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 the 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. Wilson Sons activities include harbour and ocean towage, container terminal operation, offshore support services, logistics, small vessel construction and ship agency. Wilson Sons has over four thousand employees and operates in nearly thirty locations throughout Brazil in 2009.

Ocean Wilsons Investments Limited is a wholly owned Bermuda investment company. The company holds a portfolio of international investments.

Introduction

In a challenging year with difficult market conditions I am pleased to report that 2009 produced another excellent performance. Wilson Sons continued to report solid operating results with strong performances from the towage, port terminal and offshore businesses. Following a difficult 2008 the recovery in global investment markets and appreciation of the Real against the US Dollar generated significant gains during the year that positively impacted bottom line earnings.

Results

Revenue for the full year was 4% lower at US$477.9 million (2008: US$498.3 million) principally due to a fall in shipyard and logistics revenue. Volumes at our Brazilian business recovered in the second half as Brazilian trade volumes benefitted from the improvement in the economic environment. Operating profit for the year at US$79.3 million was US$19 million lower than 2008, (US$98.3 million) mainly due to an increase in the long-term incentive plan accrual in the period and a decrease in the non-recurring fiscal credits recognised in the period. The increase in the long-term incentive plan accrual was driven by the improvement in the Wilson Sons share price.

Profit before tax increased by US$108.3 million from US$31.6 million to US$139.8 million due to the gains on the investment portfolio of US$34.3 million (2008: US$59.5 million loss) and exchange gains on the Real denominated cash balances of US$23.7 million (2008: US$23.6 million loss).

Earnings per share based on ordinary activities after taxation and minority interests were 198.5 cents (2008: 75.5 cents loss).

Investment Portfolio

Investment managers

The Group's investment portfolio is held by Ocean Wilson Investments Limited ("OWIL") a wholly owned subsidiary registered in Bermuda. OWIL appointed Hanseatic Asset Management LBG a Guernsey registered and regulated investment group as its Investment Manager in November 2000.

Investment strategy

The Board of the OWIL determines investment guidelines and restrictions in conjunction with the investment manager, these together with the investment managers reports are reviewed at the OWIL 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 partial recovery in global equity markets resulted in the value of the trading investment portfolio and cash under management increasing 15.4%, from US$212.4 million to $245.2million. The biggest contributors to the portfolio performance were Global, U.S. and Far East investments.

During the year the investment managers deployed US$51million of the portfolio's cash and liquidity funds in new investments and capital draw downs. At year end the investment portfolio held US$67 million in cash and liquidity funds. Details of the individual investment holdings at 31 December 2009, new investments made during the period and performance, are contained within the Investment Managers report.

Over the nine years that Hanseatic Asset Management has managed the portfolio it has increased in value by 94.7% compared with 6.7% for the MSCI world index and a 48.9% return from the performance benchmark in the same period.

Wilson Sons Limited

At the close of business on the 22 March 2010, the Wilson Sons share price was Real 21.80 resulting in a market value for the Ocean Wilsons Holding of 41,444,000 shares (58.25% of Wilson Sons) of approximately US$502 million

Chairman's Statement

which is the equivalent of US$14.19 per Ocean Wilsons Holdings Limited share.

Brazil

The impact of the global financial crisis on Brazil was less severe than seen in the developed economies, although the Brazilian economy contracted 0.2% in 2009. This was the first time since 1992 that Brazil recorded an economic contraction over an annual period. To stimulate demand the government announced tax breaks in the second half of the year and interest rates fell to single digits. Despite the fall in interest rates the Real appreciated 30% against the US Dollar from March to October and the government introduced a 2% levy on foreign purchases of bonds and equities to slow inflows of "hot money".

Brazil's banking sector appears to have come through the global crisis in good shape and the Brazilian stock market "BOVESPA" index by year end had recovered most of the losses suffered in 2008, as investor appetite for risk and emerging markets returned.

2010 is a Presidential election year in Brazil and the extension of some tax breaks signals that fiscal policy may remain loose in the run-up to the elections. To contain inflationary pressures monetary policy will probably have to tighten sooner rather than later. This may put further upward pressure on the Real and reduce investment. Government debt at 60% of GDP is high but manageable.

The economy is expected to grow by over 5% in 2011 although the performance of the economy may depend on the global recovery and international commodity prices.

Dividend

The Board is not recommending a final dividend for 2009 as the Board declared a second interim dividend of 38 cents per share to be paid on the 26 March 2010. The total dividend for the year of 42 cents per share (2008: 30 cents per share) represents a 40% increase over 2008.

The Board's policy 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 are 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 may be discontinued or varied at the discretion of the Board.

Depository receipts

As previously informed in my letter of the 6 July 2009 and the 2009 interim report the Company's shares are now capable of being traded through CREST, pursuant to a depository interest arrangement established by the Company.

Shares in companies not incorporated in the United Kingdom are not capable of being directly traded or held in CREST (the electronic trade confirmation system for the United Kingdom). Therefore, the Company has come to an arrangement with Capita IRG Trustees Limited to provide a way for shareholders to hold and or trade their shares in the Company indirectly, pursuant to a depository interest arrangement.

The Company arranged in July 2009 for Capita IRG Trustees Limited (the "**Issuer**") to issue depository interests on a one for one basis in respect of the underlying ordinary shares (the "**Depository Interests**"). It is these Depository Interests, which may be held and transferred within CREST. The Depository Interests are created and issued pursuant to a Deed Poll executed by the Issuer under English law, copies of which are available from the Issuer. The Depository Interests will carry the same ISIN number (BMG6699D1074) as the Company's ordinary shares To date 369 shareholders representing 89% of the Ocean Wilsons Holdings Limited share capital have converted to depositary interests.

Shareholders who opt to deposit their shares with the Issuer in return for Depository Interests will retain their beneficial interest in the underlying ordinary shares with no change to the rights to dividends and voting.

If you have any questions in relation to the Depositary Interests please contact Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU – telephone no. 0871 664 0300 (Calls cost 10 pence per minute plus network extras) or from outside the UK +44 208 639 3399.

Long term incentive plan

Ocean Wilsons Holdings Limited "OWHL" 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.

During 2009 participants exercised 280,280 options and forfeited a further 620,273 units in the plan in return for a guaranteed deferred bonus scheme of US$8.9 million. The maximum remaining liability under the plan is US$12.3 million based on the Wilson Sons IPO offer price. An accrual of US$7,035,000 (2008: US$3,296,000) has been included in the 2009 accounts for benefits accruing under the plan.

Charitable donations

In line with our policy to support local causes the Group made contributions of US$102,000 (2008: US$74,000) during the year. The emphasis of the Group's actions continues to be community based projects providing help to children and adolescents. The Group's principal contributions in 2009 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

> Amigos do Zippy (Zippy's Friends) – is a programme to help children and young people develop skills which will enhance their present and future emotional wellbeing.
> Website: www.amigosdozippy.org.br

Through our corporate programme "Criando Lacos" (Creating ties), the Group provides financial support and promotes employee involvement in social initiatives. During 2009 Criando Lacos organised various campaigns throughout Brazil involving over 400 volunteers.

Board of Directors

We are pleased to announce the appointment of Mr Andrés Rozental as a non-executive Director to the Board of Ocean Wilsons Holdings Limited with effect from 23 March 2010. Mr Andrés Rozental is the founding partner of *Rozental & Asociados*, an international consulting firm specialized in providing political and economic advisory services to both Mexican and foreign companies. Mr Rozental previously was a career diplomat for more than 35 years, with the Mexican foreign ministry holding a number of senior ambassadorial diplomatic posts. He is currently Chairman of ArcelorMittal Mexico and a Director of their Brazilian company as well. He served on the main Board of Mittal Steel for 10 years before the merger with Arcelor. He is also a Director of New India Investment Trust and of Dufry South America (formerly Brasif). In Mexico he is an Operating Partner of Advent International Private Equity and Chairman of Grupo Industrial Omega, a diversified holding company in the retail and real estate sectors.

Outlook

The Group delivered another excellent result in 2009 and we fully expect 2010 to be another solid year. The Brazilian economy remains relatively strong with forecasts predicting over 5% growth in 2010 and the fast expanding Brazilian offshore oil industry continues to offer opportunities for the Group through our offshore vessel business and Brasco which provides support services to the oil and gas industry.

In 2010 we intend to start expansion of our shipyard operation at Guaruja to service the increasing internal and external demand for offshore support vessels. During the year we expect to deliver a further two Platform Supply Vessels (PSVs) for our fleet and four new tugboats as part of our ongoing tug renewal programme. Completion of the offshore joint venture with Ultratug announced in October 2009 is still awaiting final regulatory approval but we anticipate that this process will be concluded in the first half of 2010.

Management and staff

Finally on behalf of your Board, I would like to thank our management and staff for their continuous efforts in helping to build and develop the Company.

J. F. Gouvêa Vieira
Chairman
23 March 2010

Financial Review

Profit before tax and earnings per share

Profit before tax for the year was US$139.8 million compared with US$31.6 million for 2008. The increase of US$108.2 million is principally due to increased investment revenue of US$35.6 million (2008: US$6.8 Million) and other gains on the investment portfolio of US$34.3million (2008: US$59.5 million loss). Basic earnings per share for the year were 198.5 cents, compared with 75.5 cents losses per share in 2008.

Revenue

Group revenue for the year fell 4% to US$477.9 million (2008: US$498.3 million) principally due to a decrease in our shipbuilding business, logistics revenue and weaker business volumes in the first half of 2009. Revenue in the second half 2008 at US$258.9 million was 4% higher than the comparative period in 2008, US$249.8 million. All Group revenue is derived from Wilson Sons operations in Brazil.

Operating profit

Operating profit for the year decreased by US$19.0 million to US$79.3 million (2008: US$98.3 million). The fall in operating profit resulted mainly from an increase in the share based payment expense and a decrease in the non-recurring fiscal credits recognised in the period.

The share based payment expense for the year at US$17.2 million was, US$25.3 million higher than prior year (2008: US$8.1 million credit). 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 increase in the Wilson Sons Limited share price from Real 10.95 per share at 31 December 2008 to Real 21.48 at 31 December 2009 is reflected in a similar increase in the fair value of the two incentive schemes at the reporting date and associated charge to income. In 2008 a fall in the Wilson Sons Limited share price, generated a significant credit to the income statement in the period.

Excluding the share based payment expense, operating margins for the year improved to 20.2% (2008: 18.1%) as a result of better sales mix, an increase in high margin special towage operations and the number of offshore vessels operating in the premium priced spot market.

Non-recurring fiscal credits relating to prior periods recognised in the year were US$15.9 million lower at US$6.5million (2008: US$22.4million). The Group does not expect to recognise further fiscal credits relating to prior periods in future reporting periods.

Raw materials declined from US$86.5 million to US$49.6 million due principally to the decrease in shipyard sales.

Exchange rates

Because the Group has revenue,costs, assets and liabilities in both Brazilian Real and US Dollars movements in the US Dollar / Brazilian Real exchange rate can impact the Group both positively and negatively from year to year. In 2009 the Brazilian Real appreciated 25% against the US Dollar from R$2.33 at 1 January 2009 to R$1.74 at the year end. The main impacts from the appreciation of the Brazilian Real against the US Dollar was a net exchange gain of US$24.0 million (2008: US$23.6 million loss) on the Group's Real-denominated cash balances included in the income statement and a currency translation adjustment gain to net equity of US$16.1 million (2008: US$16.1 million charge). The average Real/US Dollar exchange rate for the year at 2.00 was 9% higher than the comparative period in 2008, 1.83. The higher average exchange rate had a beneficial effect on our Real denominated costs when converted into US Dollars.

