson Sons Limited. He is Vice Chairman of the Board of OGX-Oil and Gas and Globex-Ponto Frio, and Director of Fosfertil, Lojas Renner, EDP-Energias do Brasil S.A., AGCO and Wellstream.

C F A Cooper is aged 66 and joined the Group in 1994. He was a partner of Conyers, Dill & Pearman. He is also a Director of Stevedoring Services Limited and Bermuda Cablevision Limited.

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Bankers
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Jersey
Deutsche Bank International Limited
Jersey

Investment Managers
Hanseatic Asset Management LBG
Guernsey, Channel Islands

Report of the Directors

The Directors submit herewith their Report and Accounts for the year ended 31 December 2008.

The Group accounts, presented under International Financial Reporting Standards (IFRS), comprise the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and the related notes 1 – 37.

Profits and Dividends

As permitted by Section 84(1A) of the Bermuda Companies Act 1981 the Group's accounts have been drawn up in accordance with International Financial Reporting Standards.

The Group's loss after tax on ordinary activities but before minority interests amounted to US$26,700,000 (2007: US$258,065,000 profit).

An interim dividend of 4.0c (2007: 4.0c) gross per share was paid on 26 September 2008 and the Directors are recommending the payment of a final dividend for the year of 26.0c (2007: 36.0c) gross per share. The final dividend will be paid on 22 May 2009 to all shareholders who are on the register at close of business on 10 April 2009.

Principal Activities

The Group's principal activities during the year were the provision of towage, port operations, ship agency, offshore and logistics services in Brazil and the holding of investments. Details of our activities are set out in the Chairman's statement, Investment managers report and Wilson Sons Limited operating review on pages 1 to 19.

Directors

The present Members of the Board are as shown on page 20.

In accordance with the Company's bye-laws, Mr W H Salomon will retire at the next annual general meeting and, being eligible, offer himself for re-election. The Directors who held office at 31 December 2008 had the following interest in the Company shares:

	Interest	**2008**	2007
C F A Cooper	Beneficial	**42,900**	39,500
J F Gouvêa Vieira	Beneficial	**136,600**	123,300
F Gros	Beneficial	**13,000**	–
K W Middleton	Beneficial	**10,000**	10,000
W H Salomon*	Beneficial	**4,659,349**	4,435,064

*Additional indirect interests of W H Salomon in the company are set out in substantial shareholdings below.

Service Contracts

Regarding the Directors proposed for re-election at the Annual General Meeting there is no service contract between Mr W H Salomon and the Company.

Employees

The average number of persons, including Directors, employed by the Group was 4,933 (2007: 4,012).

Charitable and Political Donations

During the year, the Group made charitable donations of US$74,000 (2007: US$138,000) principally to social programmes in Brazil. There were no political contributions in either year.

Long term incentive plan

In March 2007, the Remuneration Committee introduced a cash settled long-term incentive plan for senior management with rewards linked to the performance of the Ocean Wilsons Holdings Limited share price. The plan was approved at the Special General Meeting held on 19 April 2007. An accrual of US$3,296,000 (2007: US$10,013,000) has been included in the 2008 accounts for benefits accruing under the plan.

On 9 April, 2007, the boards of Ocean Wilsons Holding Limited and Wilson Sons Limited approved a stock option plan which allows for the grant of phantom options to eligible employees selected by the Wilson Sons Limited Board. The options will provide cash payments, on exercise, based on the number of options multiplied by the growth in the price of a Wilson Sons Limited Brazilian Depositary Receipt "BDR" between the date of grant (the "Base Price") and the date of exercise (the "Exercise Price"). The plan is a Brazilian Real denominated scheme. An accrual of US$1,167,000 (2007: US$2,598,000) has been included in the 2008 accounts for benefits accruing under the plan.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them under the provisions of Section 89 of the Bermuda Companies Act 1981 will be proposed at the forthcoming Annual General Meeting.

Substantial Shareholdings

As at 3 March 2009 the Company has been notified of the following holdings of its shares, in excess of 3% of the issued ordinary share capital:

Name of holder	Number of shares	% held
Hansa Trust PLC	9,352,770	26.4
Nicholas B Dill Jnr and Codan Trustees (BVI) Limited	8,364,113	23.6
Utilico Emerging Markets Utilities Limited	2,981,761	8.4

Report of the Directors

The Company has been advised that Mr W H Salomon and his sister Mrs C A Townsend have an interest in the shares registered in the name of Nicholas B Dill Jnr and Codan Trustees (BVI) Limited.

The Company has also been advised that Mr W H Salomon has an interest of 26.4% and Mrs C A Townsend an interest in 25.9% of the voting shares of Hansa Trust PLC.

Contracts and agreements with substantial shareholders
No contracts existed at the end of the year in which a substantial shareholder of the Company is or was materially interested.

Corporate Governance
As the Company is not incorporated in Great Britain, it has availed itself of an exemption from the Financial Services Authority's requirement to comply with or make certain disclosures concerning corporate governance and to have such matters, as applicable, reviewed by the external auditors. The Board has chosen to make the following statements.

The Board includes the Chairman and three non-executive Directors of whom the Chairman and two non-executive Directors are independent of the management.

One non-executive Director, Mr Cooper is independent in terms of the United Kingdom's Combined Code of Corporate Governance (June 2006) (the "Combined Code").

The Board is responsible to shareholders for the proper management of Ocean Wilsons Holdings Limited, for Group strategy and policy, major acquisitions and disposals, and consideration of significant financial matters. There is a formal schedule of matters specifically reserved to the Board for decision.

The Board has established an audit committee and a remuneration committee consisting of all the non-executive directors, operating within defined terms of reference. The Chairman of both committees is Mr J F Gouvêa Vieira.

Going concern
The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US$205.5 million in cash and cash equivalents and the Groups borrowings have a long maturity profile. The Groups business activities together with the factors likely to affect its future development and performance are set out in Chairman's statement, operating review and investment managers report on pages 1 to 19. The financial position, cash flows and borrowings of the Group are set out in the Financial review in pages 4 to 5. In addition note 37 to the financial statements includes details of its financial instruments and hedging activities and its exposure to credit risk and liquidity risk. Details of the Group's borrowings are set out in note 22. Based on the Group's cash forecasts and sensitivities run, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Company, incorporated in Bermuda, complies with the legal requirements in that jurisdiction regarding the disclosure of Directors' remuneration and reporting in respect of internal controls. The board also considers that it complies with the corporate governance practices required of a company incorporated in Bermuda. The Board considers that the ways in which its corporate governance practices differ significantly from those set out in the Combined Code are as follows:

- The Board has not established a nominations committee.
- The Board does not undertake a formal review of its performance on an annual basis.
- The Board has only one independent non-executive director.

Directors' responsibilities
The Directors are required by Bermuda company law to lay financial statements before the Company in a general meeting. In doing this the Directors prepare accounts on a going concern basis for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those accounts, the Directors have considered whether:

- suitable accounting policies have been adopted and applied consistently;
- judgements and estimates are reasonable and prudent; and
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

By Order of the Board
Malcolm Mitchell
Secretary

24 March 2009

Independent Auditor's Report

To the Members of Ocean Wilsons Holdings Limited

We have audited the group financial statements of Ocean Wilsons Holdings Limited for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes 1 to 37. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 90 of the Bermuda Companies Act 1981. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Bermudian law and International Financial Reporting Standards (IFRSs) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with Bermudian Law. We also report to you whether in our opinion the information given in the Directors' Report is inconsistent with the financial statements.

In addition we report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read the other information contained in the annual report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the annual report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the group financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as issued by the International Accounting Standards Board, of the state of the group's affairs as at 31 December 2008 and of its loss for the year then ended; and

- the financial statements have been properly prepared in accordance with the Bermudian Companies Act 1981.

Deloitte LLP

Chartered Accountants and Registered Auditors
London
24 March 2009

Consolidated Income Statement

for the year ended 31 December 2008

	Notes	2008 US$'000	2007 US$'000
Revenue	3	**498,285**	404,046
Raw materials and consumables used		**(86,480)**	(40,464)
Employee benefits expense	6	**(130,189)**	(126,067)
Depreciation & amortisation expense		**(26,259)**	(19,066)
Other operating expenses		**(157,699)**	(164,760)
Profit on disposal of property, plant and equipment		**681**	4,819
Operating profit		**98,339**	58,508
Investment revenue	3, 7	**6,751**	27,101
Other gains and losses	8	**(59,462)**	11,700
Finance costs	9	**(14,078)**	(7,566)
Profit on sale of minority interest		**–**	213,667
Profit before tax		**31,550**	303,410
Income tax expense	10	**(38,641)**	(25,723)
(Loss)/Profit for the year		**(7,091)**	277,687
Attributable to:			
Equity holders of parent		**(26,700)**	258,065
Minority interests		**19,609**	19,622
		(7,091)	277,687
(Loss)/earnings per share			
Basic and diluted	12	**(75.5c)**	729.8c