Investment revenues

Investment revenue for the year increased US$28.8 million to US$35.6 million from US$6.8 million in 2008, primarily due to exchange gains on cash and cash equivalents of US$23.7 million (2008: US$23.6 million loss). Exchange gains arose principally on Brazilian Real denominated cash balances. Interest from bank deposits decreased US$13.2 million to US$10.4 million (2008: US$23.6 million) reflecting the lower market interest rates.

Other gains and losses

Other gains of US$34.3 million (2008: US$59.5 million loss) arise from the Group's portfolio of trading investments. The improvement over 2008 reflects the partial recovery in World Equity markets during the year and corresponding increase in the fair value of trading investments held at year end.

Finance costs

Finance costs in the period fell by US$4.5 million from US$14.1 million to US$9.6 million benefitting from the unrealised exchange gains on foreign currency borrowings of US$2.1 million, (2008: US$2.4 million loss). Other interest charges arise mainly from monetary correction on other tax balances.

Taxation

The US$31.2 million tax charge (2008: US$38.6 million) for the year represents an effective tax rate for the period of 22% (2008: 122%). The corporate tax rate prevailing in Brazil is 34%. The difference in the effective tax rate principally reflects income arising in our Bermudian companies that

are not subject to income or capital gains tax and deferred tax movements. The lower effective tax rate in 2009 primarily reflects the income from our Bermudian investment portfolio and an IFRS deferred tax credit of US$35.1 million (2008: US$32.3 million charge). The IFRS deferred tax credit arises on the retranslation of the non-current assets caused by the appreciation of the Real against the US Dollar. This IFRS deferred tax effect is partly offset by a deferred tax charge of US$15.2 million (2008: US$19.4 million credit) arising from the exchange variance on borrowings. In 2008 the effective tax rate was adversely impacted by the loss from our Bermudian investment portfolio of US$59.5 million.

Cash flow

Net cash flow from operating activities for the year at US$52.2 million was in line with prior year (2008: US$52.1 million).

Capital expenditure of US$139.7 million was mainly invested on vessel construction and new port operations equipment (2008: US$90.2 million). Higher capital expenditure was driven principally by increased vessel construction at our shipyard in Guaruja with the expansion of our Platform Supply Vessels (PSV) fleet and tugboat fleet renewal programme. During 2009 the Group completed seven tugboats and a further two PSVs.

The Group drew down additional loans of US$84.0 million during the year to finance asset construction (2008: US$49.1 million) and made capital repayments on existing loans of US$16.8 million (2008: US$13.4 million).

At 31 December 2009 the Company and its subsidiaries had US$196.4 million in cash and cash equivalents (31 December 2008: US$205.3 million) of which US$97.2 million was in US Dollar denominated assets and US$94.9 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$493.0 million (2008: US$424.6 million). This increase is attributable to the appreciation of the Brazilian Real and to the profit in the period after minority interests. This translates into net assets per share excluding minority interests of US$13.94 per share (31 December 2008: US$12.01). Of this trading investments held by Ocean Wilsons Investments Limited of US$238.7 million equates to US$6.75 per share. Ocean Wilsons Investments Limited trading investments together with the proportion of Wilson Sons Limited cash and investments held outside Brazil attributable to the Group of US$55.0 million equates to US$8.30 per share.

Included in trading investments of US$249.8 million at 31 December 2009 is US$11.1 million in Real denominated fixed rate certificates held by Wilson Sons Limited. These investments are not part of the Group's investment portfolio managed by Hanseatic Asset Management LBG and are intended to fund Wilson Sons Limited operations in Brazil.

Minority interests increased from US$139.5 million at the beginning of the year to US$180.2 million principally due to the appreciation of the Brazilian Real and the Wilson Sons Limited profit attributable to minority interest in the period.

Debt

At 31 December 2009 the Group's borrowings (including obligations under finance leases) were US$268.0 million (31 December 2008: US$189.5 million). New loans of US$84.0 million (2008: US$49.1 million) were raised to finance vessel construction and the port operation equipment. At 31 December 2009 the Group held US$244.6 million in US Dollars term loans or linked to the US Dollar with long maturity profiles for debt repayments. Repayments of borrowings and finance leasing obligations in the year in accordance with debt repayment schedules were US$20.7 million (2008: US$15.4 million).

Segmental reporting

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to segments and assess performance. As a result, following the adoption of IFRS 8 the Group has two reportable segments; maritime services and investment. Shareholders wishing a breakdown of the maritime services segment should read the Wilson Sons report on the Wilson Sons website www.wilsonsons.com.

Keith Middleton
Finance Director

Investment Managers Report

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

Background

Equity markets were strongly positive in 2009. Having bottomed in early March, most markets recorded significant gains. The MSCI World Index of developed markets rose by 30%. The best performing region was Asia ex-Japan. Japanese stocks, on the other hand, were disappointing with only marginal gains. Elsewhere, the UK and Continental Europe exceeded the returns from North America. Emerging Markets were very strong with the MSCI Emerging Markets Index rising by 74.5% over the year.

At the end of 2008, markets were discounting a very negative outlook for the world. However, the extraordinary nature of the policy response by governments and Central Banks narrowly averted a repeat of a 1930's-style depression. The near total collapse of financial intermediation following the demise of Lehman Brothers created severe stresses in the world's capital markets and trade flows. Whatever the longer-term consequences of ballooning public deficits and quantitative easing, this unsustainable policy mix did achieve traction and the point of maximum risk for the world economy has passed.

Robust economic activity in China and elsewhere in Asia provided a favourable backdrop for commodity prices. Copper appreciated by 145% and oil as measured by the price per barrel for West Texas Intermediate Crude rose by 78%. Longer-term concerns about the prospects for paper money under current policy settings supported the Gold price, which rose by 24.5%.

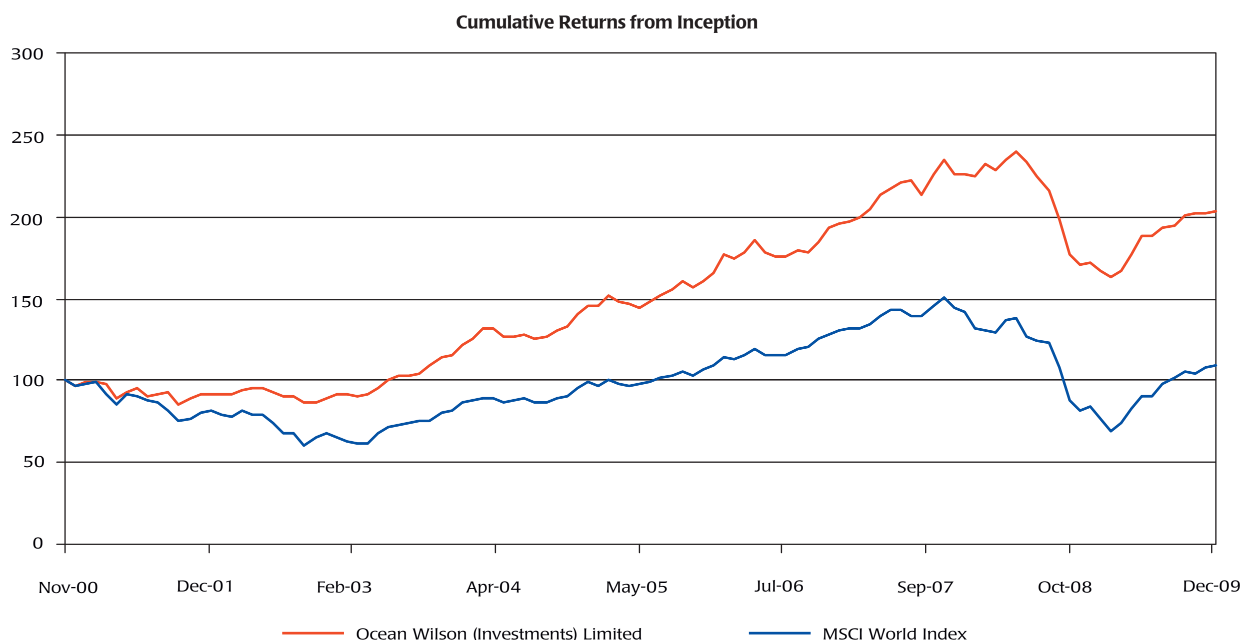
As investors' appetites for riskier assets increased in 2009 and funds migrated back into emerging markets, this was reflected in the depreciation of the US dollar against most currencies. The dollar fell by 3% against the Euro, by 10% against Sterling and by 25% against the Brazilian Real. The dollar appreciated by 3% against the Yen. The enthusiasm for high yield was also apparent in bond markets as US 10 year Treasury bond yields increased by 162bps over 2009 and the Barclays Capital Global High Yield Index rallied strongly by 59.4%.

Above: The 42 ton bollard pull tug boat Draco.

Left: The platform supply vessel (PSV) Petrel was delivered in 2009 and is currently operating in the spot market prior to entering long term contracts with Petrobras in 2010.

Investment Managers Report

Performance



Annual and Cumulative Returns

Annual performance (time weighted return)

	Since inception (November 2000)	2009	2008	2007	2006	2005
Fund performance	94.70%	18.5%	–27.2%	15.2%	18.5%	13.5%
MSCI	6.7%	30.0%	–40.7%	9.0%	20.1%	9.5%
Performance benchmark	48.9%	4.0%	6.2%	7.3%	6.8%	3.1%

ASSET ALLOCATION BY ASSET CLASS at 31 December 2009

	%	$m	%
Global Equities	25-75	96.8	39.5
Bonds	5-50	27.1	11.0
Alternative Assets	10-35	54.3	22.2
Cash and Cash Equivalents	0-35	67.0	27.3
Total		**245.2**	**100.0**

INVESTMENT PORTFOLIO PERFORMANCE (excluding cash and liquidity funds)

Sector	Portfolio Weighting %	Time Weighted Return %	MSCI Return %
Emerging Markets	21.1	19.6	74.5
Far East	11.6	43.1	78.0
United Kingdom	11.0	36.8	43.2
Global	35.8	54.3	30.0
Japan	5.0	7.8	7.8
United States	12.5	40.8	28.6
Continental Europe ex-UK	3.0	63.3	30.4
Total	**100.0**	**35.7**	**30.0**

Above: The PSV Skua was built at our shipyard in Guaruja, Sao Paulo in 2009.

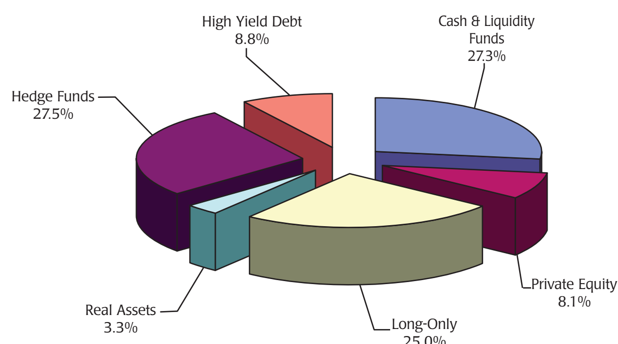
Left: The tug boat Andromeda was built at the Group's shipyard in Guaruja, Sao Paulo and delivered in 2009.

Investment Managers Report

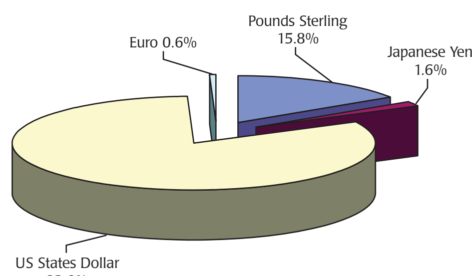
Within the portfolio, the biggest contribution came from the global or 'thematic' silo (predominantly commodity exposure) and the standout individual investment was the BlackRock World Mining Trust, which recovered sharply from the oversold levels at the end of 2008. Despite appreciating by 143% in 2009, the shares were still 31% below their all time high. The long-term fundamentals for mining remain attractive and are interlinked with the investment case for the 'BRIC's'.

The substantial overweighting in the Far East bore fruit as the region outperformed other parts of the world. After mining-related investments, this was the best performing area of the portfolio. The top performing investments by contribution were BlackRock World Mining Trust, Lansdowne UK Equity Fund Ltd, Aberdeen Global Asia Pacific Equity Fund, Oaktree CM Value Opportunities Fund Ltd and Neptune Russia and Greater Russia Fund.

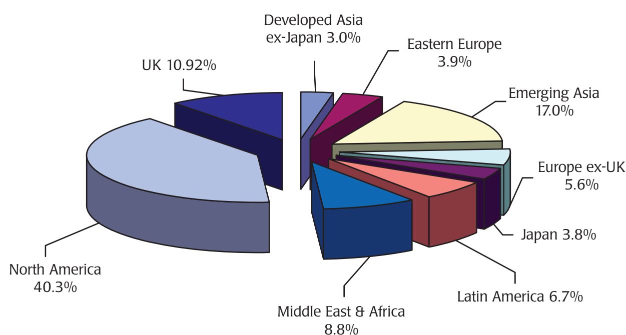
Asset Class Allocation (including cash) as at 31 December 2009



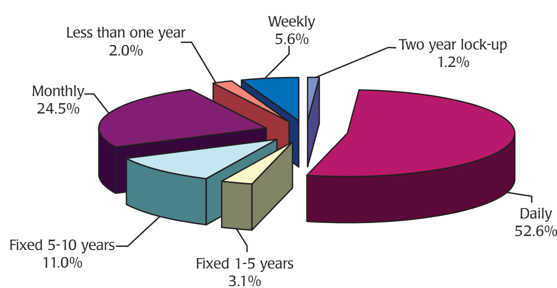
Currency Exposure (by denomination) as at 31 December 2009



Geographical Distribution as at 31 December 2009



Underlying Liquidity as at 31 December 2009



Portfolio activity

At the beginning of the year, the portfolio had cash and liquidity funds of $119.8m available for investment. During 2009, a net amount of approximately $51m was deployed. Of this, $77.7m was for "new investments", $3.6m was for "follow-on investments" (additions to pre-existing holdings) and there were drawdowns of capital in the portfolio's illiquid investments of $3.0m.

Above: Tecon Rio Grande in Rio Grande, Rio Grande do Sul. In 2009 Tecon Rio Grande moved 656,000 TEUs (Twenty foot equivalent units).

Investment Managers Report

Purchases – New Investments
14 new investments, totalling $77.7m, were made in 2009, as detailed below:

Ashmore Global Opportunities Ltd invests into a range of Ashmore global emerging market strategies. These include Ashmore Global Special Situations Fund IV and V, Ashmore Asian Recovery Fund, Ashmore Multi Strategy Fund and Ashmore Emerging Markets Corporate High Yield Fund.

BlackRock UK Emerging Companies Hedge Fund Ltd/BlackRock Hedge Selector Ltd – UK Emerging Companies Class are invested in UK small cap equities across market sectors.

BlueBay High Income Loan Fund is primarily invested in European senior secured leveraged loans. The Fund may also invest to a lesser extent in North America.

BlueCrest AllBlue Leveraged Feeder Ltd is a 1.5x leveraged multi strategy hedge fund investing in a selection of BlueCrest managed underlying funds.

Capital International Emerging Market Debt Fund invests in local currency and US dollar denominated sovereign and corporate debt securities, issued in Emerging Markets.

ETFS Natural Gas is an open ended Exchange Traded Commodity. It is designed to track the DJ-UBS Natural Gas Total Return Index.

GLG Emerging Currency and Fixed Income Fund invests in Emerging Market currencies, fixed income and their derivatives. The Fund is an absolute return hedge fund.

Investec Global Energy Long Short Fund is a long/short hedge fund investing in energy related equities, commodities and derivative instruments. In light of the volatile energy markets and significant rally in 2009, the Investment Adviser decided to consolidate the portfolio's long energy exposure into a hedged vehicle. Holdings in BP Plc, Investec Global Energy (long fund) and Royal Dutch Shell Plc were switched into the Fund.

JABCAP Global Balanced Fund seeks to achieve long term capital appreciation with an emphasis on capital protection through an active asset allocation policy investing in global equities, fixed income and cash instruments. The Fund is an absolute return hedge fund.

Neptune Japan Opportunities Fund is invested in Japanese equities with a bias towards mid and large cap stocks.

Phaunos Timber Fund Ltd invests in global timberlands and timber related investments with a focus on Emerging Markets.

RWC Biltmore Fund invests predominantly in large-cap US equities. The Fund is a long/short hedge fund.

RWC Global Convertibles Fund invests in global convertible securities. In one of the worst years in history for credit products, convertible bonds were one of the worst performing asset classes in 2008. This happened for a number of reasons including becoming over-owned by leveraged investors such as hedge funds and arbitrage houses.

Purchases – Follow-on Investments
In addition, four investments were made to pre-existing (prior to 2009) holdings during the year. These additions, totalling $3.4m, were into the following holdings: (i) Aberdeen Global Asia Pacific Equity Fund, (ii) Lansdowne UK Equity Fund, (iii) Pacific Alliance China Land Ltd and (iv) Prusik Asia Fund.

Sales
16 sales totalling $33.3m, were made in 2009, as detailed below:

Ashmore Local Currency Debt Fund was switched into the Capital International Emerging Market Debt Fund, which offers the ability to switch into local currency investments from US dollars and vice versa. Additionally, its fee structure represents better value.

BlackRock Agriculture Fund was redeemed following the resignation of the lead manager.

BlueBay European Credit Opportunity Fund was wound up. The proceeds were switched into BlueBay High Income Loan Fund.

BP Plc was switched into Investec Global Energy Long Short Fund.

Close Far East Equity Fund was redeemed due to dissatisfaction with the new manager's performance since being appointed in June 2007. The proceeds were switched into Aberdeen Global Asia Pacific Equity Fund and Prusik Asia Fund.

Finsbury Growth & Income Trust PLC was sold in favour of the BlackRock Hedge Selector Ltd – UK Emerging Companies.

Genesis Emerging Markets Fund was sold in order to take profits following a strong rally in Emerging Markets.

Investec Global Energy Fund was switched into Investec Global Energy Long Short Fund.

Ivanhoe Mines Ltd was sold following a strong share price performance in 2009.

Lansdowne Macro Fund was redeemed following disappointment with the Fund's performance.

Above: Tecon Salvador in Salvador, Bahia.

Investment Managers Report

North American Banks Fund Ltd was sold following an offer in excess of the recent placing price.

Orbis Japan Equity Fund was redeemed in favour of the Neptune Japan Opportunities Fund.

Royal Dutch Shell Plc was switched into Investec Global Energy Long Short Fund.

SM Investors Offshore Ltd was redeemed in favour of RWC Biltmore Fund.

Summit Germany Ltd was sold with the acceptance of a €0.21 per share offer to take the company private by management at a lower valuation than we had estimated.

UFG Russia Select Fund was redeemed following disappointment with the Fund's performance.

Investments – Commitments at 31 December 2009

Investment	Original commitment $000	Drawdowns during 2009 $000	Outstanding commitment $000
African Development Partners I, LLC # *	4,994	981	3,834
Ashmore Global Special Situations IV, LP	5,000	–	–
CLSA MezzAsia Capital, LP	3,000	–	271
Herald Ventures II, LP #	911	115	161
Helios Investors II LP *	5,000	–	5,000
Hupomone Capital Fund, LP	3,000	360	840
NYLIM Jacob Ballas India Fund III, LLC	5,000	434	3,470
Oaktree CM Principal Fund V Ltd *	5,000	750	4,250
Oaktree CM Value Opportunities Fund Ltd	5,000	–	–
R/C Global Energy and Power Fund IV, LP	5,000	351	3,342
Total	41,905	2,991	21,168

Notes:

(i) # non USD commitment expressed in US dollars.

(ii) * commitment entered into during 2009.

(iii) The outstanding commitment of $21,168,000 is covered by cash and liquidity funds amounting to $75.0m or 354%.

Three new investment commitments, totalling $15m, were made to illiquid investments in 2009, as detailed below:

African Development Partners I, LLC has a Pan-African geographic focus, particularly on rapid growth post conflict countries. The manager will invest in profitable or cash flow positive companies in industries benefiting from the growth of an emerging middle class across Africa.

Helios Investors II, LP will make private equity and special situations investments in African companies, with a specific focus on Nigeria, Kenya and Angola. The Fund will target growth equity investments in neglected sectors exhibiting high growth potential and acquisitions of established businesses such as non core subsidiaries of Western multinationals.

Oaktree Principal Fund V, LP will invest in the debt issues of distressed companies, with the aim of taking control of the assets of the business. The manager will also seek to make opportunistic purchases of assets from distressed or motivated sellers in industries such as shipping, aircraft leasing and oil and gas.

Above: Workers at the Group's shipyard in Guaruja, Sao Paulo.

Investment Managers Report

INVESTMENT PORTFOLIO at 31 December 2009

	Market Value $000	% of NAV
Lansdowne UK Equity Fund Ltd	10,888	4.4
BlueCrest AllBlue Leveraged Feeder Fund	10,436	4.3
GLG Emerging Currency and Fixed Income Fund	10,128	4.1
CIP Emerging Markets Debt Fund	10,009	4.1
BlackRock World Mining Trust Plc	8,112	3.3
Oaktree CM Value Opportunities Fund Limited	6,696	2.7
Investec Global Energy Long/Short Fund	6,273	2.6
RWC Global Convertibles Fund	5,602	2.3
BlackRock UK Emerging Companies Hedge Fund	5,328	2.2
SR Global Fund Class G Emerging Markets	5,283	2.1
	78,755	**32.1**
Prusik Asia Fund	5,187	2.1
Aberdeen Global Asia Pacific	5,053	2.1
Jupiter European Opportunities Trust Plc	4,749	1.9
Findlay Park American Smaller Companies Fund	4,340	1.8
Neptune Russia & Greater Russia Fund	3,879	1.6
Ashmore Global Special Situations Fund IV, LP	3,874	1.6
JO Hambro Japan Fund	3,815	1.6
BlackRock Hedge Selector – UK Emerging Companies	3,229	1.3
Neptune Japan Opportunities Fund	3,190	1.3
SR Global Fund – Asia	3,117	1.2
Top 20 Investments	**119,188**	**48.6**
ETFS Natural Gas	3,109	1.3
RWC Biltmore	3,019	1.2
Harbinger CP Special Situations Fund	2,986	1.2
BlackRock Middle East & North Africa Opps. Fund	2,969	1.2
Jabcap Global Balanced Fund	2,818	1.1
Pacific Alliance China Land Ltd	2,737	1.1
BlueBay High Income Loan Fund	2,623	1.1
Phaunos Timber Fund Limited	2,346	1.0
Ashmore Global Opportunities Limited	2,139	0.9
Jupiter Financial Opportunities Fund	2,009	0.8
Top 30 Investments	**145,945**	**59.5**
Other Investments (29)	**24,171**	**9.9**
Net Current Assets – including cash and liquidity funds	**75,073**	**30.6**
Total	**245,189**	**100.0**

Market outlook

Historically, stock prices tend to flatten out as the initial burst of momentum created by recovery begins to fade. 2010 will in all likelihood prove to be a very different environment for investors. Policy settings could not have been more supportive in 2009. However, neither quantitative easing nor ballooning fiscal deficits are sustainable policy options. As Central Banks withdraw from their unprecedented support for capital markets and governments reign in deficits, either through higher taxation or higher inflation, markets will face some serious challenges.