Consolidated Balance Sheet

as at 31 December 2008

	Notes	2008 US$'000	2007 US$'000
Non-current assets			
Goodwill	13	**15,612**	13,132
Other intangible assets	14	**1,799**	2,042
Property, plant and equipment	15	**305,035**	252,113
Deferred tax assets	24	**10,889**	12,713
Other non-current assets	27	**8,065**	11,121
		341,400	291,121
Current assets			
Available for sale investment	18	**–**	6,466
Inventories	19	**9,401**	7,379
Trading investments	18	**209,994**	272,834
Trade and other receivables	21	**78,826**	69,301
Cash and cash equivalents	30	**205,315**	227,641
		503,536	583,621
Total assets		**844,936**	874,742
Current liabilities			
Trade and other payables	26	**(66,093)**	(85,625)
Current tax liabilities		**(1,102)**	(766)
Obligations under finance leases	25	**(1,116)**	(869)
Bank overdrafts and loans	22	**(17,777)**	(14,720)
		(86,088)	(101,980)
Net current assets		**417,448**	481,641
Non-current liabilities			
Bank loans	22	**(167,439)**	(134,744)
Deferred tax liabilities	24	**(15,726)**	(11,035)
Provisions	27	**(8,454)**	(12,484)
Obligations under finance leases	25	**(3,138)**	(1,441)
		(194,757)	(159,704)
Total liabilities		**(280,845)**	(261,684)
Net assets		**564,091**	613,058
Capital and reserves			
Share capital	28	**11,390**	11,390
Retained earnings		**376,253**	419,080
Capital reserves		**31,760**	29,779
Investment revaluation reserve		**–**	2,341
Translation reserve		**5,171**	16,217
Equity attributable to equity holders of the parent		**424,524**	478,807
Minority interests		**139,517**	134,251
Total equity		**564,091**	613,058

The accounts on pages 24 to 60 were approved by the Board on 24 March 2009. The accompanying notes are part of this Consolidated Balance Sheet.

J. F. Gouvêa Vieira
Chairman

K. W. Middleton
Director

Consolidated Statement of Changes in Equity

as at 31 December 2008

For the year ended 31 December 2008	Share capital US$'000	Retained earnings US$'000	Capital reserves US$'000	Investment revaluation reserve US$'000	Translation reserve US$'000	Attributable to equity holders of the parent US$'000	Minority interests US$'000	Total equity US$'000
Balance at 1 January 2007	11,390	173,305	25,973	2,381	8,762	221,811	3,830	225,641
Losses on available for sale investment	–	–	–	(40)	–	(40)	–	(40)
Currency translation adjustment	–	–	–	–	7,455	7,455	655	8,110
Profit for the period	–	258,065	–	–	–	258,065	19,622	277,687
Total income and expense for the period	–	258,065	–	(40)	7,455	265,480	20,277	285,757
Dividends	–	(8,484)	–	–	–	(8,484)	(877)	(9,361)
Disposal of minority interest	–	–	–	–	–	–	111,021	111,021
Transfer to capital reserves	–	(3,806)	3,806	–	–	–	–	–
Balance at 1 January 2008	11,390	419,080	29,779	2,341	16,217	478,807	134,251	613,058
Sale of investment	–	–	–	(2,341)	–	(2,341)	–	(2,341)
Currency translation adjustment	–	–	–	–	(11,046)	(11,046)	(5,073)	(16,119)
Profit for the period	–	(26,700)	–	–	–	(26,700)	19,609	(7,091)
Total income and expense for the period	–	(26,700)	–	(2,341)	(11,046)	(49,087)	14,536	(25,551)
Dividends	–	(14,146)	–	–	–	(14,146)	(6,682)	(20,828)
Acquisition of minority interest	–	–	–	–	–	–	(2,588)	(2,588)
Transfer to capital reserves	–	(1,981)	1,981	–	–	–	–	–
Balance at 31 December 2008	**11,390**	**376,253**	**31,760**	**–**	**5,171**	**424,574**	**139,517**	**564,091**

Share capital

The Group has one class of ordinary share which carries no right to fixed income.

Capital reserves

The capital reserves arise principally from transfers from revenue to capital reserves made in the Brazilian subsidiaries arising in the following circumstances:

(a) profits of the Brazilian subsidiaries and Brazilian subsidiary holding company which in prior periods were required by law to be transferred to capital reserves and other profits not available for distribution; and

(b) Wilson Sons Limited bye-laws require the company to credit an amount equal to 5% of the company's net profit to a retained earnings account to be called legal reserve until such amount equals 20% of the Wilson Sons share capital.

Investment revaluation reserve

The investment revaluation reserve is the difference between the cost of the available for sale investment and the market value at the balance sheet date.

Translation reserve

The translation reserve arises from exchange differences on the translation of operations with a functional currency other than US Dollars.

Amounts in the statement of changes of equity are stated net of tax where applicable.

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	Notes	2008 US$'000	2007 US$'000
Net cash inflow from operating activities	30	**52,112**	56,222
Investing activities			
Interest received		**23,554**	16,896
Dividends received from trading investments		**2,250**	1,186
Proceeds on disposal of trading investments		**115,683**	19,229
Income from underwriting activities		**390**	2,072
Proceeds on disposal of property, plant and equipment		**1,950**	8,700
Purchases of property, plant and equipment		**(90,190)**	(92,349)
Purchases of trading investments		**(112,305)**	(207,171)
Net cash outflow arising on purchase of minority interest		**(5,059)**	–
Net cash inflow arising on disposal of minority interest		**–**	324,688
Net cash (used in)/from investing activities		**(63,727)**	73,251
Financing activities			
Dividends paid	11	**(14,146)**	(8,484)
Dividends paid to minority shareholders in subsidiary		**(6,682)**	(612)
Repayments of borrowings		**(13,449)**	(16,663)
Repayments of obligations under finance leases		**(1,980)**	(633)
New bank loans raised		**49,067**	54,882
Increase/(decrease) in bank overdrafts		**113**	(766)
Net cash from financing activities		**12,923**	27,724
Net increase in cash and cash equivalents		**1,308**	157,197
Cash and cash equivalents at beginning of year		**227,641**	62,599
Effect of foreign exchange rate changes		**(23,634)**	7,845
Cash and cash equivalents at end of year		**205,315**	227,641

Notes to the Accounts
for the year ended 31 December 2008

1 General Information

Ocean Wilsons Holdings Limited is a company incorporated in Bermuda under the Companies Act 1981 and the Ocean Wilsons Holdings Limited Act, 1991. The address of the registered office is given on page 20. The nature of the Group´s operations and its principal activities are set out in the operating review on pages 6 to 19.

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 set out in note 2.

At the date of authorisation 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:

IFRIC 13	Customer Loyalty Programmes
IFRIC 14	The limit on a defined benefit asset, minimum funding requirements and their interaction
IFRIC 15	Agreements for the construction of real estate
IFRIC 16	Hedges of a net investment on a foreign investment
IFRIC 17	Distribution of non cash assets to owners
IFRIC 18	Transfers of assets from customers
IFRS 8	Operating segments
IAS1	(Revised) Presentation of financial statements
IAS 23	(Revised) Borrowing Costs
IFRS 1/IAS 27	(Amended) Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 2	(Amended) Share-based payment – vesting conditions and cancellations
IFRS 3	(Revised 2008) Business combinations
IAS 27	(Revised 2008) Consolidated and separate financial statements

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for additional segment disclosures, IFRS 8, changed presentation of primary statements, IAS 1, and the elimination of the option to expense all borrowing costs incurred, IAS 23 (revised) when these standards come into effect for periods commencing on or after 1 January 2009. Had borrowing costs incurred on qualifying assets been capitalised in 2008, profit for the year ended 31 December 2008 and property, plant and equipment as at 31 December 2008 would have been US$1.2 million higher (2007: US$1.6 million).

2 Significant accounting policies and critical accounting judgements

Basis of accounting

The financial statements have been prepared in accordance with IFRSs adopted for use by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The principal accounting policies adopted are set out below.

The financial statements have been prepared on the going concern basis as disclosed in the Director's statement of going concern set out in the Report of the Directors.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee 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.

2 Significant accounting policies and critical accounting judgements (continued)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. 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 (its functional currency). Transactions other than those in the functional currency of the entity are translated at the exchange rate prevailing 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 period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 recognised in the Group's translation reserve.

Investments in associates

An associate is an entity over which the Group is in a position to exert significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under this method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Interests 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, that 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 recognised 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, unrealised 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 period 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 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:

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

- 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 non-tax deductible goodwill.

Deferred tax assets are recognised 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 realised, 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 is 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 recognised 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 capitalised 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.

Overhaul costs are capitalised 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 recognised in the income statement.

Goodwill

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.

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.

Negative Goodwill

Where the fair value of identifiable assets and liabilities acquired exceed the fair value of consideration paid, the surplus on acquisition is taken to operating profit.

2 Significant accounting policies and critical accounting judgements (continued)

Sale of minority interest

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. 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.

The gain or loss arising on the disposal of a minority interest is determined as the difference between the net sale proceeds and the carrying amount of the net assets disposed of and is recognised in the income statement.

Impairment of tangible and other intangible assets

Assets that are subject to amortisation 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 recognised 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 realisable value. Cost comprises direct materials, spare parts and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

- *Trade Receivables:* Trade receivables, loans and other amounts receivable are initially 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 recognised in the income statement.

- *Investments:* Investments are recognised and derecognised on a trade date basis 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 the fair value, plus directly attributable transaction costs. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in the income statement for the period. Unquoted investments held for trading purposes are stated at fair value through profit and loss as determined by using various valuation techniques, except where fair value cannot be reliably measured, when the investment is held at cost less any provision for impairment. Fair valuations include using recent arms length transactions between knowledgeable and willing parties where available. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period.

- *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.

- *Bank Borrowings:* Interest-bearing bank loans and overdrafts 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 an 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.

- *Impairment of financial assets:* Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

  For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

  - significant financial difficulty of the issuer or counterparty; or
  - default or delinquency in interest or principal payments; or
  - it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

  For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derivatives

The Group periodically uses derivative financial instruments to reduce exposure to foreign exchange and interest rate movements. The Group has not adopted the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement". Derivatives are measured at each balance sheet date at fair value. Gains and losses arising from changes in fair value are included in the income statement for the period within investment revenue or finance costs for exchange and interest derivatives.

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.

Provisions

Provisions are recognised 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 recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. 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 recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised 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 recognised 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 mangements 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, VAT 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 recognised 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 recognised when the shareholders´ rights to receive payment have been established.

Operating profit

Operating profit is stated after the Group's share of results of associates but before investment revenue and finance costs and other gains and losses.

2 Significant accounting policies and critical accounting judgements (continued)

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 recognised 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.

Critical accounting judgements 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 judgements that have the most significant effect on the amounts recognised 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 labour claims the provision is based on prior experience and managements' best knowledge of the relevant facts and circumstances. For tax and civil cases the provision is based on managements' best knowledge of the relevant facts and circumstances and legal advice received.

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$15.6 million. Details of the impairment loss calculation are provided in note 13.

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 behavioural 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 government bond in the currency in which the exercise 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 Revenue

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

	Note	**Year ended 2008 US$'000**	Year ended 2007 US$'000
Sales of services		**449,652**	400,550
Revenue from construction contracts		**48,633**	3,496
		498,285	404,046
Investment income	7	**6,751**	27,101
		505,036	431,147

All revenue is derived from continuing operations

Notes to the Accounts

4 Business and geographical segments

Business segments

For management purposes, the Group is currently organised into seven operating activities; towage, port terminals, ship agency, offshore logistics, investment 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.

2008

	Towage Year ended US$'000	Port terminals Year ended US$'000	Ship agency Year ended US$'000	Offshore Year ended US$'000	Logistics Year ended US$'000	Investment Year ended US$'000	Non segmented activities Year ended US$'000	Elimination Year ended US$'000	Consolidated Year ended US$'000
Revenue	147,098	170,518	17,588	21,557	89,298	–	52,226	–	498,285
Intersegment sales	–	–	–	–	–	–	45,960	(45,960)	–
	147,098	170,518	17,588	21,557	89,298	–	98,186	(45,960)	498,285
Result									
Segment result	48,564	50,867	3,132	8,081	5,308	(2,986)	(14,627)	–	98,339
Intersegment result	–	–	–	–	–	–	11,374	(11,374)	–
Operating profit	48,564	50,867	3,132	8,081	5,308	(2,986)	(3,253)	(11,374)	98,339
Investment revenue	–	–	–	–	–	2,734	4,017	–	6,751
Other gains and losses	–	–	–	–	–	(59,462)	–	–	(59,462)
Finance costs	(4,077)	(6,673)	(72)	(2,671)	(475)	–	(110)	–	(14,078)
Profit before tax	44,487	44,194	3,060	5,410	4,833	(59,714)	654	–	31,550
Tax									(38,641)
Profit after tax									(7,091)
Other information									
Capital additions	(27,973)	(30,554)	(603)	(23,901)	(9,104)	–	(1,407)	–	(93,542)
Depreciation and amortisation	(5,916)	(12,566)	(168)	(4,805)	(1,318)	–	(1,486)	–	(26,259)
Balance Sheet									
Assets									
Segment assets	108,420	187,592	4,873	107,544	22,243	213,774	200,490	–	844,936
Liabilities									
Segment liabilities	(50,303)	(66,809)	(3,298)	(112,811)	(11,908)	(437)	(35,279)	–	(280,845)

4 Business and geographical segments (continued)

2007

	Towage Year ended US$'000	Port terminals Year ended US$'000	Ship agency Year ended US$'000	Offshore Year ended US$'000	Logistics Year ended US$'000	Investment Year ended US$'000	Non segmented activities Year ended US$'000	Elimination Year ended US$'000	Consolidated Year ended US$'000
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									
Segment result	45,388	40,825	2,946	1,840	4,568	(2,596)	(34,463)	–	58,508
Intersegment result	–	–	–	–	–	–	4,033	(4,033)	–
Operating profit	45,388	40,825	2,946	1,840	4,568	(2,596)	(30,430)	(4,033)	58,508
Investment revenue	–	–	–	–	–	2,603	24,498	–	27,101
Other gains and losses	–	–	–	–	–	11,700	–	–	11,700
Finance costs	(2,752)	(2,464)	(23)	(1,313)	(412)	–	(602)	–	(7,566)
Profit on sale of minority interest	–	–	–	–	–	–	213,667	–	213,667
Profit before tax	42,636	38,361	2,923	527	4,156	11,707	207,133	–	303,410
Tax									(25,723)
Profit after tax									277,687
Other information									
Capital additions	(21,082)	(26,266)	(849)	(41,965)	(1,582)	–	(840)	–	(92,584)
Depreciation and amortisation	(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	275,907	204,998	–	874,742
Liabilities									
Segment liabilities	(73,886)	(59,454)	(7,983)	(73,904)	(9,307)	(1,967)	(35,183)	–	(261,684)

Finance costs and associated liabilities have been allocated to reporting segments where interest costs arise from loans used to finance the construction of fixed assets in that segment.

Investment revenues arising on bank balances held in Brazilian operating segments, including foreign exchange on cash, has not been allocated to the business segment as cash management is performed centrally by the corporate function.

Non-segmented activities includes Shipyard, Dredges and unallocated corporate costs, assets and liabilities.

Geographical Segments

The Group's operations are located in Brazil, Bermuda, United Kingdom and Guernsey.

All the Group's sales are derived in Brazil.

Notes to the Accounts

4 Business and geographical segments (continued)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
			Year ended	Year ended
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Brazil	**501,286**	449,174	**93,536**	92,584
Bermuda	**341,129**	422,435	**6**	–
Other	**2,521**	3,133	**–**	–
	844,936	874,742	**93,542**	92,584

5 Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 2008 US$'000	Year ended 2007 US$'000
Net foreign exchange (losses)/gains	**(26,003)**	8,920
Depreciation of property, plant and equipment	**25,960**	18,751
Amortisation of intangible assets	**299**	315
Operating lease rentals	**12,058**	10,666
Auditors' remuneration for audit services (see below)	**849**	1,094
Non-executive directors emoluments	**220**	202

A more detailed analysis of auditors remuneration is provided below:

Statutory audit	**849**	1,094
Further assurance services	**83**	78
Other services	**6**	1,292
	938	2,464

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 2008, the Group was able to meet such requirements and recognized US$22.4 million (2007: US$5.9 million) as a credit in the Consolidated Income Statement for that year. The Group does not expect to recover significant amounts in future periods.

6 Employee benefits expense

	Year ended 2008 US$'000	Year ended 2007 US$'000
Aggregate remuneration comprised:		
Wages and salaries	**110,665**	90,050
Share based payment (reversal of accrual)/expense	**(8,148)**	12,611
Social security costs	**26,623**	21,677
Other pension costs	**1,049**	1,729
	130,189	126,067

7 Investment revenue

	Year ended 2008 US$'000	Year ended 2007 US$'000
Interest on bank deposits	**23,554**	16,896
Exchange (losses)/gains on cash	**(23,634)**	7,845
Dividends from equity investments	**2,250**	1,186
Investment revenues from underwriting activities	**390**	1,174
Profit on sale of investment	**4,191**	–
	6,751	27,101

Profit on sale of investment of US$4,191,000 arise from the Group's investment in Barcas S.A Transportes Maritimos.

8 Other gains and losses

	Year ended 2008 US$'000	Year ended 2007 US$'000
(Decrease)/increase in fair value of trading investments held at year end	**(65,406)**	11,639
Profit on disposal of trading investments	**5,944**	61
	(59,462)	11,700

Other gains and losses form part of the movement in trading investments as outlined in note 18.

9 Finance costs

	Year ended 2008 US$'000	Year ended 2007 US$'000
Interest on bank overdrafts and loans	**7,028**	6,416
Exchange losses/(gain) on foreign currency borrowings	**2,369**	(1,075)
Interest on obligations under finance leases	**677**	313
Total borrowing costs	**10,074**	5,654
Derivative costs	**–**	412
Other interest	**4,004**	1,500
	14,078	7,566

Derivative costs represent the settlement of derivative contracts and the movement in the fair value of derivatives during the year.

There were no derivative contracts in 2008.

Notes to the Accounts

10 Taxation

	Year ended 2008 US$'000	Year ended 2007 US$'000
Current		
Brazilian taxation		
Corporation tax	**22,923**	21,018
Social contribution	**9,310**	8,055
Total Brazilian current tax	**32,233**	29,073
UK corporation tax	**–**	240
Total current tax	**32,233**	29,313
Deferred tax		
Charge for the year in respect of deferred tax liabilities	**(22,635)**	11,760
Credit for the year in respect of deferred tax assets	**29,043**	(15,350)
Total deferred tax	**6,408**	(3,590)
Total taxation	**38,641**	25,723

Brazilian corporation tax is calculated at 25% (2007: 25%) of the assessable profit for the year.