For now, there are several areas of support for equity markets. Very low rates of return on cash make it expensive not to own risk assets. Excess capacity in the developed world suggests that any normalisation in short term interest rates remains in the future. Central Banks are most likely to err on the side of caution with regard to tightening policy. As well as the cost of holding cash, equities are supported as an asset class by reasonable levels of valuation, together with rising profit margins. Although the domestic economies in developed countries may look problematic, there are many multinational companies listed on those markets whose business growth is being driven by the developing world.

Investors are generally disenchanted with equities particularly those in better quality, large capitalisation companies. This is due to a decade of poor returns in developed markets (MSCI World -0.2% per annum, S&P 500 -1.0% per annum and Nikkei -5.8% per annum). Confidence in the current equity rally remains fragile. Investors know that recessions can be beneficial in the greater scheme of things and that by bypassing them, imbalances are embedded and can only accumulate. For governments, they represent only electoral liability. Consequently, investors fear the steps policy makers will take to avoid recessions at any price. As a result of the ambivalent outlook, investors' overall exposure to equities is not excessive and a significant amount of inflows in 2009 were at the riskier end of the spectrum (i.e. in highly leveraged companies who have been bailed out by near-zero interest rates) rather than traditional high quality growth companies.

The contrast in economic fundamentals between Asia and the developed world is very marked. Growth prospects are greatly superior in Asia. 2009 proved a year where 'de-coupling' came to the fore. The engine at the heart of Asia is unquestionably China with an annual urban migration of 15 million people continuing to drive GDP growth. Consumption levels are rising and although China's export sector was hard hit by the collapse in world trade and a dormant US consumer, so far the evidence suggests that internal demand can support annual growth in the region of 8-9%. With the developed world severely hampered by a broken banking system and vast deficits, loose money is inevitably finding its way into Asian markets. With many Asian currencies pegged artificially low to the US dollar, there is a rapidly rising risk of a bubble occurring in the Asian markets.

Whilst there is clear potential for capital gain in Asian currencies as policy markers re-evaluate the risk of tracking the US dollar lower, other currencies are less clear cut. The Euro looks overvalued from the UK perspective and the plight of economies such as Greece must be imposing huge strains on European Central Bank policy. Sterling is also at risk in an election year and with an economy so dependent on financial services sentiment towards the UK is unlikely to improve for some time. The US dollar has effectively become the "next carry trade". Sentiment is so negative on the dollar that a rally would not come as a surprise. However, the longer-term picture with countries such as China and several Sovereign Wealth Funds diversifying away from dollars is worrying. In this context, the credibility of US policy will have little margin for error.

It would appear that the world has recovered from the brink. The analogy has been made that the world economy now looks more like a stalled car than a plane in mid-flight that has run out of fuel. Recovery is anaemic but comparisons are with a very low base. Historically equities are a good asset class to own until the recovery matures and policies tighten. The troubling fact remains, however, that governments must fund their expenditure and Central Banks will inevitably need to tighten at some point. Such prospects will constrain progress and investor expectations will need to adjust accordingly.

In summary, the developed world economies face a prolonged period of sub-par GDP growth. Surplus capacity in those economies is supporting a highly stimulative policy stance. This in turn has supported financial markets. Government credibility is on the line, however, as deficits balloon and at some point bond markets will react at the prospect of ever-growing issuance at coupons that leave no more margin for error. Monetary and fiscal policy settings have succeeded in preventing catastrophe but are not sustainable. Although balance sheets in the banking sector have improved, the banking system is not functioning as it needs to and growth prospects are muted. There is a different picture in the developing world. How much these economies can sustain the world with the West either in or bordering on recession remains to be seen. Increasingly the world is looking towards the Central Bank of China where once it looked towards the US Federal Reserve.

Hanseatic Asset Management LBG
February 2010

Wilson Sons Limited Operating Review

We have summarised the following highlights from the Wilson Sons 2009 Earnings Report released on the 23 March 2010. 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. Wilson Sons principal businesses are port terminals, towage, logistics, shipping agency and offshore.

Macro conditions

Brazil's domestic economy grew during the year although the strong real and global financial crisis continued to put pressure on exporters. Despite the challenging market, Wilson Sons' resilient business model has produced improved consolidated results for 2009 driven by positive performance in key business volumes and margins.

Business performance

Building on a solid base, Wilson Sons' 2009 results continued the long-term growth trend shown in previous periods EBITDA in 2009 grew only 4.6% to US$128.4 million from US$122.7 million in 2008, however 2008 benefitted from higher non-recurring fiscal credits. If the effect of fiscal credits is excluded underlying EBITDA growth improves to 21.5%. This improvement was achieved through our continued focus on high margin business areas such as towage special operations and offshore.

2009 Profit for the year grew 92% as a result of improved margins and financial revenues of US$34.3 million (including exchange gains on cash investments of US$24.0 million for 2009).

2008 revenue include significant third party shipyard sales which mask an underlying year on year increase in core business revenues. Revenue increased 77% in offshore as a result of our expanded fleet and 3% in port terminals, largely achieved through a diversified cargo profile.

Highlights

The principal highlights from the 2009 results were: volume growth at port terminals, despite international economic weakness, increased percentage of towage revenues in higher margin special operations, exceptional offshore business performance driven by premium priced spot market services linked to the demand from the booming Oil and Gas sector and revenue & EBITDA growth at Brasco.

Port terminals

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. Wilson Sons also operates Brasco, located in Rio de Janeiro, which provides support services to the oil and gas industry.

Net revenue grew 3% from US$170.5 million to US$175.4 million due to increased container volumes and revenue from Brasco. Revenue at Brasco grew 78% to US$26.7 million driven by growth in spot revenue and new client contracts. Brasco accounted for 16% of all port terminal revenue in 2009.

Container volumes at 888,266 TEUs (Twenty foot equivalent units) were 3% higher than 2008. Volumes towards the end of the year were adversely impacted by reductions in Tecon Rio Grande cabotage volumes, mainly due to lower rice exports, caused by higher than normal rainfall. Salt and resin volumes were also weaker. These reductions were offset by increased Tecon Salvador cabotage volumes, mostly petrochemical resins. Higher deep-sea cargo volumes in Rio Grande resulted mainly from increased polyethylene resins, tobacco and pulp/paper movements. Empty container volumes were adversely affected by the international rebalancing of empty containers.

EBITDA at US$58.3 million was 8% lower than 2008, (US$63.4 million) with the decline in warehousing and auxiliary services adversely impacting container terminal margins. Brasco accounted for 16% of port terminal EBITDA (2008: 4%) due to increased revenue, growth in higher margin spot revenue and cost reductions following acquisition of the Niteroi operational base in January 2009.

Towage

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

Towage revenue at US$145.7 million was marginally lower than 2008, US$147.1 million due to the weakness in global demand although EBITDA at US$61.3 million was 12% higher than 2008, US$54.5 million. The improvement in EBITDA resulted from growth in higher margin special operations in 2009 and cost savings implemented. Special Operations, mainly to the offshore oil and gas industry represented 14% of towage revenue in 2009 a 5% point increase over 2008.

During 2009 as part of the Group's fleet renewal programme the Group delivered seven new tugboats (Atria, Andromeda, Vega, Hadar, Uranus, Cepheus e Auriga) constructed at our shipyard in Guaruja, Sao Paulo state.

Offshore

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

The Group's offshore business continued to grow with net revenue increasing by 77% from US$21.6 million in 2008 to US$38.1 million in 2009 due to the expansion of our PSV fleet. At year end the Group operated 3 PSVs on long-term contracts and another 4 PSVs (2 of which are owned by Magallanes and chartered to Wilson Sons) at spot rates, on short-term, renewable contracts.

Operating margins in the year decreased to 36% from 38% in 2008 largely due to payments to Magallanes for the Petrel & Skua as the vessels are chartered into the Wilson Sons fleet in advance of completion of the joint venture. Fourth quarter margins were also slightly impacted by higher maintenance and personnel costs.

With respect to 'Wilson Sons UltraTug Offshore', a joint venture created to support oil & gas activities in exploration and production activities, the Company announced in October of 2009 the signing of a contract agreement with Chile's Ultratug Group and is continuing to procure the necessary approvals in order to finalise the joint venture's formation.

The Group's shipyard delivered two new PSVs during the year (Petrel e Skua) which are currently operating in the spot market prior to entering long term contracts with Petrobras in 2010.

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.

Revenue from our logistics business decreased 15% from US$89.3 million to US$75.8 million principally due the higher average Real/US Dollar exchange rate during the year and management focus on reducing the number of low margin operations. A higher average exchange adversely impacts Real denominated revenues when translated into US Dollars. Highlights in the period include signing new contracts (mainly for the steel industry) and increasing the range of services performed for existing clients.

EBITDA for the year increased by 7% from US$6.6 million to US$7.1 million although EBITDA margins suffered in the later part of the year as new projects in the quarter were not sufficient to compensate for contracts terminating in the same period.

Ship 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.

The downward trend in business volume continued in the year with revenue declining 14% from US$17.6 million to US$15.2 million in 2009. Cost reductions are being implemented to maintain profitability.

Operating profit at US$2.2 million was US$0.9 million lower than 2008 (US$3.1 million). Some of the positive highlights in the period included a greater diversification of the service base, geared towards new solutions for oil & gas clients (i.e. FPSO support).

Unallocated

Unallocated activities include shipyard and unallocated corporate costs.

Revenue in 2009 decreased 47.1% from US$52.2 million to US$27.6 million due to a reduction in third-party PSV construction activity at the shipyard in Guarujá (SP). The decline in EBITDA was smaller at 10% as the lower revenues were partially offset by a reduction in management costs and lower raw material costs.

During the period the company received additional priority approval from the Fundo de Marinha Mercante for shipyard expansion and multipurpose vessel construction totalling US$227.3 million.

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 60 and joined the Group in 1991. He is the managing partner of the Brazilian law firm of Gouvêa Vieira Advogados. He is a member of the Board of Concremat Engenharia, PSA Finance Brasil, Wilson Sons Limited and a member of the consultative Board of PSA Peugeot Citroen do Brasil, Vio;y & Co (New York) and a number of other Companies.

W H Salomon is aged 52 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 68 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 67 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.

Bermuda Office
PO Box HM 2250
504 International Centre
Bermudiana Road
Hamilton HM JX
Bermuda
Website: www.oceanwilsons.bm

Brazilian Business Website
www.wilsonsons.com.br

Registered Office
PO Box HM 1022
Clarendon House
Church Street
Hamilton HM DX
Bermuda

Registrars
Codan Services Limited
Clarendon House
Church Street
Hamilton HM 11
Bermuda

UK Transfer Agent
Capita Registrars
The Registry
34 Beckenham Road
Kent BR3 4TU

Ocean Wilsons Dividend Address
Ocean Wilsons Dividend Election
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Auditors
Deloitte LLP
2 New Street Square
London EC4A 3BZ

Bankers
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 2009.

The Group accounts, presented under International Financial Reporting Standards (IFRS), comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and the related notes 1 – 36.