Brazilian social contribution tax is calculated at 9% (2007: 9%) of the assessable profit for the year.

At the present time, no income, profit, capital or capital gains taxes are levied in Bermuda and accordingly, no provision for such taxes has been recorded by the company. In the event that such taxes are levied, the company has received an undertaking from the Bermuda Government exempting it from all such taxes until 28 March 2016.

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

	Year ended 2008 US$'000	Year ended 2007 US$'000
Profit before tax	**31,550**	303,410
Tax at the standard Brazilian tax rate of 34% (2007: 34%)	**10,727**	103,159
Tax effect of expenses/income that are not included in determining taxable profit	**9,593**	1,574
Effect of different tax rates of subsidiaries operating in other jurisdictions	**18,321**	(79,010)
Tax expense and effective rate for the year	**38,641**	25,723
Effective rate for the year	**122%**	8%

The Group earns its profits primarily in Brazil. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate in Brazil of 34%, consisting of corporation tax, 25% and social contribution 9%.

No tax has arisen on profit on the sale of minority interest in subsidiaries in 2007 as no income, profit, capital or capital gains taxes are levied in Bermuda.

11 Dividends

	Year ended 2008 US$'000	Year ended 2007 US$'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend paid for the year ended 31 December 2007 of 36.0c (2006: 20.0c) per share	**12,731**	7,072
Interim dividend paid for the year ended 31 December 2008 of 4.0c (2007: 4.0c) per share	**1,415**	1,415
	14,146	8,487
Proposed final dividend for the year ended 31 December 2008 of 26.0c (2007: 36.0c) per share	**9,194**	12,731

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

12 Earnings per share

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

	Year ended 2008 US$'000	Year ended 2007 US$'000
Earnings:		
(Losses)/earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	**(26,700)**	258,065
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**35,363,040**	35,363,040

13 Goodwill

	2008 US$'000	2007 US$'000
Cost and carrying amount attributed to Tecon Rio Grande		
At 1 January	**13,132**	13,132
Acquisition of minority interest	**2,480**	–
At 31 December	**15,612**	13,132
Goodwill attributed to Tecon Rio Grande	**13,132**	13,132
Goodwill attributed to Tecon Salvador	**2,480**	–

The Group tests annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purposes of testing goodwill for impairment the Group prepares cash flow forecasts for the relevant cash generating unit (Tecon Rio Grande and Tecon Salvador) 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 6% and 8% for Tecon Rio Grande (2007: 7% and 9%) and 5.5% and 7% for Tecon Salvador. This rate does not exceed the average long-term historical growth rate for the relevant market. Management estimates growth rates based on past performance, current market conditions and expectations of future market changes. The rate used after tax to discount forecast cash flows is 15% (2007: 8%).

Notes to the Accounts

14 Other intangible fixed assets

	US$'000
Cost	
At 1 January 2007	3,021
Exchange differences	359
At 1 January 2008	3,380
Exchange differences	(752)
Additions	610
At 31 December 2008	**3,238**
Amortisation	
At 1 January 2007	968
Charge for the year	315
Exchange differences	55
At 1 January 2008	1,338
Charge for the year	299
Exchange differences	(198)
At 31 December 2008	**1,439**
Carrying amount	
31 December 2008	**1,799**
31 December 2007	2,042

Intangible fixed assets arose from the acquisition of concession rights for the container and heavy cargo terminal in Salvador in 2000, the purchase of the remaining 50% holding in Eadi Santo Andre concession and the extension of the concession rights in November 2008 at Eadi Santo Andre for a further 10 years.

Intangible fixed assets are amortised over the remaining terms of the concessions at the time of acquisition which for Tecon Salavdor, is 25 years, and for Eadi Santo Andre is 10 years.

15 Property, plant and equipment

	Land and buildings US$'000	Floating Craft US$'000	Vehicles, plant and equipment US$'000	Assets under construction US$'000	Total US$'000
Cost or valuation					
At 1 January 2007	42,982	126,359	86,747	17,327	273,415
Additions	7,989	1,929	23,046	59,620	92,584
Transfers	11,866	31,051	(11,866)	(31,051)	–
Exchange differences	3,916	1,806	4,908	–	10,630
Disposals	(198)	(7,261)	(2,935)	–	(10,394)
At 1 January 2008	66,555	153,884	99,900	45,896	366,235
Additions	23,697	12,351	20,428	37,066	93,542
Transfers	3,830	63,311	(3,830)	(63,311)	–
Exchange differences	(7,320)	(492)	(11,534)	–	(19,346)
Disposals	(52)	(854)	(3,287)	–	(4,193)
At 31 December 2008	**86,710**	**228,200**	**101,677**	**19,651**	**436,238**
Accumulated depreciation and impairment					
At 1 January 2007	9,492	58,065	30,073	–	97,630
Charge for the year	2,364	9,820	6,567	–	18,751
Transfers	3,271	–	(3,271)	–	–
Exchange differences	1,880	803	1,571	–	4,254
Disposals	(133)	(4,367)	(2,013)	–	(6,513)
At 1 January 2008	16,874	64,321	32,927	–	114,122
Charge for the year	7,402	10,520	8,038	–	25,960
Exchange differences	(2,621)	(217)	(3,312)	–	(6,150)
Disposals	–	(854)	(1,875)	–	(2,729)
At 31 December 2008	**21,655**	**73,770**	**35,778**	**–**	**131,203**
Carrying Amount					
At 31 December 2008	**65,055**	**154,430**	**65,899**	**19,651**	**305,035**
At 31 December 2007	49,681	89,563	66,973	45,896	252,113

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$13.8 million (2007: US$3.4 million) in respect of assets held under finance leases.

Land and buildings with a net book value of US$299,000 (2007: US$303,000) and tugs with a value of US$3,001,000 (2007: US$3,287,000) have been given in guarantee of various legal processes.

The Group has pledged assets having a carrying amount of approximately US$35.2 million (2007: US$38.6 million) to secure loans granted to the Group.

At 31 December 2008, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to US$23.9 million (2007: US$16.2 million).

Notes to the Accounts

16 Subsidiaries

	Place of incorporation and operation	Effective interest*	Method used to account for investment
OCEAN WILSONS (INVESTMENTS) LIMITED Investment holding and dealing company	Bermuda	100%**	Consolidation
ASCENSION UNDERWRITING LIMITED Corporate underwriting member of Lloyds	UK	100%	Consolidation
WILSON SONS LIMITED (previously Ocean Wilsons Limited) Holding company	Bermuda	58.25%**	Consolidation
WILSON SONS DE ADMINISTRAÇÃO E COMÉRCIO LTDA Holding company	Brazil	58.25%	Consolidation
SAVEIROS CAMUYRANO SERVIÇOS MARÍTIMOS LTDA Tug operators	Brazil	58.25%	Consolidation
WILSON, SONS S.A., COMÉRCIO, INDÚSTRIA, E AGÊNCIA DE NAVEGAÇÃO LTDA Shipbuilders	Brazil	58.25%	Consolidation
WILSON SONS AGENCIA MARÍTIMA LTDA. Ship Agents	Brazil	58.25%	Consolidation
SOBRARE-SERVEMAR LTDA Tug operator	Brazil	58.25%	Consolidation
WILPORT OPERADORES PORTUÁRIOS LTDA Stevedoring	Brazil	58.25%	Consolidation
WILSON, SONS LOGÍSTICA LTDA Logistics	Brazil	58.25%	Consolidation
WILSON, SONS TERMINAIS DE CARGAS LTDA Transport services	Brazil	58.25%	Consolidation
EADI SANTO ANDRÉ TERMINAL DE CARGA LTDA Bonded warehousing	Brazil	58.25%	Consolidation
VIS LIMITED Holding company	Guernsey	58.25%	Consolidation
TECON RIO GRANDE S.A. Port operator	Brazil	58.25%	Consolidation
TECON SALVADOR S.A. Port operator	Brazil	58.25%	Consolidation
BRASCO LOGÍSTICA OFFSHORE LTDA Tug operator	Brazil	43.69%	Consolidation

*Effective interest is the net interest of Ocean Wilsons Holdings Limited after minority interests.

**Ocean Wilsons Holdings Limited holds direct interests in Ocean Wilsons Investments Limited and Wilsons Sons Limited.

The Group also has 58.25% effective interest in two private investment funds, Hydrus Fundo de Investimento Multimercado and Rigel Fundo de Investmento in unit trusts. These funds are administrated by UBS Pactual bank and the investment policy and objectives are determined by the Group's treasury department in line with Group policy.

Ascension Underwriting Limited

Ascension Underwriting Limited is a wholly owned subdidiary which is a corporate underwriting member of the Lloyds insurance market in London. The results of the company's activities are included in the consolidated results of the Group. In addition, the company has assets and liabilities of US$5.7 million (2007: US$12.6 million) and US$5.7 million (2007: US$12.6 million) respectively through its underwriting interests in a number of Lloyds syndicates. These assets and liabilities are not controlled by the company and are not included in the consolidated results of the Group.

17 Joint ventures

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

	2008 US$'000	2007 US$'000
Current assets	**3,457**	6,764
Non-current assets	**1,438**	1,843
Current liabilities	**(3,377)**	(6,485)
Non-current liabilities	**(54)**	(63)

	2008 US$'000	2007 US$'000
Income	**18,831**	25,800
Expenses	**(10,102)**	(18,654)

The Group has the following significant interests in joint ventures

	Place of incorporation and operation	Proportion of effective interest	Method used to account for investment
Consorcio de Rebocadores Baia de Sao Marcos Tug operator	Brazil	29.13%	Proportional consolidation
Allink Transportes Internacionais Limitada Non-vessel operating common carrier	Brazil	29.13%	Proportional consolidation
Consorcio de Rebocadores Barra de Coqueiros Tug operator	Brazil	29.13%	Proportional consolidation
Dragaport Engenharia Limitada Dredge operator	Brazil	19.22%	Proportional consolidation

Notes to the Accounts

18 Investments

	2008 US$'000	2007 US$'000
Available for sale investments		
Fair value	**–**	6,466

The available for sale investment was the Group's investment in Barcas S.A Transportes Maritimas. The sale of Barcas S.A. was completed in 2008. On 19 August 2008 the Group finalised the disposal of its 15.6% interest in Barcas S.A. for $US6.5 million realising a gain on disposal of US$4.2 million. In 2007 the fair value of Barcas S.A. was recognised in the investment revaluation reserve.

	2008 US$'000	2007 US$'000
Trading investments		
At 1 January	**272,834**	73,192
Additions, at cost	**112,305**	207,171
Disposals, at market value	**(115,683)**	(19,229)
(Decrease)/increase in fair value of trading investments held at year end	**(65,406)**	11,639
Profit on disposal of trading investments	**5,944**	61
At 31 December	**209,994**	272,834
less trading investments held at cost	**–**	(2,572)
Trading investments held at fair value at 31 December	**209,994**	270,262

The Group has not designated any financial assets that are not classified as trading investments as financial assets at fair value through profit or loss.

Trading investments above represent investments in listed equity securities, funds and unquoted equities and that present the Group with opportunity for return through dividend income and capital appreciation.

Included in trading investments are open ended funds whose shares may not be listed on a recognised stock exchange but are redeemable for cash at the current net asset value at the option of the company. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices where available. Where quoted market prices are not available fair values are determined using various valuation techniques.

A bank guarantee of £160,000 (US$230,000) in support of the Group's insurance underwriting activities at Lloyds is secured against the trading investment portfolio.

19 Inventories

	2008 US$'000	2007 US$'000
Raw materials and spare parts	**9,401**	7,379

20 Construction contracts

	2008 US$'000	2007 US$'000
Contracts in progress at the balance sheet date:		
Amounts due from contract customers included in trade and other receivables	**–**	–
Amounts due to contract customers included in trade and other payables	**(1,955)**	(5,291)
	(1,955)	(5,291)
Contract costs incurred plus recognised profits less recognised losses to date	**40,928**	3,496
Less progress billings	**(42,833)**	(8,787)
	(1,955)	(5,291)

21 Trade and other receivables

	2008 US$'000	2007 US$'000
Trade and other receivables		
Amount receivable for the sale of services	**36,192**	39,547
Allowance for doubtful debts	**(2,761)**	(4,208)
	33,431	35,339
Taxation recoverable	**2,676**	2,404
Prepayments and accrued income	**42,719**	31,558
	78,826	69,301

Included in the Groups trade receivable balances are debtors with a carrying amount of US$1.6 million (2007: US$6.1 million) which are past due but not impaired at the reporting date for which the Group has not provided as there has not been a change in credit quality and the Group believes the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of past due but not impaired trade receivables	2008 US$'000	2007 US$'000
From 0 – 30 days	**1,369**	4,353
From 31 – 90 days	**188**	467
From 91 – 180 days	**76**	1,258
more than 180 days	**–**	–
Total	**1,633**	6,078

The average credit period taken on services ranges from zero to 30 days. Interest is charged at up to 1% per month on the outstanding balances with an additional fine of up to 2% per month. The Group has provided fully for all receivables over 180 days because historical experience is such that receivables that are past due 180 days are generally not recoverable.

Included in the Group's allowance for doubtful debts are individually impaired trade receivables with a balance of US$2.8 million which are aged greater than 180 days. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected settlement proceeds. The Group does not hold any collateral over these balances.

Ageing of impaired trade receivables	2008 US$'000	2007 US$'000
From 0 – 30 days	**–**	–
From 31 – 90 days	**–**	–
From 91 – 180 days	**–**	–
more than 180 days	**2,761**	4,208
Total	**2,761**	4,208

Movement in the allowance for doubtful debts	2008 US$'000	2007 US$'000
Balance at the beginning of the year	**4,208**	933
Amounts written off as uncollectable	**(1,277)**	(344)
Increase in allowance recognised in profit or loss	**397**	3,255
Exchange differences	**(567)**	364
Balance at the end of the period	**2,761**	4,208

In determining recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated except for one customer which accounts for 10% of Group revenue. The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Notes to the Accounts

21 Trade and other receivables (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Private investment funds

The Group has investments in private investment funds that are consolidated in the financial statements as cash equivalents. The private investment funds are considered on cash equivalents as despite the certificates of deposit having maturities up to October 2011, 80% of funds invested are available on call and the balance on one days' notice. The intention of the Group is that these resources will be used in the trading activities of the Group. These private investment funds comprise certificates of deposit and equivalent instruments with final maturities ranging from October 2009 to March 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.

Credit risk

The Group's principal financial assets are cash, trade and other receivables and trading investments.

The Group's credit risk is primarily attributable to its bank balances, trade receivables and investments. The amounts presented as receivables in the balance sheet are net of allowances for doubtful receivables as outlined above.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The credit risk on investments held for trading is limited because the counterparties with whom the Group transacts are regulated institutions or banks with high credit ratings.

The company's appointed investment manager, Hanseatic Asset Management LBG, evaluates the credit risk on trading investments prior to and during the investment period.

The Group has no significant concentration of credit risk, except for one large customer, which makes up 10% of revenue.

Ongoing credit evaluation is performed on the financial condition of accounts receivable.

22 Borrowings

	Interest	2008 US$'000	2007 US$'000
Unsecured borrowings			
Bank overdrafts Santander	CDI +1.53% p.m.	**113**	43
Secured borrowings			
Bank loans		**185,103**	149,421
BNDES	1.5% to 5% p.a.	**159,721**	125,736
IFC	2.7% to 14.09% p.a.	**25,382**	23,685
		185,216	149,464

	2008	2007
The borrowings are repayable as follows:		
On demand or within one year	**17,777**	14,720
In the second year	**15,095**	15,863
In the third to fifth years inclusive	**43,321**	34,939
After five years	**109,023**	83,942
Total borrowings	**185,216**	149,464
Amounts due for settlement within 12 months	**(17,777)**	(14,720)
Amounts due for settlement after 12 months	**167,439**	134,744

Analysis of borrowings by currency:

	$Real US$'000	$Real linked to US Dollars US$'000	US Dollars US$'000	Total US$'000
31 December 2008				
Bank overdrafts	**113**	**–**	**–**	**113**
Bank loans	**4,066**	**159,721**	**21,316**	**185,103**
Total	**4,179**	**159,721**	**21,316**	**185,216**
31 December 2007				
Bank overdrafts	43	–	–	43
Bank loans	–	125,736	23,685	149,421
Total	43	125,736	23,685	149,464

The Group has two main sources of financing:

BNDES (Banco Nacional de Desenvolvimento Economico e Social): As agent for the "FMM" (Fundo de Marinha Mercante) the BNDES finances tug boat and platform supply vessel construction and secure mortgages on the vessels financed. Loans received from the BNDES are $Real denominated loans linked to the US Dollar are monetarily corrected by the movement in the US Dollar/$Real exchange rate and bear interest of between 1.5% and 5.0% per annum. The amounts outstanding at 31 December 2008 are repayable over periods varying up to 20 years.

IFC (International Finance Corporation); The IFC finances the Group's two container terminals, Tecon Rio Grande and Tecon Salvador. 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. US dollar denominated loans consist of variable rate and fixed rate loans. Variable rate loans bear interest at between six month Libor per annum and six month Libor plus 4.0%. US dollar denominated fixed rate loans bear interest of 8.49% per annum. Real denominated loans bear interest at 14.09% per annum. The amounts outstanding at 31 December 2008 are repayable over periods varying up to 6 years.

Notes to the Accounts

22 Borrowings (continued)

The weighted average interest rates paid were as follows:

	Year ended 2008	Year ended 2007
Bank overdrafts	**15.1%**	14.6%
Bank loans in US Dollars and linked to the US Dollar	**3.8%**	4.4%
Bank loans in Real	**14.1%**	–

At 31 December 2008, the Group had available US$34.0 million of underdrawn committed borrowings facilities available in respect of which all conditions precedent had been met (2007: US$11.0 million).

Three of the Group's platform supply vessels have a guarantee involving receivables from the client that has contracted the vessels. Funds received from the client pass through a special account before being immediately transferred to the Company's corporate account.

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 2008, the Group was in accordance with all clauses of these contracts.

23 Derivative financial instruments

Currency swaps

The Group may engage in forward and swap operations to mitigate and manage the cash flow exposure to change in foreign exchange rates of loan agreements denominated in foreign currency (in US Dollars) in $Real functional currency entities.