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 profit after tax on ordinary activities but before minority interests amounted to US$70,200,000 (2008: US$26,700,000 loss).

An interim dividend of 4.0c (2008: 4.0c) gross per share was paid on 25 September 2009 and a second interim dividend of 38.0c (2008: nil) will be paid on the 26 March 2010. The Board is not recommending payment of a final dividend for the year (2008: 26.0c).

Principal Activities
The Group's principal activities during the year were the provision of maritime and logistics services in Brazil and the holding of investments. Details of our activities are set out in the Chairman's statement and Wilson Sons Limited operating review on pages • to •.

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

In accordance with the Company's bye-laws, Mr J F Gouvêa Vieira and Mr A Rozental will retire at the next annual general meeting and, being eligible, offer themselves for re-election. The Directors who held office at 31 December 2009 had the following interest in the Company shares:

	Interest	2009	2008
C F A Cooper	Beneficial	**42,900**	42,900
J F Gouvêa Vieira	Beneficial	**136,600**	136,600
F Gros	Beneficial	**13,000**	13,000
K W Middleton	Beneficial	**10,000**	10,000
W H Salomon*	Beneficial	**4,659,349**	4,659,349

*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 are no service contracts between Mr J F Gouvêa Vieira or Mr A Rozental and the Company.

Employees
The average number of persons, including Directors, employed by the Group was 4,447 (2008: 4,933).

Charitable and Political Donations
During the year Group made charitable donations of US$102,000 (2008: US$74,000) 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$7,035,000 (2008: US$3,296,000) has been included in the 2009 accounts for benefits accruing under the plan. In May 2009 participants forfeited 620,273 units out of 1,757,151 in the plan in return for a guaranteed deferred bonus scheme of US$8.9 million.

On 9 April, 2007, the boards of Ocean Wilsons Holdings 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$10,591,000 (2008: US$1,167,000) has been included in the 2009 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 2010 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	3,036,761	8.6

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 Mr Nicholas B. Dill Jnr and Codan Trustees (BVI) Limited.

Report of the Directors

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.

Investment management fee
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 2009 no performance fee was payable as the high water mark was not exceeded.

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 both consisting of all the non-executive directors, operating within defined terms of reference. The Chairman of both committees is Mr J F Gouvêa Vieira. The audit committee:

- monitors the financial reporting process;
- monitors the effectiveness of the internal controls and risk management systems;
- monitors the statutory audit of the annual and consolidated accounts;
- reviews and monitors the independence of the statutory auditor, and in particular the provision of additional services to the issuer.

Going Concern
The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US$207.5 million in cash and cash equivalents and the Groups borrowings have a long maturity profile. The Group's business activities together with the factors likely to affect its future development and performance are set out in the Chairman's statement, operating review and investment managers report on pages • to •. The financial position, cash flows and borrowings of the Group are set out in the Financial review in pages • to •. In addition note 36 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 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 Company 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
23 March 2010

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 2009 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes 1 to 36. 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 2009 and of its profit 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
23 March 2010

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2009

	Notes	**Year to 31 December 2009 US$'000**	Year to 31 December 2008 US$'000
Revenue	3	**477,888**	498,285
Raw materials and consumables used		**(49,570)**	(86,480)
Employee benefits expense	6	**(162,367)**	(130,189)
Depreciation & amortisation expense	5	**(32,066)**	(26,259)
Other operating expenses		**(155,042)**	(157,699)
Profit on disposal of property, plant and equipment		**470**	681
Operating profit		**79,313**	98,339
Investment revenue	7	**35,613**	6,751
Other gains and losses	8	**34,305**	(59,462)
Finance costs	9	**(9,411)**	(14,078)
Profit before tax		**139,820**	31,550
Income tax expense	10	**(31,228)**	(38,641)
Profit/(loss) for the period		**108,592**	(7,091)
Other comprehensive income			
Available for sale financial assets:			
Gains/(losses) arising during the period:		**–**	(2,341)
Exchange differences arising on translation of foreign operations		**16,072**	(16,119)
Other comprehensive income/(loss) for the period		**16,072**	(18,460)
Total comprehensive income/(loss) for the period		**124,664**	(25,551)
Profit/(loss) for the period attributable to:			
Equity holders of parent		**70,200**	(26,700)
Minority interests		**38,392**	19,609
		108,592	(7,091)
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of parent		**79,059**	(40,087)
Minority interests		**45,605**	14,536
		124,664	(25,551)
Earnings/(loss) per share			
Basic and diluted	12	**198.5c**	(75.5c)

Consolidated Balance Sheet

as at 31 December 2009

	Notes	**Year to 31 December 2009 US$'000**	Year to 31 December 2008 US$'000
Non-current assets			
Goodwill	13	**15,612**	15,612
Other intangible assets	14	**2,239**	1,799
Property, plant and equipment	15	**438,892**	305,035
Deferred tax assets	24	**25,499**	10,889
Other non-current assets	27	**10,521**	8,065
		492,763	341,400
Current assets			
Inventories	19	**20,687**	9,401
Trading investments	18	**249,778**	209,994
Trade and other receivables	21	**107,075**	78,826
Cash and cash equivalents		**196,428**	205,315
		573,968	503,536
Total assets		**1,066,731**	844,936
Current liabilities			
Trade and other payables	26	**(98,690)**	(66,093)
Current tax liabilities		**(853)**	(1,102)
Obligations under finance leases	25	**(3,902)**	(1,116)
Bank overdrafts and loans	22	**(18,146)**	(17,777)
		(121,591)	(86,088)
Net current assets		**452,377**	417,448
Non-current liabilities			
Bank loans	22	**(237,271)**	(167,439)
Deferred tax liabilities	24	**(16,140)**	(15,726)
Provisions	27	**(9,831)**	(8,454)
Obligations under finance leases	25	**(8,653)**	(3,138)
		(271,895)	(194,757)
Total liabilities		**(393,486)**	(280,845)
Net assets		**673,245**	564,091
Capital and reserves			
Share capital	28	**11,390**	11,390
Retained earnings		**435,844**	376,253
Capital reserves		**31,760**	31,760
Translation reserve		**14,030**	5,171
Equity attributable to equity holders of the parent		**493,024**	424,574
Minority interests		**180,221**	139,517
Total equity		**673,245**	564,091

The accounts on pages 24 to 60 were approved by the Board on 23 March 2010. 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 2009

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 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)	(40,087)	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
For the year ended 31 December 2009								
Balance at 1 January 2009	11,390	376,253	31,760	–	5,171	424,574	139,517	564,091
Currency translation adjustment	–	–	–	–	8,859	8,859	7,213	16,072
Profit for the period	–	70,200	–	–	–	70,200	38,392	108,592
Total income and expense for the period	–	70,200	–	–	8,859	79,059	45,605	124,664
Dividends	–	(10,609)	–	–	–	(10,609)	(6,682)	(17,291)
Increase in capital	–	–	–	–	–	–	1,781	1,781
Balance at 31 December 2009	11,390	435,844	31,760	–	14,030	493,024	180,221	673,245

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 Limited share capital.

Investment revaluation reserve

The investment revaluation reserve was the difference between the cost of the available for sale investment and the market value at the balance sheet date. The investment was disposed of during the financial year ended 31 December 2008.

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 2009

	Notes	**Year to 31 December 2009 US$'000**	Year to 31 December 2008 US$'000
Net cash inflow from operating activities	29	**52,238**	52,112
Investing activities			
Interest received		**10,379**	23,554
Dividends received from trading investments		**1,487**	2,250
Proceeds on disposal of trading investments		**104,941**	115,683
Income from underwriting activities		**2**	390
Proceeds on disposal of property, plant and equipment		**751**	1,950
Purchases of property, plant and equipment		**(139,742)**	(90,190)
Purchases of trading investments		**(110,420)**	(112,305)
Net cash outflow arising on purchase of minority interest		**–**	(5,059)
Net cash inflow arising on increase in capital in minority interest		**1,781**	–
Net cash used in investing activities		**(130,821)**	(63,727)
Financing activities			
Dividends paid	11	**(10,609)**	(14,146)
Dividends paid to minority shareholders in subsisdiary		**(6,682)**	(6,682)
Repayments of borrowings		**(16,848)**	(13,449)
Repayments of obligations under finance leases		**(3,844)**	(1,980)
New bank loans raised		**83,894**	49,067
Increase in bank overdrafts		**114**	113
Net cash from financing activities		**46,025**	12,923
Net (decrease)/increase in cash and cash equivalents		**(32,558)**	1,308
Cash and cash equivalents at beginning of year		**205,315**	227,641
Effect of foreign exchange rate changes		**23,671**	(23,634)
Cash and cash equivalents at end of year		**196,428**	205,315

Notes to the Accounts

for the year ended 31 December 2009

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:

IAS 24	(Amended) Related party disclosures
IAS 27	(Revised 2008) Consolidated and separate financial statements
IAS 32	(Amended) Financial instruments: Presentation – Classification of Rights issues
IAS 39	(Amended) Financial instruments: Recognition and Measurement – Eligible Hedged Items
IFRS 2	(Amended) Share-based payment – Group Cash Settled Share-based payments
IFRS 3	(Revised 2008) Business combinations
IFRS 9	Financial Instruments
IFRIC 12	Service concession arrangements
IFRIC 14	(Amended) Prepayments of a Minimum Funding Requirements
IFRIC 17	Distribution of non cash assets to owners
IFRIC 18	Transfers of assets from customers
IFRIC 19	Extinguishing liabilities with equity instruments

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 Financial instruments IFRS 9 when this standard comes into effect for periods commencing on or after 1 January 2013.

The Group has adopted, with effect from 1 January 2009, IFRS 8 Operating Segments, IAS 1 Presentation of Financial Statements – Revised, IAS 23 Borrowing Costs – Revised and IFRS 7 Financial Instruments: Disclosures – Amendment. The adoption of IFRS 8 has resulted in a change in the segmental disclosure, with fewer segments being disclosed, which is in line with internal management reporting. The adoption of IAS 1 has resulted in changes to the presentation of the primary financial statements. The Group has adopted IAS 23 Borrowing costs in the current year. 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 $1.2 million higher. The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

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.

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 directors have, at the time of approving the financial statements, a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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.

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

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

- in respect of tax payable on undistributed earnings of subsidiaries 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 incurred on qualifying fixed assets are capitalised 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.

2 Significant accounting policies and critical accounting judgements (continued)

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 intially 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 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.

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.

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

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.

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.

2 Significant accounting policies and critical accounting judgements (continued)

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 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 excercise price is expressed. Forfeiture rates are applied and historical distributions to fair valuations in computing the share based payment charge. The Group uses forfeiture rates in line with management's best estimate of the percentage of awards which will be forfeited, based on the proportion of award holders expected to leave the Group.

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

Depreciation

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

3 Revenue

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

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Sales of services	**455,801**	449,652
Revenue from construction contracts	**22,087**	48,633
	477,888	498,285
Investment income (note 7)	**35,613**	6,751
	513,501	505,036

All revenue is derived from continuing operations

Notes to the Accounts

4 Business and geographical segments

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to the segments and to assess their performance. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

Business segments

Ocean Wilsons Holdings has two reportable segments: Maritime services and investments.

The martime services segment provides towage, port terminals, ship agency, offshore, logistics and vessel construction services in Brazil.
The investment segment holds a portfolio of international investments.

Segment information relating to these businessess is presented below.