There were no such contracts at 31 December 2008 or 31 December 2007.

24 Deferred tax

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

	Accelerated tax depreciation US$'000	Exchange variance on loans US$'000	Other timing differences US$'000	Tax losses US$'000	Retranslation of non-current asset valuation US$'000	Total US$'000
At 1 January 2007	**(10,576)**	**(11,005)**	**5,632**	**901**	**14,001**	**(1,047)**
(Charge)/credit to income	(4,283)	(6,396)	970	(933)	14,232	3,590
Charge to investment reserve	–	–	(1,206)	–	–	(1,206)
Exchange differences	–	(196)	362	175	–	341
At 1 January 2008	**(14,859)**	**(17,597)**	**5,758**	**143**	**28,233**	**1,678**
(Charge)/credit to income	1,616	19,444	4,932	(143)	(32,257)	(6,408)
Charge to investment reserve	–	–	1,206	–	–	1,206
Exchange differences	–	59	(1,372)	–	–	(1,313)
At 31 December 2008	**(13,243)**	**1,906**	**10,524**	**–**	**(4,024)**	**(4,837)**

Certain tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	2008 US$'000	2007 US$'000
Deferred tax liabilities	**(15,726)**	(11,035)
Deferred tax assets	**10,889**	12,713
	(4,837)	1,678

At the balance sheet date the Group had unused tax losses of US$9,564,000 (2007: US$11,802,000) available for offset against future profits in the company in which they arose.

No deferred tax asset has been recognised in respect of US$9,564,000 (2007: US$11,802,000) due to the unpredictability of future profit streams.

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 losses arises from exchange losses on the Groups US Dollar and $Real denominated loans linked to the US Dollar that are not deductible for tax in the period they arise.

25 Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Amounts payable under finance leases				
Within one year	**1,616**	1,240	**1,116**	869
In the second to fifth years inclusive	**4,025**	1,994	**3,138**	1,441
After five years	**–**	–	**–**	–
	5,641	3,234	**4,254**	2,310
Less future finance charges	**(1,387)**	(924)	**N/A**	N/A
Present value of lease obligations	**4,254**	2,310		

Less: Amounts due for settlement within 12 months (shown under current liabilities)	**(1,116)**	(869)
Amount due for settlement after 12 months	**3,138**	1,441

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 4 years. For the year ended 31 December 2008 the average effective borrowing rate was 15.25% (2007: 14%). Interest rates are fixed at contract date. All leases include a fixed repayment and a variable finance charge linked to the Brazilian interest rate. Interest rates range from 12.73% to 16.27%.

All lease obligations 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.

26 Trade and other payables

	2008	2007
	US$'000	US$'000
Trade creditors	**34,314**	49,529
Amounts due to construction contract customers (note 20)	**11,544**	5,291
Other taxes	**9,833**	9,204
Accruals and deferred income	**5,939**	8,990
Share based payment liability	**4,463**	12,611
	66,093	85,625

Trade creditors and accruals principally comprise amounts outstanding for trade purposes and ongoing costs.

The average credit period for trade purchases is twenty days (2007: twenty days). For most suppliers interest is charged on outstanding trade payable balances at various interest rates.The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximates their fair value.

Notes to the Accounts

27 Provisions

	US$'000
At 1 January 2008	12,484
Additional provision in the year	1,814
Reversal of provision in the year	(2,319)
Utilisation of provision	(1,400)
Exchange difference	(2,125)
At 31 December 2008	**8,454**

Included in current liabilities	–
Included in non-current liabilities	8,454
	8,454

Provisions comprise legal claims relating to civil cases, tax cases and legal claims by former employees.

Analysis of provisions by type.

	2008 US$'000	2007 US$'000
Civil and environmental cases	**2,369**	6,221
Tax cases	**1,290**	3,282
Labour claims	**4,795**	2,981
	8,454	12,484

Civil and environmental cases: Indemnification for damages caused by floating craft accidents. These claims relate to environmental causes.
Labour claims: These lawsuits relate to employee claims about salary differences, unpaid overtime worked, labour risks and work accident claims.
Tax cases: Brazilian taxes that the Group and its advisors consider incorrectly applied against the Group and are contesting in legal actions.

Other non-current assets of US$8.1 million (2007: US$11.1 million) represent legal deposits required by the Brazilian legal authorities as security to contest legal actions.

28 Share capital

	2008 US$'000	2007 US$'000
Authorised		
50,060,000 ordinary shares of 20p each	**16,119**	16,119
Issued and fully paid		
35,363,040 ordinary shares of 20p each	**11,390**	11,390

The company has one class of ordinary shares which carry no right to fixed income.

Share capital is converted at the exchange rate prevailing at 31 December 2002, the date at which the Group's presentational currency changed from Sterling to US$, being US$1.61 to £1.

29 Acquisition of minority interest

In December 2008 the Group acquired from the IFC (International Finance Corporation) the remaining 10% shareholding in our port operation business Tecon Salvador S.A for cash consideration of US$5.1 million. The excess cash consideration of US$2.5 million was recognised as goodwill.

30 Notes to the cash flow statement

	2008 US$'000	2007 US$'000
Reconciliation from profit before tax to net cash from operating activities		
Profit before tax	**31,550**	303,410
Investment revenues	**(6,751)**	(27,101)
Other gains and losses	**59,462**	(11,700)
Finance costs	**14,078**	7,566
Profit on disposal of minority interest	**–**	(213,667)
Operating profit	**98,339**	58,508
Adjustments for:		
Depreciation of property, plant and equipment	**25,960**	18,751
Amortisation of intangible assets	**299**	315
Share based payment expense	**(8,148)**	12,611
Gain on disposal of property, plant and equipment	**(681)**	(4,819)
(Decrease)/increase in provisions	**(4,030)**	6,571
Operating cash flows before movements in working capital	**111,739**	91,937
Increase in inventories	**(2,022)**	(318)
Increase in receivables	**(9,253)**	(13,915)
(Decrease)/increase in payables	**(6,887)**	18,556
Decrease/(increase) in other non-current assets	**3,056**	(3,312)
Cash generated by operations	**96,633**	92,948
Income taxes paid	**(33,067)**	(30,081)
Interest paid	**(11,454)**	(6,645)
Net cash from operating activities	**52,112**	56,222

Cash and cash equivalents held in Brazil amount to US$71.8 million (2007: US$72.0 million).

Cash equivalents are held for the purpose of meeting short term cash commitments and not for cash investment purposes.

Additions to plant and equipment during the year amounting to US$3.9 million (2007: US$1.2 million) were financed by new finance leases.

31 Contingent liabilities

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 2008 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 total estimated contingent claims at 31 December 2008 is US$32.0 million (2007: US$21.1 million). These have not been provided for as the Group's legal advisors do not consider that there is any probable loss.

Notes to the Accounts

32 Cash-settled share-based payments

The Group issues to certain employees share appreciation rights in respect of the Group's long term incentive plan "LTIP" that require the Group to pay the intrinsic value to the employee at the date of exercise.

The Group operates two long term incentive plans, the Ocean Wilsons Holdings scheme and the Wilson Sons Limited scheme.

Ocean Wilsons Holdings Limited LTIP

The Company implemented a cash settled phantom option scheme that was approved by shareholders at a Special General Meeting held on 19 April 2007.

The scheme is for selected senior management and the options provide for the option holder to receive on excercise the difference between the option price of US$5.66 and the lower of US$19.98, being the market capitalisation of Wilson Sons at the date of the IPO per OWHL share and the market value of Wilson Sons per OWHL share at the time of excercise.The awards vest in four tranches from April 2009 to April 2012 and expire in April 2016.

No further options will be granted under the scheme.

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

	2008 Number of share options	2007 Number of share options
Outstanding at the beginning of the period	**1,757,151**	–
Granted during the period	**–**	1,768,151
Forfeited during the period	**–**	(11,000)
Outstanding at the end of the period	**1,757,151**	1,757,151

The movement of the accrual relating to the plan is as follows:

	2008 US$'000	2007 US$'000
Liability at 1 January	**10,013**	–
Charge for the year	**–**	10,013
Reversal of accrual in the year	**(6,717)**	–
Exercise of options	**–**	–
Liability at 31 December	**3,296**	10,013

The group has recorded liabilities of US$3,296,000 (2007: US$10,013,000) in respect of this scheme. Fair value is determined by using the Binomial model using the assumptions noted in the table below.

Weighted average option price	$5.66
Expected volatility	40%
Average expected life	10 years
Average risk free rate	0.8 – 1.1%
Expected dividend yield	3.4%

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 managements best estimate for excercise restrictions and behavioural considerations.

Wilson Sons Limited LTIP

On 9 April, 2007, the boards of Ocean Wilsons Holding Limited and Wilson Sons Limited approved a stock option plan which allows for the grant of phantom options to eligible employees selected by the Wilson Sons Limited Board. The options will provide cash payments, on exercise, based on the number of options multiplied by the growth in the price of a Wilson Sons Limited Brazilian Depositary Receipt "BDR" between the date of grant (the "Base Price") and the date of exercise (the "Exercise Price"). The plan is a Brazilian Real denominated scheme and options were issued at R$ 23.74 during 2007. In 2008 a further 115,000 options were issued under the plan at R$ 17.20.

The awards vest in four tranches from two to five years from date of issue.

32 Cash-settled share-based payments (continued)

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

	2008 Number of share options	2007 Number of share options
Outstanding at the beginning of the period	**3,837,760**	–
Granted during the period	**115,000**	3,903,760
Forfeited during the period	**(60,000)**	(66,000)
Outstanding at the end of the period	**3,892,760**	3,837,760

The group has recorded liabilities of US$1,167,000 (2007: US$2,598,000). Fair value is determined by using the Binomial model using the assumptions noted in the table below.

Weighted average option price for awards made in 2007	R$ 23,74
Weighted average option price for awards made in 2008	R$ 17.20
Expected volatility	30%
Expected life	10 years
Risk free rate	11.23%
Expected dividend yield	3.4%

Expected volatility was determined with reference to the historical volatility of the OWHL Group share price. The expected life used in the model has been adjusted, based on managements best estimate for exercise restrictions and behavioural considerations.

The movement of the accrual relating to the plan is as follows:

	2008 US$'000	2007 US$'000
Liability at 1 January	**2,598**	–
(Reversal of accrual)/charge for the year	**(1,431)**	2,598
Exercise of options	**–**	–
Liability at 31 December	**1,167**	2,598

The fair value of the Ocean Wilsons Holdings Limited and Wilson Sons Limited schemes declined in value principally due to the fall in the Wilson Sons Limited share price from R$ 25.95 at 31 December 2007 to R$ 10.95 at 31 December 2008.

Notes to the Accounts

33 Operating lease arrangements

	2008 US$'000	2007 US$'000
The Group as lessee		
Minimum lease payments under operating leases recognised in income for the year	**12,058**	10,666

At the balance sheet date, the minimum amount due in 2008 by the Group for future minimum lease payments under cancellable operating leases was US$6,638,000 (2007: $ 7,753,000).

Lease commitments for land and buildings over 5 years comprise the minimum contractual lease obligations between Tecon Rio Grande and the Rio Grande port authority the Group and the Salvador port authority. The Tecon Rio Grande concession expires in 2022 and Tecon Salvador in 2025.

Tecon Rio Grande guaranteed payments consists of two elements; a fixed rental, plus a fee per 1000 containers moved based on forecast volumes. 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-containerised 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:

	2008 US$'000	2007 US$'000
Within one year	**1,456**	1,148
In the second to fifth year inclusive	**7,525**	1,531
After five years	**7,525**	–
	16,506	2,679

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 2008 is 11 years and 4 months and rental payments are corrected by a Brazilian general inflation index.

34 Commitments

At 31 December 2008 the Group had entered into seven commitment agreements with respect to seven separate trading investments. These commitments relate to capital subscription agreements entered into by Ocean Wilsons Investments Limited. The details of these commitments are as follows:

	Commitment $'000	**Outstanding At 31 December 2008 US$'000**	Outstanding At 31 December 2007 US$'000
Expiry Date			
08 November 2008	5,000	**–**	4,000
31 March 2009	3,000	**1,200**	3,000
30 June 2010	991	**253**	446
30 June 2010	5,000	**–**	–
31 October 2012	3,000	**3,904**	1,367
31 October 2012	5,000	**271**	5,000
13 March 2013	5,000	**3,693**	–
Total	26,991	**9,321**	13,813

35 Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees of its Brazilian business. The assets of the scheme are held separately from those of the Group in funds under the control of independent managers.

The total cost charged to income of US$1,049,000 (2007: US$1,729,000) represents contributions payable to the scheme by the Group at rates specified in the rules of the plan.

Notes to the Accounts

36 Related party transactions

Transactions between this 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 other investments are disclosed below.

	Dividends received/ Revenue of services		Amounts paid/ Cost of services		Amounts owed by related parties		Amounts owed to related parties	
	31 December 2008 US$'000	31 December 2007 US$'000	**31 December 2008 US$'000**	31 December 2007 US$'000	**31 December 2008 US$'000**	31 Decembeer 2007 US$'000	**31 December 2008 US$'000**	31 December 2007 US$'000
Joint ventures								
1. Allink Transportes Internacionais Limitada	**688**	352	**(5)**	(1)	**18**	–	**–**	(6)
2. Consórcio de Rebocadores Barra de Coqueiros	**221**	62	**–**	(246)	**128**	105	**–**	(137)
3. Consórcio de Rebocadores Baía de São Marcos	**4,749**	7,023	**–**	–	**2,796**	1,818	**–**	(3,649)
4. Dragaport Limitada	**–**	297	**–**	–	**–**	–	**–**	–
5. Dragaport Engenharia	**–**	–	**(296)**	(162)	**–**	378	**–**	(2,220)
Others								
6. Porto Campinas	**–**	–	**–**	–	**–**	814	**–**	–
7. Conyers Dill & Pearman	**–**	–	**(147)**	(373)	**–**	–	**(141)**	–
8. Hanseatic Asset Management	**–**	–	**(2,538)**	(2,464)	**–**	–	**(195)**	(1,359)
9. Gouvêa Vieira Advogados	**–**	–	**(39)**	(144)	**–**	–	**–**	–
10. Codan Services Limited	**–**	–	**(130)**	(65)	**–**	–	**–**	(5)
11. Internacional Financial Corporation	**–**	–	**(684)**	(2,450)	**–**	–	**(25,383)**	(23,685)
12. Jofran Services	**–**	–	**(70)**	(130)	**–**	–	**–**	–
13. Frag Consulting	**–**	–	**(50)**	(502)	**–**	–	**–**	–
14. CMMR Intermediacao Comercial Limitada	**–**	–	**–**	(102)	**–**	–	**–**	–

1. Mr A C Baião is a shareholder and Director of Allink Transportes Internacionais Limitada. Allink Transportes Internacionais Limitada is 50% owned by the Group and rents office space from the Group.

2-6. 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 17.

7. Mr C F A Cooper was a partner in Conyers, Dill and Pearman during the period. Fees were paid to Conyers Dill & Pearman for legal advice.
8. Mr W H Salomon is Chairman of Hanseatic Asset Management. Fees were paid to Hanseatic Asset Management for acting as investment managers of the Groups investment portfolio and administration services.
9. Dr J F Gouvêa Vieira is a managing partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.
10. Mr C F A Cooper was a partner in Conyers, Dill and Pearman during the period, the owners of Codan Services. Fees were paid to Codan Services for company secretarial services.
11. Internacional Financial Corporation was a minority shareholder of Tecon Salvador S.A. during the year. The Group has bank loans with this financial institution. The Group purchased the IFC minority interest in Tecon Salvador for US$5.1 million in December 2008.
12. Mr J F Gouvêa Vieira is a Director of Jofran Services. Directors fees and consultancy fees were paid to Jofran Services.
13. Mr F Gros is a Director of Frag Consulting. Directors fees and consulting fees relating to the Wilson Sons IPO were paid to Frag Consulting.
14. Mr C M Marote is a shareholder and Director of CMMR Intermediacao Comercial Limitada. Fees were paid for consultancy services. Mr C M Marote was a Director of Ocean Wilsons Holdings Limited in 2007.

Remuneration of key management personnel

The remuneration of the executive directors and other key management of the Group, is set out below in aggregate for the categories specified in IAS 24 Related Party Disclosures.

	Year ended 2008 US$'000	Year ended 2007 US$'000
Short-term employee benefits	**6,680**	5,448
Post-employment benefits	**1,787**	2,702
Share-based payment	**(8,148)**	12,611
	319	20,761

37 Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 22, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings and the consolidated statement of changes in equity.

The Group borrows to fund capital projects and looks to cash flow from these projects to meet repayments. Working capital is funded through cash generated by operating revenues.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

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

Categories of financial instruments

	Year ended 2008 US$'000	Year ended 2007 US$'000
Financial assets		
Designated as fair value through profit or loss	**209,994**	270,262
Receivables (including cash and cash equivalents and other non-current assets)	**289,530**	305,659
Available for sale financial assets	**–**	6,466
Trading investments held at cost	**–**	2,572
Financial liabilities		
Amortised cost	**(246,832)**	(228,332)

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets and manages the financial risks relating to the operations of the Group through internal reports. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk.

The Group may use derivative financial instruments to hedge these risk exposures, with Board approval. The Group does not enter into trade financial instruments, including derivative financial instruments for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group undertakes certain transactions denominated or linked to foreign currencies and therefore exposures to exchange rate fluctuations arise. The Group operates principally in Brazil with a substantial proportion of the Group's revenue, expenses, assets and liabilities denominated in the Real. Due to the cost of hedging the Real, the Group does not normally hedge its net exposure to the Real as the Board does not consider it economically viable.

Notes to the Accounts

37 Financial instruments (continued)

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

	Liabilities		Assets	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Real	**92,961**	97,911	**297,671**	174,809
Sterling	**771**	1,138	**28,123**	39,144
Euro	**–**	–	**4,932**	11,614
Yen	**–**	–	**6,683**	8,176
Canadian Dollar	**–**	–	**–**	211
	93,732	99,049	**337,409**	233,954

Foreign currency sensitivity analysis

The Group is primarily exposed to unfavourable movements in the Brazilian Real on its Brazilian liabilities, and to unfavourable movements in the British Pound on its Sterling investments.