For the year ended 31 December 2009

	Maritime Services Year ended 31 December 2009 US$'000	Investment Year ended 31 December 2009 US$'000	Unallocated Year ended 31 December 2009 US$'000	Consolidated Year ended 31 December 2009 US$'000
Revenue	477,888	–	–	477,888
Result				
Segment result	96,303	(2,605)	(14,385)	79,313
Investment revenue	34,343	1,208	62	35,613
Other gains and losses	–	34,305	–	34,305
Finance costs	(9,411)	–	–	(9,411)
Profit before tax	121,235	32,908	(14,323)	139,820
Tax	(31,140)	(88)	–	(31,228)
Profit after tax	90,095	32,820	(14,323)	108,592
Other information				
Capital additions	(149,553)	–	–	(149,553)
Depreciation and amortisation	(32,065)	–	(1)	(32,066)
Balance Sheet				
Assets				
Segment assets	808,665	247,180	10,886	1,066,731
Liabilities				
Segment liabilities	(383,247)	(409)	(9,830)	(393,486)

4 Business and geographical segments (continued)

For the year ended 31 December 2008

	Maritime Services Year ended 31 December 2008 US$'000	Investment Year ended 31 December 2008 US$'000	Unallocated Year ended 31 December 2008 US$'000	Consolidated Year ended 31 December 2008 US$'000
Revenue	498,285	–	–	498,285
Result				
Segment result	96,436	(3,041)	4,944	98,339
Investment revenue	3,369	2,734	648	6,751
Other gains and losses	–	(59,462)	–	(59,462)
Finance costs	(14,078)	–	–	(14,078)
Profit before tax	85,727	(59,769)	5,592	31,550
Tax	(38,725)	84	–	(38,641)
Profit after tax	47,002	(59,685)	5,592	(7,091)
Other information				
Capital additions	(93,536)	–	(6)	(93,542)
Depreciation and amortisation	(26,258)	–	(1)	(26,259)
Balance Sheet				
Assets				
Segment assets	610,692	213,774	20,470	844,936
Liabilities				
Segment liabilities	(276,610)	(437)	(3,798)	(280,845)

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

Unallocated includes corporate costs assets and liabilities including the Ocean Wilsons Holdings Limited long term incentive plan. The long term incentive plan is a cash settled phantom option scheme linked to the Wilson Sons Limited share price. The scheme is fair valued using a Binomial model at each reporting date.

Geographical Segments

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

All the Group's sales are derived in Brazil.

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	
	31 December 2009 US$'000	31 December 2008 US$'000	**Year ended 31 December 2009 US$'000**	Year ended 31 December 2008 US$'000
Brazil	**713,816**	501,286	**149,553**	93,536
Bermuda	**350,736**	341,129	**–**	6
Other	**2,179**	2,521	**–**	–
	1,066,731	844,936	**149,553**	93,542

Notes to the Accounts

5 Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Net foreign exchange (gains)/losses	**25,769**	(26,003)
Depreciation of property, plant and equipment	**31,917**	25,960
Amortisation of intangible assets	**149**	299
Operating lease rentals	**12,440**	12,058
Auditors' remuneration (see below)	**837**	938
Non-executive directors emoluments	**230**	220

A more detailed analysis of auditors remuneration is provided below:

	2009	2008
Statutory audit	**752**	849
Further assurance services	**72**	83
Other services	**13**	6
	837	938

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 2009, the Group was able to meet such requirements and recognised US$6.5 million (2008: US$22.4 million) as a credit in the Consolidated Statement of Comprehensive Income for that year. The Group concluded the process in 2009.

6 Employee benefits expense

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Aggregate remuneration comprised:		
Wages and salaries	**117,095**	110,665
Share based payment expense	**17,174**	(8,148)
Social security costs	**27,370**	26,623
Other pension costs	**728**	1,049
	162,367	130,189

7 Investment revenue

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Interest on bank deposits	**10,379**	23,554
Exchange gains/(losses) on cash	**23,671**	(23,634)
Dividends from equity investments	**1,487**	2,250
Investment revenues from underwriting activities	**76**	390
Profit on sale of investment	**–**	4,191
	35,613	6,751

In the financial year ended 31 December 2008 the profit on sale of investment of US$4,191,000 arose from the disposal of the Group's investment in Barcas S.A Transportes Maritimos.

8 Other gains and losses

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Increase/(decrease) in fair value of trading investments held at year end	**36,337**	(65,406)
(Loss)/profit on disposal of trading investments	**(2,032)**	5,944
	34,305	(59,462)

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

9 Finance costs

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Interest on bank overdrafts and loans	**7,580**	7,028
Exchange (gain)/losses on foreign currency borrowings	**(2,098)**	2,369
Interest on obligations under finance leases	**1,254**	677
Total borrowing costs	**6,736**	10,074
Other interest	**2,675**	4,004
	9,411	14,078

Borrowing costs incurred on qualifying assets of US$728,000 (2008: nil) were capitalised in the period.

10 Taxation

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Current		
Brazilian taxation		
Corporation tax	**31,429**	22,923
Social contribution	**12,031**	9,310
Total Brazilian current tax	**43,460**	32,233
UK corporation tax	**187**	–
Total current tax	**43,647**	32,233
Deferred tax		
Charge/(credit) for the year in respect of deferred tax liabilities	**23,507**	(22,635)
(Credit)/charge for the year in respect of deferred tax assets	**(35,926)**	29,043
Total deferred tax	**(12,419)**	6,408
Total taxation	**31,228**	38,641

Brazilian corporation tax is calculated at 25% (2008: 25%) of the assessable profit for the period.

Brazilian social contribution tax is calculated at 9% (2008: 9%) of the assessable profit for the period.

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.

Notes to the Accounts

10 Taxation (continued)

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

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Profit before tax	**139,820**	31,550
Tax at the standard Brazilian tax rate of 34% (2008: 34%)	**47,539**	10,727
Tax effect of expenses/income that are not included in determining taxable profit	**(12,910)**	9,593
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,401)**	18,321
Tax expense and effective rate for the year	**31,228**	38,641
Effective rate for the year	**22%**	122%

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%.

The majority of items not included in determining taxable profit relate to the exchange effect on non-monetary items and exchange variation on loans.

11 Dividends

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend paid for the year ended 31 December 2008 of 26.0c (2007: 36.0c) per share	**9,194**	12,731
First interim dividend paid for the year ended 31 December 2009 of 4.0c per share (2008: 4.0c)	**1,415**	1,415
	10,609	14,146
Second interim dividend for the year ended 31 December 2009 to be paid 26 March 2010 of 38.0c (2008: 0.0c) per share	**13,438**	–

The interim dividend to be paid on the 26 March 2010 was approved by the Board on the 22 February 2010 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 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Earnings:		
Earnings/(losses) for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	**70,200**	(26,700)
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

	2009	2008
	US$'000	US$'000
Cost and carrying amount		
At 1 January	15,612	13,132
Acquisition of minority interest	–	2,480
At 31 December	15,612	15,612
Goodwill attributed to Tecon Rio Grande	13,132	13,132
Goodwill attributed to Tecon Salvador	2,480	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 (2008: 6% to 8%) and 5.5% to 7% for Tecon Salvador (2008: 5.5% to 7%). 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% (2008: 15%).

14 Other intangible fixed assets

	US$'000
Cost	
At 1 January 2008	3,380
Exchange differences	(752)
Additions	610
At 1 January 2009	3,238
Exchange differences	824
At 31 December 2009	**4,062**
Amortisation	
At 1 January 2008	1,338
Charge for the year	299
Exchange differences	(198)
At 1 January 2009	1,439
Charge for the year	149
Exchange differences	235
At 31 December 2009	**1,823**
Carrying amount	
31 December 2009	**2,239**
31 December 2008	1,799

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.

Notes to the Accounts

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 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 1 January 2009	86,710	228,200	101,677	19,651	436,238
Additions	23,265	3,737	27,172	95,379	149,553
Transfers	–	52,653	–	(52,653)	–
Exchange differences	8,700	–	14,042	–	22,742
Disposals	(6,230)	(472)	(584)	–	(7,286)
At 31 December 2009	**112,445**	**284,118**	**142,307**	**62,377**	**601,247**
Accumulated depreciation and impairment					
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 1 January 2009	21,655	73,770	35,778	–	131,203
Charge for the year	5,112	14,523	12,282	–	31,917
Exchange differences	1,572	–	4,569	–	6,141
Disposals	(6,157)	(165)	(584)	–	(6,906)
At 31 December 2009	**22,182**	**88,128**	**52,045**	**–**	**162,355**
Carrying Amount					
At 31 December 2009	**90,263**	**195,990**	**90,262**	**62,377**	**438,892**
At 31 December 2008	65,055	154,430	65,899	19,651	305,035

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$23.0 million (2008: US$13.8 million) in respect of assets held under finance leases.

Land and buildings with a net book value of US$385,000 (2008: US$299,000) and tugs with a value of US$2,794,000 (2008: US$3,001,000) have been given in guarantee of various legal processes.

The Group has pledged assets having a carrying amount of approximately US$235.4million (2008: US$35.2 million) to secure loans granted to the Group.

At 31 December 2009, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to US$23.7 million (2008: US$23.9 million).

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 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 OFFSHORE S.A. Offshore	Brazil	58.25%	Consolidation
WILSON, SONS S.A., COMÉRCIO, INDÚSTRIA, E AGÉNCIA DE NAVEGAÇÃO LTDA Shipbuilders	Brazil	58.25%	Consolidation
WILSON, SONS ESTALEIRO LTDA Shipbuilders	Brazil	58.25%	Consolidation
WILSON SONS AGENCIA MARÍTIMA LTDA. Ship Agents	Brazil	58.25%	Consolidation
WILSON, SONS NAVEGAÇÃO 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
WILSON, SONS APOIO MARITIMO LTDA Tug operator	Brazil	58.25%	Consolidation
WILSON SONS OPERACOES MARÍTIMAS ESPECIAS LTDA. Tug operator	Brazil	58.25%	Consolidation
BRASCO LOGÍSTICA OFFSHORE LTDA Port 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 a private investment funds Hydrus Fundo de Investimento Multimercado in unit trusts.

This fund is administrated by Itau bank and the investment policy and objectives are determined by the Group's treasury department in line with Group policy.

Notes to the Accounts

16 Subsidiaries (continued)

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$0.3 million (2008: US$5.7 million) and US$0.3 million (2008: US$5.7 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 Group's financial statements as a result of proportionate consolidation of joint ventures.

	2009 **US$'000**	2008 US$'000
Current assets	3,639	3,457
Non-current assets	2,297	1,438
Current liabilities	(4,744)	(3,377)
Non-current liabilities	(21)	(54)

	2009 **US$'000**	2008 US$'000
Income	15,963	18,831
Expenses	(14,748)	(10,102)

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

On 6 November 2009 the Group sold its 33.3% participation in the joint venture Dragaport Engenharia Ltda to our partner Serveng Civilsan S.A.

18 Investments

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Trading investments		
At 1 January	**209,994**	272,834
Additions, at cost	**110,420**	112,305
Disposals, at market value	**(104,941)**	(115,683)
Increase/(decrease) in fair value of trading investments held at year end	**36,337**	(65,406)
(Loss)/profit on disposal of trading investments	**(2,032)**	5,944
At period end	**249,778**	209,994
Ocean Wilsons Investment Limited Portfolio	**238,662**	209,994
Wilson Sons Limited	**11,116**	–
Trading investments held at fair value at period end	**249,778**	209,994

Wilson Sons Limited

During 2009 Wilson Sons Limited invested in Real denominated fixed rate certificates. The Wilson Sons Limited investments are held and managed separately from the Ocean Wilsons Investment Portfolio.