The following table details the Group's senstivity to a 10% increase and decrease in the US Dollar against these respective foreign currencies. 10% is the sensitivity used 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 analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. In the following table a positive number indicates an increase in profit and equity where the US Dollar hypothetically strengthens against the Brazilian Real or where the US Dollar weakens against the British pound. A 10% weakening in the US Dollar against the Brazilian Real and a 10% strengthening against the British pound would give an equal and opposite effect.

	Real impact		Sterling impact	
	2008	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000
Profit or loss	**17,726**	14,284	**(2,750)**	(3,732)
Other equity	**23,077**	17,414	**(2,750)**	(3,732)

The Brazilian Real foreign currency impact is mainly attributable to the exposure of outstanding Brazilian Real receivables and payables at year end in the Group. The Sterling currency impact is mainly attributable to the exposure of sterling denominated investments.

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

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. The Group borrows from the BNDES (Banco Nacional de Desenvolvimento Economico e Social) to finance vessel construction. These loans are fixed interest rates loans linked to the US Dollar. Due to the favourable rates offered by the BNDES, in the Group's opinion, there is minimal market interest rate risk.

The Group's strategy for managing interest rate risk is to maintain a balanced portfolio of fixed and floating interest rates in order to balance both cost and volatility. The Group may use derivative instruments to reduce cash flow interest rate attributable to interest rate volatility.

As at 31 December 2008 the Company had no outstanding interest rate swap contracts.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date.
For floating rate liabilities and investments, the analysis is prepared assuming the amount of the liability outstanding or cash invested at balance sheet date was outstanding or invested for the whole year.

A 1% increase or decrease is used when reporting US dollar interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

37 Financial instruments (continued)

If US Dollar interest rates had been 1% lower and all other variables held constant, the Group's profit for the year ended 31 December 2008 would decrease by US$2.3 million (2007: decrease by US$3.2 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and cash investments. If US Dollar interest rates had been 1% higher this would give an equal and opposite effect.

A 3% increase or decrease is used when reporting Brazilian interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If Brazilian Real interest rates had been 3% higher and all other variables held constant, the Group's profit for the year ended 31 December 2008 would increase by US$1.4 million (2007: increase by US$1.6 million). This is mainly attributable to the Group's exposure to interest rates on its cash investments. If Brazilian Real interest rates had been 3% lower this would give an equal and opposite effect.

The Group has floating rate financial assets consisting of bank balances principally denominated in US Dollars and Brazilian Real that bear interest at rates based on the banks floating interest rate.

Market price sensitivity

The Group is exposed to equity price risks arising from equity trading investments.

The trading investments represent investments in listed equity securities, funds and unquoted equities and that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices where available.

By the nature of its activities the Group's investments are exposed to market price fluctuations. However the portfolio as a whole does not correlate exactly to any stock exchange index, as it is invested in a diversified range of markets. The investment manager and the Board monitor the portfolio valuation on a regular basis and consideration is given to hedging the portfolio against large market movements.

The sensitivity analysis below has been determined based on the exposure to market price risks at year end and shows what the impact would be if market prices had been 10% higher or lower at the end of the financial year. The amounts below indicate an increase in profit and loss and total equity where market prices increase by 10%. A fall in market prices of 10% would give rise to an equal fall in profit and loss and total equity.

	2008 US$'000	2007 US$'000
Profit or loss	**20,999**	27,283
Total equity	**20,999**	27,283

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

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

Trade receivables consist of a large number of customers except for one large customer, which makes up 10% of revenue. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. 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.

Notes to the Accounts

37 Financial instruments (continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 12 months US$'000	1-5 years US$'000	5+ years US$'000	Total US$'000
2008					
Non-interest bearing	**–**	**67,195**	**–**	**–**	**67,195**
Finance lease liability	**15.25%**	**1,616**	**4,025**	**–**	**5,641**
Variable interest rate instruments	**5.6%**	**6,892**	**8,222**	**2,590**	**17,704**
Fixed interest rate instruments	**3.9%**	**16,042**	**73,451**	**131,466**	**220,959**
	–	**91,394**	**85,019**	**134,057**	**310,469**
2007					
Non-interest bearing	–	86,391	–	–	86,391
Finance lease liability	14.0%	1,240	1,994	–	3,234
Variable interest rate instruments	7.9%	7,295	11,223	193	18,711
Fixed interest rate instruments	3.9%	13,025	57,046	95,841	165,912
	–	107,951	70,263	96,034	274,248

The Group has access to financing facilities, the total unused amount which is US$34.0 million at the balance sheet date. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Fair value of financial instruments

The fair value of non-derivative financial assets and traded on active liquid markets are determined with reference to quoted market prices.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

Statistical Statement 2004-2008 (Unaudited)

(in US$'000)

	Year to 31 December 2008 US$'000	Year to 31 December 2007 US$'000	Year to 31 December 2006 US$'000	Year to 31 December 2005 US$'000	Year to 31 December 2004 US$'000
Closing rates of exchange – R$ to US$	**2.34**	1.77	2.14	2.34	2.66
Income Statement					
Group revenue	**498,285**	404,046	334,109	285,227	217,713
Group operating profit	**98,339**	58,508	61,433	33,548	35,756
Profit before tax	**31,550**	303,410	61,433	33,548	35,756
Income tax expense	**(38,641)**	(25,723)	(20,765)	(14,865)	(13,926)
(Loss)/Profit for the year	**(7,091)**	277,687	56,883	34,657	34,262
Attributable to:					
Equity holders of parent	**(26,700)**	258,065	56,077	33,086	31,599
Minority interests	**19,609**	19,622	806	1,571	2,663
	(7,091)	277,687	56,883	34,657	34,262
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance Sheet					
Net assets					
Brazilian interests	**206,539**	195,907	146,135	107,150	92,297
Investments held for trading	**209,994**	272,834	73,192	64,563	57,938
Other net assets	**147,558**	144,317	6,314	(343)	(2,808)
	564,091	613,058	225,641	171,370	147,427
Attributable net assets – per share					
Brazilian interests – book amount	**584c**	554c	413c	303c	261c
Other assets – book and market amount	**1011c**	1180c	225c	182c	156c
	1595c	1734c	638c	417c	417c
Key Statistics					
Earnings per share	**(75.5c)**	729.8c	158.6c	93.6c	89.4c
Cash dividends per share paid	**40.0c**	24.0c	20.0c	20.0c	18.0c
Mid-market quotation at end of period	**460p**	792p	548p	352p	285p
Mid-market quotation at end of period in US Dollars	**666c**	1570c	1073c	606c	545c

Notice of Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting of the company will be held at the Washington Mayfair Hotel, 5 Curzon Street, London W15 5HE on 27 April 2009 at 11.00 am for the following purposes:

1. To receive and, if approved adopt the Director´s Report and Accounts for the year ended 31 December 2008.
2. To declare a dividend.
3. To determine the maximum number of Directors for the ensuing year as six and that the Board of Directors so appointed be authorised to appoint on behalf of the Members an additional Director to serve until the conclusion of the next Annual General Meeting.
4. To re-elect Mr W H Salomon as a Director.
5. To appoint the Auditors, and authorise the directors to fix the remuneration of the Auditors.
6. Ratification and confirmation of all and any actions taken by the Company's Board of Directors and the persons entrusted with Company's management in the year ended 31 December 2008.

By Order of the Board
Malcolm Mitchell
Secretary
Clarendon House, Church Street, Hamilton HM 11, Bermuda

24 March 2009

Any Member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him.

A proxy need not be a Member of the Company.

Form of Proxy

*I/We

*of

*of

being a Member of Ocean Wilsons Holdings Limited, hereby appoint Jose Francisco Gouvêa Vieira, or failing him W H Salomon both Directors of the Company.

†of

as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting of the company to be held on Monday 27 April 2009 and at any adjournment thereof. The proxy will vote on the Resolutions as indicated opposite.

	For	**Against**
1 To receive and, if approved adopt the Director´s Report and Accounts for the year ended 31 December 2008.		
2 To declare a dividend.		
3 To determine the maximum number of Directors for the ensuing year as six and that the Board of Directors so appointed be authorised to appoint on behalf of the Members an additional Director to serve until the conclusion of the next Annual General Meeting.		
4 To re-elect Mr W H Salomon as a Director.		
5 To appoint the Auditors, and authorise the directors to fix the remuneration of the Auditors.		
6. Ratification and confirmation of all and any actions taken by the Company's Board of Directors and the persons entrusted with Company's management in the year ended 31 December 2008.		

Signature Dated 2009

Notes

†1 If any other proxy is preferred, delete the names inserted above and add the name of the proxy whom you wish to appoint, and initial the alteration.

2 Please indicate by a cross in the appropriate box how you wish your proxy to vote. If no indication is given your proxy will abstain or vote as he/she thinks fit.

3 To be valid, the proxy should be deposited at the Transfer Agents of the Company, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no less than 48 hours before the time for the Meeting.

4 In the case of a corporation, this proxy must be under its Common Seal or under the and of an Officer or Attorney duly authorised in writing.

5 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members, in respect of the joint holding.

* Please insert your full name and address in BLOCK CAPITALS.

Third Fold and Tuck in

BUSINESS REPLY SERVICE
Licence No. MB 122

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The Transfer Agent
Ocean Wilsons Holdings Limited
Capita Registrars Proxies
PO Box 25
Beckenham
Kent
BR3 4BR

First Fold

Second Fold