Ocean Wilsons Investment Limited

The Ocean Wilsons Investments Limited, portfolio of trading investments are designated as fair value through profit and 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$260,000) in support of the Group's insurance underwriting activities at Lloyds is secured against the trading investment portfolio.

19 Inventories

	2009 US$'000	2008 US$'000
Raw materials and spare parts	**20,687**	9,401

20 Construction contracts

	2009 US$'000	2008 US$'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	**(12,400)**	(1,955)
	(12,400)	(1,955)
Contract costs incurred plus recognised profits less recognised losses to date	**22,807**	40,928
Less progress billings	**(35,207)**	(42,883)
	(12,400)	(1,955)

Notes to the Accounts

21 Trade and other receivables

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Trade and other receivables		
Amount receivable for the sale of services	**51,496**	36,192
Allowance for doubtful debts	**(1,637)**	(2,761)
	49,859	33,431
Income taxation recoverable	**5,485**	2,676
Prepayments and accrued income	**51,731**	42,719
	107,075	78,826

Included in the Group's trade receivable balances are debtors with a carrying amount of US$6.9 million (2008: US$1.6 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	2009 US$'000	2008 US$'000
From 0 – 30 days	**5,051**	1,369
From 31 – 90 days	**1,440**	188
From 91 – 180 days	**443**	76
more than 180 days	**–**	–
Total	**6,934**	1,633

The average credit period taken on services ranges from zero to 30 days. Interest is charged at up to 1% per month on the oustanding 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$1.6 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	2009 US$'000	2008 US$'000
From 0 – 30 days	**–**	–
From 31 – 90 days	**–**	–
From 91 – 180 days	**–**	–
more than 180 days	**1,637**	2,761
Total	**1,637**	2,761

Movement in the allowance for doubtful debts	2009 US$'000	2008 US$'000
Balance at the beginning of the year	2,761	4,208
Amounts written off as uncollectable	(4,177)	(1,277)
Amounts recovered during the period		
Increase in allowance recognised in profit or loss	2,423	397
Exchange differences	630	(567)
Balance at the end of the period	1,637	2,761

In determining recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was intially 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 (US$67.2 million). 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.

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 as cash equivalents as despite the certificates of deposit having maturities up to March 2015, 96% of funds invested are available on call and the balance on one day's 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 April 2010 to March 2015. 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 Ocean Wilsons Investments Limited'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.

Notes to the Accounts

22 Borrowings

	Interest	**Year ended 31 December 2009 US$'000**	Year ended 31 December 2008 US$'000
Unsecured borrowings			
Bank overdrafts	13.25% p.a	**227**	113
Secured borrowings			
Bank loans			
BNDES – $Real	4.5% to 14.0% p.a	**5,089**	–
BNDES – US$	2.64% to 5% p.a	**230,563**	159,721
IFC – $Real	14.09% p.a	**5,458**	4,067
IFC – US$	3.18% to 8.49% p.a	**14,080**	21,315
		255,190	185,103
Total borrowings		**255,417**	185,216

The borrowings are repayable as follows:	**2009**	2008
On demand or within one year	**18,146**	17,777
In the second year	**20,545**	15,095
In the third to fifth years inclusive	**60,166**	43,321
After five years	**156,560**	109,023
Total borrowings	**255,417**	185,216
Amounts due for settlement within 12 months	**(18,146)**	(17,777)
Amounts due for settlement after 12 months	**237,271**	167,439

Analysis of borrowings by currency:

	$Real US$'000	$Real linked to US Dollars US$'000	US Dollars US$'000	Total US$'000
31 December 2009				
Bank overdrafts	227	–	–	227
Bank loans	10,547	230,563	14,080	255,190
Total	10,774	230,563	14,080	255,417
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

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. The majority of loans received from the BNDES are $Real denominated loans linked to the US Dollar and are monetarily corrected by the movement in the US Dollar/$Real exchange rate and bear interest of between 2.64% and 5.0% per annum. The amounts outstanding at 31 December 2009 are repayable over periods varying up to 21 years. The BNDES also finances equipment for Logistic operations with $Real denominated loans.

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.

22 Borrowings (continued)

US dollar denominated loans consist of variable rate and fixed rate loans. Variable rate loans bear interest at between six month Libor per annum plus 2.5% and six month Libor plus 4%. 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 2009 are repayable over periods varying up to 7 years.

The weighted average interest rates paid were as follows:

	Year ended 2009	Year ended 2008
Bank overdrafts	**13.3%**	15.1%
Bank loans in US Dollars and linked to the US Dollar	**3.2%**	3.8%
Bank loans in Real	**11.0%**	14.1%

At 31 December 2009, the Group had available US$102.3 million of undrawn committed borrowings facilities available in respect of which all conditions precedent had been met (2008: US$34.0 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 2009, 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 2009 or 31 December 2008.

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 differences US$'000	Tax losses US$'000	Retranslation of non-current asset valuation US$'000	Total US$'000
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 1 January 2009	**(13,243)**	**1,906**	**10,524**	**–**	**(4,024)**	**(4,837)**
(Charge)/credit to income	(8,351)	(15,156)	840		35,086	12,419
Exchange differences	–	3	1,774	–	–	1,777
At 31 December 2009	**(21,594)**	**(13,247)**	**13,138**	**–**	**31,062**	**9,359**

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

	2009 US$'000	2008 US$'000
Deferred tax liabilities	**(16,140)**	(15,726)
Deferred tax assets	**25,499**	10,889
	9,359	(4,837)

Notes to the Accounts

24 Deferred tax (continued)

At the balance sheet date the Group had unused tax losses of US$23,664,000 (2008: US$9,564,000) available for offset against future profits in the company in which they arose. No deferred tax asset has been recognised in respect of US$23,664,000 (2008: US$9,564,000) due to the structure of the Group and inability to transfer losses within Brazilian companies.

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	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Amounts payable under finance leases				
Within one year	**5,263**	1,616	**3,902**	1,116
In the second to fifth years inclusive	**9,950**	4,025	**8,653**	3,138
After five years	**–**	–	**–**	–
	15,213	5,641	**12,555**	4,254
Less future finance charges	**(2,658)**	(1,387)	**N/A**	N/A
Present value of lease obligations	**12,555**	4,254		
Less: Amounts due for settlement within 12 months (shown under current liabilities)			**(3,902)**	(1,116)
Amount due for settlement after 12 months			**8,653**	3,138

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 2009 the average effective borrowing rate was 15.21% (2008: 15.25%). 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 10.05% to 20.39%.

All lease obligations are denominated in Brazilian Real.

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

26 Trade and other payables

	2009 US$'000	2008 US$'000
Trade creditors	**47,949**	43,903
Amounts due to construction contract customers (note 20)	**12,400**	1,955
Other taxes	**11,847**	9,833
Accruals and deferred income	**8,868**	5,939
Share based payment liability	**17,626**	4,463
	98,690	66,093

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

The average credit period for trade purchases is forty eight days (2008: forty three 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.

27 Provisions

	US$'000
At 1 January 2009	8,454
Additional provision in the year	2,192
Reversal of provision in the year	(3,846)
Exchange difference	3,031
At 31 December 2009	**9,831**

Included in current liabilities	–
Included in non-current liabilities	9,831
	9,831

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

Analysis of provisions by type.

	2009 US$'000	2008 US$'000
Civil and environmental cases	**781**	2,369
Tax cases	**921**	1,290
Labour claims	**8,129**	4,795
	9,831	8,454

Civil and environmental cases: Indemnification for damages caused by floating craft accidents. These claims relate to environmental causes.

Tax cases: Brazilian taxes that the Group and its advisors consider incorrectly applied against the Group and are contesting in legal actions.

Labour claims: These lawsuits relate to employee claims about salary differences, unpaid overtime worked, labour risks and work accident claims.

Included in other non-current assets is US$7.9 million (2008: US$8.1 million) of legal deposits required by the Brazilian legal authorities as security to contest legal actions.

28 Share capital

	2009 US$'000	2008 US$'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.

Notes to the Accounts

29 Notes to the cash flow statement

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Reconciliation from profit before tax to net cash from operating activities		
Profit before tax	**139,820**	31,550
Investment revenues	**(35,613)**	(6,751)
Other gains and losses	**(34,305)**	59,462
Finance costs	**9,411**	14,078
Operating profit	**79,313**	98,339
Adjustments for:		
Depreciation of property, plant and equipment	**31,917**	25,960
Amortisation of intangible assets	**149**	299
Share based payment expense	**17,174**	(8,148)
Gain on disposal of property, plant and equipment	**(470)**	(681)
Increase/(decrease) in provisions	**1,377**	(4,030)
Operating cash flows before movements in working capital	**129,460**	111,739
Increase in inventories	**(11,286)**	(2,022)
Increase in receivables	**(25,440)**	(9,253)
Increase/(decrease) in payables	**9,748**	(6,887)
(Increase)/decrease in other non-current assets	**(2,456)**	3,056
Cash generated by operations	**100,026**	96,633
Income taxes paid	**(38,550)**	(33,067)
Interest paid	**(9,238)**	(11,454)
Net cash from operating activities	**52,238**	52,112

Cash and cash equivalents held in Brazil amount to US$94.9 million (2008: US$71.8 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$8.9 million (2008: US$3.9 million) were financed by new finance leases.

30 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. The total estimated contingent claims at 31 December 2009 is US$60.4 million (2008: US$32.0 million). These have not been provided for as the Directors and the Group's legal advisors do not consider that there is any probable loss. Contingent liabilities relate to labour, civil and tax claims. The increase in contingent claims over 2008 is principally due to the exchange effect from the appreciation of the Real against the US Dollar and a new class of labour claim instigated in the period. Preliminary judicial decisions relating to this new claim class have been favourable to the Group.

31 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 the 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 exercise. 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. In May 2009 participants forfeited 620,273 options in return for a guaranteed deferred bonus scheme to be paid in 4 tranches from June 2009 to June 2012. Each tranche is US$2.2 million.

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

	2009 Number of share options	2008 Number of share options
Outstanding at the beginning of the period	**1,757,151**	1,757,151
Granted during the period	**–**	–
Forfeited during the period	**(620,273)**	–
Exercised during the period	**(280,280)**	–
Outstanding at the end of the period	**856,598**	1,757,151

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

	2009 US$'000	2008 US$'000
Liability at 1 January	**3,296**	10,013
Charge for the year	**7,750**	–
Reversal of accrual in the year	**–**	(6,717)
Exercise of options	**(4,011)**	–
Liability at 31 December	**7,035**	3,296

The group has recorded liabilities of US$7,035,000 (2008: US$3,296,000) in respect of this scheme. Fair value is determined by using the Binomial model using the assumptions noted in the table below.

	2009	2008
Weighted average option price	**$5.66**	$5.66
Expected volatility	**45% – 50%**	40%
Average expected life	**10 years**	10 years
Average risk free rate	**0.1 – 1.5%**	0.8 – 1.1%
Expected dividend yield	**2.2%**	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.

There were no exercisable options at period end.

Notes to the Accounts

31 Cash-settled share-based payments (continued)

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. A further 135,000 options were issued under the plan at R$ 18.70 in 2008 and 2009. The awards vest in four tranches from two to six years from date of issue.

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

	2009 Number of share options	2008 Number of share options
Outstanding at the beginning of the period	**3,892,760**	3,837,760
Granted during the period	**20,000**	115,000
Forfeited during the period	**–**	(60,000)
Outstanding at the end of the period	**3,912,760**	3,892,760

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

	2009 US$'000	2008 US$'000
Liability at 1 January	**1,167,000**	2,598,000
Charge/(reversal of accrual) for the year	**9,424,000**	(1,431,000)
Exercise of options	**–**	–
Liability at 31 December	**10,591,000**	1,167,000

The fair value of the Ocean Wilsons Holdings Limited and Wilson Sons Limited schemes increased in value principally due to the increase in the Wilson Sons Limited share price from R$ 10.95 at 31 December 2008 to R$ 21.48 at 31 December 2009.

The group has recorded liabilities of US$10,591,000 (2008: US$1,167,000). Fair value is determined by using the Binomial model using the assumptions noted in the table below.

	2009	2008
Weighted average option price for awards made in 2007	**R$ 23.74**	R$ 23.74
Weighted average option price for awards made in 2008 and 2009	**R$ 18.70**	R$ 17.20
Expected volatility	**34%**	30%
Expected life	**10 years**	10 years
Risk free rate	**9.49%**	11.23%
Expected dividend yield	**2.2%**	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.

At period end there were 944,440 exercisable options.

32 Operating lease arrangements

	2009 US$'000	2008 US$'000
The Group as lessee		
Minimum lease payments under operating leases recognised in expense for the year	**12,440**	12,058

At the balance sheet date, the minimum amount due in 2009 by the Group for future minimum lease payments under cancellable operating leases was US$8,390,000 (2008: $6,638,000).

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 consist 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:

	2009 US$'000	2008 US$'000
Within one year	**1,453**	1,456
In the second to fifth year inclusive	**7,262**	7,525
After five years	**6,295**	7,525
	15,010	16,506

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 2009 is 10 years and 4 months and rental payments are corrected by a Brazilian general inflation index.

33 Commitments

At 31 December 2009 the Group had entered into eight commitment agreements with respect to eight 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 $'000	Year ended Outstanding At 31 December 2009 US$'000	Year ended Outstanding At 31 December 2008 US$'000
Expiry date			
15 May 2010	3,000	**840**	1,200
30 June 2010	991	**161**	253
31 October 2012	3,000	**3,470**	3,904
31 October 2012	5,000	**271**	271
13 March 2013	5,000	**3,342**	3,693
21 May 2013	4,801	**3,834**	–
22 October 2013	5,000	**4,250**	–
08 December 2013	5,000	**5,000**	–
Total	31,792	**21,168**	9,321

Notes to the Accounts

34 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$728,000 (2008: US$1,049,000) represents contributions payable to the scheme by the Group at rates specified in the rules of the plan.

35 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	
	31 December 2009 US$'000	31 December 2008 US$'000	**31 December 2009 US$'000**	31 December 2008 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**618**	688	**–**	(5)
2. Consórcio de Rebocadores Barra de Coqueiros	**257**	221	**(5)**	–
3. Consórcio de Rebocadores Baía de São Marcos	**3,116**	4,749	**(6)**	–
4. Dragaport Engenharia	**344**	–	**–**	(296)
Others				
5. Conyers Dill & Pearman	**–**	–	**–**	(147)
6. Hanseatic Asset Management	**–**	–	**(2,326)**	(2,538)
7. Gouvea Vieira Advogados	**–**	–	**(103)**	(39)
8. CMMR Intermediacao Comercial Limitada	**–**	–	**(343)**	(165)
9. Codan Services Limited	**–**	–	**–**	(130)
10. Internacional Financial Corporation	**–**	–	**–**	(684)
11. Jofran Services	**–**	–	**(60)**	(70)
12. Frag Consulting	**–**	–	**(50)**	(50)
13. P Hamilton-Hill	**273**	–	**–**	–

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2009 US$'000	31 December 2008 US$'000	**31 December 2009 US$'000**	31 December 2008 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**3**	18	**–**	–
2. Consórcio de Rebocadores Barra de Coqueiros	**134**	128	**–**	–
3. Consórcio de Rebocadores Baía de São Marcos	**2,083**	2,796	**(92)**	–
4. Dragaport Engenharia	**–**	–	**–**	–
Others				
5. Conyers Dill & Pearman	**–**	–	**–**	(141)
6. Hanseatic Asset Management	**–**	–	**(207)**	(195)
7. Gouvea Vieira Advogados	**–**	–	**–**	–
8. CMMR Intermediacao Comercial Limitada	**–**	–	**–**	–
9. Codan Services Limited	**–**	–	**–**	–
10. Internacional Financial Corporation	**–**	–	**–**	(25,383)
11. Jofran Services	**–**	–	**–**	–
12. Frag Consulting	**–**	–	**–**	–
13. P Hamilton-Hill	**2,642**	–	**–**	–

35 Related party transactions (continued)

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.

1.-4. 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.

5. Mr C F A Cooper retired as a partner in Conyers, Dill and Pearman during 2008. Fees were paid to Conyers Dill & Pearman for legal advice.
6. 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.
7. Dr J F Gouvea Vieira is a managing partner in the law firm Gouvea Vieira Advogados. Fees were paid to Gouvea Vieira Advogados for legal services.
8. Mr C M Marote is a shareholder and Director of CMMR Intermediacao Comercial Limitada. Fees were paid to CMMR Intermediacao Comercial Limitada for consultancy services.
9. Mr C F A Cooper retired as a partner in Conyers, Dill and Pearman during 2008, the owners of Codan Services. Fees were paid to Codan Services for company secretarial services.
10. Internacional Financial Corporation was a minority shareholder of Tecon Salvador S.A. during 2008. 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.
11. Mr J F Gouvea Vieira is a Director of Jofran Services. Directors fees and consultancy fees were paid to Jofran Services.
12. Mr F Gros is a Director of Frag Consulting. Directors fees were paid to Frag Consulting.
13. Mr P Hamilton-Hill is a minority shareholder in Brasco. A loan was made to Mr P Hamilton-Hill.

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 2009 US$'000	Year ended 2008 US$'000
Short-term employee benefits	**10,891**	6,680
Other long-term employee benefits	**1,161**	–
Post-employment benefits	**1,680**	1,787
Share-based payment	**17,174**	(8,148)
	30,906	319

Notes to the Accounts

36 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 2009 US$'000	Year ended 2008 US$'000
Financial assets		
Designated as fair value through profit or loss	**238,662**	209,994
Receivables (including cash and cash equivalents and other non current assets)	**319,655**	289,530
Financial liabilities		
Amortised cost	**(354,815)**	(246,832)

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 and 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.

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

	Liabilities		Assets	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Real	**129,292**	92,961	**327,593**	297,671
Sterling	**530**	771	**44,446**	28,123
Euro	**–**	–	**1,829**	4,932
Yen	**–**	–	**3,815**	6,683
	129,822	93,732	**377,683**	337,409

36 Financial instruments (continued)

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 sensitivity 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% strenthening against the British pound would give an equal and opposite effect.

	Real impact		Sterling impact	
	2009	2008	**2009**	2008
	US$'000	US$'000	**US$'000**	US$'000
Profit or loss	**27,779**	17,726	**(4,369)**	(2,750)
Other equity	**37,733**	23,077	**(4,369)**	(2,750)

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 2009 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.

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 2009 would decrease by US$1.5 million (2008: decrease by US$2.3 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 2009 would increase by US$3.1 million (2008: increase by US$1.4 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.

Notes to the Accounts

36 Financial instruments (continued)

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 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 Groups 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.

	2009 **US$'000**	2008 US$'000
Profit or loss	**23,866**	20,999
Total equity	**23,866**	20,999

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 continously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

36 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
2009					
Non-interest bearing	**–**	**99,543**	**–**	**–**	**99,543**
Finance lease liability	**15.21%**	**5,263**	**9,950**	**–**	**15,213**
Variable interest rate instruments	**3.47%**	**3,701**	**4,966**	**1,635**	**10,302**
Fixed interest rate instruments	**3.99%**	**21,388**	**104,172**	**184,248**	**309,808**
		129,895	**119,088**	**185,883**	**434,866**
2008					
Non-interest bearing	–	67,195	–	–	67,195
Finance lease liability	15.25%	1,616	4,025	–	5,641
Variable interest rate instruments	5.60%	6,892	8,222	2,590	17,704
Fixed interest rate instruments	3.90%	16,042	73,451	131,466	220,959
		91,745	85,698	134,056	311,499

The Group has access to financing facilities, the total unused amount which is US$102.3 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 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.

Notes to the Accounts

36 Financial instruments (continued)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to intial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable data (unobservable inputs).

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at FVTPL				
Non-derivative financial assets for trading	30,326	177,675	30,661	238,662

Reconciliation of Level 3 fair value measurements of financial assets:	US$'000
Balance at 1 January 2009	16,483
Total gains or losses in statement of comprehensive income	4,329
Drawdowns of financial commitments	9,898
Repayments	(49)
Balance at 31 December 2009	30,661

Statistical Statement 2005-2009 (Unaudited)

(in US$'000)

	Year to 31 December 2009 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$'000
Closing rates of exchange – R$ to US$	**1.74**	2.34	1.77	2.14	2.34
Income Statement					
Group revenue	**477,888**	498,285	404,046	334,109	285,227
Group operating profit	**79,313**	98,339	58,508	61,433	33,548
Profit before tax	**139,820**	31,550	303,410	77,648	49,522
Income tax expense	**(31,228)**	(38,641)	(25,723)	(20,765)	(14,865)
Profit/(loss) for the period	**108,592**	(7,091)	277,687	56,883	34,657
Profit/(loss) for the period attributable to:					
Equity holders of parent	**70,200**	(26,700)	258,065	56,077	33,086
Minority interests	**38,392**	19,609	19,622	806	1,571
	108,592	(7,091)	277,687	56,883	34,657
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance Sheet					
Net assets					
Brazilian interests	**297,835**	206,539	195,907	146,135	107,150
Investments held for trading	**238,662**	209,994	272,834	73,192	64,563
Other net assets	**136,748**	147,558	144,317	6,314	(343)
	673,245	564,091	613,058	225,641	171,370
Attributable net assets – per share					
Brazilian interests – book amount	**842c**	584c	554c	413c	303c
Other assets – book and market amount	**1062c**	1011c	1180c	225c	182c
	1904c	1595c	1734c	638c	485c
Key Statistics					
Earnings per share	**198.5c**	(75.5c)	729.8c	158.6c	93.6c
Cash dividends per share paid	**40.0c**	40.0c	24.0c	20.0c	20.0c
Mid-market quotation at end of period	**865p**	460p	792p	548p	352p
Mid-market quotation at end of period in US Dollars	**1378c**	666c	1570c	1073c	606c

Notes

1. Net assets and attributable assets per share have been restated excluding minority interests.

Notice of Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the company will be held at the Washington Mayfair Hotel, 5 Curzon Street, London W15 5HE on 26 April 2010 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 2009.
2. To determine the maximum number of Directors for the ensuing year as seven 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.
3. To re-elect Mr J F Gouvêa Vieira as a Director.
4. To re-elect Mr A Rozental 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 2009.

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

23 March 2010

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 26 April 2010 and at any adjournment thereof. The proxy will vote on the Resolutions as indicated opposite.

	For	Against	Withheld
1 To receive and, if approved adopt the Director´s Report and Accounts for the year ended 31 December 2009.			
2 To determine the maximum number of Directors for the ensuing year as seven 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.			
3 To re-elect Mr J F Gouvêa Vieira as a Director.			
4 To re-elect Mr A Rozental 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 2009.			

Signature ______________________________ Dated ______________ 2010

† **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
Licence Number
RSBH-UXKS-LRBC

PXS
34 Beckenham Road
BECKENHAM
BR3 4TU

First Fold

Second Fold